WGBH Educational Foundation and Subsidiaries

Consolidated Financial Statements
Supplemental Consolidating Information
June 30, 2022 and 2021

WGBH Educational Foundation and Subsidiaries
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Report of Independent Auditors

To the Board of Trustees of
WGBH Educational Foundation

Opinion

We have audited the accompanying consolidated financial statements of WGBH Educational Foundation and its subsidiaries (the "Foundation"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, of functional expenses and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audit and the report of the other auditors, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the consolidated financial statements of PRX, Inc., a subsidiary whose sole member is WGBH Educational Foundation, which statements reflect total assets of $18,800,450 and $20,419,025 as of June 30, 2022 and 2021, respectively, and total revenues of $42,126,937 and $43,641,499 for the years then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for PRX, Inc., is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying consolidating information as of and for the years ended June 30, 2022 and 2021 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, changes in net assets and cash flows of the individual companies.

PricewaterhouseCoopers LLP

Boston, Massachusetts
November 28, 2022

WGBH Educational Foundation and Subsidiaries
Consolidated Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash	$ 61,351,800	$ 76,193,406
Short-term investments	27,162,690	30,866,075
Accounts receivable	34,436,598	36,399,600
Current portion of receivables for asset sales	5,249,841	5,303,235
Current portion of grants receivable, net	4,321,412	4,938,908
Current portion of pledges receivable, net	4,018,679	4,953,912
Film assets	42,577,531	31,504,875
Prepaid expenses and other assets	5,417,481	3,929,970
Assets held for sale	850,000	-
Total current assets	185,386,032	194,089,981
Long-term pledges receivable, net	5,156,403	5,599,866
Long-term grants receivable, net	422,392	646,292
Long-term receivables for asset sales	96,392,890	96,241,187
Radio and television licenses	20,446,713	20,446,713
Intangible assets	380,000	380,000
Other assets	4,488,999	5,110,320
Equity investments	35,439,745	24,113,920
Funds held under bond agreements - restricted	9,246,575	2,053,133
Long-term investments	403,213,247	528,090,772
Right-of-use assets	45,152,892	46,045,306
Property, facilities and equipment, net	150,221,040	150,918,996
Total assets	$ 955,946,928	$ 1,073,736,486
Liabilities		
Current liabilities		
Current maturities of debt	$ 8,121,053	$ 7,558,621
Accounts payable	14,292,020	16,619,652
Accrued expenses	21,396,623	21,360,187
Royalties payable	2,909,178	3,782,375
Accrued bond interest expense	4,981,433	5,075,933
Lease liabilities	1,628,849	1,420,627
Deferred revenue and other liabilities	25,834,585	22,432,048
Total current liabilities	79,163,741	78,249,443
Long-term deferred revenue and other liabilities	61,261,417	64,635,991
Long-term lease liabilities	48,124,861	48,583,445
Long-term debt, net	174,852,936	163,448,768
Accrued bond interest expense	31,381,613	28,922,861
Total liabilities	394,784,568	383,840,508
Commitments and contingencies (Note 13)		
Net assets		
Without donor restrictions: WGBH Educational Foundation	437,237,627	552,891,742
Without donor restrictions: Noncontrolling interest in CDP	992,402	878,654
Total net assets without donor restrictions	438,230,029	553,770,396
With donor restrictions	122,932,331	136,125,582
Total net assets	561,162,360	689,895,978
Total liabilities and net assets	$ 955,946,928	$ 1,073,736,486

The accompanying notes are an integral part of these consolidated financial statements.

WGBH Educational Foundation and Subsidiaries
Consolidated Statement of Activities
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue			
Licensing	$ 50,778,993	$ -	$ 50,778,993
Underwriting	43,700,674	-	43,700,674
Viewer and listener support	37,507,294	-	37,507,294
Grants and contributions	7,258,469	33,406,746	40,665,215
Community service grants from Corporation for Public Broadcasting	8,324,511	-	8,324,511
Royalties	2,140,137	-	2,140,137
Captioning and ancillary services	5,697,048	-	5,697,048
Other services revenue	15,843,675	-	15,843,675
Planned giving	1,918,314	2,488,551	4,406,865
Change in value of split interest agreements	-	(2,478,487)	(2,478,487)
Accretion of interest and other income on long-term receivables	5,401,544	-	5,401,544
Gain on equity investments	15,879,825	-	15,879,825
Investment earnings authorized for operations	18,436,723	(2,114,020)	16,322,703
In-kind contributions and donated services	1,694,902	-	1,694,902
Affiliation fee	4,139,475	-	4,139,475
Distribution fee	6,862,830	-	6,862,830
Miscellaneous income	11,225,910	-	11,225,910
Total operating revenue	236,810,324	31,302,790	268,113,114
Net assets released from restrictions	35,762,656	(35,762,656)	-
Total operating revenue and other support	272,572,980	(4,459,866)	268,113,114
Operating expenses			
Program services			
Programming and production	167,338,197	-	167,338,197
Broadcasting	44,127,453	-	44,127,453
Public information, guides and educational material	13,757,563	-	13,757,563
Total program services	225,223,213	-	225,223,213
Supporting services			
Fundraising and development	17,647,030	-	17,647,030
Underwriting	8,315,896	-	8,315,896
General and administrative	25,035,851	-	25,035,851
Total supporting services	50,998,777	-	50,998,777
Total operating expenses	276,221,990	-	276,221,990
Deficit of operating revenue and other support over operating expenses	(3,649,010)	(4,459,866)	(8,108,876)
Nonoperating gains (losses)			
Total investment loss, net	(95,814,298)	(8,733,385)	(104,547,683)
Investments earnings authorized for operations	(16,322,703)	-	(16,322,703)
Other gains, net	131,896	-	131,896
Nonoperating losses, net	(112,005,105)	(8,733,385)	(120,738,490)
Decrease in net assets: WGBH Educational Foundation	(115,654,115)	(13,193,251)	(128,847,366)
Change in net assets: Noncontrolling interest in CDP	113,748	-	113,748
Total decrease in net assets	(115,540,367)	(13,193,251)	(128,733,618)
Net assets			
Beginning of year	553,770,396	136,125,582	689,895,978
End of year	$ 438,230,029	$ 122,932,331	$ 561,162,360

WGBH Educational Foundation and Subsidiaries
Consolidated Statement of Activities
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating revenue			
Licensing	$ 52,910,971	$ -	$ 52,910,971
Underwriting	45,684,165	-	45,684,165
Viewer and listener support	37,977,986	-	37,977,986
Grants and contributions	8,665,490	32,804,703	41,470,193
Community service grants from Corporation for Public Broadcasting	8,353,043	-	8,353,043
Royalties	14,553,649	-	14,553,649
Captioning and ancillary services	4,708,308	-	4,708,308
Other services revenue	14,369,839	-	14,369,839
Planned giving	2,274,931	3,337,550	5,612,481
Change in value of split interest agreements	-	4,010,573	4,010,573
Accretion of interest and other income on long-term receivables	5,408,875	-	5,408,875
Gain on equity investments	16,288,124	-	16,288,124
Investment earnings authorized for operations	17,504,098	(2,722,005)	14,782,093
In-kind contributions and donated services	993,738	-	993,738
Affiliation fee	4,183,146	-	4,183,146
Distribution fee	6,684,207	-	6,684,207
Miscellaneous income	10,763,890	-	10,763,890
Total operating revenue	251,324,460	37,430,821	288,755,281
Net assets released from restrictions	35,544,514	(35,544,514)	-
Total operating revenue and other support	286,868,974	1,886,307	288,755,281
Operating expenses			
Program services			
Programming and production	163,561,796	-	163,561,796
Broadcasting	48,961,097	-	48,961,097
Public information, guides and educational material	13,397,307	-	13,397,307
Total program services	225,920,200	-	225,920,200
Supporting services			
Fundraising and development	15,065,334	-	15,065,334
Underwriting	8,326,415	-	8,326,415
General and administrative	25,020,297	-	25,020,297
Total supporting services	48,412,046	-	48,412,046
Total operating expenses	274,332,246	-	274,332,246
Surplus of operating revenue and other support over operating expenses	12,536,728	1,886,307	14,423,035
Nonoperating gains (losses)			
Total investment income, net	130,151,673	18,471,252	148,622,925
Investments earnings authorized for operations	(14,782,093)	-	(14,782,093)
Other gains, net	2,311,152	-	2,311,152
Nonoperating gains, net	117,680,732	18,471,252	136,151,984
Net asset transfers	(204,741)	204,741	-
Increase in net assets: WGBH Educational Foundation	130,012,719	20,562,300	150,575,019
Change in net assets: Noncontrolling interest in CDP	26,786	-	26,786
Total increase in net assets	130,039,505	20,562,300	150,601,805
Net assets			
Beginning of year	423,730,891	115,563,282	539,294,173
End of year	$ 553,770,396	$ 136,125,582	$ 689,895,978

The accompanying notes are an integral part of these consolidated financial statements.

WGBH Educational Foundation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
(Decrease) increase in net assets	$ (128,733,618)	$ 150,601,805
Adjustments to reconcile increase (decrease) in net assets to cash used in operating activities		
Change in realized and unrealized gains on investments, split interest agreements, and beneficial interest in perpetual trusts	103,647,434	(154,525,194)
Depreciation and amortization	8,640,202	9,878,173
Amortization of film assets	67,874,828	64,280,724
Amortization of deferred assets and deferred liabilities	152,147	18,954
Amortization of right-of-use assets	2,203,879	2,014,842
Gain on equity investments	(15,879,825)	(16,288,124)
(Gain) loss on disposal of assets	(9,500)	43,796
Gain on forgiveness of debt	(683,233)	(1,603,029)
Contributions of securities	(5,103,132)	(3,089,722)
Proceeds from sale of contributed securities	949,746	2,419,618
Contributions restricted for investment in facilities and endowment	(254,000)	(2,500)
Accretion of interest on long-term receivables for asset sales	(5,401,544)	(5,408,875)
Impairment of held for sale asset	607,806	413,685
Bad debt expense	241,077	342,348
Changes in operating assets and liabilities		
Accounts receivable	1,745,917	94,302
Grants receivable	833,051	(257,627)
Pledges receivable	1,363,050	(3,564,903)
Prepaid expenses and other assets	(1,506,419)	607,172
Receivables for asset sales	5,303,235	5,355,074
Film assets	(77,425,474)	(68,781,029)
Accounts payable	(3,120,320)	4,916,508
Royalties payable	(873,197)	1,001,007
Accrued expenses	106,045	5,277,496
Accrued bond interest	2,364,252	2,347,907
Lease liabilities	(1,551,651)	(1,292,193)
Deferred revenue and other liabilities	25,653	461,671
Cash flows used in operating activities	(44,483,591)	(4,738,114)
Cash flows from investing activities		
Purchases of property, facilities and equipment	(10,502,982)	(3,853,105)
Distributions received from equity investments	4,554,000	15,209,747
Purchases of investments	(74,672,747)	(81,992,096)
Proceeds from sales of investments	100,067,112	102,629,419
Proceeds from the sale of contributed securities	199,804	111,091
Increase in funds held under bond agreement	(7,193,442)	46,770
Cash flows provided by investing activities	12,451,745	32,151,826
Cash flows from financing activities		
Contributions restricted for investment in facilities and endowment	254,000	2,500
Proceeds from split interest agreement distribution for endowment	76,128	1,175,290
Proceeds from the sale of contributed securities	3,906,958	569,698
Principal payments on finance leases	(10,175)	-
Line of credit advances	11,272,542	5,332,690
Line of credit payments	(10,863,625)	(5,272,738)
Proceeds from issuance of long term debt	14,500,000	683,233
Repayment of long-term debt	(1,945,588)	(2,014,365)
Cash flows provided by financing activities	17,190,240	476,308
Net (decrease) increase in cash	(14,841,606)	27,890,020
Cash		
Beginning of year	76,193,406	48,303,386
End of year	$ 61,351,800	$ 76,193,406
Supplemental cash flow information		
Interest paid	$ 6,614,036	$ 6,517,179
In-kind contributions and donated services	1,694,902	993,738
Property, facilities and equipment included in accounts payable and accrued expenses	1,612,932	530,973
Film assets included in accounts payable and accrued expenses	2,370,025	3,892,035

The accompanying notes are an integral part of these consolidated financial statements.

WGBH Educational Foundation and Subsidiaries
Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	2022								
	Program Services				Support Services				
Operating Expenses	Programming and Production	Broadcasting	Public Information, Guides and Educational Material	Total Program Services	Fundraising and Development	Underwriting	General and Administrative	Total Supporting Services	Total Operating Expenses
Salaries and wages	$ 65,553,010	$ 6,980,452	$ 6,915,576	$ 79,449,038	$ 8,067,440	$ 5,618,582	$ 13,492,460	$ 27,178,482	$ 106,627,520
Retirement plan contributions	1,841,088	199,491	109,945	2,150,524	213,250	154,129	424,222	791,601	2,942,125
Other employee benefits	5,649,021	606,654	346,032	6,601,707	684,257	485,946	990,965	2,161,168	8,762,875
Payroll taxes	4,635,199	495,603	280,155	5,410,957	560,240	393,115	1,060,503	2,013,858	7,424,815
Legal fees	345,703	43,284	41,472	430,459	38,884	8,264	389,963	437,111	867,570
Accounting fees	272,442	20,181	12,462	305,085	43,095	9,531	675,111	727,737	1,032,822
Consulting and advisory services	3,655,707	1,191,596	1,551,198	6,398,501	1,440,836	68,575	1,359,194	2,868,605	9,267,106
Marketing and promotions	2,789,697	1,163,355	612,602	4,565,654	1,893,040	286,583	73,260	2,252,883	6,818,537
Information technology	3,909,362	989,599	2,498,697	7,397,658	377,322	214,461	531,893	1,123,676	8,521,334
Occupancy	4,445,961	852,893	226,808	5,525,662	507,228	207,157	1,178,070	1,892,455	7,418,117
Travel	1,758,186	131,522	19,705	1,909,413	80,584	8,801	145,347	234,732	2,144,145
Interest	5,833,049	407,131	279,221	6,519,401	701,030	266,015	1,501,061	2,468,106	8,987,507
Depreciation and amortization	4,692,148	1,799,378	206,050	6,697,576	494,250	180,020	1,244,888	1,919,158	8,616,734
Equipment expense	319,344	19,190	18,139	356,673	25,636	3,872	69,177	98,685	455,358
Insurance	873,034	49,116	23,830	945,980	84,186	18,226	393,224	495,636	1,441,616
Digital services	1,962,443	59,246	57,125	2,078,814	194,288	132,706	461,150	788,144	2,866,958
Rights and licenses	1,561,246	2,575	190,406	1,754,227	1,205	470	-	1,675	1,755,902
Production and acquisitions	54,894,819	7,052,190	150,982	62,097,991	465,202	62,829	124,881	652,912	62,750,903
In-kind	1,053,146	358,415	26,510	1,438,071	80,970	135,789	40,072	256,831	1,694,902
Bad debt	19,244	1,428	25,281	45,953	11,850	6,780	119,736	138,366	184,319
Miscellaneous	1,274,348	5,954	165,367	1,445,669	1,682,237	54,045	760,674	2,496,956	3,942,625
Distribution	-	21,698,200	-	21,698,200	-	-	-	-	21,698,200
Total operating expenses	$ 167,338,197	$ 44,127,453	$ 13,757,563	$ 225,223,213	$ 17,647,030	$ 8,315,896	$ 25,035,851	$ 50,998,777	$ 276,221,990

The accompanying notes are an integral part of these consolidated financial statements.

WGBH Educational Foundation and Subsidiaries
Consolidated Statement of Functional Expenses
Year Ended June 30, 2021

	2021								
	Program Services				Support Services				
Operating Expenses	Programming and Production	Broadcasting	Public Information, Guides and Educational Material	Total Program Services	Fundraising and Development	Underwriting	General and Administrative	Total Supporting Services	Total Operating Expenses
Salaries and wages	$ 61,987,801	$ 7,395,675	$ 6,404,471	$ 75,787,947	$ 7,244,852	$ 5,603,582	$ 12,320,516	$ 25,168,950	$ 100,956,897
Retirement plan contributions	1,736,420	217,672	93,369	2,047,461	195,899	153,268	388,707	737,874	2,785,335
Other employee benefits	5,719,298	589,260	504,906	6,813,464	644,027	512,702	931,651	2,088,380	8,901,844
Payroll taxes	4,451,697	535,542	243,052	5,230,291	509,313	397,417	964,568	1,871,298	7,101,589
Legal fees	305,672	66,004	14,368	386,044	31,928	8,231	279,293	319,452	705,496
Accounting fees	256,657	18,262	12,584	287,503	43,504	9,751	805,533	858,788	1,146,291
Consulting and advisory services	3,695,996	1,373,918	2,734,440	7,804,354	431,345	181,452	906,415	1,519,212	9,323,566
Marketing and promotions	2,619,881	1,473,517	530,531	4,623,929	1,459,302	240,828	46,319	1,746,449	6,370,378
Information technology	3,677,709	1,142,590	1,754,225	6,574,524	381,061	218,374	465,495	1,064,930	7,639,454
Occupancy	4,448,560	675,959	194,918	5,319,437	459,799	192,807	1,435,200	2,087,806	7,407,243
Travel	268,706	11,272	1,281	281,259	3,609	1,857	11,231	16,697	297,956
Interest	5,552,405	386,211	273,481	6,212,097	678,908	263,127	1,781,383	2,723,418	8,935,515
Depreciation and amortization	4,925,361	1,762,906	204,182	6,892,449	481,969	179,021	2,275,872	2,936,862	9,829,311
Equipment expense	466,386	34,830	25,512	526,728	35,329	6,302	135,595	177,226	703,954
Insurance	663,831	33,802	20,840	718,473	72,144	16,149	434,400	522,693	1,241,166
Digital services	2,092,689	42,404	96,475	2,231,568	107,211	107,010	453,518	667,739	2,899,307
Rights and licenses	5,153,426	7,185	8,323	5,168,934	3,557	328	-	3,885	5,172,819
Production and acquisitions	53,417,597	8,963,468	140,123	62,521,188	465,389	54,909	106,958	627,256	63,148,444
In-kind	228,184	-	27,986	256,170	85,476	105,556	42,302	233,334	489,504
Bad debt	36,359	2,724	50,148	89,231	43,164	9,572	415,137	467,873	557,104
Miscellaneous	1,857,161	104,529	62,092	2,023,782	1,687,548	64,172	820,204	2,571,924	4,595,706
Distribution	-	24,123,367	-	24,123,367	-	-	-	-	24,123,367
Total operating expenses	$ 163,561,796	$ 48,961,097	$ 13,397,307	$ 225,920,200	$ 15,065,334	$ 8,326,415	$ 25,020,297	$ 48,412,046	$ 274,332,246

The accompanying notes are an integral part of these consolidated financial statements.

1. Summary of Significant Accounting Policies

Basis of Financial Statement Presentation

The consolidated financial statements of WGBH Educational Foundation and Subsidiaries (the "Foundation") include the accounts of WGBH Educational Foundation and its wholly owned affiliated stations (WGBH-TV, WGBX-TV, WGBH-Radio, WCRB-Radio, WCAI-Radio, WNAN-Radio and Public Television Playhouse), collectively referred to herein as "GBH", as well as its subsidiaries PRX, Inc. ("PRX"), Contributor Development Partnership ("CDP") and New England Public Media, Inc. ("NEPM").

GBH is the sole corporate member of PRX and NEPM. PRX is a consolidated organization made up of PRX, Inc. and Public Radio International, Inc. ("PRI").

The Foundation held an 89% equity interest in CDP during the years ended June 30, 2022 and 2021, respectively. The Foundation has included CDP in the consolidated financial statements for the years ended June 30, 2022 and 2021, in accordance with ASC 810 *Consolidation*. The portion of CDP's shareholder's equity owned by other investors is reflected in the consolidated statement of financial position and statement of activities as a noncontrolling interest.

All significant intercompany accounts and transactions have been eliminated.

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Net assets are classified as either with donor restrictions or without donor restrictions. In the accompanying consolidated financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are the part of net assets of a not-for-profit entity that are not subject to donor-imposed restrictions. A donor-imposed restriction is a donor stipulation that specifies a use for a contributed asset that is more specific than broad limits resulting from the following: a) the nature of the not-for-profit entity, b) the environment in which it operates and c) the purposes specified in its articles of incorporation or bylaws or comparable documents. This classification includes all revenues, gains and expenses not restricted by donors. The Foundation reports all expenditures in this class of net assets, since the use of restricted contributions in accordance with donors' stipulations results in the release of the restriction.

Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees (the "Board"). Upon approval by the Board, transfers are made between undesignated and board-designated net assets without donor restrictions.

Net Assets with Donor Restrictions

Net assets with donor restrictions are the part of net assets of a not-for-profit entity subject to donor-imposed restrictions. These include contributions for which donor-imposed restrictions have not been met, endowment gifts required to be retained for either a term or in perpetuity, investment income and appreciation on endowment funds, charitable remainder unitrusts, pooled income funds, gift annuities, beneficial interests in perpetual trusts and pledges receivable.

Donor-imposed restrictions may expire due to the passage of time or through actions of the Foundation pursuant to the stipulations of the donor. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as net assets released from restrictions. The Foundation has not elected the simultaneous release option for unconditional nonexchange transactions that are also subject to purpose restrictions. Under this option, net assets without donor restrictions include the donor-restricted gifts and pledges whose purpose restrictions are met in the same reporting year as the revenue is recognized.

The Foundation receives contributions from the Corporation for Public Broadcasting ("CPB"), foundations, major donors, and federal grants for the production of television programming. These contributions are reported as increases in net assets with donor restrictions. The Foundation's policy is to release the contributions into net assets without donor restrictions upon delivery of the completed film. A completed film is defined as a single episode in a television series.

Contributions received which are designated to support purposes other than television programming are released from restriction as costs are incurred on the project.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities in accordance with the overall mission of the Foundation. In the consolidated statement of functional expenses, each functional classification displays all expenses related to the underlying operations by natural classification. Accordingly, certain costs, such as salaries, benefits, depreciation and maintenance have been allocated among the respective program and support services benefited based on total personnel costs or other systematic methods.

Depreciation expense associated with the Foundation's buildings are allocated based on square footage occupancy. Interest expense on external debt is allocated to the functional categories which have benefited from the proceeds of the external debt.

Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the revenues and expenses reported for the period. Significant estimates include radio and television licenses, royalties payable, deferred revenue and other liabilities, and the valuation of nonmarketable investments (Notes 5 and 6). Actual results could differ from those estimates.

Related Parties

The Foundation may procure from time to time certain services from business organizations that employ individuals that are also members of the Foundation's Board. The procurement of these services is performed in accordance with the Foundation's established policies and procedures, and management and the Board report and monitor related party transactions in accordance with the Foundation's Conflict of Interest Policy.

The Chief Executive Officer is a Board member of Public Media Distribution LLC, which conducts business under the name PBS Distribution ("PBSd"), an affiliate in which the Foundation holds a 32% ownership interest at both June 30, 2022 and 2021. In 2022 and 2021, the Foundation provided rental space and administrative support services to PBSd. For the years ended June 30, 2022 and 2021 the Foundation earned $192,000 and $210,000 in rental income, respectively, and has net receivables of $66,000 and $50,000 for administrative support services as of June 30, 2022 and 2021, respectively.

Two executives of the Foundation's affiliates serve as directors on the board of RadioPublic PBC ("RadioPublic"). These individuals include the former Chief Operating Officer of GBH, a nonvoting board member, and the Chief Executive Officer of PRX, a voting board member. The Foundation holds a 13% interest in the voting shares of RadioPublic as of June 30, 2022 and 2021, respectively, valued at a total of $454,000.

There were six members of PRX's board of directors employed by member radio stations and one employed by a corporate funder as of June 30, 2022 and 2021. Revenue recognized from the member stations was $917,000 and $3,478,000 for the fiscal years ended June 30, 2022 and June 30, 2021, respectively. Member stations contributed to expenses in the amount of $3,114,000 and $4,167,000 for the years ended June 30, 2022 and 2021, respectively. For both years, substantially all the activity was related to transactions with one station, incurred in the normal course of PRX's operations. Revenue recognized from the corporate funder was $1,016,000 and $1,266,000 for the years ended June 30, 2022 and 2021, respectively. PRX had accounts receivable of $322,000 and $305,000 from the corporate funder as of June 30, 2022 and 2021, respectively. The corporate funder contributed to expenses in the amount of $344,000 and $436,000 during the years ended June 30, 2022 and 2021, respectively.

Changes in Accounting Principle

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework -Changes to the Disclosure Requirements for Fair Value Measurement*. The amended guidance removes certain disclosure requirements from ASC 820 relating to transfers between Levels 1 and 2, and valuation processes and unrealized gains and losses disclosures relating to Level 3 fair value measurements. The ASU also modified requirements pertaining to the disclosure of changes in Level 3 investments and clarified other aspects of the guidance around measurement uncertainty and liquidation of assets. The Foundation adopted this standard for the year ended June 30, 2021. The standard did not have a material impact to the Foundation.

In March 2019, the FASB issued ASU 2019-02, *Entertainment—Films—Other Assets—Film Costs (Subtopic 926-20) and Entertainment— Broadcasters—Intangibles—Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and License Agreement for Program Materials*. The amendments in this Update align the accounting for production costs of an episodic television series with the accounting for production costs of films by removing the content distinction for capitalization. The amendments also require that an entity reassess estimates of the use of a film in a film group and account for any changes prospectively. The amendments in this Update require that an entity test a film or license agreement for program material within the scope of Subtopic 920-350 for impairment at a film group level when the film or license agreement is predominantly monetized with other films and/or license agreements. A film group is the lowest level at which identifiable cash flows are largely independent of the cash flows of other films and/or license agreements. The amendments also: 1. Add examples of events or changes in circumstances that indicate that an entity should assess a film group for impairment 2. Add examples of events or changes in circumstances that indicate that an entity should assess an individual film for impairment after its release 3. Require an entity to reassess the predominant monetization strategy when a significant change in the monetization strategy occurs 4. Align the impairment model in Subtopic 920-350 with the fair value model in Subtopic 926-20 5. Require an entity to write off unamortized film costs when a film is substantively abandoned. The amendments address presentation and require that an entity provide new disclosures about content that is either produced or licensed, and address cash flow classification for license agreements. The new standard was effective for annual periods beginning after December 15, 2019, or fiscal year 2021 for the Foundation. The standard did not have a material impact to the Foundation.

In September 2020, the FASB issued ASU 2020-07, *Not-for-profit entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this Update require that an NFP present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. In addition, entities are required to disclose (a) a disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets, and (b) additional qualitative and quantitative information for each category of contributed nonfinancial assets recognized. The Foundation adopted this standard during the year ended June 30, 2022. It did not have a material impact on the financial statements.

Revenue Recognition

The Foundation recognizes revenue from a variety of sources, including but not limited to the following:

- Revenue derived from the licensing of films produced by the Foundation is recognized as revenue without donor restrictions when the film is provided to the broadcaster. Consideration is variable; contracts contain provisions for return of unspent funds. Licensing revenue which is unrelated to the production of films is recognized when the asset being licensed is made available to the customer for use.

- Underwriting revenue consists of national and local corporate sponsorship. National corporate underwriting for films is recognized as revenue without donor restrictions when the related film is provided to the broadcaster. For the years ended June 30, 2022 and 2021, national corporate underwriting for films totaled $14,210,000 and $15,695,000, respectively.

- National corporate underwriting raised by PRX to support their operations and local corporate sponsorship supporting GBH and NEPM operations is recognized as revenue without donor restrictions when the related sponsorship credit is run on Foundation broadcasts. For the years ended June 30, 2022 and 2021, national corporate underwriting for PRX totaled $20,593,000 and $22,605,000 and local corporate underwriting for GBH and NEPM totaled $8,854,000 and $7,384,000, respectively.

- Viewer and listener support consists of contributions from the general public to support the general operations of the Foundation and are recognized upon receipt.

- Revenue from unconditional contributions include foundation grants and gifts from major donors. They are recognized as revenue with donor restrictions upon notice of the donor’s unconditional promise to give and are reflected in the grants and contributions line of the consolidated statement of activities. Revenue is released from restriction when the time or purpose restriction has been met.

- Federal and CPB grants are conditional contributions and recognized as revenue with donor restrictions when the related conditions are met. These nonexchange agreements are considered conditional if the terms of the agreement include both a right of return of assets received/promised and a barrier to entitlement. Conditional agreements are not recognized until the conditions and barriers on which they depend are met. They are reflected in the grants and contributions line of the consolidated statement of activities. Revenue is released from restriction when the time or purpose restriction has been met.

  The Foundation has $19,031,000 and $13,643,000 of unfulfilled conditional grants, as of June 30, 2022 and 2021, respectively. Federal grants comprised $6,488,000 and $6,964,000 as of June 30, 2022 and 2021, respectively. CPB grants comprised $11,187,000 and $4,408,000 as of June 30, 2022 and 2021, respectively. The remaining $1,356,000 and $2,271,000 consisted of foundation grants contingent upon matching requirements or other donor-imposed conditions, as of June 30, 2022 and 2021, respectively.

- Community service grants from CPB are recognized as revenue without donor restrictions upon receipt of the award letter from CPB.

- Revenue from royalties is recognized in the period in which the underlying sales to third parties take place. Consideration in royalty transactions is variable. For certain royalty arrangements, the time period between when sales to third parties take place and when cash is ultimately distributed to the Foundation is several years, and reliable interim estimates of future revenue cannot be obtained. In these scenarios, revenue is recognized when the consideration to which the Foundation expects to be entitled can be reasonably estimated.

- Captioning and ancillary services revenue primarily consists of consulting services provided by the Foundation’s National Center for Accessible Media (“NCAM”) and closed captioning and descriptive video services provided by the Foundation’s Media Access Group (“MAG”). Recognition of captioning and ancillary revenue varies depending on the structure of the contract and its performance obligations, with some sources recognized at a point in time and others recognized over time. Those contracts recognized over time represent services which are simultaneously offered to and consumed by the customer over the duration of the contract and reflect an equitable distribution of service over the period.

- Planned giving consists of contributions from the estates of deceased donors as well as gifts made to the Foundation in the form of charitable gift annuities, pooled life income funds, or charitable remainder trusts. Revenue is recognized as increases in net assets without donor restrictions or with donor restrictions upon notification of the gift, depending on the nature of the restriction identified by the donor.

- In-kind contributions, donated services and educational materials whose value is measurable are recorded at the estimated fair value of the related services or educational material as revenue and expense, or capitalized as assets, when received. The fair value is determined based on the donor’s usual and customary fees charged to paying customers for equivalent goods and services. Donated services and materials are received by the Foundation from various professional and educational organizations and relate principally to educational material promotion, advertising, and production in the support of national programming. The economic benefit and associated costs of these donated services and materials are recorded in the accompanying consolidated financial statements as revenue and expense at the estimated fair value of the services received to the extent that the services require specialized skills, would be purchased by the Foundation if not donated, and that the services create or enhance nonfinancial assets.

- Affiliation fees are charged based on the affiliation status, market size, and total station revenue of radio station affiliates. The Foundation recognizes revenue from these affiliation fees pro rata over the twelve-month period. Amounts received for future periods are recognized as deferred revenue.

- Distribution fees are charged for providing satellite distribution services to producers and are recognized as revenue and expense in the period the related services are performed.

- Other services revenue consists of production, creative design, and radio services provided to other organizations. It also includes fundraising services provided to other public broadcasting stations and work-for-hire services. Revenue is recognized in net assets without donor restrictions over the period in which the service is provided.

- Miscellaneous income consists of channel sharing revenue, revenue derived from the rental of office space, the filing of film tax credits, and commissions earned from securing sponsorships for third party producers. Revenue is recognized upon the Foundation's delivery of the specified performance obligation. Rental income is recognized in the period in which the space is occupied, film tax credit revenue is recognized when the tax credit application is submitted, and third-party sponsorship commissions are recognized when earned. Channel sharing revenue is recognized ratably over the term of the hosting period.

The consolidated statements of activities reflect the disaggregation of revenues earned by the Foundation. Revenues earned from licensing, underwriting, royalties, captioning and ancillary services, other services, affiliation, and distribution fees are all recognized in accordance with ASC 606 *Revenue from Contracts with Customers*. With the exception of rental income, which is recognized in accordance with ASC 842 *Leases*, all miscellaneous income is also recognized in accordance with ASC 606. Customer payment is generally due within 30 days of invoice date.

Revenues earned from contributions, community service grants, federal and CPB grants, and major donors are recognized in accordance with ASC 958 *Not-for-Profit Entities*.

Contract Costs (Film Assets)
In accordance with ASC 606, incremental costs to obtain a contract are capitalized and amortized if the costs are expected to be recoverable. Film assets are the capitalized costs of developing television programs to license to a third party. Film assets are capitalized when production costs are incurred. They are amortized on an episodic basis as the content is delivered to the broadcaster and are recognized in the consolidated statement of activities in programming and production costs. The Foundation capitalizes all television production costs incurred, except for overhead, which is expensed as incurred. No impairment charges were recognized for television content costs in the year ended June 30, 2022 or 2021. As of June 30, 2022 and 2021, the Foundation capitalized film production costs totaling $42,578,000 and $31,505,000, respectively.

Arrangements with Multiple Performance Obligations
The Foundation's contracts with customers may include multiple performance obligations. For licensing of films and national corporate underwriting, the Foundation allocates revenue to performance obligations based on costs incurred to produce the specific deliverable. In contracts where consideration is variable as a result of cost savings, an estimate of the change in consideration is applied to the revenue recognition for the final deliverable on the contract. For local corporate underwriting, licensing unrelated to television content, captioning and ancillary services, other services, and miscellaneous revenue, the Foundation allocates revenue to each performance obligation based on its relative standalone selling price.

Contract Assets and Liabilities
The Foundation records a receivable when there is an unconditional right to consideration based on a contract with a customer. A contract liability ("deferred revenue") is recorded when cash is received or due in advance of the Foundation's performance and is recognized into revenue as the Foundation fulfills the respective performance obligation(s).

Channel Sharing
On October 18, 2017, the Foundation entered into a channel sharing agreement with a third party, in which the Foundation is providing hosting services. The proceeds are being recognized as revenue in equal installments over a period of 25 years, starting at the commencement of the agreement. For the years ended June 30, 2022 and 2021, $3,012,000 was recognized as miscellaneous income in the consolidated statement of activities, and $60,240,000 and $63,252,000 was recorded in deferred revenue and other liabilities in the consolidated statements of financial position at June 30, 2022 and 2021, respectively.

Public Media Management
In March 2015, the Foundation entered into a joint venture with Sony Electronics Inc. through its Professional Solutions of America Division ("Sony"). The Foundation's agreement provides for the creation of Content Distribution Services ("CDS") which utilizes Network Operations Centers ("NOC") to provide an automated workflow to enable program content to flow from Sony's Ci Cloud to others, without operator intervention. The agreement provided that Sony will share in expenses and revenue at 60%, and the Foundation at 40%.

In March 2020, GBH and PMG JMC LLC ("PMG") entered into an asset purchase agreement where GBH agreed to sell, assign, transfer, convey and deliver to PMG all of GBH's right, title and interest in the Public Media Management assets and collaboration with Sony for a base purchase price of $750,000. Principal is due and payable pursuant to a promissory note, in annual installments of $75,000, commencing on March 31, 2020 and continuing on March 31 of each year thereafter through March 31, 2029. The gross outstanding balance of the receivable as of June 30, 2022 and 2021 was $525,000 and $600,000, respectively. During the years ended June 30, 2022 and 2021, accretion of interest revenue on long-term receivables was recorded in the statements of activities totaling $26,000 and $29,000, respectively.

Cash
The Foundation maintains its cash balance with three institutions and was approximately $61,352,000 and $76,193,000 at June 30, 2022 and 2021, respectively.

Cash includes amounts on deposit with financial institutions; short-term investments with maturities of three months or less at the time of purchase and other highly liquid investments such as commercial paper and fixed income securities, with a majority invested in government and treasury money market funds. Short-term highly liquid investments held within the endowment and similar investment pools are classified as investments rather than cash equivalents and restricted cash is defined as that which is legally restricted to withdrawal and usage.

Investments
Short-term investments consist of investments with original maturities greater than ninety days and less than one year from the date of the statement of financial position. Long-term investments consist of investments with maturities of greater than one year.

Investments are stated at fair value. Securities traded on a national securities exchange are valued at the last reported sales price on June 30, 2022 and 2021; investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask prices. Private equity and certain other nonmarketable securities, and certain of the Foundation's investments in hard assets, are valued using current estimates of fair value obtained from the general partner or investment manager in the absence of readily determinable public market values. Such valuations may reflect discounts for liquidity and consider variables such as financial performance of investments, including comparison of comparable companies' earnings multiples, cash flow analysis, recent sales prices of investments, and other pertinent information. The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of investments. Since there are inherent uncertainties in valuing certain of these investments, the investment manager or general partner's estimate may differ from the values that would have been used had a ready market existed and the differences could be significant. The agreements underlying participation in nonmarketable investment funds may limit the Foundation's ability to liquidate its interest in such investments for a period of time. The Foundation believes that the carrying amount of its nonmarketable securities is a reasonable estimate of fair value as of June 30, 2022 and 2021. The carrying values of the investments in the limited partnerships are based on reports from each limited partnership. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment income or loss (including unrealized and realized gains and losses on investments, interest, and dividends) and unrealized changes in equity interests in limited partnerships are recorded as nonoperating gains (losses) unless the income is restricted by donor or law. If restricted by donor or law, they are reported as follows:

- As increases in net assets with donor restrictions if the terms of the underlying gift require that they be added to the principal of a permanent endowment fund; and
- As increases in net assets with donor restrictions if the terms of the underlying gift or relevant state law impose restrictions on the current use of the income or net gains. The Foundation has relied on the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), enacted by the Commonwealth of Massachusetts in July 2009, regarding relevant state law that unappropriated endowment gains should generally be classified as net assets with donor restrictions until appropriated by the Board of Trustees.

Annually, the Foundation reviews investments where the fair value is substantially below cost, and in cases where the decline is considered to be "other than temporary," an adjustment is recorded as a realized loss, and a new cost basis is established. At June 30, 2022 and 2021, there were no investments that had fair values less than cost that were determined to be other than temporary.

Pledges Receivable

Unconditional promises to give are recorded as pledges receivable in the consolidated financial statements when the donor's commitment is received. Unconditional promises to give that are expected to be fulfilled within one year are recorded at fair value. Multi-year unconditional promises are recognized at the present value of the future expected cash flows, less an appropriate reserve for uncollectible pledges. Discounts are calculated using the Foundation's taxable unsecured borrowing rate, which considers market and credit risk. Subsequent years' accretion of the discount is included in contribution revenue and used in accordance with any donor-imposed restrictions on the contributions. The allowance for doubtful accounts is based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors.

Conditional promises to give are considered conditional if the terms of the agreement include both a right of return of assets received/promised and a barrier to entitlement. Conditional agreements are not recognized as pledges receivable until the conditions and barriers on which they depend are met.

Radio and Television Licenses
The Foundation owns various radio licenses for five separate radio frequencies which cover Cape Cod, the islands of Martha's Vineyard and Nantucket, Greater Boston and Southern New Hampshire. These radio licenses are indefinite-lived assets and are subject to at least annual impairment testing.

In December 2017, the Foundation received a contribution of the Federal Communications Commission ("FCC") license for television station WFXZ-CD, Boston, Massachusetts, with a fair value of $1,860,000.

In July 2019, the Foundation acquired four separate radio frequencies from New England Public Radio ("NEPR"). The radio licenses acquired include frequencies with call signs WNNZ-AM, WNNZ-FM, WNNU-FM, and WNNI-FM. The radio licenses have been recognized in the financial statements as indefinite-lived intangible assets with an aggregate fair value of $2,780,000.

The combined value for these radio and television licenses was $20,447,000 at June 30, 2022 and 2021, respectively.

Intangible Assets
Intangible assets were recorded in conjunction with the acquisition of PRX in 2019. They consist of PRX trademarks and tradenames with carrying values of $380,000 as of June 30, 2022 and June 30, 2021. The trademarks and tradenames are indefinite-lived.

Other Assets
Other assets consist of capitalized broker fees, deferred compensation, deferred rental assets, outside managed trusts and a beneficial interest in perpetual trust.

Equity Investments
In 2008, the Foundation acquired a 20% equity share in National Public Media LLC ("NPM"), a private marketing firm, for $1,600,000. In 2009, the members of NPM issued additional shares, which diluted the Foundation's share of ownership of NPM to 18%. This investment is recorded using the equity method of accounting. The equity method has been chosen since the investment is not publicly traded and the Foundation has significant influence over the operations of NPM. The carrying amount of this investment was $157,000 and $211,000 at June 30, 2022 and 2021, respectively, with the corresponding gains and losses included in the gain on equity investments within operating revenue in the consolidated statement of activities.

Effective January 1, 2009, the Foundation entered into a joint venture with Public Broadcasting Service ("PBS") to form PBSd (a Delaware Limited Liability Company). The purpose of PBSd is to further the educational mission of public broadcasting and other media through worldwide distribution of public television content and other high-quality content as provided by and on behalf of its members. The Foundation's initial capital contribution represented a 40% interest in PBSd. The investment is recorded using the equity method of accounting with net income allocated to the Foundation subject to certain revenue thresholds and consumer price index ("CPI") escalators. The carrying amount of this investment was $34,829,000 and $23,448,000 at June 30, 2022 and 2021, respectively, with the corresponding gains included in the gain on equity investments within operating revenue in the consolidated statement of activities.

As of June 30, 2022 and 2021, the Foundation held a consolidated interest of 13% in the voting shares of RadioPublic. RadioPublic is a public benefit corporation focused on creating consumer applications for the podcasting industry. As of June 30, 2022 and 2021, the investment is valued at the lower of cost or fair value, as the Foundation owns less than 20% and does not exercise significant influence over the operations of RadioPublic. The carrying amount of this investment was $454,000 at June 30, 2022 and 2021.

Property, Facilities and Equipment
Property, facilities and equipment are reported at cost at the date of acquisition, or estimated fair value at the date of donation, in the case of gifts, less accumulated depreciation. For assets placed in service, depreciation is provided using the straight-line method over the estimated useful life of the asset (or for leasehold improvements over the related lease term, whichever is shorter) which range from 3 to 40 years.

Maintenance and repairs are charged to expense as incurred; betterments are capitalized. Upon retirement or sale of property, facilities and equipment, the cost of the disposed assets and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is credited or charged to net assets without donor restrictions.

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Split Interest Agreements
Various benefactors have made contributions to the pooled life income Fund ("PIF") in the Foundation's name. Upon donation, these amounts are recorded as contribution revenue at the estimated present value of the expected future cash flows, and are classified as net assets with donor restrictions. These funds are divided into units and pooled and invested as a group. Donors are assigned a specific number of units based on the proportion of the fair value of their contributions to the total fair value of the pooled income fund on the date of the donor's entry to the pooled fund. Until a donor's death, the donor or donor's named beneficiary is paid the income earned on the donor's assigned units. Upon the death of the donors or their named beneficiaries, the value of these assigned units reverts to the Foundation.

The Foundation has received contributions in the form of charitable gift annuities ("CGA"). The donor contributes assets to the Foundation in exchange for a promise by the Foundation to pay annuity payments based on the agreements between the donor and the Foundation. Gift annuity donations are recorded as donor restricted revenue, net of the estimated liability to the donor, at the date of gift.

The Foundation has also received contributions, mostly investment securities, of interests in irrevocable charitable remainder trusts ("CRT") for which the Foundation serves as the trustee. The principal amounts of such gifts are established in trusts maintained by independent fiduciaries. Upon donation, the fair value of these gifts are recorded as assets. Donor restricted contribution revenue and support is recognized after recording a liability for the estimated present value of future annuity payments. The liabilities and revenue are adjusted during the term of the agreement for changes in the value of the assets and changes to estimates of future benefits to the donors or their named beneficiaries. Upon the death of the donors or their named beneficiaries, the remaining value of the fund reverts to the Foundation.

PIF, CGA and CRTs are recorded in long-term investments on the statement of financial position. The Foundation also has received contributions of interests in irrevocable charitable remainder trusts for which the Foundation does not serve as the trustee. The Foundation records its beneficial interest in these assets as donor restricted contribution revenue, as appropriate, and other assets at the estimated present value of the future distributions expected to be received over the term of the agreement. Adjustments to the beneficial interest, to reflect changes in the fair value, are recognized as changes in the value of split interest agreements. Upon the death of donors or their named beneficiaries, the assets received by the Foundation from the trust are recognized at fair value, and any difference is reported as a change in the value of split interest agreements donor restricted net assets, as appropriate.

Beneficial Interest in Perpetual Trust

The Foundation has a beneficial interest in the Ralph Lowell Fund (the "Fund") held by the Boston Foundation ("TBF"). The annual distribution from the Fund is recorded as investment income in the consolidated statements of activities.

The fair value of the Fund was $1,140,000 and $1,240,000 at June 30, 2022 and 2021, respectively. Grant distributions in the amounts of $43,000 and $42,000, were made to the Foundation during the years ended June 30, 2022 and 2021, respectively, and were recorded as investment income in the consolidated statements of activities.

Asset Held for Sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as being met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. The Foundation must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

As of June 30, 2022, NEPM had committed to sell an office condominium (the "property") consisting of land and building, and negotiations with an interested party were in progress. The property was presented as a held-for-sale asset in the statement of financial position at a fair value of $850,000 as of June 30, 2022. The Foundation recognized an impairment loss of $498,000 to write down the asset from cost basis to net realizable value.

Financing Arrangement

In 2013, NEPM obtained financing for the purchase of a condominium unit on Main Street in Springfield, Massachusetts, and the subsequent renovation of that unit (the project) through the establishment of two Limited Liability Companies: New England Public Radio Investment Fund LLC ("Investment LLC") and Massachusetts Housing Investment Corporation ("MHIC") NE CDE II Subsidiary 22 LLC, to obtain the necessary funding for the project and obtain New Markets Tax

Credits under the Section 45D of the Internal Revenue Code. NEPM is not a member of either of these companies.

Investment LLC obtained a loan from NEPR, and an initial capital contribution from MHIC New Markets Western Massachusetts Fund, LLC. Investment LLC then made a capital contribution to MHIC NE CDE II Subsidiary 22 LLC, which in turn loaned NEPR Foundation Real Estate, Inc. $6,014,000.

A note receivable of $4,246,000 from Investment LLC was recorded. The note was collateralized by substantially all the assets of Investment LLC and required receipt of payments of interest at 0.705% per annum through December 2020. Commencing in January 2021, the note was receivable in monthly installments ranging from $12,000 to $21,000, including interest at 0.705% per annum, through November 2043. The remaining balance due, if any, was receivable in December 2043. As of June 30, 2020, $4,246,000 was recorded in other assets in the consolidated statement of financial position.

On August 19, 2020, the Directors of NEPR Foundation Real Estate, Inc. (“NEPR FRE”), a supporting organization of NEPM, authorized the unwinding of the New Market Tax Credit Transaction (the “NMTC Transaction”) dated August 8, 2013, in which NEPM and NEPR FRE obtained funds to develop a new facility for the operation of NEPM’s radio station. As NEPR FRE was created solely for this transaction, the unwinding allowed for the merger of NEPR FRE with NEPM and the forgiveness of the associated financing arrangements. A gain on the forgiveness of the loan payable and loan receivable resulted in a net gain of $1,603,000, which was recorded in non-operating gains and losses in the consolidated statement of activities during the year ended June 30, 2021.

Royalties Payable
The Foundation recognizes royalty revenue pursuant to terms outlined in the rights sales agreements. Royalty agreements exist with third-parties from which the third-party receives a percentage of net royalty revenue received by the Foundation. These amounts are accrued for and recorded as a royalty payable when the royalty revenue is recorded by the Foundation.

Income Taxes
The Foundation is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. US GAAP requires the Foundation to evaluate tax positions taken by the Foundation and recognize a tax liability (or asset) if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Foundation has analyzed the tax positions taken and has concluded that as of June 30, 2022 and 2021, there are no significant uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements.

Fair Value of Financial Instruments
The fair value of the Foundation’s financial instruments approximates the carrying amount reported in the consolidated statement of financial position for cash, investments, split-interest agreements and payables.

Health Insurance Plan
GBH, NEPM and PRX are self-insured for all of their employee health insurance plans. These costs are accounted for on an accrual basis to include estimates of future payments on claims incurred as of the date of the statement of financial position and are included in accounts payable and accrued expenses on the statement of financial position.

New Proposed Accounting Pronouncements Not Yet Adopted
In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (ASC 326): Measurement of Credit Losses on Financial Instruments*, which introduces new guidance for the accounting for credit losses on financial assets within its scope. The amendments in this Update require a financial asset (or a group of financial assets) measured at amortized cost to be presented at the amount that is expected to be collected on the financial asset, net of an allowance for credit losses. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. In November 2018, the FASB issued 2018-19, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses.* The amendments in this Update include items brought to the FASB's attention by stakeholders. The amendments align the implementation date for nonpublic entities' annual financial statements with the implementation date for their interim financial statements and clarify the scope of the guidance in the amendments in Update 2016-13. This standard is effective for annual periods beginning after December 15, 2021, or fiscal year 2023 for the Foundation. The Foundation is evaluating the impact this will have on the consolidated financial statements.

Prior Year Reclassifications
Certain prior year amounts have been reclassified for consistency with the current year presentation. Beginning in 2022, the Foundation presents the totality of its net return on the investment portfolio within "Total investment losses, net" in the consolidated statement of activities. This financial statement caption includes investment income, investment management fees, and realized and unrealized gains and losses.

2. Contract Assets and Liabilities

The Foundation enters into multi-year contractual agreements with customers for licensing of television content and corporate underwriting. Contract assets represent accounts receivable which have been earned by the Foundation but not yet billed to the customer. Unbilled receivables are recorded within accounts receivable in the consolidated statements of financial position. The Foundation recorded $9,927,000 and $12,521,000 in unbilled accounts receivable for multi-year contracts with customers as of June 30, 2022 and 2021, respectively.

Contract liabilities represent amounts collected from customers for performance obligations which have not yet been satisfied by the Foundation. The Foundation had $82,258,000 and $82,719,000 in deferred revenue for contracts with customers as of June 30, 2022 and 2021, respectively. Deferred revenue of $14,984,000 and $15,486,000 was recognized as revenue during fiscal years 2022 and 2021.

As of June 30, 2022 and 2021, the Foundation had unfulfilled performance obligations totaling $121,904,000 and $82,211,000 on licensing contracts and $10,308,000 and $8,767,000 on national underwriting contracts. The revenue is expected to be recognized over the next 3 years for licensing and national underwriting.

Contracts with customers associated with local corporate underwriting, affiliation fees or distribution fees have an original duration of less than one year; any unfulfilled performance obligations as of June 30, 2022 are expected to be fulfilled by June 30, 2023.

The Foundation also has contracts with customers for consulting services which are recognized in captioning and ancillary services and miscellaneous revenue within the consolidated statement of activities. Revenue is recognized as services are delivered.

Royalty agreements may extend beyond one year. However, the consideration is variable as it is based on sales. The recognition of future revenue on these contracts cannot be reliably estimated.

The Foundation's accounts receivable represents invoiced and unbilled amounts due from various customers. As of June 30, 2022 and 2021 there were two customers which comprised 34% and 51% of total accounts receivable, respectively.

3. Receivables for Asset Sales

On March 21, 2002, the Foundation sold certain real estate for $282,316,000. At that time, the Foundation recorded a noninterest-bearing note receivable of $282,316,000, which is carried at its present value of approximately $101,211,000 and $101,063,000 in the consolidated statement of financial position at June 30, 2022 and 2021, respectively. Accretion of the discount is recorded as revenue without donor restrictions in the consolidated statement of activities over the period of repayment.

Under the contract terms, the Foundation received the first payment in December 2004 and is being paid in semi-annual installments with a maturity date of December 2041.

On March 26, 2020, the Foundation sold certain nonfinancial assets for $750,000. At that time, the Foundation recorded a noninterest-bearing note receivable of $675,000, which is carried at its present value of approximately $432,000 and $481,000 in the consolidated statements of financial position at June 30, 2022 and 2021, respectively. Accretion of the discount is recorded as revenue without donor restrictions in the consolidated statement of activities over the period of repayment.

Under the contract terms, the Foundation received the first payment at the closing date and is being paid in annual installments with a maturity date of March 31, 2029.

The Foundation assesses the collectability of long-term receivables by considering factors such as the economic risk associated with the receivables and the financial condition and economic environment of the organization from which the receivables are due. There is no allowance for doubtful accounts associated with these receivables.

4. Pledges Receivable

Pledges receivable at June 30, 2022 and 2021 are comprised of the following:

	2022	2021
In less than one year	$ 4,127,032	$ 5,066,069
Allowance for unfulfilled pledges	(108,353)	(112,157)
Pledges receivables, net	$ 4,018,679	$ 4,953,912
Between one year and five years	$ 5,662,968	$ 6,012,533
Less: Present value discount	(506,565)	(412,667)
Long-term pledges receivable, net	$ 5,156,403	$ 5,599,866

The Foundation had $31,458,000 and $24,209,000 in conditional pledges at June 30, 2022 and 2021, respectively. These conditional pledges were not recorded and will be recorded when the conditions are satisfied.

Seven donors comprised 85% of the June 30, 2022 balance of pledges receivable. Nine donors comprised 78% of the June 30, 2021 balance of pledges receivable. The average discount rates were 3.55% and 2.65% at June 30, 2022 and 2021, respectively.

5. Investments

The Foundation's endowment and similar funds are invested to maintain the real value of the principal to be capable of supporting annual spending needs. Investment decisions are guided by the asset allocation policies established by the investment committee of the Board of Trustees and implemented primarily through external investment managers. Investments are managed to balance the short-term need for an annualized return in excess of 4.5% in order to support current operations as well as the long-term need to maintain the endowment's purchasing power. To satisfy the long-term objectives of a diversified, volatility-managed portfolio, the Foundation targets an asset allocation of fixed income, global and domestic equities, hedge funds, private equities and real assets. The portfolio is expected to produce returns that meet or exceed long-term benchmarks.

Hedge fund – This class includes investments in hedge funds that invest both long and short primarily in U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Real assets – This class includes several real estate funds that invest in U.S. commercial real estate and other hard asset investments. The fair values of the investments in this class have been estimated using the net asset value of the Foundation's ownership interest in partners' capital.

Private equity and venture capital – The fair values of private investments are based on estimates and assumptions of the general partners or partnership valuation committees in the absence of readily determinable public market values. These values are audited annually by other auditors, most typically based on calendar year end information. The fair values of the investments in this class have been estimated using the net asset value of the Foundation's ownership interest in partners' capital. The estimated values as determined by the general partners and investment managers may differ significantly from the values that would have been used had a ready market for the investments existed and the differences could be materially higher or lower.

Government securities – The Foundation holds investments in U.S. Treasury bills. These investments are carried at fair value, which approximates the present value of the securities, discounted by a rate equal to the yield to maturity, commensurate with the duration of the securities.

The balances of the split interest agreements for which the Foundation is the trustee are recorded as investments and the liabilities for future payments are recorded as accrued expenses or long-term deferred revenue and other liabilities. Split interest agreements held by third parties are valued at the present value of the future payments due from trustees. These liabilities were calculated using discount factors based on the Foundation's taxable unsecured borrowing rate. As of June 30, 2022 and 2021, the discount rates on split interest liabilities ranged from 2.69% to 5.65%.

A summary of the investments and liabilities for future payments are as follows:

		2022		2021
Pooled Life Income Funds				
Fair value	$	577,026	$	700,139
Liability for future payments		121,188		136,859
Gift Annuity Funds				
Fair value	$	3,182,688	$	3,909,404
Liability for future payments		2,042,417		2,191,205
Charitable Remainder Trust, where Foundation is Trustee				
Fair value	$	5,245,489	$	6,176,734
Liability for future payments		2,090,634		2,139,396
Beneficial Interest in Perpetual Trust				
Fair value	$	6,292,111	$	6,177,664
Liability for future payments		-		-

6. Fair Value of Investment Assets and Liabilities

The Foundation values its investments at fair value in accordance with the *Fair Value Measurements* standard. Under this standard, fair value is defined as the price that would be received to sell an asset or be paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. The standard principally affects investments (with and without donor restrictions); however, other applicable fair value measurements include discounting multi-year pledges on the initial date of recognition, and applicable liabilities of pooled income fund and charitable gift annuities.

Additionally, the standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by the Foundation. The Foundation considers observable data to be that market data which is readily available; regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Foundation’s perceived risk of that instrument.

The availability of observable inputs can vary from product to product and is affected by a wide variety of factors, including for example, the type of product, whether the product is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Foundation in determining fair value is greatest for instruments categorized in Level 3.

A description of the Foundation's valuation methodologies for assets and liabilities measured at fair value is as follows:

- Fair value for Level 1 is based upon quoted prices in active markets that the Foundation has the ability to access for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets. The Foundation does not adjust the quoted price for such assets and liabilities.

- Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers, and brokers.

- Fair value for Level 3 is typically based on unobservable inputs that are supported by little or no market activity and rely on assumptions and estimates about pricing derived from available information.

The net asset value ("NAV") of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals, or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table presents the financial instruments carried at fair value and is intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position as of June 30, 2022:

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs and/or Restrictions	NAV	Total
Investments					
Money market funds	$ 60,628	$ -	$ -	$ -	$ 60,628
Domestic equities	3,025,250	-	-	-	3,025,250
Investments in funds externally managed					
Domestic equities	170,373	-	-	20,577,962	20,748,335
Domestic bonds	26,288,101	-	-	-	26,288,101
Foreign equities	-	-	-	61,174,126	61,174,126
Real assets	-	-	-	104,006	104,006
Venture capital	-	-	-	35,249,070	35,249,070
Hedge funds	-	-	-	201,680,845	201,680,845
Private equity	-	-	-	66,748,262	66,748,262
Total investments	29,544,352	-	-	385,534,271	415,078,623
Assets in split interest agreements					
Money market funds	300,177	-	-	-	300,177
Domestic equities	-	-	2,115,245	-	2,115,245
Foreign equities	-	-	121,406	-	121,406
Domestic bonds	-	-	86,976	-	86,976
Investments in funds externally managed	-	-	12,673,510	-	12,673,510
Total assets in split interest agreements	300,177	-	14,997,137	-	15,297,314
Total investments and assets in split interest agreements	$ 29,844,529	$ -	$ 14,997,137	$ 385,534,271	$ 430,375,937
Beneficial interest in perpetual trust					
Interest in investments held by trustee	$ -	$ -	$ 1,956,806	$ -	$ 1,956,806
Total beneficial interest in perpetual trust	$ -	$ -	$ 1,956,806	$ -	$ 1,956,806

The following table presents the financial instruments carried at fair value and is intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position as of June 30, 2021:

	Level 1 Quoted Prices	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs and/or Restrictions	NAV	Total
Investments					
Domestic equities	$ 1,754,012	$ -	$ -	$ -	$ 1,754,012
Investments in funds externally managed					
Domestic equities	180,123	-	-	39,548,677	39,728,800
Domestic bonds	35,665,821	-	-	-	35,665,821
Foreign equities	-	-	-	123,814,597	123,814,597
Real assets	-	-	-	100,520	100,520
Venture capital	-	-	-	21,594,472	21,594,472
Hedge funds	-	-	-	254,083,077	254,083,077
Private equity	-	-	-	65,251,607	65,251,607
Total investments	37,599,956	-	-	504,392,950	541,992,906
Assets in split interest agreements					
Money market funds	180,518	-	-	-	180,518
Domestic equities	-	-	2,242,478	-	2,242,478
Foreign equities	-	-	168,425	-	168,425
Domestic bonds	-	-	112,612	-	112,612
Investments in funds externally managed	-	-	14,259,908	-	14,259,908
Total assets in split interest agreements	180,518	-	16,783,423	-	16,963,941
Total investments and assets in split interest agreements	$ 37,780,474	$ -	$ 16,783,423	$ 504,392,950	$ 558,956,847
Beneficial interest in perpetual trust					
Interest in investments held by trustee	$ -	$ -	$ 2,296,500	$ -	$ 2,296,500
Total beneficial interest in perpetual trust	$ -	$ -	$ 2,296,500	$ -	$ 2,296,500

The beneficial interest in perpetual trust balance is included in other assets in the consolidated statements of financial position.

The following table includes a roll-forward of the amounts classified within Level 3 for the year ended June 30, 2022 and 2021:

Fair value at June 30, 2020	$ 14,518,523
Realized gains	521,051
Change in unrealized gains	3,275,079
Purchases	130,000
Sales	(1,512,670)
Other	(148,560)
Fair value at June 30, 2021	16,783,423
Realized gains	667,896
Change in unrealized losses	(2,886,178)
Purchases	1,165,512
Sales	(802,269)
Other	68,753
Fair value at June 30, 2022	$ 14,997,137

The Foundation uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs, including those obtained from external pricing sources, may be reduced for many instruments.

The Foundation recognized changes in net unrealized gains of $340,000 and $461,000 for the years ended June 30, 2022 and 2021, respectively, for its beneficial interests in perpetual trusts.

The following table includes a summary of fair values, redemption features and future commitments related to investments (excluding split interest agreements) for which estimated fair value was based upon NAV, capital account or other valuation procedures for the year ended June 30, 2022 and 2021:

	2022			
	NAV	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Periods**
Investments in funds externally managed				
Domestic equities	$ 20,577,962	$ -	Daily, Quarterly	1-60 days
Foreign equities	61,174,126	-	Daily, monthly, quarterly	1-60 days
Real assets	104,006	2,500	Daily, Monthly, quarterly, annually, at maturity	1-60 days, at maturity
Venture capital	35,249,070	16,625,361	At maturity	n/a
Hedge funds	201,680,845	-	Monthly, quarterly, annually	30-180 days
Private equity	66,748,262	32,276,297	At maturity	n/a
	$ 385,534,271	$ 48,904,158		

	2021			
	NAV	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Periods**
Investments in funds externally managed				
Domestic equities	$ 39,548,677	$ -	Daily, Quarterly	1-60 days
Foreign equities	123,814,597	-	Daily, monthly, quarterly	1-60 days
Real assets	100,520	2,500	Daily, Monthly, quarterly, annually, at maturity	1-60 days, at maturity
Venture capital	21,594,472	19,289,595	At maturity	n/a
Hedge funds	254,083,077	-	Monthly, quarterly, annually	30-180 days
Private equity	65,251,607	25,668,212	At maturity	n/a
	$ 504,392,950	$ 44,960,307		

7. Right-of-Use Assets and Lease Liabilities

The Foundation determines if an arrangement is or contains a lease at inception of the contract. Right-of-use assets represent a right to use the underlying assets for the lease term and lease liabilities represent an obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Foundation uses the implicit rate noted within the contract. If not readily available, a risk-free Treasury rate is utilized commensurate with the term of the lease. A right-of-use asset and lease liability is not recognized for leases with an initial term of 12 months or less. Lease expense for these leases is recognized on a straight-line basis over the lease term.

The Foundation’s operating and finance lease agreements are for television and radio transmitters on telecommunication towers, real estate for corporate and other administrative offices, or equipment. Agreements typically have initial terms of 5 to 10 years. The leases may include one or more options to renew, with renewals that can extend the lease term from 10 to 50 years. The exercise of lease renewal options is at the Foundation’s sole discretion. When determining the lease term, the Foundation has included options to extend or terminate the lease when it is reasonably certain that the option will be exercised.

Supplemental balance sheet information related to leases as of June 30, 2022 and 2021 are as follows:

(in thousands of dollars)	12 Months Ended June 30, 2022	
	Finance Leases	**Operating Leases**
Right of use assets, gross	$ 262,537	$ 49,109,332
Accumulated amortization	(12,081)	(4,206,896)
Right of use assets, net	$ 250,456	$ 44,902,436
Current portion of right of use obligations	$ 6,527	$ 1,622,322
Long-term right of use obligations, excluding current portion	250,644	47,874,217
Total lease liabilities	$ 257,171	$ 49,496,539
Weighted Average remaining lease term, years	19.06	25.69
Weighted Average discount rate	1.85 %	1.35 %

(in thousands of dollars)	12 Months Ended June 30, 2021	
	Finance Leases	**Operating Leases**
Right of use assets, gross	$ -	$ 48,060,406
Accumulated amortization	-	(2,015,100)
Right of use assets, net	$ -	$ 46,045,306
Current portion of right of use obligations	$ -	$ 1,420,627
Long-term right of use obligations, excluding current portion	-	48,583,445
Total lease liabilities	$ -	$ 50,004,072
Weighted Average remaining lease term, years	0.00	26.49
Weighted Average discount rate	0.00 %	1.33 %

Included in the $45,153,000 of right-of-use assets obtained in exchange for operating and finance lease obligations is $1,311,000 of new and modified operating leases entered into during the year ended June 30, 2022.

Future maturities of lease liabilities as of June 30, 2022 are as follows:

(in thousands of dollars)	**Finance Leases**	**Operating Leases**
Year Ending June 30,		
2023	$ 11,212	$ 2,274,490
2024	11,661	2,185,404
2025	12,127	2,163,685
2026	12,613	2,224,895
2027	13,117	2,241,632
Thereafter	250,881	49,512,398
Total lease payments	311,611	60,602,504
Less: Imputed interest	(54,440)	(11,105,965)
Total lease payments	$ 257,171	$ 49,496,539

The components of lease expense for the years ended June 30, 2022 and 2021 are as follows:

(in thousands of dollars)	**12 Months Ended June 30, 2022**	**12 Months Ended June 30, 2021**
Operating lease cost	$ 2,857,191	$ 2,667,263
Variable and short term lease cost (a)	667,977	600,624
Total lease and rental expense - operating	$ 3,525,168	$ 3,267,887
Finance lease cost		
Depreciation of asset under finance lease	$ 12,081	$ -
Interest on debt of asset under finance lease	4,810	-
Total finance lease cost	$ 16,891	$ -

(a) Includes certain equipment, month-to-month and leases with a maturity of less than 12 months.

Supplemental cash flow information related to leases for the years ended June 30, 2022 and 2021 are as follows:

(in thousands of dollars)	**12 Months Ended June 30, 2022**	**12 Months Ended June 30, 2021**
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 2,221,623	$ 1,978,166
Operating cash flows from finance leases	4,810	-
Financing cash flows from finance leases	(10,175)	-
Total cash flows from leases	$ 2,216,258	$ 1,978,166

8. Property, Facilities and Equipment

Property, facilities and equipment consist of the following at June 30, 2022 and 2021:

	Useful Life	2022	2021
Land and land improvements		$ 6,800,380	$ 6,800,380
Buildings and improvements	3-40 years	178,042,438	178,828,202
Broadcast, video and film equipment	3-20 years	33,940,744	33,381,145
Office equipment, furniture and fixtures	3-25 years	4,526,038	4,721,831
Computers and peripherals	3-10 years	17,637,273	17,092,787
Capitalized interest	25-39 years	19,714,140	19,714,140
Fixed assets not yet placed into service		9,275,431	2,129,573
		269,936,444	262,668,058
Less: Accumulated depreciation		(119,715,404)	(111,749,062)
Property, facilities and equipment, net		$ 150,221,040	$ 150,918,996

During the year ended June 30, 2022, the Foundation disposed of $9,000 of assets no longer in service. A net gain on disposal of $10,000 was recorded as other gains and losses in the consolidated statement of activities.

During the year ended June 30, 2021, the Foundation disposed of $44,000 of assets no longer in service. A net loss on disposal of $44,000 was recorded as other gains and losses in the consolidated statement of activities.

Depreciation expense related to property, facilities and equipment was $8,953,000 and $9,677,000 for the year ended June 30, 2022 and 2021, respectively. Of this total, $8,308,000 and $8,736,000 pertained to the property, facilities and equipment of GBH for the years ended June 30, 2022 and 2021, respectively.

9. Long-Term Debt

Long-term debt consists of the following at June 30, 2022 and 2021:

	Original Issuance	2022	2021
GBH MDFA Series 2002A revenue bonds, 4.0%-5.8%, due 2006-2042	$ 111,890,000	$ 46,430,000	$ 46,430,000
GBH MDFA Series 2008B revenue bonds, zero coupon, due 2024-2042	22,566,620	22,566,620	22,566,620
GBH MDFA Series 2016 revenue bonds, 3.0%-5.0%, due on 2019-2042	43,650,000	40,355,000	41,235,000
GBH MDFA Series 2017A revenue bonds, 3.0%-5.0%, due on 2019-2042	21,700,000	17,925,000	18,935,000
GBH MDFA Series 2017B revenue bonds, 3.0%-5.0%, due on 2019-2042	30,115,000	30,115,000	30,115,000
GBH Banc of America Public Capital Corp term loan, due 2028	12,500,000	12,500,000	-
NEPM Bank of America term loan, due 2030	600,000	481,083	536,672
NEPM Peoples Bank PPP loan, due 2026	683,233	-	683,233
NEPM Bank of America line of credit, due 2024	1,350,000	1,000,000	-
PRX Bank of America line of credit, due 2024	6,000,000	4,338,743	4,929,826
PRX Bank of America term loan, due 2027	2,000,000	2,000,000	-
		177,711,446	165,431,351
Unamortized premiums		7,439,728	7,853,537
Unamortized bond issuance costs		(2,177,185)	(2,277,499)
Long-term debt, including unamortized premiums and debt issuance costs		182,973,989	171,007,389
Less: Current maturities		(8,121,053)	(7,558,621)
Long-term debt, net		$ 174,852,936	$ 163,448,768

GBH MDFA Series 2008B zero coupon bonds have a weighted average yield to maturity rate of 5.85%. Premiums include GBH MDFA Series 2002A premium of $1,656,000 and $1,740,000 as of June 30, 2022 and 2021, respectively, GBH MDFA Series 2016 premium of $4,307,000 and $4,528,000 as of June 30, 2021 and 2020, respectively, and GBH MDFA Series 2017A premium of $1,477,000 and $1,586,000 as of June 30, 2022 and 2021, respectively. The amortization for the premiums was $414,000 during the years ended June 30, 2022 and 2021.

Unamortized issuance costs incurred in conjunction with each debt offering are summarized in the following table as of June 30, 2022 and 2021:

	2022		2021	
	Principal	Unamortized Debt Issuance Costs	Principal	Unamortized Debt Issuance Costs
GBH MDFA Series 2002A revenue bonds, 4.0%-5.8%, due 2006-2042	$ 46,430,000	$ 686,794	$ 46,430,000	$ 710,677
GBH MDFA Series 2008B revenue bonds, Zero Coupon, due 2024-2042	22,566,620	603,679	22,566,620	634,637
GBH MDFA Series 2016 revenue bonds, 3.0%-5.0%, due on 2019-2042	40,355,000	465,895	41,235,000	489,787
GBH MDFA Series 2017A revenue bonds, 3.0%-5.0%, due on 2019-2042	17,925,000	176,237	18,935,000	185,275
GBH MDFA Series 2017B revenue bonds, 3.0%-5.0%, due on 2019-2042	30,115,000	244,580	30,115,000	257,123
GBH Banc of America Public Capital Corp term loan, due 2028	12,500,000	-	-	-
NEPM Bank of America term loan, due 2030	481,083	-	536,672	-
NEPM Peoples Bank PPP loan, due 2026	-	-	683,233	-
NEPM Bank of America line of credit, due 2024	1,000,000	-	-	-
PRX Bank of America line of credit, due 2024	4,338,743	-	4,929,826	-
PRX Bank of America term loan, due 2027	2,000,000	-	-	-
	$ 177,711,446	$ 2,177,185	$ 165,431,351	$ 2,277,499

The bond issuance costs are being amortized on a straight-line basis over the term of the applicable bonds issued, which approximates the effective interest rate method.

Debt Covenants

The Foundation's debt agreements contain limitations on additional indebtedness, mergers, and other covenants, including required debt service coverage and liquidity ratios. Debt service coverage ratio should be at least 1.20 times actual debt service for the period. Liquidity ratio should not be less than 90% of total net assets without donor restrictions and nonpermanent net assets with donor restrictions.

The scheduled principal payments are shown in the table below:

Fiscal Year	
2023	$ 8,121,053
2024	3,706,604
2025	4,675,155
2026	4,748,123
2027	4,910,238
Thereafter	151,550,273
Total principal payments	$ 177,711,446

On April 30, 2020, NEPM entered into a term loan agreement with Bank of America (the "term loan") for $600,000 which is guaranteed by GBH. The proceeds of the term loan were used to refinance existing indebtedness of NEPM. Commencing in May 2020, the term loan is payable in equal installments of $5,600, with interest due at a rate equal to 2.20% per annum through April 30, 2030.

On February 1, 2021, NEPM entered into a new loan agreement with PeoplesBank for $683,000. The loan is eligible for forgiveness under the Paycheck Protection Program ("PPP") of the Small Business Association ("SBA"). The proceeds were used to cover payroll costs during the year ended June 30, 2021. In November 2021, the loan was forgiven and as a result, $683,000 was recorded in non-operating gains and losses in the consolidated statement of activities.

On December 19, 2017, GBH issued $21,700,000 of Massachusetts Development Finance Agency ("MDFA") Series 2017A revenue bonds at a net original issuance premium of $1,966,901 and $30,115,000 of MDFA Series 2017B revenue bonds at par. The proceeds were used to refund $51,830,000 of the Series 2008A bonds. Principal on the Series 2017A and Series 2017B bonds is due annually and interest is due semi-annually. Interest rates for the Series 2017A and Series 2017B bonds range from 3 to 5%. The Series 2017A, Series 2017B Taxable 2037 and Series 2017B Taxable 2042 bonds will mature on January 1, 2036, January 1, 2037 and January 1, 2042, respectively.

On July 27, 2016, GBH issued $43,650,000 of MDFA Series 2016 revenue bonds at a net original issuance premium of $5,614,000. The proceeds were used to refund $45,885,000 of the Series 2008A bonds. Principal and interest on the Series 2016 bonds is due semi-annually, with interest rates ranging from 3 to 5%. The bonds will mature on January 1, 2042.

With the exception of the zero-coupon bonds, bond interest is payable semiannually. Interest on term loans and lines of credit is payable monthly. Total interest expense was $8,978,000 and $8,936,000 for the years ended June 30, 2022 and June 30, 2021, respectively, and is allocated on the consolidated statements of activities to the functional categories which have benefited from the proceeds of the external debt. Interest expense pertaining to the debt obligations of GBH for the years ended June 30, 2022 and 2021 was $8,903,000 and $8,854,000, respectively.

One insurance company insures the 2002A Bonds and a different insurance company insures the 2008B Bonds. The two insurers have recourse if GBH defaults and an insurer must pay. GBH's obligations to the insurers in connection with the 2002A Bonds, the 2008B Bonds, and the 2016 Bonds are collateralized by an assignment of the payment stream under the noninterest-bearing note receivable issued in connection with the sale of certain real estate, and a mortgage on the headquarters of the Foundation located in Brighton, MA.

In October 2021, GBH entered into a $12,500,000 long-term debt agreement with Banc of America Public Capital Corp and MassDevelopment, a tax-exempt financing authority. The proceeds will be used to finance the purchase of equipment and capital renovation projects. The debt will be repaid over a seven year term at an annualized interest rate of 1.54%. The loan is collateralized by the property, facilities and equipment purchased with the loan proceeds.

On June 28, 2022, PRX entered into a term note agreement with Bank of America in conjunction with the GBH revolving credit agreement. The interest rate on the term note is 3.8% per annum. The term note matures on June 28, 2027. The outstanding balance on the term note was $2,000,000 as of June 30, 2022.

Line of Credit
On May 26, 2017, the Foundation replaced its RBS Citizens Bank Line of Credit agreement and entered into an agreement with Bank of America to access a discretionary line of credit of $25,000,000. On January 31, 2019, the Foundation amended its agreement with Bank of America to increase the discretionary line of credit to $50,000,000. Under the 2019 Bank of America agreement, revolving credit advances shall not exceed $42,500,000 for GBH, $3,600,000 for PRX, and $3,900,000 for CDP. On April 30, 2020, the Foundation amended its agreement with Bank of America to keep the discretionary line of credit at $50,000,000. Under the 2020 Bank of America agreement, revolving credit advances shall not exceed $38,600,000 for GBH, $6,000,000 for PRX, $3,900,000 for CDP, and $1,500,000 for NEPM. On June 28, 2022, the Foundation amended its agreement with Bank of America to keep the discretionary line of credit at $50,000,000. Under the 2022 Bank of America agreement, revolving credit advances shall not exceed $38,600,000 for GBH, $6,000,000 for PRX, $3,900,000 for CDP, and $1,500,000 for NEPM. Borrowings under the agreement are made at the Bloomberg Short-Term Bank Yield Index ('BSBY') Daily Floating Rate Loan. Interest on the outstanding principal will accrue at a rate equal to the BSBY Daily Floating Rate plus 0.50%. The Foundation has debt covenants for debt service coverage ratio greater than or equal to 1.20 to 1.0, and a quarterly minimum unrestricted cash and liquid assets to funded debt of not less than 0.40 to 1.0.

The outstanding balance on the PRX line of credit was $4,339,000 and $4,930,000 as of June 30, 2022 and 2021, respectively. The outstanding balance on the NEPM line of credit was $1,000,000 and $0 as of June 30, 2022 and 2021, respectively. There were no amounts outstanding for GBH and CDP at June 30, 2022 and June 30, 2021, respectively.

10. Retirement Plan

GBH and NEPM have multiple defined contribution plans (the “Plans”) for eligible employees through the Teachers Insurance and Annuity Association (“TIAA”) and College Retirement Equity Fund in accordance with the provisions of Section 403(b) of the Internal Revenue Code. Contributions are made by the provisions of Section 403(b) of the Internal Revenue Code. GBH and NEPM’s expense under the Plans totaled $2,401,000 and $2,455,000 for the years ended June 30, 2022 and 2021, respectively. GBH and NEPM had a liability of $0 and $19,500 for benefits paid under the Plans for the years ended June 30, 2022 and 2021, respectively. The Foundation matched 80% of qualified employee salary deferrals for the largest plan for the years ended June 30, 2022 and 2021, respectively. These amounts are included within accrued expenses on the consolidated statement of financial position.

PRX established a new defined contribution 403b retirement plan on May 1, 2022. Both PRX and PRI employees are eligible for this plan. Participation in the Plan is mandatory upon six months of employment and requires a minimum employee contribution of 1% of annual compensation, with an accompanying contribution by the Organization equal to 2% of annual compensation, and an optional dollar for dollar match for an additional 2% of annual contribution.

Prior to the establishment of the new PRX Retirement Plan, PRX and PRI maintained separate defined contribution retirement plans. PRX retirement contributions were $143,000 and $154,000 for the years ended June 30, 2022 and 2021, respectively. PRI retirement contributions were $79,000 and $85,000 for the years ended June 30, 2022 and 2021, respectively.

11. Components of Net Assets

Net assets of the Foundation consist of the following at June 30, 2022 and 2021:

	2022			
	Without Donor Restrictions WGBH Educational Foundation	**Without Donor Restrictions Noncontrolling Interest**	**With Donor Restrictions**	**Total**
Detail of net assets				
Undesignated	$ 62,983,109	$ 992,402	$ -	$ 63,975,511
Board-designated endowment	297,332,254	-	-	297,332,254
Board-designated debt service	70,786,863	-	-	70,786,863
Board-designated programming	6,135,401	-	-	6,135,401
Grants for future programming	-	-	15,367,253	15,367,253
Capital campaign and other	-	-	36,280,423	36,280,423
Investments held in perpetuity	-	-	47,555,810	47,555,810
Appreciation of Investments not yet released into operations	-	-	23,728,845	23,728,845
	$ 437,237,627	$ 992,402	$ 122,932,331	$ 561,162,360

	2021			
	Without Donor Restrictions WGBH Educational Foundation	**Without Donor Restrictions Noncontrolling Interest**	**With Donor Restrictions**	**Total**
Detail of net assets				
Undesignated	$ 65,923,007	$ 878,654	$ -	$ 66,801,661
Board-designated endowment	406,840,949	-	-	406,840,949
Board-designated debt service	72,280,497	-	-	72,280,497
Board-designated programming	7,602,521	-	-	7,602,521
Grants for future programming	-	-	16,923,363	16,923,363
Capital campaign and other	244,768	-	36,016,968	36,261,736
Investments held in perpetuity	-	-	47,562,468	47,562,468
Appreciation of Investments not yet released into operations	-	-	35,622,783	35,622,783
	$ 552,891,742	$ 878,654	$ 136,125,582	$ 689,895,978

The GBH portion of net assets with donor restrictions associated with "Grants for future programming" and "Capital campaign and other" were $13,461,000 and $35,843,000, for the year ended June 30, 2022, respectively.

The GBH portion of net assets with donor restrictions associated with "Grants for future programming" and "Capital campaign and other" were $16,211,000 and $35,623,000 for the year ended June 30, 2021, respectively.

The Foundation held an 89% controlling interest in CDP as of June 30, 2022 and 2021, respectively. Changes in the noncontrolling interest of CDP for the years ended June 30, 2022 and 2021 were as follows:

	Total	**Controlling Interest**	**Noncontrolling Interest**
Balance, July 1, 2020	$ 4,022,502	$ 3,170,634	$ 851,868
Surplus of revenue over expenses	262,627	234,044	28,583
Nonoperating losses	(16,508)	(14,711)	(1,797)
Ending balance at June 30, 2021	$ 4,268,621	$ 3,389,967	$ 878,654

	Total	**Controlling Interest**	**Noncontrolling Interest**
Balance, July 1, 2021	$ 4,268,621	$ 3,389,967	$ 878,654
Surplus of revenue over expenses	1,045,157	931,409	113,748
Ending balance at June 30, 2022	$ 5,313,778	$ 4,321,376	$ 992,402

Endowments classified with donor restrictions are to be utilized for programming, fellowships, and operational support.

The Foundation's endowment consists of individual funds established for a variety of purposes and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Donor-restricted endowments are composed of the investments of contributed principal that have been restricted by the donor in perpetuity and the beneficial interest that the Foundation has in certain third-party perpetual trusts. Net assets associated with endowment funds designated by the Board of Trustees may be expended by a vote of the Board of Trustees and are recorded as net assets without donor restrictions.

The Foundation's endowment is subject to an enacted version of the UPMIFA, and as such, generally accepted accounting principles requires disclosures about the Foundation's endowment funds including both donor-restricted and board-designated endowment funds.

The policy governing the investment of the Foundation's endowment is twofold: to provide a reasonable and prudent level of currently expendable income in accordance with the spending policy set by the Investment Committee from time to time (currently 4.5% of the endowment's moving average fair value over the prior 36 months as of March 31 of the preceding fiscal year in which distribution is planned) and to support the Foundation and its mission over the long term by ensuring that the future growth of the endowment is sufficient to offset normal inflation plus reasonable spending, thereby preserving the constant dollar value and purchasing power of the endowment for the benefit of future programs and services. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs, of at least 5% over the long term. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term objective within prudent risk constraints.

Changes in endowment net assets for the years ended June 30, 2022 and 2021, consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at July 1, 2020	$ 281,094,041	$ 66,968,208	$ 348,062,249
Investment return			
Investment income	80,476	11,667	92,143
Net appreciation (realized and unrealized)	128,965,025	18,426,348	147,391,373
Total investment gains	129,045,501	18,438,015	147,483,516
Contributions	11,483,500	2,500	11,486,000
Appropriation of endowment assets for expenditures	(14,782,093)	(2,722,005)	(17,504,098)
Change in value of split interest agreements	-	4,010,573	4,010,573
Reclassification for change in donor intent	-	(3,512,040)	(3,512,040)
Endowment net assets at June 30, 2021	$ 406,840,949	$ 83,185,251	$ 490,026,200
Endowment net assets at July 1, 2021	$ 406,840,949	$ 83,185,251	$ 490,026,200
Investment return			
Investment income	613,422	58,331	671,753
Net depreciation (realized and unrealized)	(96,997,502)	(8,791,716)	(105,789,218)
Total investment losses	(96,384,080)	(8,733,385)	(105,117,465)
Contributions	3,198,088	254,000	3,452,088
Appropriation of endowment assets for expenditures	(16,322,703)	(2,114,020)	(18,436,723)
Change in value of split interest agreements	-	(1,307,191)	(1,307,191)
Endowment net assets at June 30, 2022	$ 297,332,254	$ 71,284,655	$ 368,616,909

12. Liquidity and Availability

The Foundation's endowment funds consist of donor-restricted and board-designated endowment funds. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 11, the Foundation's endowment spending policy is calculated as 4.5% of the endowment's moving average fair value over the prior 36 months as of March 31 of the preceding fiscal year in which distribution is planned. For the years ended June 30, 2022 and 2021, the total endowment distribution approved by the Board of Trustees was $20,795,000 and $18,380,000, respectively. The endowment distribution pertaining to the investments of GBH was $20,795,000 and $17,467,000 for the years ended June 30, 2022 and 2021, respectively.

As described in Note 6, the Foundation also has unfunded commitments on alternative investments totaling $48,904,000 and $44,960,000 for the years ended June 30, 2022 and 2021, respectively. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, the Foundation also has a committed line of credit in the amount of $50,000,000, which it could draw upon.

Additionally, the Foundation has a board-designated endowment of $297,332,000 and $406,841,000 as of June 30, 2022 and 2021, respectively. Although the Foundation does not intend to spend from its board-designated endowment funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary. However, both the board-designated endowment funds and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available (see Note 6 for disclosures about investments).

The following resources could be available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt, and capital construction costs not financed with debt as of June 30, 2022:

	2022	2021
Financial assets		
Cash	$ 61,351,800	$ 76,193,406
Short-term investments	27,162,690	30,866,075
Accounts receivable	34,436,598	36,399,600
Receivables for asset sales	5,249,841	5,303,235
Pledges receivable available for operations	309,973	1,297,714
Assets held for sale	850,000	-
Long-term investments appropriated for spending	17,109,721	18,379,511
Financial assets available within one year	146,470,623	168,439,541
Liquidity Resources		
Bank lines and letters of credit (undrawn)	44,661,257	45,070,174
Financial assets and liquidity resources available within one year	$ 191,131,880	$ 213,509,715

13. Commitments and Contingencies

The Foundation is obligated to make rental payments under various noncancelable operating lease agreements. Refer to Note 7 for additional information on lease commitments to be paid in the future.

The Foundation also rents certain office space to third parties. The total of future minimum rentals to be received by the Foundation under the noncancelable leases are as follows:

Fiscal Year	
2023	$ 3,018,484
2024	3,071,856
2025	2,801,390
2026	1,888,552
2027	1,702,648
Thereafter	4,630,563
	$ 17,113,493

Certain property lease agreements between the Foundation and its tenants contain rent escalation provisions. For these agreements, rental income is recognized on a straight-line basis over the lease term, resulting in a deferred asset balance of $996,000 and $1,021,000 for the years ended June 30, 2022 and 2021, respectively.

Rental income for building leases amounted to $3,207,000 and $3,606,000 for the years ended June 30, 2022 and 2021, respectively. These amounts have been recorded in miscellaneous income in the consolidated statement of activities.

Production and Acquisition Commitments
PRX, in the ordinary course of business, has entered into firm commitments for the co-production and acquisition of broadcast programming and podcasts for distribution. These commitments are funded by program fees, sponsorship underwriting as well as through grants and gifts. Future minimum commitments under the terms of these agreements are $16,638,000 and will be fulfilled by June 30, 2024.

The Foundation receives funding or reimbursement from government agencies for various business activities, which are subject to audit. In addition, the Foundation is engaged in various legal cases, which have arisen in the normal course of its operations. The Foundation believes that the outcomes of these matters will not have a material adverse effect on the financial position of the Foundation.

14. Subsequent Events

The Foundation recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the dates of the consolidated statements of financial position. The Foundation does not recognize subsequent events that provide evidence about conditions that did not exist at the dates of the consolidated statements of financial position but arose after the consolidated statements of financial position dates but before the consolidated financial statements are issued. For these purposes, the Foundation has evaluated events occurring subsequent to the consolidated statements of financial position date through November 28, 2022, the date the consolidated financial statements are issued.

There were no subsequent events that occurred after the statement of financial position date that had a material impact on the Foundation’s consolidated financial statements.

Supplemental Consolidating Information

WGBH Educational Foundation and Subsidiaries
Consolidating Statement of Financial Position
June 30, 2022

	WGBH	NEPM	PRX	CDP	Eliminations	Consolidated
Assets						
Cash	$ 56,100,204	$ 455,190	$ 3,408,618	$ 1,387,788	$ -	$ 61,351,800
Short-term investments	27,162,690	-	-	-	-	27,162,690
Accounts receivable	26,737,873	1,795,015	6,344,788	2,930,664	(3,371,742)	34,436,598
Current portion of receivables for asset sales	5,249,841	-	-	-	-	5,249,841
Current portion of grants receivable, net	6,421,080	50,000	312,918	-	(2,462,586)	4,321,412
Current portion of pledges receivable, net	3,878,895	104,784	35,000	-	-	4,018,679
Film assets	42,577,531	-	-	-	-	42,577,531
Prepaid expenses and other assets	3,577,031	28,789	828,129	990,532	(7,000)	5,417,481
Assets held for sale	-	850,000	-	-	-	850,000
Total current assets	171,705,145	3,283,778	10,929,453	5,308,984	(5,841,328)	185,386,032
Long-term pledges receivable, net	4,970,069	162,172	24,162	-	-	5,156,403
Long-term grants receivable, net	422,392	-	-	-	-	422,392
Long-term receivables for asset sales	96,392,890	-	-	-	-	96,392,890
Radio and television licenses	17,666,713	2,780,000	-	-	-	20,446,713
Intangible assets	-	-	380,000	501,250	(501,250)	380,000
Goodwill	-	-	-	1,358,217	(1,358,217)	-
Other assets	4,470,093	18,906	-	-	-	4,488,999
Equity investments	35,117,245	-	322,500	-	-	35,439,745
Funds held under bond agreements - restricted	9,246,575	-	-	-	-	9,246,575
Long-term investments	394,941,256	1,748,879	6,523,112	-	-	403,213,247
Right-of-use assets	43,396,451	1,106,153	650,288	294,903	(294,903)	45,152,892
Property, facilities and equipment, net	146,157,753	3,690,721	350,935	21,631	-	150,221,040
Total assets	$ 924,486,582	$ 12,790,609	$ 19,180,450	$ 7,484,985	$ (7,995,698)	$ 955,946,928
Liabilities						
Current maturities of debt	$ 2,355,000	$ 1,056,842	$ 4,709,211	$ -	$ -	$ 8,121,053
Accounts payable	8,956,184	77,838	6,944,629	925,094	(2,611,725)	14,292,020
Accrued expenses	21,285,363	1,709,796	851,203	769,826	(3,219,565)	21,396,623
Royalties payable	2,909,178	-	-	-	-	2,909,178
Accrued bond interest expense	4,981,433	-	-	-	-	4,981,433
Lease liabilities	1,248,491	54,404	325,954	151,831	(151,831)	1,628,849
Deferred revenue and other liabilities	23,501,678	143,949	2,017,612	178,346	(7,000)	25,834,585
Total current liabilities	65,237,327	3,042,829	14,848,609	2,025,097	(5,990,121)	79,163,741
Long-term deferred revenue and other liabilities	63,120,884	-	-	-	(1,859,467)	61,261,417
Long-term lease liabilities	46,528,046	1,065,310	531,505	146,110	(146,110)	48,124,861
Long-term debt, net	172,799,163	424,241	1,629,532	-	-	174,852,936
Accrued bond interest expense	31,381,613	-	-	-	-	31,381,613
Total liabilities	379,067,033	4,532,380	17,009,646	2,171,207	(7,995,698)	394,784,568
Net assets						
Without donor restrictions: WGBH Educational Foundation	431,397,944	7,413,417	(5,895,110)	4,321,376	-	437,237,627
Without donor restrictions: Noncontrolling interest in CDP	-	-	-	992,402	-	992,402
Total net assets without donor restrictions	431,397,944	7,413,417	(5,895,110)	5,313,778	-	438,230,029
With donor restrictions	114,021,605	844,812	8,065,914	-	-	122,932,331
Total net assets	545,419,549	8,258,229	2,170,804	5,313,778	-	561,162,360
Total liabilities and net assets	$ 924,486,582	$ 12,790,609	$ 19,180,450	$ 7,484,985	$ (7,995,698)	$ 955,946,928

The accompanying note is an integral part of this supplemental consolidating information.

WGBH Educational Foundation and Subsidiaries
Consolidating Statement of Activities
Year Ended June 30, 2022

	WGBH	NEPM	PRX	CDP	Eliminations	Consolidated
Operating revenue						
Licensing	$ 50,453,408	$ -	$ 325,585	$ -	$ -	$ 50,778,993
Underwriting	21,438,707	1,624,947	20,655,192	-	(18,172)	43,700,674
Viewer and listener support	32,202,684	3,861,367	1,443,243	-	-	37,507,294
Grants and contributions	3,846,901	565,199	2,846,369	-	-	7,258,469
Community service grants from the Corporation for Public Broadcasting	8,080,110	244,401	-	-	-	8,324,511
Royalty	2,140,137	-	-	-	-	2,140,137
Captioning and ancillary services	5,697,048	-	-	-	-	5,697,048
Other services revenue	3,539,208	31,639	1,842,468	15,751,153	(5,320,793)	15,843,675
Planned giving	1,859,653	58,661	-	-	-	1,918,314
Change in value of split interest agreements	-	-	-	-	-	-
Accretion of interest and other income on long-term receivables	5,401,544	-	-	-	-	5,401,544
Gain on equity investments	15,879,825	-	-	-	-	15,879,825
Investment earnings authorized for operations	18,379,511	57,212	-	-	-	18,436,723
In-kind contributions and donated services	836,990	513,954	343,958	-	-	1,694,902
Affiliation fees	-	-	4,208,431	-	(68,956)	4,139,475
Distribution fees	-	-	6,978,797	-	(115,967)	6,862,830
Miscellaneous income	11,408,820	176,929	27,422	-	(387,261)	11,225,910
Total operating revenue	181,164,546	7,134,309	38,671,465	15,751,153	(5,911,149)	236,810,324
Net assets released from restrictions	35,873,140	683,003	2,277,002	-	(3,070,489)	35,762,656
Total operating revenue and other support	217,037,686	7,817,312	40,948,467	15,751,153	(8,981,638)	272,572,980
Operating expenses						
Program services						
Programming and production	154,727,262	4,606,826	11,153,151	-	(3,149,042)	167,338,197
Broadcasting	13,920,822	2,385,703	28,161,719	-	(340,791)	44,127,453
Public information, guides and educational material	6,812,459	481,417	-	6,463,687	-	13,757,563
Total program services	175,460,543	7,473,946	39,314,870	6,463,687	(3,489,833)	225,223,213
Supporting services						
Fundraising and development	19,295,706	1,718,403	1,559,858	-	(4,926,937)	17,647,030
Underwriting	7,691,775	624,121	-	-	-	8,315,896
General and administrative	11,773,928	2,790,074	2,680,660	8,356,057	(564,868)	25,035,851
Total supporting services	38,761,409	5,132,598	4,240,518	8,356,057	(5,491,805)	50,998,777
Total operating expenses	214,221,952	12,606,544	43,555,388	14,819,744	(8,981,638)	276,221,990
Surplus (deficit) of operating revenue over operating expenses	2,815,734	(4,789,232)	(2,606,921)	931,409	-	(3,649,010)
Nonoperating gains						
Total investment (losses) gains, net	(95,945,561)	(164,845)	296,108	-	-	(95,814,298)
Investments earnings authorized for operations	(16,265,491)	(57,212)	-	-	-	(16,322,703)
Other gains, net	46,969	84,927	-	-	-	131,896
Nonoperating gains (losses), net	(112,164,083)	(137,130)	296,108	-	-	(112,005,105)
Change in net assets before net asset transfers	(109,348,349)	(4,926,362)	(2,310,813)	931,409	-	(115,654,115)
Net asset transfers	(3,416,133)	3,416,133	-	-	-	-
(Decrease) increase in net assets without donor restrictions: WGBH Educational Foundation	(112,764,482)	(1,510,229)	(2,310,813)	931,409	-	(115,654,115)
Change in net assets without donor restrictions: Noncontrolling Interest in CDP	-	-	-	113,748	-	113,748
Total (decrease) increase in net assets without donor restrictions	(112,764,482)	(1,510,229)	(2,310,813)	1,045,157	-	(115,540,367)
Beginning of year	544,162,426	8,923,646	(3,584,297)	4,268,621	-	553,770,396
End of year	$ 431,397,944	$ 7,413,417	$ (5,895,110)	$ 5,313,778	$ -	$ 438,230,029

The accompanying note is an integral part of this supplemental consolidating information.

WGBH Educational Foundation and Subsidiaries
Consolidating Statement of Activities
June 30, 2022

	WGBH	NEPM	PRX	CDP	Eliminations	Consolidated
Net assets without donor restrictions at June 30, 2021	$ 544,162,426	$ 8,923,646	$ (3,584,297)	$ 4,268,621	$ -	$ 553,770,396
Surplus (deficit) of operating revenue over operating expenses	2,815,734	(4,789,232)	(2,606,921)	931,409	-	(3,649,010)
Total investment (losses) gains, net	(95,945,561)	(164,845)	296,108	-	-	(95,814,298)
Investments earnings authorized for operations	(16,265,491)	(57,212)	-	-	-	(16,322,703)
Other gains, net	46,969	84,927	-	-	-	131,896
Total (decrease) increase in net assets without donor restrictions before net asset transfers	(109,348,349)	(4,926,362)	(2,310,813)	931,409	-	(115,654,115)
Net asset transfers	(3,416,133)	3,416,133	-	-	-	-
Total increase (decrease) in net assets without donor restrictions: WGBH Educational Foundation	(112,764,482)	(1,510,229)	(2,310,813)	931,409	-	(115,654,115)
Total increase in net assets without donor restrictions: Noncontrolling interest in CDP	-	-	-	113,748	-	113,748
Total (decrease) increase in net assets without donor restrictions	(112,764,482)	(1,510,229)	(2,310,813)	1,045,157	-	(115,540,367)
Net assets without donor restrictions at June 30, 2022	$ 431,397,944	$ 7,413,417	$ (5,895,110)	$ 5,313,778	$ -	$ 438,230,029
Net assets with donor restrictions at June 30, 2021	$ 128,528,050	$ 710,088	$ 6,887,444	$ -	$ -	$ 136,125,582
Grants and contributions	32,300,408	835,802	3,341,025	-	(3,070,489)	33,406,746
Planned giving	1,298,346	24,693	1,165,512	-	-	2,488,551
Change in value of split interest agreements	(1,421,636)	(5,786)	(1,051,065)	-	-	(2,478,487)
Investment earnings authorized for operations	(2,114,020)	-	-	-	-	(2,114,020)
Net assets released from restrictions used for operations	(35,873,140)	(683,003)	(2,277,002)	-	3,070,489	(35,762,656)
Total investment losses, net	(8,696,403)	(36,982)	-	-	-	(8,733,385)
Total (decrease) increase in net assets with donor restrictions before net asset transfers	(14,506,445)	134,724	1,178,470	-	-	(13,193,251)
Net assets with donor restrictions at June 30, 2022	$ 114,021,605	$ 844,812	$ 8,065,914	$ 5,313,778	$ -	$ 122,932,331

The accompanying note is an integral part of this supplemental consolidating information.

WGBH Educational Foundation and Subsidiaries
Consolidating Statement of Financial Position
Year Ended June 30, 2021

	WGBH	NEPM	PRX	CDP	Eliminations	Consolidated
Assets						
Cash	$ 74,186,089	$ 1,095,772	$ 592,801	$ 318,744	$ -	$ 76,193,406
Short-term investments	30,866,075	-	-	-	-	30,866,075
Accounts receivable	26,436,175	2,589,092	9,993,997	2,637,577	(5,257,241)	36,399,600
Current portion of receivables for asset sales	5,303,235	-	-	-	-	5,303,235
Current portion of grants receivable, net	6,531,885	518,050	534,170	-	(2,645,197)	4,938,908
Current portion of pledges receivable, net	4,487,755	276,157	190,000	-	-	4,953,912
Film assets	31,504,875	-	-	-	-	31,504,875
Prepaid expenses and other assets	2,569,901	9,248	732,460	627,118	(8,757)	3,929,970
Total current assets	181,885,990	4,488,319	12,043,428	3,583,439	(7,911,195)	194,089,981
Long-term pledges receivable, net	5,334,256	109,224	156,386	-	-	5,599,866
Long-term grants receivable, net	646,292	-	-	-	-	646,292
Long-term receivables for asset sales	96,241,187	-	-	-	-	96,241,187
Radio and television licenses	17,666,713	2,780,000	-	-	-	20,446,713
Intangible assets	-	-	380,000	501,250	(501,250)	380,000
Goodwill	-	-	-	1,569,887	(1,569,887)	-
Other assets	5,110,320	-	-	-	-	5,110,320
Equity investments	23,791,420	-	322,500	-	-	24,113,920
Funds held under bond agreements - restricted	2,053,133	-	-	-	-	2,053,133
Long-term investments	520,006,117	1,726,868	6,357,787	-	-	528,090,772
Right-of-use assets	44,196,392	919,872	929,294	445,985	(446,237)	46,045,306
Property, facilities and equipment, net	146,727,490	3,504,056	661,852	25,598	-	150,918,996
Total assets	$ 1,043,659,310	$ 13,528,339	$ 20,851,247	$ 6,126,159	$ (10,428,569)	$ 1,073,736,486
Liabilities						
Current maturities of debt	$ 1,890,000	$ 738,795	$ 4,929,826	$ -	$ -	$ 7,558,621
Accounts payable	10,397,171	208,197	8,434,737	543,449	(2,963,902)	16,619,652
Accrued expenses	22,785,956	1,358,699	1,529,035	625,033	(4,938,536)	21,360,187
Royalties payable	3,782,375	-	-	-	-	3,782,375
Accrued bond interest expense	5,075,933	-	-	-	-	5,075,933
Lease liabilities	1,042,781	61,613	316,233	-	-	1,420,627
Deferred revenue and other liabilities	20,684,820	183,655	1,329,511	242,819	(8,757)	22,432,048
Total current liabilities	65,659,036	2,550,959	16,539,342	1,411,301	(7,911,195)	78,249,443
Long-term deferred revenue and other liabilities	66,555,829	-	151,299	-	(2,071,137)	64,635,991
Long-term lease liabilities	46,863,449	862,537	857,459	446,237	(446,237)	48,583,445
Long-term debt, net	162,967,659	481,109	-	-	-	163,448,768
Accrued bond interest expense	28,922,861	-	-	-	-	28,922,861
Total liabilities	370,968,834	3,894,605	17,548,100	1,857,538	(10,428,569)	383,840,508
Net assets						
Without donor restrictions: WGBH Educational Foundation	544,162,426	8,923,646	(3,584,297)	3,389,967	-	552,891,742
Without donor restrictions: Noncontrolling interest in CDP	-	-	-	878,654	-	878,654
Total net assets without donor restrictions	544,162,426	8,923,646	(3,584,297)	4,268,621	-	553,770,396
With donor restrictions	128,528,050	710,088	6,887,444	-	-	136,125,582
Total net assets	672,690,476	9,633,734	3,303,147	4,268,621	-	689,895,978
Total liabilities and net assets	$ 1,043,659,310	$ 13,528,339	$ 20,851,247	$ 6,126,159	$ (10,428,569)	$ 1,073,736,486

The accompanying note is an integral part of this supplemental consolidating information.

WGBH Educational Foundation and Subsidiaries
Consolidating Statement of Activities
Year Ended June 30, 2021

	WGBH	NEPM	PRX	CDP	Eliminations	Consolidated
Operating revenue						
Licensing	$ 52,814,818	$ -	$ 96,153	$ -	$ -	$ 52,910,971
Underwriting	21,579,366	1,500,000	22,675,142	-	(70,343)	45,684,165
Viewer and listener support	31,755,205	3,979,969	2,242,812	-	-	37,977,986
Grants and contributions	4,546,404	285,940	3,833,146	-	-	8,665,490
Community service grants from the Corporation for Public Broadcasting	8,055,038	298,005	-	-	-	8,353,043
Royalty	14,553,649	-	-	-	-	14,553,649
Captioning and ancillary services	4,762,931	-	-	-	(54,623)	4,708,308
Other services revenue	3,993,353	12,566	1,083,123	12,755,749	(3,474,952)	14,369,839
Planned giving	2,259,181	15,750	-	-	-	2,274,931
Change in value of split interest agreements	-	-	-	-	-	-
Accretion of interest and other income on long-term receivables	5,408,875	-	-	-	-	5,408,875
Gain on equity investments	16,288,124	-	-	-	-	16,288,124
Investment earnings authorized for operations	17,466,844	37,254	-	-	-	17,504,098
In-kind contributions and donated services	84,303	489,503	419,932	-	-	993,738
Affiliation fees	-	-	4,267,028	-	(83,882)	4,183,146
Distribution fees	-	-	6,835,886	-	(151,679)	6,684,207
Miscellaneous income	11,078,887	128,057	106,855	-	(549,909)	10,763,890
Total operating revenue	194,646,978	6,747,044	41,560,077	12,755,749	(4,385,388)	251,324,460
Net assets released from restrictions	35,827,206	930,473	2,471,228	-	(3,684,393)	35,544,514
Total operating revenue and other support	230,474,184	7,677,517	44,031,305	12,755,749	(8,069,781)	286,868,974
Operating expenses						
Program services						
Programming and production	150,971,530	3,847,148	12,496,983	-	(3,753,865)	163,561,796
Broadcasting	15,342,286	2,258,920	31,665,795	-	(305,904)	48,961,097
Public information, guides and educational material	5,622,396	468,971	-	5,856,425	1,449,515	13,397,307
Total program services	171,936,212	6,575,039	44,162,778	5,856,425	(2,610,254)	225,920,200
Supporting services						
Fundraising and development	17,632,473	1,316,549	1,001,244	-	(4,884,932)	15,065,334
Underwriting	7,602,339	724,076	-	-	-	8,326,415
General and administrative	12,983,373	2,716,123	3,230,116	6,665,280	(574,595)	25,020,297
Total supporting services	38,218,185	4,756,748	4,231,360	6,665,280	(5,459,527)	48,412,046
Total operating expenses	210,154,397	11,331,787	48,394,138	12,521,705	(8,069,781)	274,332,246
(Deficit) surplus of operating revenue over operating expenses	20,319,787	(3,654,270)	(4,362,833)	234,044	-	12,536,728
Nonoperating gains						
Total investment income, net	129,196,103	567,019	388,551	-	-	130,151,673
Investments earnings authorized for operations	(14,744,839)	(37,254)	-	-	-	(14,782,093)
Other gains (losses), net	1,180,315	1,189,344	2,332,556	(14,711)	(2,376,352)	2,311,152
Nonoperating gains (losses), net	115,631,579	1,719,109	2,721,107	(14,711)	(2,376,352)	117,680,732
Change in net assets before net asset transfers	135,951,366	(1,935,161)	(1,641,726)	219,333	(2,376,352)	130,217,460
Net asset transfers	(2,994,303)	2,539,562	250,000	-	-	(204,741)
Increase (decrease) in net assets without donor restrictions: WGBH Educational Foundation	132,957,063	604,401	(1,391,726)	219,333	(2,376,352)	130,012,719
Change in net assets without donor restrictions: Noncontrolling Interest in CDP	-	-	-	26,786	-	26,786
Total increase (decrease) in net assets without donor restrictions	132,957,063	604,401	(1,391,726)	246,119	(2,376,352)	130,039,505
Beginning of year	411,205,363	8,319,245	(2,192,571)	4,022,502	2,376,352	423,730,891
End of year	$ 544,162,426	$ 8,923,646	$ (3,584,297)	$ 4,268,621	$ -	$ 553,770,396

The accompanying note is an integral part of this supplemental consolidating information.

WGBH Educational Foundation and Subsidiaries
Consolidating Statement of Activities
Year Ended June 30, 2021

	WGBH	NEPM	PRX	CDP	Eliminations	Consolidated
Net assets without donor restrictions at June 30, 2020	$ 411,205,363	$ 8,319,245	$ (2,192,571)	$ 4,022,502	$ 2,376,352	$ 423,730,891
Surplus (deficit) of operating revenue over operating expenses	20,319,787	(3,654,270)	(4,362,833)	234,044	-	12,536,728
Total investment income, net	129,196,103	567,019	388,551	-	-	130,151,673
Investments earnings authorized for operations	(14,744,839)	(37,254)	-	-	-	(14,782,093)
Other gains (losses), net	1,180,315	1,189,344	2,332,556	(14,711)	(2,376,352)	2,311,152
Total increase (decrease) in net assets without donor restrictions before net asset transfers	135,951,366	(1,935,161)	(1,641,726)	219,333	(2,376,352)	130,217,460
Net asset transfers	(2,994,303)	2,539,562	250,000	-	-	(204,741)
Total increase (decrease) in net assets without donor restrictions: WGBH Educational Foundation	132,957,063	604,401	(1,391,726)	219,333	(2,376,352)	130,012,719
Total increase in net assets without donor restrictions: Noncontrolling interest in CDP	-	-	-	26,786	-	26,786
Total increase (decrease) in net assets without donor restrictions	132,957,063	604,401	(1,391,726)	246,119	(2,376,352)	130,039,505
Net assets without donor restrictions at June 30, 2021	$ 544,162,426	$ 8,923,646	$ (3,584,297)	$ 4,268,621	$ -	$ 553,770,396
Net assets with donor restrictions at June 30, 2020	$ 107,162,085	$ 770,782	$ 7,630,415	$ -	$ -	$ 115,563,282
Grants and contributions	35,238,721	644,375	606,000	-	(3,684,393)	32,804,703
Planned giving	3,200,460	137,090	-	-	-	3,337,550
Change in value of split interest agreements	2,921,551	-	1,089,022	-	-	4,010,573
Investment earnings authorized for operations	(2,722,005)	-	-	-	-	(2,722,005)
Net assets released from restrictions used for operations	(35,827,206)	(930,473)	(2,471,228)	-	3,684,393	(35,544,514)
Total investment income, net	18,432,904	5,113	33,235	-	-	18,471,252
Total increase (decrease) in net assets with donor restrictions before net asset transfers	21,244,425	(143,895)	(742,971)	-	-	20,357,559
Net asset transfers	121,540	83,201	-	-	-	204,741
Total increase (decrease) in net assets with donor restrictions	21,365,965	(60,694)	(742,971)	-	-	20,562,300
Net assets with donor restrictions at June 30, 2021	$ 128,528,050	$ 710,088	$ 6,887,444	$ -	$ -	$ 136,125,582

The accompanying note is an integral part of this supplemental consolidating information.

1. Basis of Presentation

The accompanying supplemental consolidating information includes the consolidating statement of financial position and activities of the individual entities of WGBH Educational Foundation and Subsidiaries. All intercompany accounts and transactions between entities have been eliminated. The consolidating information presented is prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements and is not required as part of the basic financial statements.