

The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



**The Greater Washington Educational Telecommunications
Association, Inc. and Subsidiary**

Consolidated Financial Statements
Years Ended June 30, 2025 and 2024

The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

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Independent Auditor's Report

Board of Trustees
**The Greater Washington Educational
Telecommunications Association, Inc.**
Arlington, Virginia

Opinion

We have audited the consolidated financial statements of The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary (WETA or the Organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying 2025 consolidated financial statements present fairly, in all material respects, the consolidated financial position of WETA as of June 30, 2025 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of WETA 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.

Other Matter

The 2024 consolidated financial statements of WETA were audited by other auditors, whose report dated December 9, 2024 expressed an unmodified opinion on those consolidated financial statements.

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 WETA's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's 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 auditor's 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 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 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 WETA'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 WETA'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.

BDO USA, P.C.

December 1, 2025

Consolidated Financial Statements

The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

Consolidated Statements of Financial Position

<i>June 30,</i>	2025	2024
Assets		
Cash and cash equivalents	\$ 27,952,407	\$ 16,049,597
Accounts receivable, net of credit losses allowance of \$95,639 and \$100,216 in 2025 and 2024, respectively	6,819,786	11,205,060
Pledges receivable, net of allowance of \$0 and \$15,426 in 2025 and 2024, respectively	7,143,318	9,580,621
Investments	60,863,762	55,482,813
Deferred compensation investments	2,743,310	2,667,894
Prepaid expenses and other assets	2,496,071	2,484,789
Right-of-use lease asset – operating	2,489,401	2,704,282
Film assets	60,253,651	54,805,310
Property and equipment, net	58,679,029	63,629,472
Total assets	\$ 229,440,735	\$ 218,609,838
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 4,576,322	\$ 8,468,299
Deferred revenue	917,512	869,570
Deferred gain on sale of assets	-	2,045,675
Refundable advances	9,399,747	9,278,792
Deferred compensation liability	2,743,310	2,667,894
Lease liability – operating	2,625,213	2,822,845
Loan payable	200,000	200,000
Total liabilities	20,462,104	26,353,075
Commitments and Contingencies		
Net Assets		
Without donor restrictions:		
Undesignated	60,855,248	55,162,404
Board designated	31,056,923	35,977,375
Total net assets without donor restrictions	91,912,171	91,139,779
With donor restrictions	117,066,460	101,116,984
Total net assets	208,978,631	192,256,763
Total liabilities and net assets	\$ 229,440,735	\$ 218,609,838

See accompanying notes to consolidated financial statements.

**The Greater Washington Educational Telecommunications
Association, Inc. and Subsidiary**

Consolidated Statements of Activities

<i>Years ended June 30,</i>	2025	2024
Changes in net assets without donor restrictions		
Revenues and other support, including amounts released from restrictions		
Production funding from Public Broadcasting System	\$ 22,868,092	\$ 25,577,313
Corporate underwriting and funding	6,753,117	6,163,987
Membership and individual contributions	32,127,008	30,909,896
Foundations and nonprofit organization contributions	309,776	1,340,611
Federal, state, and local government grants	964,499	2,698,622
Rental income and other	3,403,842	3,100,512
Contributions of nonfinancial assets	1,292,920	10,841,609
Total changes in net assets without donor restriction	67,719,254	80,632,550
Net assets released from restrictions:		
Production funding from Public Broadcasting System	9,022,995	9,023,402
Corporate underwriting and funding	7,281,613	9,450,921
Membership and individuals contributions	8,544,090	25,945,015
Foundations and nonprofit organizations	30,804,549	48,093,844
Federal, state, and local government grants	253,199	253,555
Contributions of nonfinancial assets	108,333	200,000
Total net assets released from restrictions	56,014,779	92,966,737
Total revenues and other support without donor restrictions	123,734,033	173,599,287
Expenses		
National programming and productions	67,431,307	82,261,561
Television broadcast operations	15,394,381	14,151,878
Radio broadcast operations	3,022,340	3,083,115
Promotion, education, and outreach	9,358,202	8,820,346
Fundraising and membership development	6,881,255	7,230,408
Underwriting and grant solicitation	3,170,494	3,267,841
Management and general	15,579,311	15,743,194
Total expenses	120,837,290	134,558,343
Change in net assets without donor restrictions, before other changes	2,896,743	39,040,944
Other changes		
Net investment return	3,125,800	1,887,002
Loss on disposal of property and equipment	(55,984)	(427,374)
Gain on sale of production center	1,492,790	-
Amortization of gain on sale of production center	552,885	1,326,924
Depreciation and amortization	(6,812,164)	(3,575,164)
Interest expense	(1,246)	(830)
Property tax expense	(426,443)	(473,728)
Other nonoperating income	-	39
Total other changes	(2,124,362)	(1,263,131)
Total change in net assets without donor restrictions	772,381	37,777,813
Changes in net assets with donor restrictions		
Television production and other restricted contributions	68,402,477	56,693,627
Endowment investment return	3,035,432	3,262,756
Endowment distributions	(1,498,686)	(2,020,982)
Endowment gifts	2,025,043	2,059,790
Net assets released from restrictions	(56,014,779)	(92,966,737)
Total change in net assets with donor restrictions	15,949,487	(32,971,546)
Change in net assets	16,721,868	4,806,267
Net assets, beginning of year	192,256,763	187,450,496
Net assets, end of year	\$ 208,978,631	\$ 192,256,763

See accompanying notes to consolidated financial statements.

**The Greater Washington Educational Telecommunications
Association, Inc. and Subsidiary**

Consolidated Statement of Functional Expenses

Year ended June 30, 2025

	Program Services					Supporting Services					Total Expenses
	National Programming and Production	Television Broadcast Operations	Radio Broadcast Operations	Promotion, Education, and Outreach	Total Program Services	Fundraising and Membership Development	Underwriting and Grant Solicitation	Management and General	Total Support Services		
Compensation of officers and directors	\$ 2,900,522	\$ 348,667	\$ -	\$ -	\$ 3,249,189	\$ -	\$ -	\$ 2,641,895	\$ 2,641,895	\$ 5,891,084	
Other salaries and wages	24,333,425	2,709,336	1,942,724	4,841,214	33,826,699	2,514,140	1,513,990	4,359,941	8,388,071	42,214,770	
Retirement plan contributions	2,016,571	262,972	158,406	345,517	2,783,466	184,499	97,765	524,388	806,652	3,590,118	
Other employee benefits	2,980,432	388,665	234,119	510,664	4,113,880	272,684	144,494	775,030	1,192,208	5,306,088	
Payroll taxes	1,866,401	243,389	146,610	319,787	2,576,187	170,760	90,485	485,338	746,583	3,322,770	
Production and acquisition costs	28,817,251	3,123,564	109,092	1,369,320	33,419,227	164,571	184,000	140,299	488,870	33,908,097	
Public Broadcasting Service dues	-	6,999,860	-	-	6,999,860	-	-	-	-	6,999,860	
Accounting fees	-	-	-	-	-	-	-	132,203	132,203	132,203	
Legal fees	-	-	-	-	-	-	-	220,808	220,808	220,808	
Other professional fees	315,324	-	10,535	1,665	327,524	473,841	246,000	545,990	1,265,831	1,593,355	
Supplies	66,408	9,446	3,884	85,078	164,816	19,766	9,413	252,983	282,162	446,978	
Occupancy	756,804	585,742	159,530	100	1,502,176	6,128	-	1,701,058	1,707,186	3,209,362	
Telephone	129,538	68,350	29,163	5,625	232,676	61,924	-	243,291	305,215	537,891	
Postage and shipping	24,553	7,206	424	387,014	419,197	798,687	345	11,610	810,642	1,229,839	
Equipment rental and maintenance	153,054	68,971	21,569	38,698	282,292	-	973	93,397	94,370	376,662	
Printing and publications	7,013	196	-	306,471	313,680	499,001	756	-	499,757	813,437	
Travel	1,895,705	34,664	7,286	72,869	2,010,524	77,970	2,155	18,531	98,656	2,109,180	
Conferences, conventions, and meetings	245,545	14,842	-	277,987	538,374	109,287	1,311	10,929	121,527	659,901	
Advertising and promotions	66,509	63,416	710	367,763	498,398	356,395	554,984	10	911,389	1,409,787	
Memberships and affiliations	19,747	4,759	59,336	1,400	85,242	24,857	250	192,484	217,591	302,833	
All other expenses	836,505	460,336	138,952	427,030	1,862,823	1,146,745	323,573	3,229,126	4,699,444	6,562,267	
Total Expenses, before other changes	67,431,307	15,394,381	3,022,340	9,358,202	95,206,230	6,881,255	3,170,494	15,579,311	25,631,060	120,837,290	
Depreciation and amortization	2,773,937	74,998	325,984	13,660	3,188,579	-	-	3,623,585	3,623,585	6,812,164	
Interest expense	-	-	-	-	-	-	-	1,246	1,246	1,246	
Property tax expense	14,769	5,980	24,590	-	45,339	-	-	381,104	381,104	426,443	
Total	\$ 70,220,013	\$ 15,475,359	\$ 3,372,914	\$ 9,371,862	\$ 98,440,148	\$ 6,881,255	\$ 3,170,494	\$ 19,585,246	\$ 29,636,995	\$ 128,077,143	

See accompanying notes to consolidated financial statements.

**The Greater Washington Educational Telecommunications
Association, Inc. and Subsidiary**

Consolidated Statement of Functional Expenses

Year ended June 30, 2024

	Program Services					Supporting Services					Total Expenses
	National Programming and Production	Television Broadcast Operations	Radio Broadcast Operations	Promotion, Education, and Outreach	Total Program Services	Fundraising and Membership Development	Underwriting and Grant Solicitation	Management and General	Total Support Services		
Compensation of officers and directors	\$ 2,987,753	\$ 367,286	\$ -	\$ -	\$ 3,355,039	\$ -	\$ -	\$ 2,431,436	\$ 2,431,436	\$ 5,786,475	
Other salaries and wages	24,786,037	2,857,731	2,021,831	4,585,821	34,251,420	2,518,343	1,532,832	4,618,406	8,669,581	42,921,001	
Retirement plan contributions	1,979,927	284,441	139,781	326,341	2,730,490	185,461	94,592	566,844	846,897	3,577,387	
Other employee benefits	2,899,263	416,515	204,686	477,870	3,998,334	271,576	138,514	830,046	1,240,136	5,238,470	
Payroll taxes	1,824,461	262,107	128,806	300,716	2,516,090	170,898	87,165	522,335	780,398	3,296,488	
Production and acquisition costs	43,749,231	3,262,984	99,908	1,176,159	48,288,282	107,678	483,000	198,636	789,314	49,077,596	
Public Broadcasting Service dues	-	4,863,662	-	-	4,863,662	-	-	-	-	4,863,662	
Accounting fees	-	-	-	-	-	-	-	385,127	385,127	385,127	
Legal fees	-	-	-	-	-	-	-	282,327	282,327	282,327	
Other professional fees	551,984	28,613	1,150	9,259	591,006	459,200	255,000	558,345	1,272,545	1,863,551	
Supplies	125,338	9,581	8,955	109,945	253,819	9,843	7,915	476,538	494,296	748,115	
Occupancy	426,532	577,130	135,717	50	1,139,429	3,545	-	1,933,921	1,937,466	3,076,895	
Telephone	129,659	68,591	31,458	7,037	236,745	54,199	-	249,841	304,040	540,785	
Postage and shipping	20,721	7,592	473	386,478	415,264	746,338	660	14,515	761,513	1,176,777	
Equipment rental and maintenance	233,616	49,525	101,776	310,409	695,326	-	4,859	225,867	230,726	926,052	
Printing and publications	5,656	159	-	340,456	346,271	511,380	-	-	511,380	857,651	
Travel	1,453,431	91,887	4,276	70,465	1,620,059	66,528	6,060	15,918	88,506	1,708,565	
Conferences, conventions, and meetings	136,650	22,819	485	108,693	268,647	54,430	2,588	11,272	68,290	336,937	
Advertising and promotions	87,120	37,686	831	410,104	535,741	350,424	378,118	-	728,542	1,264,283	
Memberships and affiliations	7,431	35,424	69,882	937	113,674	10,326	250	182,068	192,644	306,318	
All other expenses	856,751	908,145	133,100	199,606	2,097,602	1,710,239	276,288	2,239,752	4,226,279	6,323,881	
Total Expenses, before other changes	82,261,561	14,151,878	3,083,115	8,820,346	108,316,900	7,230,408	3,267,841	15,743,194	26,241,443	134,558,343	
Depreciation and amortization	550,445	72,680	271,252	9,539	903,916	-	-	2,671,248	2,671,248	3,575,164	
Interest expense	-	-	-	-	-	-	-	830	830	830	
Property tax expense	13,327	(816)	24,138	-	36,649	-	-	437,079	437,079	473,728	
Other nonoperating expense	-	-	-	-	-	-	-	(39)	(39)	(39)	
Total	\$ 82,825,333	\$ 14,223,742	\$ 3,378,505	\$ 8,829,885	\$ 109,257,465	\$ 7,230,408	\$ 3,267,841	\$ 18,852,312	\$ 29,350,561	\$ 138,608,026	

See accompanying notes to consolidated financial statements.

**The Greater Washington Educational Telecommunications
Association, Inc. and Subsidiary**

Consolidated Statements of Cash Flows

<i>Years ended June 30,</i>	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 16,721,868	\$ 4,806,267
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	6,812,164	3,575,164
Unrealized and realized loss on investments	(4,356,207)	(3,170,923)
Change in unamortized discount on pledges receivable	39,532	-
Change in provision for allowance for credit losses	(4,577)	(20,460)
Change in provision for allowance for pledges receivable	(15,426)	15,426
Loss on disposal of property and equipment	55,984	427,374
Gain on sale of production center	(1,492,790)	-
Amortization of gain on sale of production center	(552,885)	(1,326,924)
Amortization of right-of-use asset – operating	214,881	209,082
Changes in assets and liabilities:		
Decrease (increase) in:		
Accounts and pledges receivable	6,803,049	12,443,945
Prepaid expenses and other assets	(11,282)	(709,578)
Film assets	(5,448,341)	(8,012,850)
Increase (decrease) in:		
Accounts payable and accrued expenses	(3,891,977)	(4,082,402)
Lease liability – operating	(197,632)	(186,797)
Refundable advances	120,955	(733,270)
Deferred revenue	47,942	146,810
Net cash provided by operating activities	14,845,258	3,380,864
Cash flows from investing activities:		
Purchases of investment securities	(74,455,170)	(2,807,435)
Sales of investment securities	73,430,419	2,614,770
Purchases of property and equipment	(1,917,697)	(14,777,207)
Net cash used in investing activities	(2,942,448)	(14,969,872)
Cash flows from financing activities:		
Proceeds from loan payable	-	200,000
Net cash provided by financing activities	-	200,000
Net increase (decrease) in cash and cash equivalents	11,902,810	(11,389,008)
Cash and cash equivalents, beginning of year	16,049,597	27,438,605
Cash and cash equivalents, end of year	\$ 27,952,407	\$ 16,049,597
Supplemental disclosure of cash flow information:		
Interest paid	\$ 1,246	\$ 830
Operating cash outflows – payments on operating leases	-	275,161

See accompanying notes to consolidated financial statements.

The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

Notes to Consolidated Financial Statements

1. Organization and Summary of Significant Accounting Policies

The Greater Washington Educational Telecommunications Association, Inc. (WETA) is a nonprofit Washington, D.C. corporation chartered in 1953 to operate a public television and public FM radio station.

NewsHour Productions LLC, a wholly-owned subsidiary of WETA, was formed in May 2014, for the primary business purpose of producing the PBS NewsHour program and other related activities. NewsHour Productions LLC is a single member limited liability company (NHP LLC) with WETA as its sole member. WETA and NHP LLC are collectively referred to as the Organization. NHP LLC is consolidated with WETA for financial statement and tax purposes.

Basis of Accounting

The accompanying consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principles of Consolidation

The consolidated financial statements include the accounts of WETA and NHP LLC, collectively the Organization. Intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation

The consolidated financial statements presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC or the Codification). As required by the Not-for-Profit Entities topics of the Codification, the Organization is required to report information regarding its consolidated financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Cash Equivalents

The Organization considers highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents except for the cash accounts held as part of investments.

The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Accounts Receivable

The Organization recognizes an allowance for credit losses for financial assets carried at amortized cost to present the net amount expected to be collected as of the consolidated statements of financial position date. Such allowance is based on the credit losses expected to arise over the life of the asset (contractual term) which includes consideration of prepayments and is based on the Organization's expectation as of the reporting date.

Assets are written off when the Organization determines that such receivables are deemed uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the reporting date.

The Organization pools its financial assets based on similar risk characteristics in estimating expected credit losses. In situations where certain assets do not share the same risk characteristics with other assets, the Organization measures the expected credit losses for those as needed from period to period as risk characteristics change.

The Organization determines its estimated credit losses for accounts receivable using an expected loss rate approach based on the accounts receivable aging schedule in determining its lifetime expected credit losses on its receivables from customers. This method is used for calculating an estimate of losses based primarily on the Organization's historical loss experience by accounts receivable aging bucket.

In determining its loss rates, the Organization evaluates information related to its historical losses, adjusted for current conditions, and further adjusted for the period of time that the Organization can reasonably forecast. For the period of time beyond which the Organization cannot reasonably forecast, reversion to historical amounts is applied based on the facts and circumstances as of the reporting date. The Organization was able to reasonably support a forecast period of one year after the reporting date. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all of the following: the customers' creditworthiness, changes in policy and procedures, existence, and effect of any concentration of credit and changes in the level of such concentrations, and the current and forecasted direction of the economic and business environment.

Accounts receivable include trade accounts receivable and are stated at net realizable value. The Organization records and maintains an allowance for expected credit losses based upon the expected collectability of receivables based on the collection risk. This primarily includes exchange-based receivables related to productions. Management recorded a credit loss allowance of \$95,639 and \$100,216 at June 30, 2025 and 2024, respectively.

Concentrations of Credit Risk

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant financial risk on cash. Amounts on deposit in excess of federally insured limits approximate \$27.2 million at June 30, 2025.

The Organization invests in a professionally managed portfolio that contains various securities that are exposed to risks, such as interest, market and credit. Due to the level of risk associated with

The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

Notes to Consolidated Financial Statements

such investments, and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near-term could materially affect investment balances and the amounts reported in the consolidated financial statements. The Organization's receivables balance consists primarily of amounts due from foundations and corporations. Historically, the Organization has not experienced significant losses related to the accounts and pledge receivable balances and, therefore, believes that the credit risk related to them is minimal.

Contracts Balances

The timing of revenue recognition may not align with the right to invoice. The Organization records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) also is recorded. If revenue is recognized in advance of the right to invoice, a contract asset (unbilled receivable) is recorded.

Pledges Receivable

Unconditional promises to give are recorded as contribution revenue in the period in which the Organization is notified by the donor of an unconditional commitment to make a contribution. The Organization's management periodically reviews the status of all promises to give balances for collectability. For the years ended June 30, 2025 and 2024, the allowance for doubtful pledges was \$0 and \$15,426, respectively.

Investments

The Organization reports investments at estimated fair value. Investment return reported in the consolidated statements of activities and changes in net assets is net of all external and direct internal investment management expenses. Interest and dividend income is accounted for on the accrual basis. Realized and unrealized gains and losses on investments, including changes in market value, are reported in the consolidated statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation.

Investments in equity securities with readily determinable fair values as well as investments in mutual and exchange-traded funds are reported at quoted market prices.

Leases

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization made an accounting policy election available under ASC 842, *Leases*, not to recognize right-of-use (ROU) assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of

The Greater Washington Educational Telecommunications Association, Inc. and Subsidiary

Notes to Consolidated Financial Statements

future lease payments over the lease term at the commencement date of the lease or the year beginning July 1, 2022, for existing leases upon the adoption of ASC 842. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to nonpublic companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date or remaining term for leases existing upon the adoption of ASC 842.

The Organization has made an accounting policy election to account for lease and nonlease components in its contracts as a single lease component for its real estate asset class. The nonlease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Film Assets

The Organization capitalizes the production costs of television programs. The capitalized costs are direct costs of production and production overhead. The costs are recognized as expense when the program segment is first aired. All film assets are for direct-to-television projects and all capitalized film assets relate to projects which have not aired at June 30, 2025 and 2024. The Organization expects approximately \$33,000,000 and \$10,300,000 of film assets to be expensed during the years ending June 30, 2026 and 2027, respectively. The Organization expects approximately \$16,800,000 of film assets to be expensed during the years ending after June 30, 2027.

Property and Equipment

Property and equipment is recorded at cost. Contributed property is recorded at the estimated fair value at the date of contribution. The Organization capitalizes all expenditures for property and equipment over \$5,000. The useful life of the asset is determined on a case-by-case basis, and the estimated useful lives currently range from one to 31.5 years. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred.

Valuation of Long-Lived Assets

The Organization accounts for the valuation of long-lived assets by reviewing such assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. Management believes that no events have occurred that would cause such an impairment for the fiscal years ended June 30, 2025 and 2024.

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Deferred Revenue

Deferred revenue represents receipts for local broadcast underwriting in advance of the revenue being earned.

Deferred Gain on Sale of Assets

Deferred gain on sale of assets represents the unamortized portion of the Organization's gain from a sale of assets due to the Organization entering into a leaseback transaction at the time of the sale.

Refundable Advances

Refundable advances represent cash received from grantors for which some or all of the grant conditions were not yet met. Conditions of a grant primarily include completion of project tasks and related expenditures as well as the right of return for funds transferred if all conditions are not met.

Conditional Awards as a Resource Provider

The Organization records awards issued as conditional when there is a barrier and a right of release or return. The Organization records the expense and revenue as barriers are substantially met.

Net Assets

Unconditional contributions are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. Revenue is reported as an increase in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. All expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as an increase or decrease in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions that may or will be met either by the actions of the Organization and/or the passage of time. Releases of restrictions on net assets are reported as releases from net assets with donor restrictions to net assets without donor restrictions when the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed. Certain net assets with donor restrictions must be held in perpetuity by the Organization.

Endowment

The Organization's endowment consists of individual funds established for a variety of purposes that are subject to varying levels of donor-imposed restrictions and funds designated by the Board of Trustees.

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Notes to Consolidated Financial Statements

The Organization classifies amounts restricted by the donor to be preserved in perpetuity as net assets with donor restrictions. Earnings from all donor-restricted funds are classified as net assets with donor restrictions until such time as they are appropriated for use. Both the principal and earnings of Board- designated funds are classified as net assets without donor restrictions. Investment income and investment gains and losses are attributed to individual endowment funds in proportion to their pro rata share of the investment balance at the beginning of the fiscal year.

Revenue Recognition

The Organization's revenue streams from contracts with customers are composed of certain production funding, certain corporate underwriting, royalty revenue, ancillary, and other revenue. The Organization earned approximately \$22,900,000 and \$25,600,000 in production funding from contracts with customers during the years ended June 30, 2025 and 2024, respectively. The Organization earned approximately \$6,800,000 and \$6,200,000 in corporate underwriting from contracts with customers during the years ended June 30, 2025 and 2024, respectively. The Organization's revenue is recognized when a given performance obligation is satisfied, either over a period of time or at a point in time. The Organization's revenue under contract with customers is earned in the United States and the majority of customers are corporate partners and supporters of the Organization.

Production funding and corporate underwriting from contracts with customers are recognized at the time the related production airs. Rental income is recognized over the lease period as the rental services are provided. Royalty includes copyright administration provided to member stations and is recognized ratably over the contract period. Ancillary and other revenue are earned and recognized when the goods and services are rendered. Rental, royalty, ancillary and other revenues are presented as rental income and other on the accompanying consolidated statements of activities.

The Organization's revenue from contracts with customers are generally for one year or less. The contracts do not include significant financing components and do not have variable considerations. The Organization did not have any impairment or credit losses on any receivables or contract assets arising from contracts with customers. The primary factor affecting future revenue and cash inflows is corporate underwriting. Management does not believe there is a material risk of loss for future revenue and cash inflows related to corporate underwriting.

Grants and Contributions

The Organization receives contributions and grants from entities to underwrite the cost of some of its programs and productions. Unconditional grants and contributions are recognized when received and are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted revenue is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Conditional grant and contribution revenue is recorded only to the extent that barriers, such as qualifying expenditures, have been substantially satisfied, in accordance with the agreements. Conditional grant and contribution revenue where donor restrictions are satisfied as barriers are substantially met are recorded with net assets without donor restrictions. If advances of funds are

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Notes to Consolidated Financial Statements

received for these agreements, the amount received is initially recorded as refundable advances in the consolidated statements of financial position. As qualifying expenses are incurred and the barriers are met, revenue is also recorded in the same amount by reducing refundable advances.

Membership and contributions from individuals are unconditional contributions, which include unconditional contributions receivable, are recognized as support at the earlier of the period received or when the promise is made. Conditional promises to give are not included as revenue until the barriers are substantially met.

Contributions of Nonfinancial Assets

The Organization receives contributed goods and services from outside parties to assist with outreach, education, fundraising and advertising. Contributed nonfinancial assets are recorded at fair value on the date received based on (i) vendor rate cards, invoices, or arm's-length market pricing for similar goods or services; (ii) stated contract values for media/barter arrangements; and (iii) standard billing rates and hours for contributed professional services. Related expenses are presented within the appropriate natural expense categories in the consolidated statements of functional expenses (e.g., advertising and promotion, professional services, and other program and supporting services), consistent with the nature of the underlying goods or services.

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Notes to Consolidated Financial Statements

The value of contributed non-financial assets, without donor restrictions, received were as follows (dollars in thousands):

<i>Years ended June 30,</i>	2025	2024
<u>Type of Service</u>	<u>Valuation Techniques</u>	
Legal network	Hourly rates by type of services used by the law firms that provide the service	\$ 245,520 \$ -
Advertising and media	Determined using the average market rate for comparable advertising and media services, as established by the media company providing the service	547,400 -
Streaming devices	Market rate of streaming device sticks	500,000 -
Rent expense	Market rate for rental of similar facilities, reflecting the typical cost for comparable rental arrangements	108,333 200,000
Production costs	Average market rate for similar production services, reflecting standard charges in the industry	- 10,469,109
Travel and entertainment	Market rate for comparable travel and entertainment services, based on prevailing rates for such services	- 372,500
		\$ 1,401,253 \$ 11,041,609

Expenses

Expenses are recognized during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period.

Functional Allocation of Expenses

The costs of providing various program and supporting activities have been summarized on a functional basis in the accompanying consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Overhead costs such as depreciation, benefits, occupancy, telephone, rent and utilities have been allocated based on personnel costs and employee headcount.

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The following program and supporting services are included in the consolidated statements of functional expenses.

National Programming and Production - This program includes national program development, NewsHour productions, and the production center facility.

Television Broadcast Operations - This program includes TV station program acquisition and scheduling functions, as well as the master control and engineering functions related to television.

Radio Broadcast Operations - This program includes radio station program acquisition and scheduling functions, as well as the FM studio and engineering functions related to radio.

Promotion, Education, and Outreach - This program includes communications, learning media and audience services.

Fundraising and Membership Development - This supporting service category includes the departments focused on raising a high volume of relatively low dollar membership gifts from individuals, as well as major giving.

Underwriting and Grant Solicitation - This supporting service category includes foundation and government development, and local and national corporate program and production underwriting.

Management and General - This supporting service category includes the functions necessary to support the proper administrative functioning of the Organization such as human resources, management information systems, accounting and finance, legal, executive offices and facilities.

Advertising

Advertising expenditures are expensed as incurred. Advertising expense was \$1,409,787 and \$1,264,285 for the years ended June 30, 2025 and 2024, respectively.

Income Taxes

WETA is recognized as exempt from federal income taxes, except on unrelated activities, under Internal Revenue Code (IRC) Section 501(c)(3). The Internal Revenue Service (IRS) has also determined that WETA is not a private foundation under IRC Section 509(a)(1). NHP LLC is a single member LLC and is a disregarded entity for federal income tax purposes. Therefore, the Organization is generally not subject to tax under present income tax laws; however, any unrelated business income may be subject to federal and state income taxes. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

The Organization believes it has appropriate support for any tax position taken and, as such, does not have any uncertain tax positions that are material to the consolidated financial statements. No interest expense and penalties related to income taxes on uncertain tax positions were recognized for the years ended June 30, 2025 and 2024. The Organization is generally no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for the years ended June 30, 2022 and prior.

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Notes to Consolidated Financial Statements

Recent Accounting Pronouncements Not Yet Adopted

In March 2022, the FASB issued ASU 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions (Topic 820)*. The amendments clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. Early adoption is permitted, and the updates should be applied prospectively with any adjustments from the adoption of the amendments recognized in the change in net asset and disclosed on the date of adoption. For all non-public entities, this ASU is effective for fiscal years beginning after December 15, 2025. The Organization is evaluating the effect that adoption of this new standard will have on the Organization's consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets for Private Companies and Certain Not-for-Profit Entities (PCC)*. The ASU amends ASC 326, *Financial Instruments—Credit Losses*, and allows all entities to elect a practical expedient that all entities can use when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under ASC 606, *Revenue from Contracts with Customers*. The guidance also allows entities other than public business entities (PBEs) that apply the practical expedient to make an accounting policy election to consider collection activity after the balance sheet date when estimating expected credit losses. This update is effective for annual periods beginning after December 15, 2025. The Organization continues to evaluate the potential impact of this ASU.

The Organization has assessed other accounting pronouncements issued or effective during the year ended June 30, 2025 and deemed they were not applicable to the Organization or are not anticipated to have a material effect on the consolidated financial statements.

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Notes to Consolidated Financial Statements

2. Liquidity and Availability of Resources

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. Financial assets available to meet general expenditures over the next 12 months consist of the following:

<i>June 30,</i>	2025	2024
Cash and cash equivalents	\$ 27,952,407	\$ 16,049,597
Accounts receivable, net	6,819,786	11,205,060
Pledges receivable, net	7,143,318	9,580,621
Investments	60,863,762	55,482,813
Total Financial Assets, at year-end	102,779,273	92,318,091
Less amounts not available to be used within one year:		
Receivables due after one year	(1,880,854)	(2,666,945)
Board-designated funds	(31,056,923)	(35,977,375)
Donor-restricted funds, net of film assets	(56,812,809)	(46,311,674)
Financial Assets Not Available to be Used for General Expenditures	(89,750,586)	(84,955,994)
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	\$ 13,028,687	\$ 7,362,097
Donor-restricted funds	\$ (117,066,460)	\$ (101,116,984)
Film assets	60,253,651	54,805,310
Donor-Restricted Funds, net of film assets	\$ (56,812,809)	\$ (46,311,674)

The Organization also has a line-of-credit with \$4,000,000 in unused funds available as of June 30, 2025, that will expire on March 27, 2026, and a line-of-credit with \$5,000,000 in unused funds available as of June 30, 2025, that expired on August 1, 2025 and was not renewed by the Organization subsequently.

3. Pledges Receivable

Contributions receivable, net, as of June 30, 2025 and 2024 were valued at \$7,143,318 and \$9,580,621, respectively. Unconditional contributions that are expected to be received more than one year into the future are discounted using weighted-average risk-free rate of 3.76% and 2.42% for the years ended June 30, 2025 and 2024. Amortization of the discount is recorded as additional contribution revenue, typically ratably, and is used in accordance with donor-imposed restrictions, if any, on the contributions. When necessary, an allowance is made for uncollectible contributions, based upon management's judgment, past collection experience, and other relevant factors. For the years ended June 30, 2025 and 2024, the Organization wrote off \$20,000 and \$33,852 of receivables, respectively.

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Pledges receivables are expected to be collected over the following periods:

<i>Years ended June 30,</i>	2025	2024
Due in less than one year	\$ 5,457,777	\$ 7,084,883
Due after one year and before five years	1,880,854	2,666,945
Discount of long-term receivables	(195,313)	(155,781)
Allowance for doubtful pledges	-	(15,426)
	\$ 7,143,318	\$ 9,580,621

Long-term receivables arise primarily from grants and contributions restricted to fund television projects, which often have multi-year production schedules.

Conditional grants are recognized as revenue when the specific barriers detailed in the grant, such as incurring allowable expenses, are substantially met. At June 30, 2025 and 2024, the Organization had approximately \$6,150,000 and \$9,760,000, respectively, of outstanding conditional contributions not reported in the accompanying consolidated financial statements. Refundable advances are recorded when a grantor makes a cash advance payment on a conditional grant and the Organization has not yet met the stipulated barriers and are presented on the accompanying consolidated statements of financial position.

The Organization receives support in the form of contributions from its Board members in the ordinary course of business.

4. Investments and Fair Value Measurement

The Organization follows the Codification topic, *Fair Value Measurement*. The topic applies to all assets and liabilities that are being measured and reported on a fair value basis. The topic establishes a framework for measuring fair value in accordance with GAAP and expands disclosure about fair value measurements. The topic enables the reader of the consolidated financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The topic requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - This level consists of quoted market prices in active markets for identical assets or liabilities.

Level 2 - This level consists of observable market-based inputs or unobservable inputs corroborated by market data.

Level 3 - This level consists of unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities that are subject to the topic. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 1. The Organization had no Level 2 or Level 3 investments at June 30, 2025 and 2024.

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The tables below present the balances of assets and liabilities, measured at fair value on a recurring basis by level within the hierarchy:

June 30, 2025

	Level 1	Level 2	Level 3	Total
Asset Category				
Money market fund	\$ 933,806	\$ -	\$ -	\$ 933,806
Equity mutual and exchange traded funds:				
Large blend	17,942,118	-	-	17,942,118
International growth and value	15,628,673	-	-	15,628,673
Small cap blend	3,183,465	-	-	3,183,465
Mid cap blend	1,318,092	-	-	1,318,092
Emerging markets	1,187,227	-	-	1,187,227
High yield	47,904	-	-	47,904
	39,307,479	-	-	39,307,479
Fixed income mutual funds:				
Intermediate term	12,564,335	-	-	12,564,335
Short-term	9,247,841	-	-	9,247,841
High yield	1,322,625	-	-	1,322,625
Emerging markets	230,986	-	-	230,986
	23,365,787	-	-	23,365,787
Total Assets at Fair Value	\$ 63,607,072	\$ -	\$ -	\$ 63,607,072
Total Investments at Fair Value				\$ 60,863,762
Total Deferred Compensation Investments at Fair Value				2,743,310
				\$ 63,607,072
Liabilities				
Deferred compensation plan liabilities	\$ -	\$ 2,743,310	\$ -	\$ 2,743,310
Total Liabilities at Fair Value	\$ -	\$ 2,743,310	\$ -	\$ 2,743,310

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Notes to Consolidated Financial Statements

June 30, 2024

	Level 1	Level 2	Level 3	Total
Asset Category				
Money market fund	\$ 300,816	\$ -	\$ -	\$ 300,816
Equity mutual and exchange traded funds:				
Large blend	21,004,284	-	-	21,004,284
International growth and value	12,992,578	-	-	12,992,578
Small cap blend	49,232	-	-	49,232
Mid cap blend	902,433	-	-	902,433
Emerging markets	70,693	-	-	70,693
	35,019,220	-	-	35,019,220
Fixed income mutual funds:				
Intermediate term	18,792,212	-	-	18,792,212
Short-term	3,871,945	-	-	3,871,945
High yield	95,821	-	-	95,821
Emerging markets	70,693	-	-	70,693
	22,830,671	-	-	22,830,671
Total Assets at Fair Value	\$ 58,150,707	\$ -	\$ -	\$ 58,150,707
Total Investments at Fair Value				\$ 55,482,813
Total Deferred Compensation Investments at Fair Value				2,667,894
				\$ 58,150,707
Liabilities				
Deferred compensation plan liabilities	\$ -	\$ 2,667,894	\$ -	\$ 2,667,894
Total Liabilities at Fair Value	\$ -	\$ 2,667,894	\$ -	\$ 2,667,894

The money market, mutual and exchange traded funds are considered Level 1 assets as they are actively traded on public exchanges. The deferred compensation plan liabilities are based on the fair value of the deferred compensation plan assets, which are observable inputs; however, the liabilities are not publicly traded and are, therefore, considered Level 2 items.

Investment return, net of management fees consists of the following:

<i>Years ended June 30,</i>	2025	2024
Unrealized and realized gains	\$ 4,356,207	\$ 3,170,923
Interest and dividends	1,970,015	2,079,356
Investment management fees	(164,990)	(100,521)
	\$ 6,161,232	\$ 5,149,758
Net investment return	\$ 3,125,800	\$ 1,887,002
Endowment investment return	3,035,432	3,262,756
	\$ 6,161,232	\$ 5,149,758

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Notes to Consolidated Financial Statements

5. Property and Equipment

Property and equipment consist of the following:

<i>June 30,</i>	2025	2024
Production and other equipment	\$ 44,903,103	\$ 45,434,129
Building and improvements	53,431,230	53,147,861
Land	1,773,006	1,773,006
Fixed assets purchased, but not yet placed in service	425,491	10,678
	100,532,830	100,365,674
Less: accumulated depreciation and amortization	(41,853,801)	(36,736,202)
Property and Equipment, Net	\$ 58,679,029	\$ 63,629,472

Depreciation and amortization expense was \$6,812,164 and \$3,575,164 for the years ended June 30, 2025 and 2024, respectively.

In January 2021, the Organization sold its Production Center building to Arlington County, Virginia for \$8,000,000 and entered into a five-year leaseback agreement at a rate below fair market value. The resulting gain on sale of \$6,634,621 was deferred and amortized over the life of the leaseback agreement. During the years ended June 30, 2021 through June 30, 2024, the Organization recognized deferred gain amortization totaling \$4,588,947, leaving a remaining balance of \$2,045,675 as of June 30, 2024. In December 2024, the Organization's leaseback period concluded, and the Production Center building was formally returned to Arlington County, Virginia. As the Organization no longer occupied or maintained any rights or obligations related to the property, the remaining deferred gain of \$1,492,790 was recognized in full as income during the year ended June 30, 2025.

As of June 30, 2025 and 2024, the balance of deferred gain on the sale of assets was \$0 and \$2,045,675, respectively. Amortization of the deferred gain amounted to \$552,885 and \$1,326,924, respectively for the years ended June 30, 2025 and 2024.

6. Loan Payable

On November 14, 2023, the Organization received an artwork valued at \$200,000. The artwork is considered on loan to the Organization through November 13, 2026, unless otherwise directed by the lender. There is no interest or other financial obligations attached to the loan, and the artwork is expected to be returned at the end of the loan period.

7. Lines-of-Credit

The Organization has a revolving line of credit in the amount of \$4,000,000 that expires on March 27, 2026. The Organization also had a revolving line of credit in the amount of \$5,000,000 that expired on August 1, 2025 and was not renewed subsequently. The Organization had no outstanding amounts due under the lines of credit at June 30, 2025 and 2024.

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Notes to Consolidated Financial Statements

8. Retirement Plan

The Organization provides retirement benefits for substantially all of its employees through a 403(b) defined contribution savings plan (the 403(b) Plan). The Organization's financial liability under this plan is limited to current contributions. Total employer contributions to the 403(b) Plan were \$3,590,118 and \$3,577,387 for the years ended June 30, 2025 and 2024, respectively.

9. Deferred Compensation Plan

The Organization has a 457(b) deferred compensation plan (the 457(b) Plan). The Plan is intended to be a deferred compensation plan for corporate officers of the Organization in accordance with Section 457(b) of the IRC. The recorded asset and liability for the deferred compensation plan was \$2,743,310 and \$2,667,894 for the years ended June 30, 2025 and 2024, respectively.

10. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes:

<i>June 30,</i>	2025	2024
Programmatic and time restrictions:		
National television production	\$ 73,730,206	\$ 65,199,448
Local broadcasting	2,354,485	2,326,111
Learning media projects	6,142,232	2,313,677
Total Programmatic and Time Restrictions	82,226,923	69,839,236
Donor-restricted endowment funds:		
The Leonore Annenberg Endowment	6,261,133	5,737,763
Capital Campaign Fund—Program Trust	12,855,902	12,279,588
Eugene B. Casey Endowment	1,783,240	1,909,102
Eugene B. Casey Journalism Endowment	4,276,926	2,017,690
Fisher Endowment	1,534,697	1,473,553
Arts Program Fund	3,141,716	3,313,854
Arts Endowment Fund	4,274,454	3,917,151
John and Martha Giovanelli Endowed Fund of Science and Education	113,897	104,376
Other named endowments	597,572	524,671
Total Donor-Restricted Endowment Funds	34,839,537	31,277,748
Net Assets with Donor Restrictions	\$ 117,066,460	\$ 101,116,984

During the years ended June 30, 2025 and 2024, the Organization released \$56,014,779 and \$92,966,737, respectively, from donor-restricted net assets.

The donor-restricted endowment funds are comprised of the following:

The Leonore Annenberg Endowment - The Annenberg Foundation established The Leonore Annenberg Endowment to support projects that are important, national in scope and consistent with the values and integrity of its namesake. As of September 30, each year, the Organization will

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determine the fund's fair value, including income and both realized and unrealized gains and losses net of fees, and calculate the amount that may be withdrawn.

Capital Campaign Fund—Program Trust - The Capital Campaign Fund was established to help fund the development of new facilities and to create an endowment to support the development of radio and television programming for public broadcasting. The National Endowment for the Humanities awarded the Organization a \$562,000 endowment challenge grant, which was matched by \$2,443,421 from private sources. Net assets associated with these grants are recorded as net assets with donor restrictions, except for \$500,000 that is recorded in net assets without donor restrictions having been applied toward the purchase of equipment pursuant to donor restrictions. Income generated by this fund is applied to the development of radio and television programming for public broadcasting.

Eugene B. Casey Endowments - The Eugene B. Casey Foundation made a \$1,000,000 donor-restricted contribution to establish the Eugene B. Casey Endowment Fund. The income from this endowment is used to provide programming for children and young people that enriches them through knowledge of their bodies, minds and spirits. During the year ended June 30, 2024, the Foundation made an additional \$2,000,000 donor-restricted contribution to establish a separate endowment fund. This new endowment supports excellence in journalism through the SPR Excellence in Journalism Award and the PBS NewsHour News Assistants program, fostering the next generation of journalists.

Fisher Endowment - The Robert M. Fisher Memorial Foundation, Inc. established a \$1,000,000 program Endowment Fund at the Organization. The Fisher Endowment Fund will be used to acquire, produce and broadcast television and radio programs in the fulfillment of the mission of the Organization. The Organization will use 5% of the value of the fund as of December 31 the year prior, or \$50,000, whichever is greater, each year. If the earnings are less than \$50,000 in any one year, the \$50,000 shall be funded by the earnings and an amount from principal to bring the annual total to \$50,000. The Organization only used principal amount in the first year of this fund.

Arts Endowment and Arts Program - The Organization previously received a \$600,000 challenge grant from the National Endowment for the Arts (NEA). The Organization was required by the terms of the grant to provide matching contributions totaling \$1,800,000. Together, the grant and matching funds were used to establish an Arts Endowment Fund of \$1,000,000 and an Arts Program Fund of \$1,400,000 (together, the Funds). The original principal of the Funds was restricted to be held in perpetuity under the terms of the original grants, though internal borrowing from the Arts Program Fund principal is permitted. As of June 30, 2025 and 2024, the Organization had not borrowed from the Funds. NEA subsequently informed the Organization that the restriction on the Funds had been removed. The Organization then reclassified \$2,200,000 of those funds into net assets without donor restrictions. The Arts Program Fund of \$200,000 remains in net assets with donor restrictions since the funds were matching funds and have not been released from restriction by the donors.

John and Martha Giovanelli Endowed Fund for Science and Education - The Organization received \$100,000 in endowment contributions from a donor. The purpose of this fund is to provide general operating support for WETA Television in support of science and education programming. The income earned from the fund will be made available annually to the Organization to support general operations.

Other named endowments - During fiscal years 2025 and 2024, the Organization received no other named endowment contributions.

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11. Endowment

The Organization's endowment consists of individual funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions and designations by the Board of Trustees. The Organization follows the Codification subtopic, *Reporting Endowment Funds*.

Interpretation of the Relevant Law

The Board of Trustees has interpreted the Virginia enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor-restricted permanent endowment net assets: (a) the original value of gifts donated to the donor-restricted permanent endowment, (b) the original value of subsequent gifts to the donor-restricted permanent endowment, and (c) the accumulations to the donor-restricted permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is classified as donor-restricted net assets, until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The purposes of the Organization's endowment fund
- The duration and preservation of the funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other available financial resources
- Investment policies

At June 30, 2025 and 2024, the Organization had endowment funds totaling \$65,896,460 and \$67,255,123, respectively.

Donor-restricted endowment funds are described in Note 10.

Board-designated funds are described below:

WETA Endowment Fund - To provide a continued source of income for operations or to fund special projects, capital improvements or emergency needs.

Capital Building Fund - To be used for the purchase of capital assets without obligation (or donor expectation) to preserve any amount of capital.

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Program Investment Fund - To provide a continuing source of investment capital for expenditure in the development of and participation in projects of interest to the Organization.

Strategic Initiatives Funds - To fund new initiatives that are strategically important to the future of the Organization.

Program Fund for Excellence - To be used to develop programming of intellectual integrity and cultural merit and to support other projects related to the mission of the Organization.

The distribution of endowment net assets between donor-restricted and board-designated are as follows:

Year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Program Trust Fund	\$ -	\$ 12,855,902	\$ 12,855,902
Leonore Annenberg Endowment	-	6,261,133	6,261,133
Arts Program Fund	-	3,141,716	3,141,716
Arts Endowment Fund	-	4,276,926	4,276,926
Eugene B. Casey Endowment	-	1,783,240	1,783,240
Eugene B. Casey Journalism Endowment	-	4,274,454	4,274,454
Fisher Endowment	-	1,534,697	1,534,697
John and Martha Giovanelli Endowed Fund of Science and Education	-	113,897	113,897
Other named endowments	-	597,572	597,572
Donor-Restricted Endowment Funds	-	34,839,537	34,839,537
WETA Endowment Fund	8,819,772	-	8,819,772
Capital Building Fund	5,353,138	-	5,353,138
Program Investment Fund	6,437,561	-	6,437,561
WETA Strategic Initiative Fund	8,042,138	-	8,042,138
Program Fund for Excellence	2,404,314	-	2,404,314
Board-Designated Funds	31,056,923	-	31,056,923
Total Endowment Net Assets	\$ 31,056,923	\$ 34,839,537	\$ 65,896,460

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Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Program Trust Fund	\$ -	\$ 12,279,588	\$ 12,279,588
Leonore Annenberg Endowment	-	5,737,763	5,737,763
Arts Program Fund	-	3,313,854	3,313,854
Arts Endowment Fund	-	3,917,151	3,917,151
Eugene B. Casey Endowment	-	1,909,102	1,909,102
Eugene B. Casey Journalism Endowment	-	2,017,690	2,017,690
Fisher Endowment	-	1,473,553	1,473,553
John and Martha Giovanelli Endowed Fund of Science and Education	-	104,376	104,376
Other named endowments	-	524,671	524,671
Donor-Restricted Endowment Funds	-	31,277,748	31,277,748
WETA Endowment Fund	8,082,524	-	8,082,524
Capital Building Fund	4,905,331	-	4,905,331
Program Investment Fund	5,899,443	-	5,899,443
WETA Strategic Initiative Fund	6,107,222	-	6,107,222
Program Fund for Excellence	2,203,335	-	2,203,335
WETA Capital Campaign: Building the Future Fund	8,779,520	-	8,779,520
Board-Designated Funds	35,977,375	-	35,977,375
Total Endowment Net Assets	\$ 35,977,375	\$ 31,277,748	\$ 67,255,123

Funds with Deficiencies

The fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. As of June 30, 2025 and 2024, no funds had a deficiency.

Changes in endowment net assets were as follows:

Year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets , beginning of year	\$ 35,977,375	\$ 31,277,748	\$ 67,255,123
Investment income	556,478	535,091	1,091,569
Investment gains, net	1,567,545	2,500,341	4,067,886
Contributions and additions	1,735,045	2,025,043	3,760,088
Distributions	(8,779,520)	(1,498,686)	(10,278,206)
Endowment Net Assets , end of year	\$ 31,056,923	\$ 34,839,537	\$ 65,896,460

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Year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets , beginning of year	\$ 37,227,735	\$ 27,976,184	\$ 65,203,919
Investment income	923,214	743,474	1,666,688
Investment gains, net	1,799,733	2,519,282	4,319,015
Contributions and additions	2,734,715	2,059,790	4,794,505
Distributions	(6,708,022)	(2,020,982)	(8,729,004)
Endowment Net Assets , end of year	\$ 35,977,375	\$ 31,277,748	\$ 67,255,123

Endowment Investing Policies

Endowments are aggregated into a single pool along with other investment funds to permit optimal asset allocation. The Organization's primary investment objective is long-term growth to preserve and enhance the inflation-adjusted purchasing power of the total endowment.

The Organization has a well-diversified investment portfolio. The Organization's Investment Subcommittee monitors the portfolio and investment manager, and advises the Finance and Budget Committee of the Board of Trustees on investment matters in accordance with a written committee charter.

Endowment Spending Policies

Endowment gifts are spent in accordance with the wishes of the donor and guidance from the Board of Trustees. The Organization may not spend certain endowment earnings every year if projects that meet donor restrictions are not undertaken. If earnings are not used in a particular year, the Organization reinvests them for appropriate use in a future year. Allowable withdrawals that are not taken within a particular year may be withdrawn in subsequent years with the approval of the Organization's Finance and Budget Committee.

Donor-Restricted Endowment Funds

Donor-restricted endowment funds consist of balances to be held in perpetuity and balances available for distribution. Donor-restricted funds are available for annual use per the stated criteria in the donor agreement. Most of the agreements allow for annual distributions in the amount of 4% to 5% of the prior year's ending balance or of the prior three-year average balance. For any restricted endowments without stated terms, the Organization may annually withdraw up to 5% of the prior year's ending balance. This rate is reviewed periodically by the Organization's Finance and Budget Committee to ensure that it continues to be an appropriate rate to preserve the principal value in perpetuity. The remaining donor-restricted endowment funds followed the general guidelines outlined above.

Board-Designated Funds

The entire balance of each board-designated fund is available for distribution with proper approval, either from the Board of Trustees or Organization Management, depending on the fund.

The decision whether to include withdrawal of money for a particular year's annual budget is made by the Finance and Budget Committee and approved by the Board of Trustees. The Organization's

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Finance and Budget Committee may approve an extraordinary withdrawal to support essential operations in a significant or protracted economic downturn; cover critical capital expenditures lacking other sources of funding; provide cash flow for a strategic business initiative; or meet other organizational needs.

12. Leases

The Organization uses warehouse space, television towers, and related technical facilities under noncancelable operating leases that expire at various dates through 2035. Selected leases contain escalation clauses to cover increased operating expenses borne by the lessor.

Operating lease cost is recognized on a straight-line basis over the lease term. The components of lease expense are as follows:

<i>Years ended June 30,</i>	2025	2024
Operating lease cost	\$ 297,447	\$ 297,447

Supplemental cash flow and balance sheet information related to leases is as follows:

<i>Years ended June 30,</i>	2025	2024
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows—payments on operating leases	\$ 280,664	\$ 275,161
Operating leases:		
Operating lease right-of-use assets	\$ 2,489,401	\$ 2,704,282
Operating lease liabilities, current	\$ 286,277	\$ 280,664
Operating lease liabilities, noncurrent	2,338,936	2,542,181
Total operating lease liabilities	\$ 2,625,213	\$ 2,822,845
Weighted-average remaining lease term:		
Operating leases	9.8 years	10.8 years
Weighted-average discount rate	3.02%	3.02%

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Future undiscounted cash flows for each of the next five years and thereafter, and a reconciliation to the operating lease liabilities recognized on the consolidated statements of financial position are as follows as of June 30, 2025:

Years ending June 30,

2026	\$	286,277
2027		292,003
2028		297,843
2029		303,800
2030		309,876
Thereafter		1,557,998
Total Lease Payments		3,047,797
Less: imputed interest		(422,584)
Total Present Value of Lease Liabilities	\$	2,625,213

13. Contingencies

From time to time, the Organization may be subject to various legal proceedings, which are incidental to the ordinary course of business. In the opinion of the management of the Organization, there are no material pending legal proceedings against the Organization.

All direct expenses and indirect rates charged under the Organization's government grants are subject to audit by a government agency. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits, since management believes that the Organization is in compliance with all grant restrictions, and the amount of such liabilities, if any, cannot be determined.

14. Gift Annuity Program

As of June 30, 2025 and 2024, the Organization's obligation for annuity payments totaled \$254,205 and \$211,145, respectively. This obligation is funded by a gift annuity reserve fund managed by Wells Fargo. As of June 30, 2025 and 2024, the fair value of assets held within the reserve fund totaled \$1,037,620 and \$880,056, respectively. The fair value of such assets exceeds the obligation for annuity payments by \$783,415 and \$668,911, respectively.

15. Subsequent Events

The Organization relies on significant annual funding from the Corporation for Public Broadcasting (CPB), primarily through the Community Service Grant (CSG) program and other CPB-supported initiatives. These funds are essential to advancing the Organization's mission of delivering high-quality public broadcasting services to the community. For the years ended June 30, 2025 and 2024, the Organization received approximately \$25.6 million (representing 21% of total support) and \$24.0 million (17% of total support), respectively, from CPB.

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Subsequent to June 30, 2025, on July 24, 2025, the Rescissions Act of 2025 was signed into law by the United States Congress rescinding \$1.1 billion in funding that had been appropriated for CPB for fiscal years 2026 and 2027. Further, on July 31, 2025, the U.S. Senate Appropriations Committee released the Labor, Health and Human Services, Education, and Related Agencies Appropriations Act, 2026 which excluded funding for CPB for the first time in five decades from the United States Budget.

As a result, CPB ceased operations due to the elimination of its federal funding. This development marks a significant shift in the public broadcasting environment and may impact the availability of federal support for public media organizations, including the Organization, in future periods. Management is actively evaluating the potential financial and operational implications of the loss of CPB funding and is considering strategies to mitigate its impact on future operations. As a result, management has introduced cost-reduction measures and the elimination of programs to address the loss of federal funding. The Organization continues to monitor and evaluate the financial and operational implications of these developments and will take further action, as necessary, to mitigate any potential risks.

The Organization has evaluated events and transactions for potential recognition or disclosure through December 1, 2025, the date the consolidated financial statements were available to be issued. The Organization is not aware of any subsequent events, other than the matter described above, which would require recognition or disclosure in the consolidated financial statements.