

**Pittsburgh Community Broadcasting
Corporation and Affiliate**

Consolidated Financial Statements and
Supplementary Information

Fiscal Years Ended June 30, 2014 and 2013 with
Independent Auditor's Report



MaherDuessel
Certified Public Accountants

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PITTSBURGH COMMUNITY BROADCASTING CORPORATION AND AFFILIATE

FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

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Independent Auditor's Report

Board of Directors
Pittsburgh Community Broadcasting Corporation

We have audited the accompanying consolidated financial statements (financial statements) of the Pittsburgh Community Broadcasting Corporation (Corporation) and affiliate, which comprise the consolidated statements of financial position as of June 30, 2014 and 2013, and the related consolidated statements of activities and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Corporation and affiliate as of June 30, 2014 and 2013, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors
Pittsburgh Community Broadcasting Corporation
Independent Auditor's Report

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents 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 audit 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.



Pittsburgh, Pennsylvania
December 5, 2014

**PITTSBURGH COMMUNITY
BROADCASTING CORPORATION
AND AFFILIATE**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2014 AND 2013

| | 2014 | 2013 |
|-------------------------------------------|---------------|---------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,798,805 | \$ 1,239,300 |
| Accounts receivable | 258,001 | 265,741 |
| Grants receivable | 1,208,748 | 407,741 |
| Prepaid expenses | 122,853 | 126,512 |
| Total current assets | 3,388,407 | 2,039,294 |
| Grants receivable | 250,000 | 78,748 |
| Security deposit | 412 | 482 |
| Cash held in escrow | 251,512 | 250,791 |
| Investments | 486,919 | 414,116 |
| Fixed assets: | | |
| Land | 637,417 | 225,000 |
| Building and improvements | 3,192,179 | 3,145,560 |
| Equipment and software | 621,097 | 621,097 |
| Furniture and fixtures | 138,823 | 138,823 |
| Other assets | 116,552 | 116,552 |
| Total fixed assets | 4,706,068 | 4,247,032 |
| Accumulated depreciation and amortization | (1,232,887) | (1,083,287) |
| Net fixed assets | 3,473,181 | 3,163,745 |
| License | 5,500,000 | 5,500,000 |
| Total non-current assets | 9,962,024 | 9,407,882 |
| Total Assets | \$ 13,350,431 | \$ 11,447,176 |
| Liabilities and Net Assets | | |
| Liabilities: | | |
| Current liabilities: | | |
| Accounts payable | \$ 84,603 | \$ 112,629 |
| Deferred underwriting revenue | 100,000 | 100,000 |
| Deferred revenue - Jazz Works | 2,400 | 7,000 |
| Other liabilities | 24,619 | 2,894 |
| Total current liabilities | 211,622 | 222,523 |
| Non-current liabilities: | | |
| Loans payable | 3,000,000 | 3,000,000 |
| Accrued interest | 83,750 | 53,750 |
| Deferred underwriting revenue | 604,172 | 707,243 |
| Total non-current liabilities | 3,687,922 | 3,760,993 |
| Total liabilities | 3,899,544 | 3,983,516 |
| Net Assets: | | |
| Unrestricted | 6,969,567 | 6,992,803 |
| Temporarily restricted | 2,481,320 | 470,857 |
| Total Net Assets | 9,450,887 | 7,463,660 |
| Total Liabilities and Net Assets | \$ 13,350,431 | \$ 11,447,176 |

See accompanying notes to consolidated financial statements.

**PITTSBURGH COMMUNITY
BROADCASTING CORPORATION
AND AFFILIATE**

CONSOLIDATED STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2014

| | Unrestricted | Temporarily Restricted | Total |
|-------------------------------------------|---------------------|---------------------------|---------------------|
| Revenues and Other Support: | | | |
| Membership dues and contributions | \$ 2,133,830 | \$ - | \$ 2,133,830 |
| Grants | 60,876 | 2,628,500 | 2,689,376 |
| Government grants | - | 25,000 | 25,000 |
| Underwriting revenue | 1,568,924 | - | 1,568,924 |
| In-kind contributions | 153,743 | - | 153,743 |
| Corporation for Public Broadcasting grant | - | 411,722 | 411,722 |
| Special events and concerts | 24,432 | - | 24,432 |
| Jazz Works | 44,585 | - | 44,585 |
| Interest and dividends | 30,844 | - | 30,844 |
| Gain (loss) on investments | 42,628 | - | 42,628 |
| Concert tickets and CD sales | 47,203 | - | 47,203 |
| Miscellaneous | 12,071 | - | 12,071 |
| Net assets released from restrictions | 1,054,759 | (1,054,759) | - |
| Total revenues and other support | 5,173,895 | 2,010,463 | 7,184,358 |
| Expenses: | | | |
| Programming | 3,525,501 | - | 3,525,501 |
| Management and general | 517,250 | - | 517,250 |
| Fundraising | 1,154,380 | - | 1,154,380 |
| Total expenses | 5,197,131 | - | 5,197,131 |
| Change in Net Assets | (23,236) | 2,010,463 | 1,987,227 |
| Net Assets: | | | |
| Beginning of fiscal year | 6,992,803 | 470,857 | 7,463,660 |
| End of fiscal year | <u>\$ 6,969,567</u> | <u>\$ 2,481,320</u> | <u>\$ 9,450,887</u> |

See accompanying notes to consolidated financial statements.

**PITTSBURGH COMMUNITY
BROADCASTING CORPORATION
AND AFFILIATE**

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2013

| | Unrestricted | Temporarily Restricted | Total |
|-------------------------------------------|--------------|---------------------------|--------------|
| Revenues and Other Support: | | | |
| Membership dues and contributions | \$ 1,770,784 | \$ - | \$ 1,770,784 |
| Grants | 9,754 | 655,151 | 664,905 |
| Government grants | - | 30,263 | 30,263 |
| Underwriting revenue | 1,516,977 | - | 1,516,977 |
| In-kind contributions | 150,200 | - | 150,200 |
| Corporation for Public Broadcasting grant | - | 452,624 | 452,624 |
| Special events and concerts | 23,749 | - | 23,749 |
| Jazz Works | 52,510 | - | 52,510 |
| Interest and dividends | 25,872 | - | 25,872 |
| Gain (loss) on investments | 48,692 | - | 48,692 |
| Concert tickets and CD sales | 31,158 | - | 31,158 |
| Miscellaneous | 7,977 | - | 7,977 |
| Net assets released from restrictions | 1,185,591 | (1,185,591) | - |
| | 4,823,264 | (47,553) | 4,775,711 |
| Expenses: | | | |
| Programming | 3,319,880 | - | 3,319,880 |
| Management and general | 635,241 | - | 635,241 |
| Fundraising | 1,220,628 | - | 1,220,628 |
| | 5,175,749 | - | 5,175,749 |
| Change in Net Assets | (352,485) | (47,553) | (400,038) |
| Net Assets: | | | |
| Beginning of fiscal year | 7,345,288 | 518,410 | 7,863,698 |
| End of fiscal year | \$ 6,992,803 | \$ 470,857 | \$ 7,463,660 |

See accompanying notes to consolidated financial statements.

**PITTSBURGH COMMUNITY
BROADCASTING CORPORATION
AND AFFILIATE**

CONSOLIDATED STATEMENTS OF CASH FLOWS

FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

| | 2014 | 2013 |
|---------------------------------------------------------------------------------------------------|--------------|--------------|
| <u>Cash Flows From Operating Activities:</u> | | |
| Change in net assets | \$ 1,987,227 | \$ (400,038) |
| Adjustments to reconcile change in net assets to cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 149,600 | 156,329 |
| Net depreciation (appreciation) of investments | (42,628) | (48,692) |
| Change in: | | |
| Accounts receivable | 7,740 | (1,314) |
| Grants receivable | (972,259) | (31,489) |
| Prepaid expenses | 3,659 | (19,401) |
| Security deposit | 70 | 4,044 |
| Accounts payable | (28,026) | (115,242) |
| Deferred underwriting revenue | (103,071) | (107,480) |
| Deferred revenue - Jazz Works | (4,600) | 7,000 |
| Other liabilities | 51,725 | 24,721 |
| | (937,790) | (131,524) |
| Total adjustments | | |
| Net cash provided by (used in) operating activities | 1,049,437 | (531,562) |
| <u>Cash Flows From Investing Activities:</u> | | |
| Purchases of investments | (30,175) | - |
| Sale of investments | - | 116,721 |
| Fixed asset purchases | (459,036) | (15,670) |
| | (489,211) | 101,051 |
| Net cash provided by (used in) investing activities | | |
| Increase (Decrease) in Cash and Cash Equivalents | 560,226 | (430,511) |
| <u>Cash and Cash Equivalents:</u> | | |
| Beginning of fiscal year | 1,490,091 | 1,920,602 |
| End of fiscal year | \$ 2,050,317 | \$ 1,490,091 |
| <u>Supplemental Disclosure:</u> | | |
| Cash paid for interest | \$ 158,420 | \$ 158,420 |
| <u>Noncash Activity:</u> | | |
| In-kind contributions | \$ 233,436 | \$ 180,620 |

See accompanying notes to consolidated financial statements.

PITTSBURGH COMMUNITY BROADCASTING CORPORATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

1. ORGANIZATION

Basis of Reporting

The consolidated financial statements (financial statements) include the accounts of the Pittsburgh Community Broadcasting Corporation (Corporation) and its affiliate, Essential Public Media, Inc. (EPM), collectively for these footnotes referred to as “the Organization.” All significant intercompany balances and transactions have been eliminated in consolidating.

Nature of Operations

The Corporation is a nonprofit corporation which is an independent voice, inspiring our community with diverse music and vibrant ideas. The majority of revenues and support is derived from membership dues, annual grants from the Corporation for Public Broadcasting, and underwriting fees received from individuals or companies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America. The following is a summary of the more significant policies:

Net Asset Classes

The assets, liabilities, and net assets of the Organization are reported in net asset classes of unrestricted and temporarily restricted funds that are used to accumulate all unrestricted or temporarily restricted resources, respectively, from operations. Gifts of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. All restricted revenue received in the fiscal year is reported as temporarily restricted revenue and released when time restriction ends or purpose restriction is accomplished.

PITTSBURGH COMMUNITY BROADCASTING CORPORATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

Basis of Accounting

The accrual basis of accounting is followed by the Organization. Accordingly, revenues and support are recorded when earned and expenses are recognized when the liabilities are incurred.

Revenue Recognition

Membership dues and contributions are recognized as revenues when received. A promise to give is a written or oral agreement to contribute cash or other assets to an entity. In order for the promise to be recognized in the financial statements, there must be sufficient evidence in the form of verifiable documentation that such a promise was made and that it is legally enforceable. Due to the fact that the Organization's membership pledges are not supported by such documentation, they are not recognized as revenues when pledged.

Deferred Underwriting Revenue

Deferred underwriting revenue represents future underwriting agreed to by the seller as a portion of the purchase price of the WDUQ station. Deferred underwriting revenue will be recognized ratably over the ten-year period in which EPM is obligated to provide related benefits to the seller.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with a maturity of three months or less when acquired. The total cash (including cash held in escrow) held by the Corporation at June 30, 2014 and 2013 includes \$137,110 and \$338,321, respectively, in monies that are not insured by federal depository insurance. Also, the total cash held by EPM at June 30, 2014 and 2013 includes \$1,248,036 and \$640,862, respectively, in monies that are not insured by federal depository insurance. It is the opinion of management that the solvency of the financial institutions is not of particular concern at this time.

Cash Held in Escrow

Cash held in escrow comprises funds provided to one of the loan providers for the WDUQ purchase as security for the loan. When EPM has repaid \$750,000 of the loan, \$125,000 of cash will be released from escrow. The remaining escrow funds

PITTSBURGH COMMUNITY BROADCASTING CORPORATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

will be released after the principal is reduced by an additional \$750,000. In July 2014, \$750,000 of the loan was repaid by the payment of \$625,000 in cash and \$125,000 in funds released from escrow.

Investments

Investments are presented at fair value. Financial instruments, which potentially expose the Organization to concentrations of credit risk, include cash and investments in marketable securities. Concentration of credit risk for investments in marketable securities is mitigated by the overall diversification of managed investment portfolios. Investment securities are also exposed to various other risks such as interest rate and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and that such change could materially affect the amount reported on the consolidated statements of financial position.

Accounts and Grants Receivable

Accounts receivable are reported at amounts management expects to collect on balances outstanding at year-end. Accounts receivable are charged off as uncollectible when management determines the receivable will not be collected. No allowance for uncollectible accounts was deemed necessary as determined by management on the specific identification basis at June 30, 2014 and 2013. Due to the short-term nature of the expected grants receivable collections, the net realizable value is considered a reasonable estimate of the fair value. Unconditional promises to give that are expected to be collected in future years are not discounted as discount deemed to be immaterial to the financial statements.

Prepaid Assets

Prepaid assets represent health insurance, business insurance, workers' compensation insurance, and other expenses paid in the current fiscal year for a future fiscal year.

Fixed Assets, Depreciation, and Amortization

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. The fixed asset capitalization threshold for the Corporation and EPM is \$5,000.

PITTSBURGH COMMUNITY BROADCASTING CORPORATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

Asset depreciation and amortization, which was \$149,600 for fiscal year 2014 and \$156,329 for fiscal year 2013, is calculated using the straight-line method over the following estimated useful lives:

| | |
|--------------------------------------------|---------------|
| Building | 40 years |
| Broadcasting and transmission equipment | 3 to 15 years |
| Leasehold improvements | 40 years |
| Software | 3 to 5 years |
| Office equipment | 3 to 10 years |
| Furniture and fixtures | 3 to 15 years |

Acquisition costs are amortized using the straight-line method over 15 years.

License

During fiscal year 2012, EPM purchased WDUQ, and assets of \$5,500,000 were recorded on the ledger. This asset represents the value of the radio station's license at time of purchase. Broadcast licenses are not amortized but are subject to periodic testing for impairment. Based on the results of impairment testing performed in fiscal year 2013 and management review in 2014, no impairment adjustments were made to the value of the license.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Risk Factors and Economic Dependency

The Organization's main source of revenue is earned through memberships from listeners within the Allegheny County area, contributions, and grants. Total support received by the Organization in the form of grants and contributions was approximately 75% and 64% of total revenue for the years ended June 30, 2014 and 2013, respectively. During the year ended June 30, 2014, 37% of grants and contributions were provided by two contributors. During the year ended June 30,

PITTSBURGH COMMUNITY BROADCASTING CORPORATION AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

2013, 15% of grants and contributions were provided by one contributor. Management anticipates that support will continue from Organization contributors and grantors. In addition, its employees, underwriters, and vendors primarily reside in the Allegheny County area. Thus, economic and demographic influences on the Allegheny County area have a substantial impact on the Organization's operations.

Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

- Cash and cash equivalents: The carrying amounts reported in the consolidated statements of financial position approximate fair values because of the short maturities of those instruments.
- Investments: The fair values of investments are based on quoted market prices for those or similar investments. See Note 5 for further disclosure.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the financial statements were available to be issued.

3. TAX-EXEMPT STATUS

The Corporation and EPM are not-for-profit corporations and are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3). Further, the Corporation and EPM annually file a Form 990 as applicable. The form filed is subject to examination by the Internal Revenue Service for three years after it is filed.

4. GRANTS RECEIVABLE

As of June 30th, the Organization had grants receivable as follows:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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| | 2014 | 2013 |
|----------------------|--------------|------------|
| Due within one year | \$ 1,208,748 | \$ 407,741 |
| Due in over one year | 250,000 | 78,748 |
| | \$ 1,458,748 | \$ 486,489 |

5. INVESTMENTS

Investments consist of equities, mutual funds, and securities. The fair market value of the investments as of June 30, 2014 and 2013 is \$486,919 and \$414,116, respectively.

The total returns on investments and cash equivalents for the years ended June 30, 2014 and 2013 are summarized as follows:

| | 2014 | 2013 |
|---------------------------------------|--------------|--------------|
| | Unrestricted | Unrestricted |
| Interest on cash and cash equivalents | \$ 1,975 | \$ 7,081 |
| Dividends on investments | 28,869 | 18,791 |
| Appreciation of investments | 42,628 | 48,692 |
| Investment income and gain recognized | \$ 73,472 | \$ 74,564 |

Earnings on temporarily restricted net assets are reflected within the unrestricted net asset class as such earnings are not determined to be themselves temporarily restricted.

Fair values of assets measured on a recurring basis as of June 30, 2014 and 2013 are as follows:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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| Description | 06/30/14 | Fair Value Measurements at Reporting Date Using | | |
|--------------------------------------|-------------------|----------------------------------------------------------------|-----------------------------------------------|-------------------------------------------|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Vanguard Wellington Fund | | | | |
| mutual fund - stocks and bonds | \$ 484,436 | \$ 484,436 | \$ - | \$ - |
| Lincoln Financial forfeiture account | 2,483 | 2,483 | - | - |
| Totals | <u>\$ 486,919</u> | <u>\$ 486,919</u> | <u>\$ -</u> | <u>\$ -</u> |

| Description | 06/30/13 | Fair Value Measurements at Reporting Date Using | | |
|--------------------------------------|-------------------|----------------------------------------------------------------|-----------------------------------------------|-------------------------------------------|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Vanguard Wellington Fund | | | | |
| mutual fund -stocks and bonds | \$ 411,718 | \$ 411,718 | \$ - | \$ - |
| Lincoln Financial forfeiture account | 2,398 | 2,398 | - | - |
| Totals | <u>\$ 414,116</u> | <u>\$ 414,116</u> | <u>\$ -</u> | <u>\$ -</u> |

Fair values for Level 1 financial instruments are determined by quoted prices in the active market for identical financial instruments. Fair values for Level 2 financial instruments are determined by other significant observable inputs (quoted prices for similar financial instruments, interest rates, prepayment speeds, credit risk, etc.). Fair values for Level 3 financial instruments are determined by significant unobservable inputs, including the Corporation's own assumptions in determining the fair value of financial instruments.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

6. LOANS PAYABLE

Long-term loans consist of the following:

| | 2014 | 2013 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <p>A \$500,000 note payable to finance the purchase of WDUQ with a term of four years. The Note shall bear interest at 6% simple interest per year. Accrued interest and principal on the Note shall be due and payable in full at the end of the term on September 15, 2015. The note is secured by all equipment and operating assets of EPM.</p> | \$ 500,000 | \$ 500,000 |
| <p>A \$2,500,000 note payable to finance the purchase of WDUQ dated September 15, 2011. The outstanding principal balance of the loan shall bear interest at Prime Rate plus 3%. Interest is paid quarterly. The Note shall be due and payable in full at September 15, 2016. The Note is secured by all EPM deposit and security accounts, EPM accounts receivable, EPM donor pledges, all and future EPM incomes, and equipment and operating assets. Also, Note 2 discusses the escrow related to this note. In July 2014, EPM paid \$750,000 of the principal of this loan.</p> | <div style="border-top: 1px solid black;">2,500,000</div> | <div style="border-top: 1px solid black;">2,500,000</div> |
| <p>Less: current portion of long-term debt</p> | <div style="border-top: 1px solid black;">3,000,000</div> | <div style="border-top: 1px solid black;">3,000,000</div> |
| | <div style="border-top: 1px solid black; border-bottom: 3px double black;">-</div> | <div style="border-top: 1px solid black; border-bottom: 3px double black;">-</div> |
| | <div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 3,000,000</div> | <div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 3,000,000</div> |

At June 30, 2014, the required principal payments on the debt by fiscal year are as follows:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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| | |
|------|---------------------|
| 2015 | \$ - |
| 2016 | 500,000 |
| 2017 | <u>2,500,000</u> |
| | <u>\$ 3,000,000</u> |

7. IN-KIND CONTRIBUTIONS

Accounting principles generally accepted in the United States of America require recognition of contributed services if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by the donor. Accordingly, donated services, rentals, and materials were recognized as in-kind contributions in the accompanying financial statements at their estimated fair values at the date of receipt. The Corporation recognized revenues and related expenses of \$153,743 and \$150,200 for June 30, 2014 and 2013, respectively, for such contributions, which included the following:

| | <u>2014</u> | <u>2013</u> |
|-------------------------|-------------------|-------------------|
| Programming: | | |
| Tower rental | \$ 21,000 | \$ 21,000 |
| Professional services | 84,875 | 75,000 |
| Event facility usage | 43,368 | 50,000 |
| Management and general: | | |
| Professional services | <u>4,500</u> | <u>4,200</u> |
| | <u>\$ 153,743</u> | <u>\$ 150,200</u> |

8. RETIREMENT PLAN

Effective July 1, 1996, the Organization adopted a 403(b) Employer Contributory Tax Deferred Annuity Plan (Plan). All employees regularly working twenty hours per week or more are eligible to participate in the Plan. Eligible employees may elect to contribute a portion of their compensation up to the annual maximum allowed by the Internal Revenue Service. After six months of employment, eligible employees' contributions may be matched by the Corporation. During fiscal years 2014 and 2013, the Organization elected to match, dollar-for-dollar, each employee's

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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contribution up to a maximum of 6% of compensation per pay. Total contributions for fiscal years 2014 and 2013 were approximately \$47,244 and \$43,559, respectively.

9. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets have been recorded for the following purposes:

| | <u>June 30, 2014</u> | <u>June 30, 2013</u> |
|---------------------------------------------------------------------|----------------------|----------------------|
| Allegheny Front - operating | \$ 117,423 | \$ 339 |
| Allegheny Front - conservation programming | 34,061 | 104,088 |
| Allegheny Front - freelance reporting | 4,500 | - |
| Allegheny Front - corporate sponsorship program | - | 8,910 |
| WYEP - PA Streams | - | 5,263 |
| WYEP - future operating | 12,500 | 12,500 |
| Essential Public Media - fellowship program | - | 27,066 |
| Essential Public Media - learning initiative | 133,872 | 212,620 |
| Essential Public Media - operating | 25,000 | - |
| Essential Public Media - expansion, debt reduction, and fundraising | 1,000,000 | - |
| Essential Public Media - capacity building | 1,122,048 | - |
| Essential Public Media - Krauss Project | 2,490 | - |
| Essential Public Media - purchase of equipment | 29,426 | 75,071 |
| Essential Public Media - behavioral health care reporting | - | 25,000 |
| | <u>\$ 2,481,320</u> | <u>\$ 470,857</u> |

Net assets were released from donor restrictions during the years ended June 30, 2014 and 2013 by incurring expenses satisfying the restricted purpose and the lapsing of time restrictions in the amount of \$1,054,759 and \$1,185,591, respectively.

10. RELATED PARTY ACTIVITY

During fiscal year 2014, the Corporation purchased a piece of property from a business owned by a member of the EPM's Board of Directors. The total purchase of

**PITTSBURGH COMMUNITY
BROADCASTING CORPORATION
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2014 AND 2013

this property was approximately \$380,000. This member of the EPM's Board of Directors contributed \$100,000 to the Corporation in fiscal year 2014 for the Corporation's capital campaign. The Corporation considers the property purchase to have been negotiated at "arm's length" and not indicative of a conflict of interest.

A member of EPM's Board of Directors, who resigned during fiscal year 2014, is employed by Public Media Company. Public Media Company provided consulting services to EPM. During fiscal years 2014 and 2013, EPM paid \$1,615 and \$95,000, respectively, to Public Media Company. EPM considers the consulting contract to have been negotiated at "arm's length" and not indicative of a conflict of interest.

Supplementary Information

**PITTSBURGH COMMUNITY
BROADCASTING CORPORATION
AND AFFILIATE**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2014

| <u>Assets</u> | WYEP | Essential Public Media, Inc. | Eliminations | Total |
|-------------------------------------------|---------------------|---------------------------------|---------------------|----------------------|
| Current assets: | | | | |
| Cash and cash equivalents | \$ 555,569 | \$ 1,243,236 | \$ - | \$ 1,798,805 |
| Accounts receivable | 100,162 | 157,839 | - | 258,001 |
| Accounts receivable - affiliate | - | 28,860 | (28,860) | - |
| Grants receivable | 105,000 | 1,103,748 | - | 1,208,748 |
| Prepaid expenses | 56,938 | 65,915 | - | 122,853 |
| Total current assets | <u>817,669</u> | <u>2,599,598</u> | <u>(28,860)</u> | <u>3,388,407</u> |
| Grant receivable | - | 250,000 | - | 250,000 |
| Security deposit | 250 | 162 | - | 412 |
| Cash held in escrow | - | 251,512 | - | 251,512 |
| Investments | 486,919 | - | - | 486,919 |
| Fixed assets: | | | | |
| Land | 637,417 | - | - | 637,417 |
| Building and improvements | 2,984,396 | 207,783 | - | 3,192,179 |
| Equipment and software | 546,985 | 74,112 | - | 621,097 |
| Furniture and fixtures | 125,579 | 13,244 | - | 138,823 |
| Other assets | - | 116,552 | - | 116,552 |
| Total fixed assets | <u>4,294,377</u> | <u>411,691</u> | <u>-</u> | <u>4,706,068</u> |
| Accumulated depreciation and amortization | (1,153,899) | (78,988) | - | (1,232,887) |
| Net fixed assets | <u>3,140,478</u> | <u>332,703</u> | <u>-</u> | <u>3,473,181</u> |
| License | - | 5,500,000 | - | 5,500,000 |
| Investment in subsidiary | 250,000 | - | (250,000) | - |
| Total non-current assets | <u>3,877,647</u> | <u>6,334,377</u> | <u>(250,000)</u> | <u>9,962,024</u> |
| Total Assets | \$ 4,695,316 | \$ 8,933,975 | \$ (278,860) | \$ 13,350,431 |
| Liabilities and Net Assets | | | | |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 46,676 | 37,927 | \$ - | \$ 84,603 |
| Accounts payable - affiliate | 28,860 | - | (28,860) | - |
| Deferred underwriting revenue | - | 100,000 | - | 100,000 |
| Deferred revenue - Jazz Works | - | 2,400 | - | 2,400 |
| Other liabilities | 17,828 | 6,791 | - | 24,619 |
| Total current liabilities | <u>93,364</u> | <u>147,118</u> | <u>(28,860)</u> | <u>211,622</u> |
| Non-current liabilities: | | | | |
| Loans payable | - | 3,000,000 | - | 3,000,000 |
| Accrued interest | - | 83,750 | - | 83,750 |
| Deferred underwriting revenue | - | 604,172 | - | 604,172 |
| Total non-current liabilities | <u>-</u> | <u>3,687,922</u> | <u>-</u> | <u>3,687,922</u> |
| Total Liabilities | <u>93,364</u> | <u>3,835,040</u> | <u>(28,860)</u> | <u>3,899,544</u> |
| Net Assets: | | | | |
| Unrestricted | 4,433,468 | 2,786,099 | (250,000) | 6,969,567 |
| Temporarily restricted | 168,484 | 2,312,836 | - | 2,481,320 |
| Total Net Assets | <u>4,601,952</u> | <u>5,098,935</u> | <u>(250,000)</u> | <u>9,450,887</u> |
| Total Liabilities and Net Assets | \$ 4,695,316 | \$ 8,933,975 | \$ (278,860) | \$ 13,350,431 |

**PITTSBURGH COMMUNITY
BROADCASTING CORPORATION
AND AFFILIATE**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2013

| <u>Assets</u> | WYEP | Essential Public Media, Inc. | Eliminations | Total |
|-------------------------------------------|---------------------|---------------------------------|---------------------|----------------------|
| Current assets: | | | | |
| Cash and cash equivalents | \$ 676,141 | \$ 563,159 | \$ - | \$ 1,239,300 |
| Accounts receivable | 109,461 | 156,280 | - | 265,741 |
| Accounts receivable - affiliate | - | 80,991 | (80,991) | - |
| Grants receivable | 238,993 | 168,748 | - | 407,741 |
| Prepaid expenses | 61,504 | 65,008 | - | 126,512 |
| Total current assets | <u>1,086,099</u> | <u>1,034,186</u> | <u>(80,991)</u> | <u>2,039,294</u> |
| Grant receivable | - | 78,748 | - | 78,748 |
| Security deposit | - | 482 | - | 482 |
| Cash held in escrow | - | 250,791 | - | 250,791 |
| Investments | 414,116 | - | - | 414,116 |
| Fixed assets: | | | | |
| Land | 225,000 | - | - | 225,000 |
| Building and improvements | 2,973,351 | 172,209 | - | 3,145,560 |
| Equipment and software | 546,985 | 74,112 | - | 621,097 |
| Furniture and fixtures | 125,579 | 13,244 | - | 138,823 |
| Other assets | - | 116,552 | - | 116,552 |
| Total fixed assets | 3,870,915 | 376,117 | - | 4,247,032 |
| Accumulated depreciation and amortization | (1,037,179) | (46,108) | - | (1,083,287) |
| Net fixed assets | <u>2,833,736</u> | <u>330,009</u> | <u>-</u> | <u>3,163,745</u> |
| License | - | 5,500,000 | - | 5,500,000 |
| Investment in subsidiary | 250,000 | - | (250,000) | - |
| Total non-current assets | <u>3,497,852</u> | <u>6,160,030</u> | <u>(250,000)</u> | <u>9,407,882</u> |
| Total Assets | <u>\$ 4,583,951</u> | <u>\$ 7,194,216</u> | <u>\$ (330,991)</u> | <u>\$ 11,447,176</u> |
| <u>Liabilities and Net Assets</u> | | | | |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 54,928 | \$ 57,701 | \$ - | \$ 112,629 |
| Accounts payable - affiliate | 80,991 | - | (80,991) | - |
| Deferred underwriting revenue | - | 100,000 | - | 100,000 |
| Deferred revenue - Jazz Works | - | 7,000 | - | 7,000 |
| Other liabilities | 1,275 | 1,619 | - | 2,894 |
| Total current liabilities | <u>137,194</u> | <u>166,320</u> | <u>(80,991)</u> | <u>222,523</u> |
| Non-current liabilities: | | | | |
| Loans payable | - | 3,000,000 | - | 3,000,000 |
| Accrued interest | - | 53,750 | - | 53,750 |
| Deferred underwriting revenue | - | 707,243 | - | 707,243 |
| Total non-current liabilities | - | 3,760,993 | - | 3,760,993 |
| Total Liabilities | <u>137,194</u> | <u>3,927,313</u> | <u>(80,991)</u> | <u>3,983,516</u> |
| Net Assets: | | | | |
| Unrestricted | 4,315,657 | 2,927,146 | (250,000) | 6,992,803 |
| Temporarily restricted | 131,100 | 339,757 | - | 470,857 |
| Total Net Assets | <u>4,446,757</u> | <u>3,266,903</u> | <u>(250,000)</u> | <u>7,463,660</u> |
| Total Liabilities and Net Assets | <u>\$ 4,583,951</u> | <u>\$ 7,194,216</u> | <u>\$ (330,991)</u> | <u>\$ 11,447,176</u> |

**PITTSBURGH COMMUNITY
BROADCASTING CORPORATION
AND AFFILIATE**

CONSOLIDATING STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2014

| | WYEP | | | Essential Public Media, Inc. | | | Eliminations | Total |
|-------------------------------------------|------------------|---------------------------|------------------|------------------------------|---------------------------|------------------|------------------|------------------|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total | | |
| Revenues and Other Support: | | | | | | | | |
| Membership dues and contributions | 789,172 | \$ - | \$ 789,172 | \$ 1,344,658 | \$ - | \$ 1,344,658 | \$ - | \$ 2,133,830 |
| Grants | 9,847 | 366,000 | 375,847 | 51,029 | 2,262,500 | 2,313,529 | - | 2,689,376 |
| Government grants | - | 25,000 | 25,000 | - | - | - | - | 25,000 |
| Grants from affiliate | - | - | - | - | 277,172 | 277,172 | (277,172) | - |
| Underwriting revenue | 551,050 | - | 551,050 | 1,017,874 | - | 1,017,874 | - | 1,568,924 |
| In-kind contributions | 75,618 | - | 75,618 | 78,125 | - | 78,125 | - | 153,743 |
| In-kind contributions - affiliate | - | - | - | 79,693 | - | 79,693 | (79,693) | - |
| Corporation for Public Broadcasting grant | - | 411,722 | 411,722 | - | - | - | - | 411,722 |
| Special events and concerts | 13,041 | - | 13,041 | 11,391 | - | 11,391 | - | 24,432 |
| Jazz Works | - | - | - | 44,585 | - | 44,585 | - | 44,585 |
| Interest and dividends | 29,315 | - | 29,315 | 1,529 | - | 1,529 | - | 30,844 |
| Gain (loss) on investments | 42,628 | - | 42,628 | - | - | - | - | 42,628 |
| Concert tickets and CD sales | 47,203 | - | 47,203 | - | - | - | - | 47,203 |
| Miscellaneous | 50,962 | - | 50,962 | 11,113 | - | 11,113 | (50,004) | 12,071 |
| Net assets released from restrictions * | 765,338 | (765,338) | - | 566,593 | (566,593) | - | - | - |
| Total revenues and other support | 2,374,174 | 37,384 | 2,411,558 | 3,206,590 | 1,973,079 | 5,179,669 | (406,869) | 7,184,358 |
| Expenses: | | | | | | | | |
| Programming | 1,655,506 | - | 1,655,506 | 2,276,864 | - | 2,276,864 | (406,869) | 3,525,501 |
| Management and general | 166,678 | - | 166,678 | 350,572 | - | 350,572 | - | 517,250 |
| Fundraising | 434,179 | - | 434,179 | 720,201 | - | 720,201 | - | 1,154,380 |
| Total expenses | 2,256,363 | - | 2,256,363 | 3,347,637 | - | 3,347,637 | (406,869) | 5,197,131 |
| Change in Net Assets | 117,811 | 37,384 | 155,195 | (141,047) | 1,973,079 | 1,832,032 | - | 1,987,227 |
| Net Assets: | | | | | | | | |
| Beginning of fiscal year | 4,315,657 | 131,100 | 4,446,757 | 2,927,146 | 339,757 | 3,266,903 | (250,000) | 7,463,660 |
| End of fiscal year | \$ 4,433,468 | \$ 168,484 | \$ 4,601,952 | \$ 2,786,099 | \$ 2,312,836 | \$ 5,098,935 | \$ (250,000) | \$ 9,450,887 |

| | |
|---------------------------------------------------|-----------------------|
| * Total net assets released from restriction | \$ (1,331,931) |
| Grants to affiliate | 277,172 |
| Consolidated net assets released from restriction | <u>\$ (1,054,759)</u> |

**PITTSBURGH COMMUNITY
BROADCASTING CORPORATION
AND AFFILIATE**

CONSOLIDATING STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2013

| | WYEP | | | Essential Public Media, Inc. | | | Eliminations | Total |
|--------------------------------------------------------------------------------|------------------|---------------------------|------------------|------------------------------|---------------------------|------------------|------------------|------------------|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total | | |
| Revenues and Other Support: | | | | | | | | |
| Membership dues and contributions | \$ 610,763 | \$ - | \$ 610,763 | \$ 1,160,021 | \$ - | \$ 1,160,021 | \$ - | \$ 1,770,784 |
| Grants | 3,744 | 208,439 | 212,183 | 6,010 | 446,712 | 452,722 | - | 664,905 |
| Government grants | - | 30,263 | 30,263 | - | - | - | - | 30,263 |
| Grants from affiliate | - | - | - | - | 309,893 | 309,893 | (309,893) | - |
| Underwriting revenue | 522,442 | - | 522,442 | 994,535 | - | 994,535 | - | 1,516,977 |
| In-kind contributions | 73,150 | - | 73,150 | 77,050 | - | 77,050 | - | 150,200 |
| In-kind contributions - affiliate Corporation for Public Broadcasting grant | - | 452,624 | 452,624 | 30,420 | - | 30,420 | (30,420) | - |
| Special events and concerts | 23,749 | - | 23,749 | - | - | - | - | 23,749 |
| Jazz Works | - | - | - | 52,510 | - | 52,510 | - | 52,510 |
| Interest and dividends | 23,454 | - | 23,454 | 2,418 | - | 2,418 | - | 25,872 |
| Gain (loss) on investments | 48,692 | - | 48,692 | - | - | - | - | 48,692 |
| Concert tickets and CD sales | 31,158 | - | 31,158 | - | - | - | - | 31,158 |
| Miscellaneous | 50,144 | - | 50,144 | 7,887 | - | 7,887 | (50,054) | 7,977 |
| Net assets released from restrictions * | 790,037 | (790,037) | - | 705,447 | (705,447) | - | - | - |
| Total revenues and other support | 2,177,333 | (98,711) | 2,078,622 | 3,036,298 | 51,158 | 3,087,456 | (390,367) | 4,775,711 |
| Expenses: | | | | | | | | |
| Programming | 1,575,854 | - | 1,575,854 | 2,134,393 | - | 2,134,393 | (390,367) | 3,319,880 |
| Management and general | 193,183 | - | 193,183 | 442,058 | - | 442,058 | - | 635,241 |
| Fundraising | 426,967 | - | 426,967 | 793,661 | - | 793,661 | - | 1,220,628 |
| Total expenses | 2,196,004 | - | 2,196,004 | 3,370,112 | - | 3,370,112 | (390,367) | 5,175,749 |
| Change in Net Assets | (18,671) | (98,711) | (117,382) | (333,814) | 51,158 | (282,656) | - | (400,038) |
| Net Assets: | | | | | | | | |
| Beginning of fiscal year | 4,334,328 | 229,811 | 4,564,139 | 3,260,960 | 288,599 | 3,549,559 | (250,000) | 7,863,698 |
| End of fiscal year | \$ 4,315,657 | \$ 131,100 | \$ 4,446,757 | \$ 2,927,146 | \$ 339,757 | \$ 3,266,903 | \$ (250,000) | \$ 7,463,660 |
| | | | | | | | | |
| * Total net assets released from restriction | \$ (1,495,484) | | | | | | | |
| Grants to affiliate | 309,893 | | | | | | | |
| Consolidated net assets released from restriction | \$ (1,185,591) | | | | | | | |

**PITTSBURGH COMMUNITY
BROADCASTING CORPORATION
AND AFFILIATE**

CONSOLIDATING STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2014

| | WYEP | Essential Public Media, Inc. | Eliminations | Total |
|---------------------------------------------------------------------------------------------------|------------|---------------------------------|--------------|--------------|
| Cash Flows From Operating Activities: | | | | |
| Change in net assets | \$ 155,195 | \$ 1,832,032 | \$ - | \$ 1,987,227 |
| Adjustments to reconcile change in net assets to cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | 116,720 | 32,880 | - | 149,600 |
| Net depreciation (appreciation) of investments | (42,628) | - | - | (42,628) |
| Change in: | | | | |
| Accounts receivable | 9,299 | (1,559) | - | 7,740 |
| Accounts receivable - affiliate | - | 52,131 | (52,131) | - |
| Grants receivable | 133,993 | (1,106,252) | - | (972,259) |
| Prepaid expenses | 4,566 | (907) | - | 3,659 |
| Security deposit | (250) | 320 | - | 70 |
| Accounts payable | (8,252) | (19,774) | - | (28,026) |
| Accounts payable - affiliate | (52,131) | - | 52,131 | - |
| Deferred underwriting revenue | - | (103,071) | - | (103,071) |
| Deferred revenue - Jazz Works | - | (4,600) | - | (4,600) |
| Other liabilities | 16,553 | 35,172 | - | 51,725 |
| Total adjustments | 177,870 | (1,115,660) | - | (937,790) |
| Net cash provided by (used in) operating activities | 333,065 | 716,372 | - | 1,049,437 |
| Cash Flows From Investing Activities: | | | | |
| Purchases of investments | (30,175) | - | - | (30,175) |
| Fixed asset purchases | (423,462) | (35,574) | - | (459,036) |
| Net cash provided by (used in) investing activities | (453,637) | (35,574) | - | (489,211) |
| Increase (Decrease) in Cash and Cash Equivalents | (120,572) | 680,798 | - | 560,226 |
| Cash and Cash Equivalents: | | | | |
| Beginning of fiscal year | 676,141 | 813,950 | - | 1,490,091 |
| End of fiscal year | \$ 555,569 | \$ 1,494,748 | \$ - | \$ 2,050,317 |
| Supplemental Disclosure: | | | | |
| Cash paid for interest | \$ - | \$ 158,420 | \$ - | \$ 158,420 |
| Noncash Activity: | | | | |
| In-kind contributions | \$ 75,618 | \$ 157,818 | \$ - | \$ 233,436 |

**PITTSBURGH COMMUNITY
BROADCASTING CORPORATION
AND AFFILIATE**

CONSOLIDATING STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2013

| | WYEP | Essential Public Media, Inc. | Eliminations | Total |
|---------------------------------------------------------------------------------------------------|--------------|---------------------------------|--------------|--------------|
| Cash Flows From Operating Activities: | | | | |
| Change in net assets | \$ (117,382) | \$ (282,656) | \$ - | \$ (400,038) |
| Adjustments to reconcile change in net assets to cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | 126,795 | 29,534 | - | 156,329 |
| Net depreciation (appreciation) of investments | (48,692) | - | - | (48,692) |
| Change in: | | | | |
| Accounts receivable | (28,592) | 27,278 | - | (1,314) |
| Accounts receivable - affiliate | - | 229,752 | (229,752) | - |
| Grants receivable | 216,007 | (247,496) | - | (31,489) |
| Prepaid expenses | (5,941) | (13,460) | - | (19,401) |
| Security deposit | - | 4,044 | - | 4,044 |
| Accounts payable | (13,679) | (101,563) | - | (115,242) |
| Accounts payable - affiliate | (229,752) | - | 229,752 | - |
| Deferred underwriting revenue | - | (107,480) | - | (107,480) |
| Deferred revenue - Jazz Works | - | 7,000 | - | 7,000 |
| Other liabilities | 572 | 24,149 | - | 24,721 |
| Total adjustments | 16,718 | (148,242) | - | (131,524) |
| Net cash provided by (used in) operating activities | (100,664) | (430,898) | - | (531,562) |
| Cash Flows From Investing Activities: | | | | |
| Purchases of investments | - | - | - | - |
| Sales of investments | 116,721 | - | - | 116,721 |
| Fixed asset purchases | - | (15,670) | - | (15,670) |
| Net cash provided by (used in) investing activities | 116,721 | (15,670) | - | 101,051 |
| Increase (Decrease) in Cash and Cash Equivalents | 16,057 | (446,568) | - | (430,511) |
| Cash and Cash Equivalents: | | | | |
| Beginning of fiscal year | 660,084 | 1,260,518 | - | 1,920,602 |
| End of fiscal year | \$ 676,141 | \$ 813,950 | \$ - | \$ 1,490,091 |
| Supplemental Disclosure: | | | | |
| Cash paid for interest | \$ - | \$ 158,420 | \$ - | \$ 158,420 |
| Noncash Activity: | | | | |
| In-kind contributions | \$ 73,150 | \$ 107,470 | \$ - | \$ 180,620 |