PUBLIC MEDIA GROUP
OF SOUTHERN CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2019

PUBLIC MEDIA GROUP
OF SOUTHERN CALIFORNIA
CONTENTS
June 30, 2019

SingerLewak
Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Public Media Group of Southern California

Report on the Financial Statements

We have audited the accompanying financial statements of Public Media Group of Southern California (the "Organization"), which comprise the statement of financial position as of June 30, 2019, the related statements of activities, functional expenses, and cash flows for the nine months (period) then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2019, and the change in its net assets and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the financial statements, the Organization adopted Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Singer Lewak LLP

December 11, 2019

ASSETS

Current assets	
Cash and cash equivalents	$ 6,740,855
Escrow fund	1,253,740
Investments	68,269,980
Grants receivable	1,104,564
Accounts receivable, net	959,645
Note receivable	875,000
Donated property available for sale	750,000
Prepaid expenses and other current assets	1,259,180
Total current assets	81,212,964
Noncurrent assets	
Grants receivable	319,569
Note receivable	764,688
Beneficial interest in charitable remainder trust	362,069
Investment in partnership	5,445
Investment in SoCal Facilities, LLC	134,676
Fractional interest in land	420,000
Broadcasting license, net	13,939,575
Other intangible assets, net	1,731,501
Property and equipment, net	7,373,291
Endowment investments	11,492,625
Deposits	69,369
Total noncurrent assets	36,612,808
Total assets	**$117,825,772**

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

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and accrued expenses	$ 3,865,661
Note payable – Coast Community College District	750,000
Charitable gift annuities payable	38,503
Advances	299,026
Total current liabilities	4,953,190
Noncurrent liabilities	
Note payable – Coast Community College District	7,334,381
Charitable gift annuities payable	102,889
Deferred rent and lease incentive	4,225,605
Total noncurrent liabilities	11,662,875
Total liabilities	16,616,065
Net assets	
Without donor restrictions	84,935,398
With donor restrictions	16,274,309
Total net assets	101,209,707
Total liabilities and net assets	**$117,825,772**

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

PUBLIC MEDIA GROUP OF SOUTHERN CALIFORNIA
STATEMENT OF ACTIVITIES
For the Nine Month Period Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions, grants, and contracts	$ 24,023,408	$ 3,526,248	$ 27,549,656
Facility and other rental income	2,348,880	-	2,348,880
Net investment return	2,107,734	349,533	2,457,267
Educational programs	317,865	-	317,865
Other	499,366	-	499,366
Net assets released from restrictions	2,735,638	(2,735,638)	-
Total support and revenue	32,032,891	1,140,143	33,173,034
Functional expenses			
Program services			
Programming and production	10,425,407	-	10,425,407
Broadcasting	10,308,292	-	10,308,292
Underwriting and grant solicitation	2,244,530	-	2,244,530
Total program services	22,978,229	-	22,978,229
Supporting services			
Fundraising and development	4,277,082	-	4,277,082
General and administrative	6,508,614	-	6,508,614
Total supporting services	10,785,696	-	10,785,696
Total functional expenses	33,763,925	-	33,763,925
Change in net assets	(1,731,034)	1,140,143	(590,891)
Net assets, beginning of period	86,666,432	15,134,166	101,800,598
Net assets, end of year	**$ 84,935,398**	**$ 16,274,309**	**$101,209,707**

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

PUBLIC MEDIA GROUP OF SOUTHERN CALIFORNIA

STATEMENT OF FUNCTIONAL EXPENSES

For the Nine Month Period Ended June 30, 2019

	Program Services				Supporting Services			
	Programming and production	Broadcasting	Underwriting and grant solicitation	Total program services	Fundraising and development	General and administrative	Total supporting services	Total
Wages, taxes, and benefits	$ 3,475,004	$ 2,455,581	$ 894,263	$ 6,824,848	$ 1,029,918	$ 2,912,475	$ 3,942,393	$ 10,767,241
Professional fees	695,772	267,836	771,504	1,735,112	618,170	1,649,755	2,267,925	4,003,037
On air programming	889,136	3,105,711	300	3,995,147	217	675	892	3,996,039
Rental	1,254,704	1,049,982	340,861	2,645,547	306,757	518,343	825,100	3,470,647
Depreciation and amortization	611,394	997,216	126,561	1,735,171	145,724	289,609	435,333	2,170,504
Contracted production services	1,835,784	-	-	1,835,784	-	-	-	1,835,784
Mail processing and printing	44,357	8,356	6,396	59,109	1,498,952	22,934	1,521,886	1,580,995
Engineering infrastructure	-	1,157,237	-	1,157,237	-	-	-	1,157,237
General office supplies and equipment	641,286	111,294	13,345	765,925	263,179	79,951	343,130	1,109,055
Utilities	71,520	504,022	18,468	594,010	108,518	28,280	136,798	730,808
Other	439,958	14,179	11,315	465,452	161,435	88,267	249,702	715,154
Advertising	85,157	98,371	99	183,627	2,574	492,007	494,581	678,208
Travel	231,116	60,699	29,309	321,124	54,900	194,811	249,711	570,835
Interest	-	330,529	-	330,529	-	92,690	92,690	423,219
Repairs and maintenance	71,576	106,565	18,257	196,398	68,928	47,376	116,304	312,702
Insurance	78,643	40,714	13,852	133,209	17,810	91,441	109,251	242,460
	$ 10,425,407	**$ 10,308,292**	**$ 2,244,530**	**$ 22,978,229**	**$ 4,277,082**	**$ 6,508,614**	**$ 10,785,696**	**$ 33,763,925**

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

PUBLIC MEDIA GROUP OF SOUTHERN CALIFORNIA

STATEMENT OF CASH FLOWS

For the Nine Month Period Ended June 30, 2019

Cash flows from operating activities	
Change in net assets	$ (590,891)
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:	
Depreciation and amortization of property and equipment	1,624,266
Amortization of intangible assets	546,238
Amortization of discount on note payable – CCCD	301,100
Net realized and unrealized gain on investments	(888,187)
Contributions received in the form of investments	(593,323)
Contributions received in the form of property	(750,000)
Change in value of split-interest agreements	(5,366)
(Increase) decrease in:	
Escrow fund	171,128
Grants receivable	(39,618)
Accounts receivable	495,126
Note receivable	(70,235)
Prepaid expenses and other current assets	2,594,055
Deposits	(10,000)
Increase (decrease) in:	
Accounts payable and accrued expenses	(1,417,215)
Advances	(415,002)
Deferred rent and lease incentive	(309,283)
Net cash flows provided by operating activities	642,793
Cash flows from investing activities	
Purchase of property and equipment	(681,180)
Purchase of other intangible assets	(346,731)
Distributions from SoCal Facilities, LLC	101,175
Reinvestment of investment income	(1,802,354)
Purchases of investments	(18,681,664)
Sales of investments	26,667,286
Net cash flows provided by investing activities	5,256,532
Cash flows from financing activities	
Borrowings on line of credit	2,000,000
Principal payments on line of credit	(5,500,000)
Principal payments on note payable – CCCD	(562,500)
Net cash flows used in financing activities	(4,062,500)
Net change in cash and cash equivalents	1,836,825
Cash and cash equivalents, beginning of the period	4,904,030
Cash and cash equivalents, end of the period	**$ 6,740,855**
Supplemental disclosure for cash flows information	
Interest paid	**$ 122,119**

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

NOTE 1 – GENERAL

Public Media Group of Southern California (the "Organization"), is an independent nonprofit organization formed by a merger between KOCE-TV Foundation and KCETLink, on October 1, 2018. The Organization holds the broadcast licenses for both KOCE – PBS SoCal (channel 50) and KCET (channel 28); along with Link TV. PBS SoCal continues to serve Greater Los Angeles and Southern California as the flagship PBS station. KCET continues to produce and distribute award-winning local programs that explore the people, places and topics that are relevant to the region. Link TV connects American viewers with people at the heart of breaking events, organizations in the forefront of social change and the cultures of an increasingly global community.

KCET and PBS SoCal serve over 18 million people across six diverse counties – Los Angeles, Orange, Riverside, San Bernardino, Ventura and Santa Barbara – from locations in Burbank, Costa Mesa, and downtown Los Angeles, broadcast over-the-air, through OTT devices and on-demand.

More than just television stations, KCET and PBS SoCal are an important cultural and educational institution for the community, whose mission is to foster a love of learning, culture and community using the power of public media. The Organization delivers its mission through content and experiences that inform, inspire and entertain. These include distinctive PBS programming, locally produced programs such as Artbound, Lost LA, SoCal Connected and Variety: Actors on Actors, person-to-person experiences in the classroom and the community, diverse cultural and community partnerships, and content that is for, about and by Southern Californians.

Public Media Group of Southern California is a locally operated organization committed specifically to serving the Southern California community, and its primary sources of revenue are contributions from local individuals, as well as grants and contributions from foundations, corporations, and the Corporation for Public Broadcasting (CPB).

NOTE 2 – MERGER TRANSACTION

PBS SoCal and KCETLink Media Group entered into a memorandum of understanding in December 2017, to merge the flagship PBS station and the largest independent media organization in Southern California. An application was filed with the FCC in May of 2018 to transfer ownership of the KOCE license into the surviving entity KCETLink Media Group, which was renamed Public Media Group of Southern California. The FCC approved the license transfer on June 22, 2018.

NOTE 2 – MERGER TRANSACTION (Continued)

On October 1, 2018, PBS SoCal and KCETLink Media Group finalized the merger of the two independent organizations to form one new local, community-supported public media organization and flagship PBS station. The new community institution is Public Media Group of Southern California, which owns two broadcast licenses - KCET and KOCE, and maintains three content services-PBS SoCal, KCET and LINK TV.

Public Media Group of Southern California maintains locations in Burbank, Costa Mesa and Los Angeles, along with broadcast transmission sites at Mt. Wilson and Mt. Harvard.

On October 1, 2018, before the two Organizations became Public Media Group of Southern California, their statements of financial position appeared as follows:

	KCETLink	PBS SoCal
Cash and cash equivalents	$ 20,462	$ 4,883,568
Escrow	1,424,868	-
Investments	50,834,547	33,676,253
Grants receivable	1,384,515	-
Accounts receivable, net	298,577	1,156,194
Note receivable	1,569,453	-
Prepaid expenses and other current assets	619,992	3,233,243
Property and equipment, net of accumulated amortization	6,756,127	1,560,250
Investment in partnership	-	5,445
Investment in SoCal Facilities, LLC	-	235,851
Deposits	-	59,369
Fractional interest in land	420,000	-
Beneficial interest in charitable remainder trust	315,632	-
Broadcasting license, net of accumulated amortization	-	13,939,575
Other intangible assets, net of accumulated amortization	1,931,008	-
Total assets	**$ 65,575,181**	**$ 58,749,748**
Accounts payable and accrued expenses	$ 3,635,132	$ 1,647,744
Charitable gift annuities payable	146,758	-
Deferred rent and lease incentives	4,269,306	265,582
Advances	86,538	627,490
Line of credit	3,500,000	-
Note payable, net of discount	-	8,345,781
Total liabilities	11,637,734	10,886,597

NOTE 2 – MERGER TRANSACTION (Continued)

	KCETLink	PBS SoCal
Net assets with donor restrictions	15,134,166	-
Net assets without donor restrictions	38,803,281	47,863,151
Total net assets	53,937,447	47,863,151
Total liabilities and net assets	**$ 65,575,181**	**$ 58,749,748**

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation
The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The accompanying financial statements include the statement of financial position that present amounts for each of the two classes of net assets: without donor restrictions and with donor restrictions. These net assets are classified based on the existence or absence of donor-imposed restrictions and statement of activities that reflects the changes in those categories of net assets.

Net assets without donor restrictions are either not restricted by donors or the donor-imposed restrictions have been fulfilled. Net assets with donor restrictions include those assets whose use by the Organization has been limited by donors to later periods of time, in perpetuity, or for specified purposes. The investment return from assets held in perpetuity may be used for purposes as specified by the donor or, if the donor has not specified a purpose, for purposes approved by the board of trustees.

Use of Estimates
The preparation of financial statements in conformity with U.S. 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 financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents
The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to permanent endowments or other long-term purposes are excluded from this definition.

Grants Receivable
Grants receivable consist primarily of monies due for grants. There was no allowance established at June 30, 2019, as all outstanding grants were deemed collectible by management.

Accounts Receivable
Accounts receivable consist primarily of monies due for underwriting services. An allowance for uncollectible receivables of $51,833 as of June 30, 2019 has been established based on historical collection experience.

Contributions and Revenue Recognition
Contributions received are recorded as with or without restrictions depending on the existence and/or nature of any donor restrictions. Conditional contributions are recorded as support in the period the condition is met. Such contributions are required to be reported as donor restricted support and are reclassified to net assets without donor restrictions upon expiration of the restriction, usually when the funds are spent. Pledges for future contributions are recognized and recorded as receivables at their estimated realizable value in the year for which they are promised to the Organization.

Conditional promises to give that are conditioned upon future events or future matching are not recorded until the condition has been satisfied. If funds are received from such gifts, they are recorded as refundable advances until the condition is satisfied. When the condition has been satisfied, the gift is recognized as either with or without donor restrictions depending on the intent of the donor.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are recorded at fair value, based on quoted market prices. Changes in unrealized gains and losses resulting from changes in fair value are reflected in the statement of activities.

Dividend and interest income are accrued when earned. Interest and investment income and dividends are presented net of related investment expenses.

Investments are reflected on the statement of financial position at fair value. Realized and unrealized gains and losses have been reflected in the statement of activities as increases or decreases in net assets without donor restrictions. The Organization's investments consist of equity, fixed-income, mutual funds and money market funds that have active and liquid markets. Management establishes fair value of publicly traded securities based on quoted market prices. Investments received through gifts are recorded at estimated fair value at the date of donation. Purchases and sales of securities are reflected on the trade dates.

The Organization also holds an ownership interest in land, which is reflected on the statement of financial position at fair value at the date of donation. The Organization reviews interest in land for impairments whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying value of the asset to future net cash flows, undiscounted and without interest, expected to be generated by the asset. If such asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Intangible Asset – Broadcast License

The Organization's intangible assets consist of a public broadcasting license which was acquired on November 1, 2004 and stated at fair market value at the date of acquisition. Management has determined that the public broadcasting license has an indefinite life. As of June 30, 2019, the broadcast license, net of purchase price allocation discounts of $10,261,660, amounted to $16,238,339. As of June 30, 2019, the accumulated amortization of the broadcast license amounted to $2,298,764.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at the date of the donation, less accumulated depreciation. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the various classes of assets as follows:

Leasehold improvements	Lesser of useful life or term of lease
Broadcasting equipment	5 to 20 years
Office furniture, fixtures, studio equipment and automobiles	5 to 10 years

Contributions received that contain donor restrictions for capital projects are classified as net assets with donor restrictions; those restrictions expire when the capital projects are placed in service.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. At the time of retirement or disposition of property and equipment, the cost and related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is reflected in the change in net assets.

Impairment of Long-lived Assets

Impairment losses are recorded on long-lived assets and intangible assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. 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 fair value of the assets. Management has determined that no indicators of impairment have occurred during the period ended June 30, 2019.

Advances

Amounts collected in advance of services to be provided by the Organization are reflected as advances in the accompanying statement of financial position.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Production Costs and Grants

Production costs are expensed as incurred. Direct production costs are funded by grants from individuals, corporations, and federal, state, and other governmental agencies. Amounts received under governmental grants related to production are recorded as advances and recognized as revenue as the related costs are incurred. Grants from individuals and corporations are recorded as contributions and are accounted for as described above.

Amounts received under these arrangements are reported in the accompanying statement of activities as contributions, grants, and contracts, along with other contributions received by the Organization.

Contributed Goods and Services

Contributed goods, services and other noncash contributions are reflected in the accompanying statements at their estimated fair market value in the period received. Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by individuals possessing those skills. Other volunteer services that do not meet the criteria are not recognized in the financial statements, as there is no objective basis of deriving their value. For the period ended June 30, 2019, the amount of contributed goods and services reported in the accompanying statement of activities amounted to $166,058.

Contributed Use of Long-lived Assets

The Organization recognizes the contributed use of long-lived assets as revenues in the period in which it is received, with a corresponding expense in the period the assets are used, at fair value. There were contributions of long-lived assets valued at $750,000 during the nine month period ended June 30, 2019.

Split-interest Agreements

The Organization is the beneficiary of charitable remainder trusts, for which its beneficial interest is expressed as either a percentage or a dollar amount of the trusts' assets' fair value. Trust assets are recorded at net present value, discounted using a market interest rate at each period end and an annual yield over the remaining life expectancy of the donors.

The Organization is also the beneficiary of charitable gift annuities, which the Organization records as assets, although these assets are held in a custodial account at a financial institution. The Organization records these assets, which are held as investments, at fair value at each year end, and records an annuity payment liability for an amount equal to the present value of the estimated future cash flows to be distributed to the income beneficiaries over their expected lives. The difference between the fair value of the assets received and the annuity payment liability is recognized as revenue.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Rent and Lease Incentive

The Organization recognizes the benefits of tenant improvement allowances and escalating rent provisions on a straight-line basis over the term of the lease. The Organization accounts for its lease incentives as a deferred liability. The deferred liability is then amortized on a straight-line basis over the lease term as a reduction in rent expense.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, repairs and maintenance, general office equipment rentals and purchases, office supplies, professional services, utilities, depreciation and amortization, which are allocated based on an employee head count as of a specific date, typically at the mid-point of the fiscal year.

Advertising Costs

The Organization expenses advertising and promotional costs as incurred. Advertising expenses for the period ended June 30, 2019 totaled approximately $678,209.

Income Taxes

The Organization is exempt from taxation under Internal Revenue Code §501(c)(3) and California Revenue and Taxation Code §23701(d) and is generally not subject to federal or state income taxes.

However, the Organization is subject on income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption; the Organization does engage in certain activities that are statutorily defined as unrelated business.

U.S. GAAP clarifies the accounting for uncertainty in income taxes. U.S. GAAP prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. U.S. GAAP requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. U.S. GAAP also provides guidance related to derecognition, classification, interest and penalties, accounting in interim periods and disclosure. During the period ended June 30, 2019, the Organization performed an evaluation of uncertain tax positions and did not have any matters that require recognition in the financial statements or which may have an effect on its tax-exempt status.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principle

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions," and expands disclosures about the nature and amount of any donor restrictions. The Organization has adopted ASU 2016-14 for the period ended June 30, 2019.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The FASB has also issued several updates to ASU 2014-09. In August 2015, the FASB issued ASU No. 2015-14 which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. The Organization's management has not yet selected a transition method and is assessing the impact of this new guidance on the Organization's financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. ASU No. 2016-01 provides guidance for the recognition, measurement, presentation and disclosure of financial instruments. The new pronouncement revises an entity's accounting related to equity investments and the presentation of certain fair value changes for financial liabilities measured at fair value. Among other things, it amends the presentation and disclosure requirements of equity securities that do not result in consolidation and are not accounted for under the equity method. Changes in the fair value of these equity securities will be recognized directly in net income. ASU No. 2016-01 is effective for fiscal years and interim periods within those years beginning after December 15, 2018. The Organization's management is in the process of evaluating the impact of this accounting pronouncement on the Organization's financial statements.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)
In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The FASB has also issued several updates to ASU 2016-02. ASU No. 2016-02 is effective for annual and interim reporting periods within those years beginning after December 15, 2021 and early adoption is permitted. An entity may adopt the guidance either retrospectively to each prior reporting period presented in the financial statements with a cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented or retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. The new standard provides a number of practical expedients. The Organization's management is in the process of evaluating the impact of this accounting pronouncement on the Organization's financial statements.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments,* which provided clarification for how certain cash receipts and cash payments are presented and classified in the statement of cash flows. ASU No. 2016-15 is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. The amendments in this Update should be applied using a retrospective transition method to each period presented. If it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable. The Organization's management is in the process of evaluating the impact of this accounting pronouncement on the Organization's financial statements.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)
In June 2018, the FASB issued ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides clarification and improvement on the scope and the accounting guidance for contributions received and contributions made. ASU No. 2018-08 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. The Organization's management is in the process of evaluating the impact of this accounting pronouncement on the Organization's financial statements.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. ASU 2018-15 aligns the requirements for capitalizing implementation costs in a cloud-computing arrangement that is a service contract with the requirements for capitalizing implementation costs incurred for internal-use software. ASU 2018-15 is effective for the Organization beginning on January 1, 2021. The amendments in this ASU may be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. The Organization's management is in the process of evaluating the impact of this accounting pronouncement on the Organization's financial statements.

NOTE 4 – FAIR VALUE MEASUREMENTS AND INVESTMENTS

As defined in FASB Accounting Standards Codification ("ASC") Topic No. 820, "Fair Value Measurements and Disclosures" ("ASC 820"), fair value is the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses the market or income approach. Based on this approach, the Organization utilizes certain assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and the reliability of the information used to determine fair values.

NOTE 4 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 – Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets

Level 2 – Include other inputs that are directly or indirectly observable in the marketplace

Level 3 – Unobservable inputs which are supported by little or no market activity

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Following are descriptions of the valuation methodologies used for assets measured at fair value:

Equity, Money Market, and Fixed Income Securities – Government Bonds
The fair value of equity, money market, and government bonds is the market value based on quoted prices for identical assets in an active market. They are classified within Level 1 of the fair value hierarchy.

Mutual funds
The fair value of mutual funds is at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Fixed Income Securities – Corporate Bonds
The fair value of corporate bonds is generally priced by independent pricing services and are based on observable market inputs rather than market quotes. They are classified within Level 2 of the fair value hierarchy.

NOTE 4 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

Beneficial Interests in Charitable Remainder Trusts
The Organization's beneficial interest in charitable remainder trusts is expressed as either a percentage or a dollar amount of the trusts' assets' fair value. The present value of the remainder is revalued each year end based on the trusts' assets, current fair market value, current market interest rate, and an annual yield of 7% over the remaining life expectancy of the donors.

The current market interest rate used for the remainder interest at June 30, 2019 is 2.8%. Beneficial interests in charitable remainder trusts are classified within Level 3 of the fair value hierarchy.

During the period ended June 30, 2019, the Organization's beneficial interest in charitable remainder trusts amounted to $362,069.

Charitable Gift Annuities
For charitable gift annuities, Organization's future payment liability is recorded in the statement of financial position as charitable gift annuities payable. Corresponding assets are held and recorded as investments, with any contribution in excess of the initial liability recognized as contribution revenue. The liability for each gift annuity is revalued each year under actuarial tables and market interest rates.

The current market interest rate used at June 30, 2019 was 2.8%. Charitable gift annuities payable are classified within Level 3 of the fair value hierarchy.

The Organization received $117,476 under charitable gift annuities in prior years and these investments have a carrying amount of $215,804 as of June 30, 2019. In accordance with the terms of the agreements, the Organization pays annual annuities of approximately $38,000 to the donors during the remainder of their lives. As of June 30, 2019, the annuities payable totaled $141,392.

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 Organization 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 fair value measurement at the reporting date.

NOTE 4 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

The following tables set forth, by level within the fair value hierarchy, the Organization's investment assets at fair value as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Investments				
Money market funds	$ 262,532	$ -	$ -	$ 262,532
Equity securities	41,507,453	-	-	41,507,453
Fixed income securities - government bonds	8,638,304	-	-	8,638,304
Fixed income securities - corporate bonds	-	15,532,005	-	15,532,005
Mutual funds	13,822,311	-	-	13,822,311
Total investments at fair value	64,230,600	15,532,005	-	79,762,605
Other financial assets				
Beneficial interest in charitable remainder trust	-	-	362,069	362,069
Total assets	**$ 64,230,600**	**$15,532,005**	**$ 362,069**	**$ 80,124,674**
Financial liabilities				
Charitable gift annuities payable	$ -	$ -	$ (141,392)	$ (141,392)
Total liabilities	**$ -**	**$ -**	**$ (141,392)**	**$ (141,392)**

Investments consisted of the following at June 30, 2019:

Endowment investments	$ 11,492,625
Investments available for general operations	68,054,176
Charitable gift annuities	215,804
	$ 79,762,605

NOTE 4 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

For the period ended June 30, 2019, the change in investments and related liabilities classified as Level 3 are as follows:

	Beneficial Interest in Charitable Remainder Trust	Charitable Gift Annuities Payable
Balance, October 1, 2018	$ 315,632	$ 146,758
Payments	-	(17,138)
Change in value	46,437	11,772
Balance, June 30, 2019	**$ 362,069**	**$ 141,392**

The following table represents the Organization's Level 3 financial instruments for the period ended June 30, 2019, the valuation technique used to measure the fair value of the financial instruments, and the significant unobservable inputs and the ranges of values for those inputs:

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range
Beneficial interest in charitable remainder trust	$ 362,069	Income Approach	Discount Rate	7%
Charitable gift annuities payable	$ 141,392	Disbursement Approach	Discount Rate	2.8%

NOTE 5 – CONCENTRATIONS OF RISK

Cash and Cash Equivalents
The Organization maintains its cash and cash equivalent balances in several financial institutions that, from time to time, exceed amounts insured by the Federal Deposit Insurance Corporation. Deposits held in noninterest-bearing transaction accounts are aggregated with any interest-bearing deposits the owner may hold in the same ownership category and the combined total insured up to at least $250,000. As of June 30, 2019, the Organization had $7,405,704 in excess of the federally insured amounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments
The Organization maintains its cash equivalents and investments in several financial institutions that, from time to time, exceed amounts covered by the Securities Investor Protection Corporation ("SIPC"). The limit of SIPC protection is $500,000, which includes a $250,000 limit in cash. As of June 30, 2019, the Organization had $78,696,515 in excess of the amount covered by SIPC. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk.

Concentration of Credit Risk
Certain financial instruments held by the Organization potentially subject the Organization to concentrations of credit risk. Financial instruments which potentially subject the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents, investments, grants receivable, accounts receivable and contribution revenues. Cash and cash equivalents and investments are placed with high-credit, quality financial institutions.

Contribution Revenue
The Organization receives grants from individuals, corporations, and federal, state, and local governmental agencies. The Organization has developed long-term relationships with many of its grantors and continually evaluates their financial position to determine the risk of uncollectible grants. In recent history, uncollectible grants have not been significant to the financial position of the Organization.

NOTE 6 – PROPERTY AND EQUIPMENT

As of June 30, 2019, property and equipment consisted of the following:

Leasehold improvements	$ 14,374,120
Broadcasting equipment	13,091,248
Office furniture, fixtures, studio equipment and automobiles	4,726,659
	32,192,027
Less accumulated depreciation and amortization	25,138,752
Net depreciable property and equipment	7,053,275
Construction-in-process	320,016
Total	**$ 7,373,291**

For the period ended June 30, 2019, depreciation and amortization expenses amounted to $1,624,266.

NOTE 7 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of June 30, 2019 accounts payable and accrued expenses consisted of the following:

Lease abandonment liability	$ 1,352,260
Accounts payable	1,021,507
Accrued payroll	703,232
Accrued vacation	567,611
Other accrued expenses	221,051
Total	**$ 3,865,661**

NOTE 8 – LINE OF CREDIT

In April 2018, the Organization entered into a revolving line of credit with a bank of up to $5,000,000 that has no stated maturity date. Borrowings on the line of credit are secured by the investments without donor restrictions held at the same bank, which totaled $36,652,671 as of June 30, 2019, and bear interest at the prime rate less 1.0% for outstanding balances over $2 million; at the prime rate for outstanding balances over $1 million; at the prime rate plus 0.5% for outstanding balances over $500,000; at the prime rate plus 1.0% for outstanding balances over $100,000; and at the prime rate plus 2.0% for outstanding balances less than $100,000. The prevailing prime rate as of June 30, 2019 was 5.5%. As of June 30, 2019, there was no outstanding balance on the line of credit.

NOTE 9 – NOTE PAYABLE – COAST COMMUNITY COLLEGE DISTRICT

In connection with the purchase of the KOCE Station's broadcasting license and related equipment in November 2004, KOCE paid $1,300,000 in cash and acquired financing from a financial institution for $6,700,000. The remaining balance was financed by CCCD through a secured, noninterest-bearing note payable in the amount of $20,000,000. Imputed interest on the note payable amounts to $10,261,660 based on the equivalent financing rate available to KOCE at the time of acquisition of LIBOR (2.02% on November 1, 2004) plus 2.75%. For the period ended June 30, 2019, the Organization had amortized $301,100 of the discount to interest expense. The note is payable in quarterly cash payments of $187,500 until the note is paid off on August 1, 2034.

Future minimum annual payments under this note payable are as follows:

Period Ending June 30,	
2020	$ 750,000
2021	750,000
2022	750,000
2023	750,000
2024	750,000
Thereafter	7,688,500
Total future payments	11,438,500
Less total discount on note payable	(3,354,119)
Total	8,084,381
Less current portion	750,000
Long-term portion	**$ 7,334,381**

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2019, net assets with donor restrictions are restricted for the following purposes:

Subject to expenditure for specified purposes:	
Productions	$ 2,711,825
Education	1,633,378
Beneficial interest in charitable remainder trust	362,069
Charitable gift annuities, net	74,412
Total	4,781,684
Gifts subject to restrictions in perpetuity:	
General operations	10,042,269
Unappropriated endowment earnings	1,450,356
Total	11,492,625
Total assets with donor restrictions	**$ 16,274,309**

During the period ended June 30, 2019, net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes as follows:

Satisfaction of purpose restrictions:	
Productions	$ 1,301,078
Education	77,660
Time restricted grants receivable	1,327,500
Charitable gift annuities	29,400
Total	**$ 2,735,638**

NOTE 11 – ENDOWMENT INVESTMENTS

The endowment investments are comprised of funds established by donors to provide funding for the Organization's general activities. The earnings of the endowment funds support the mission of the Organization.

From time to time, 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. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets without donor restrictions, but there were no such deficiencies as of June 30, 2019.

As of June 30, 2019, the Organization had the following endowment net asset composition by type of fund:

Original donor-restricted gift amount and Amounts required to be maintained in Perpetuity by donor	$ 10,042,269
Accumulated investment gains	1,450,356
	$ 11,492,625

During the period ended June 30, 2019, the donor restricted endowment funds had the following activity:

Balance, beginning of the period	$ 11,182,644
Net investment return	309,981
Balance, end of the period	**$ 11,492,625**

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization's endowment spending policy is based on the trailing market value of its endowment. The total annual distribution to be made from the fund each year shall not exceed 5% of the total fair market value of the fund, less all liabilities and accrued expenses of the fund. The spending rate will be applied to a twelve-quarter rolling average fair market value of the fund. After consultation with the Organization's finance committee and investment committee, the administrator may decide not to make a distribution from the fund.

NOTE 11 – ENDOWMENT INVESTMENTS (Continued)

The spending policy is reviewed by the finance committee and investment committee of the board of trustees periodically. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts. The Organization considers the following factors in making a determination to appropriate funds for distribution:

1. The duration and preservation of the fund
2. The purposes of the donor-restricted endowment funds
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Return Objectives and Risk Parameters
As delegated authority by the full board, the finance committee and investment committee of the board has adopted investment policies that govern the management and oversight of the endowment funds and other investments. The policies set forth the objectives for the investments of the Organization, the strategies to achieve the objectives, procedures for monitoring and control, and the delineation of responsibilities for the finance committee, investment committee, consultant, investment managers, staff, and custodian in relation to the portfolio. The policies are intended to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while at the same time setting forth reasonable risk control parameters that a prudent person would take in the execution of the investment program. Investment assets are managed on a total return basis, with emphasis on both preservation of capital and acceptance of investment risk necessary to achieve favorable performance on a risk-adjusted basis.

Investment Policy
The Organization's primary investment objective is to provide for distributions and to preserve capital, adjusted for the rate of inflation as determined by the Consumer Price Index. To satisfy its long-term rate-of-return objectives, the Organization 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 Organization has chosen a diversified asset allocation that targets 75% of equity-based investments and 25% of cash and fixed-income investments. Within the equity-based portion of the portfolio, the Organization has additionally allocated investments between large-capitalization and small/mid-capitalization investments, between growth and value objectives, and between domestic and international investments.

NOTE 12 - AVAILABLE RESOURCES AND LIQUIDITY

The following table reflects the Organization's financial assets as of June 30, 2019 that are without donor or other contractual restrictions limiting their use and are available to meet general expenditures within one year of the date of the statement of financial position.

Cash and cash equivalents	$ 6,740,855
Escrow fund	1,253,740
Investments	68,269,980
Accounts receivable, net	959,645
Note receivable	875,000
Financial assets available to meet cash needs for general expenditures within one year	**$ 78,099,220**

In addition, the Organization has an available $5,000,000 line of credit with one of its investment banks that it uses to manage intra-cycle cash flows.

Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

When establishing the budget for each year, the Organizations' management and directors evaluate financial assets available to meet general expenditures over the next twelve months and the following sources of earned revenue:

Individual giving revenues:	Estimated on historical giving data
Grant revenues:	Estimated grants awarded and to be awarded from historical data
Corporate Sponsorship:	Estimated from historical data
Facility and other rental income:	Estimated based off on signed contracts

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Lease Commitments

The Organization leases certain transmitters, equipment and facilities under noncancelable lease agreements. The leases expire on various dates through December 2025 and require minimum monthly payments of $422,120.

Future minimum payments under noncancelable leases with initial terms of one year or more at June 30, 2019 were as follows:

Year Ending June 30,	Transmitter Leases	Equipment Leases	Facilities Leases	Total
2020	$ 144,247	$ 542,159	$ 4,350,893	$ 5,037,299
2021	-	462,825	4,393,684	4,856,509
2022	-	366,979	4,262,092	4,629,071
2023	-	362,304	4,374,825	4,737,129
2024	-	331,689	2,237,200	2,568,889
Thereafter	-	438,576	-	438,576
Total	**$ 144,247**	**$ 2,504,532**	**$19,618,694**	**$22,267,473**

For the period ended June 30, 2019, total transmitter, equipment and facilities and equipment rent expense amounted to $3,470,647.

The Organization also subleases facilities and transmitters. under noncancelable lease agreements. The leases expire on various dates through August 2038 and require minimum monthly payments to the Organization of $63,298.

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

Lease Commitments (Continued)
Future minimum payments due from sublessees under noncancelable leases with initial terms of one year or more at June 30, 2019 were as follows:

Year Ending June 30,	Transmitter Subleases	Facilities Subleases	Total
2020	$ 766,106	$ 1,648,155	$ 2,414,261
2021	684,083	1,697,599	2,381,682
2022	599,228	1,748,527	2,347,755
2023	606,761	1,800,983	2,407,744
2024	614,558	919,147	1,533,705
Thereafter	1,571,994	-	1,571,994
Total	**$ 4,842,730**	**$7,814,411**	**$12,657,141**

For the period ended June 30, 2019, total transmitter and facilities rental income amounted to $1,973,511.

Reimbursement of Shared Costs
The Organization subleases bandwidth from their broadcasting license to an unrelated third party. The Organization is reimbursed by the third party for all direct and certain indirect costs incurred for the use of the bandwidth. During the period ended June 30, 2019, the Organization received $128,004, in reimbursed costs, which are recorded as an offset to broadcasting expenses in the accompanying statements of activities.

Litigation
The Organization, from time to time, is involved in certain legal matters which arise in the normal course of operations. Management believes that the resolution of such matters will not have a material adverse effect on the financial position of the Organization.

NOTE 14 – RETIREMENT PLAN

Eligible former employees of PBS SoCal participate in a defined-contribution plan (the "Plan") that covers all eligible employees, as defined in the Plan agreement. The Organization's contribution to the Plan is based on a certain percentage of the active participants' compensation and is paid biweekly through payroll. For the period ended June 30, 2019, the Organization's contribution expenses amounted to $107,483. For the period ended June 30, 2019, the Organization's administrative expenses amounted to $5,076.

Eligible former employees of KCETLink participate in a defined-contribution plan through the Teachers' Insurance and Annuity Association and College Retirement Equity Fund retirement programs. Contributions to the plan are made by KCETLink and are used to purchase individual retirement annuities and mutual funds. There were no KCETLink contributions for the period ended June 30, 2019.

As of July 1, 2019, all employees merged into the Teachers' Insurance and Annuity Association and College Retirement Equity Fund retirement program which was amended to assimilate the previously PBS SoCal plan which includes adding an employer match

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated all activity through December 11, 2019 (the issuance date of the financial statements) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

SUPPLEMENTARY INFORMATION

SingerLewak
Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

Board of Trustees
Public Media Group of Southern California

We have audited the financial statements of Public Media Group of Southern California (the "Organization") as of and for the period ended June 30, 2019, and have issued our report thereon, dated December 11, 2019, which contains an unmodified opinion on those financial statements. See pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

SingerLewak LLP

December 11, 2019

KOCE – TV FOUNDATION
dba PBS SoCal
STATEMENT OF ACTIVITIES
For the Three Months Ended September 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions, grants, and contracts	$ 3,577,516	$ 80,832	$ 3,658,348
Net investment return	608,497	-	608,497
Educational programs	119,072	-	119,072
Other	73,121	-	73,121
Net assets released from restrictions	80,832	(80,832)	-
Total support and revenue	4,459,038	-	4,459,038
Functional expenses			
Program services			
Programming and production	1,222,049	-	1,222,049
Broadcasting	1,901,146	-	1,901,146
Underwriting and grant solicitation	432,132	-	432,132
Total program services	3,555,327	-	3,555,327
Supporting services			
Fundraising and development	663,148	-	663,148
General and administrative	812,521	-	812,521
Total supporting services	1,475,669	-	1,475,669
Total functional expenses	5,030,996	-	5,030,996
Change in net assets	(571,958)	-	(571,958)
Net assets, beginning of year	48,435,109	-	48,435,109
Net assets, end of year	**$ 47,863,151**	**$ -**	**$ 47,863,151**

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

KCETLink

STATEMENT OF ACTIVITIES

For the Three Months Ended September 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions, grants, and contracts	$ 2,238,987	$ 206,756	$ 2,445,743
Facility and other rental income	1,616,267	-	1,616,267
Net investment return	1,364,777	371,440	1,736,217
Other	29,097	-	29,097
Net assets released from restrictions	4,350,619	(4,350,619)	-
Total support and revenue	9,599,747	(3,772,423)	5,827,324
Functional expenses			
Program services			
Programming and production	2,599,550	-	2,599,550
Broadcasting	1,717,850	-	1,717,850
Underwriting and grant solicitation	257,625	-	257,625
Total program services	4,575,025	-	4,575,025
Supporting services			
Fundraising and development	972,155	-	972,155
General and administrative	1,384,670	-	1,384,670
Total supporting services	2,356,825	-	2,356,825
Total functional expenses	6,931,850	-	6,931,850
Other changes			
Net loss on Switch transaction	(2,538,337)	-	(2,538,337)
Change in net assets	129,560	(3,772,423)	(3,642,863)
Net assets, beginning of year	38,673,721	18,906,589	57,580,310
Net assets, end of year	**$ 38,803,281**	**$ 15,134,166**	**$ 53,937,447**

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

PUBLIC MEDIA GROUP OF SOUTHERN CALIFORNIA

COMBINED STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

	KOCE 3 Months	KCETLink 3 Months	Public Media Group 9 Months	Total
Support and revenue				
Contributions, grants, and contracts	$ 3,658,348	$ 2,445,743	$ 27,549,656	$ 33,653,747
Facility and other rental income	-	1,616,267	2,348,880	3,965,147
Net investment return	608,497	1,736,217	2,457,267	4,801,981
Educational programs	119,072	-	317,865	436,937
Other	73,121	29,097	499,366	601,584
Total support and revenue	4,459,038	5,827,324	33,173,034	43,459,396
Functional expenses				
Program services				
Programming and production	1,222,049	2,599,550	10,425,407	14,247,006
Broadcasting	1,901,146	1,717,850	10,308,292	13,927,288
Underwriting and grant solicitation	432,132	257,625	2,244,530	2,934,287
Total program services	3,555,327	4,575,025	22,978,229	31,108,581
Supporting services				
Fundraising and development	663,148	972,155	4,277,082	5,912,385
General and administrative	812,521	1,384,670	6,508,614	8,705,805
Total supporting services	1,475,669	2,356,825	10,785,696	14,618,190
Total functional expenses	5,030,996	6,931,850	33,763,925	45,726,771
Other changes				
Net loss on Switch transaction	-	(2,538,337)	-	(2,538,337)
Change in net assets	**$ (571,958)**	**$ (3,642,863)**	**$ (590,891)**	**$ (4,805,712)**