

Detroit Educational Television Foundation

**Financial Report
with Additional Information
June 30, 2008**

Detroit Educational Television Foundation

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Independent Auditor's Report

To the Board of Directors
Detroit Educational Television Foundation

We have audited the accompanying balance sheet of Detroit Educational Television Foundation as of June 30, 2008 and 2007 and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Detroit Educational Television Foundation at June 30, 2008 and 2007 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

September 26, 2008

Detroit Educational Television Foundation

Balance Sheet

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,262,671	\$ 2,622,604
Receivables:		
Trade - Less allowance for doubtful accounts of \$7,819 in 2008 and \$83,850 in 2007	1,205,370	1,320,002
Pledges receivable - Net (Note 2)	2,466,609	2,639,705
Investments	1,222,874	1,198,603
Inventory	460,437	398,127
Restricted cash - Bond payments (Note 4)	244,592	-
Prepaid assets and other	293,596	288,798
	<hr/>	<hr/>
Total current assets	8,156,149	8,467,839
Pledges Receivable - Long-term (Note 2)	2,907,634	4,090,916
Property and Equipment - Net (Note 3)	14,538,375	13,726,721
Other Assets	190,021	198,658
	<hr/>	<hr/>
Total assets	\$ 25,792,179	\$ 26,484,134
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 1,210,376	\$ 533,269
Current portion of long-term debt (Note 4)	225,000	1,380,000
Accrued liabilities and other (Note 9)	1,249,589	1,689,952
	<hr/>	<hr/>
Total current liabilities	2,684,965	3,603,221
Long-term Debt - Net of current portion (Note 4)	7,145,000	7,370,000
	<hr/>	<hr/>
Total liabilities	9,829,965	10,973,221
Net Assets		
Unrestricted	15,338,427	14,843,083
Temporarily restricted - Production funding, children's programming, and other	543,787	667,830
Permanently restricted - Endowment	80,000	-
	<hr/>	<hr/>
Total net assets	15,962,214	15,510,913
	<hr/>	<hr/>
Total liabilities and net assets	\$ 25,792,179	\$ 26,484,134

Detroit Educational Television Foundation

Statement of Activities and Changes in Net Assets

	Year Ended	
	June 30, 2008	June 30, 2007
Changes in Unrestricted Net Assets		
Revenue and support:		
Individual contributions	\$ 8,357,035	\$ 8,187,422
Retail product sales	4,051,346	4,805,296
Productions of local and national programs	1,839,194	1,867,059
Corporate contributions	1,458,637	1,696,580
Corporation for Public Broadcasting grant	1,824,905	1,422,639
Foundation contributions	403,075	1,191,082
Special events	220,418	452,846
Facilities rental	2,003,524	343,971
Capital campaign contributions	1,456,145	2,269,991
Net realized and unrealized (losses) gains on investments	(55,729)	173,569
Interest income - Unrestricted	38,237	50,867
Miscellaneous income	137,521	20,412
	<u>21,734,308</u>	<u>22,481,734</u>
Net assets released from restrictions	<u>391,843</u>	<u>439,132</u>
	22,126,151	22,920,866
Expenses:		
Program services:		
Communications	1,171,313	1,107,743
Production	4,908,261	5,885,236
Engineering	3,376,393	3,169,442
Broadcast	4,692,347	4,801,386
	<u>14,148,314</u>	<u>14,963,807</u>
Support services:		
Administration and general	2,241,881	2,523,398
Fund-raising	5,240,612	5,234,133
	<u>21,630,807</u>	<u>22,721,338</u>
Increase in Unrestricted Net Assets	495,344	199,528
Changes in Temporarily Restricted Net Assets		
Contributions	267,800	498,000
Net assets released from restrictions	<u>(391,843)</u>	<u>(439,132)</u>
(Decrease) Increase in Temporarily Restricted Net Assets	(124,043)	58,868
Increase in Permanently Restricted Net Assets - Contributions	<u>80,000</u>	-
Increase in Net Assets	451,301	258,396
Net Assets - Beginning of year	<u>15,510,913</u>	<u>15,252,517</u>
Net Assets - End of year	<u>\$ 15,962,214</u>	<u>\$ 15,510,913</u>

Detroit Educational Television Foundation

Statement of Cash Flows

	Year Ended	
	June 30, 2008	June 30, 2007
Cash Flows from Operating Activities		
Increase in net assets	\$ 451,301	\$ 258,396
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	656,798	589,171
Gain on sale of property and equipment	(780)	-
Loss (gain) on securities	55,729	(173,569)
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	114,632	473,408
Inventory	(62,310)	99,420
Pledges receivable	1,356,378	85,583
Prepaid assets and other	(4,798)	20,577
Accounts payable, trade, and other	677,107	65,751
Accrued liabilities and other	(440,363)	(378,572)
Net cash provided by operating activities	2,803,694	1,040,165
Cash Flows from Investing Activities		
Purchase of property and equipment	(1,459,835)	(305,210)
Proceeds from disposition of property and equipment	800	-
Purchases of investments	(367,652)	(240,721)
Proceeds from sales and maturities of investments	287,652	240,721
Net cash used in investing activities	(1,539,035)	(305,210)
Cash Flows from Financing Activities - Payments on debt	<u>(1,380,000)</u>	<u>(1,620,000)</u>
Net Decrease in Cash and Cash Equivalents	(115,341)	(885,045)
Cash and Cash Equivalents - Beginning of year	<u>2,622,604</u>	<u>3,507,649</u>
Cash and Cash Equivalents - End of year	<u>\$ 2,507,263</u>	<u>\$ 2,622,604</u>
Supplemental Disclosure of Cash Flow Information - Cash paid for interest	<u>\$ 234,583</u>	<u>\$ 325,530</u>
Cash and Cash Equivalents are Comprised of the Following		
Unrestricted	\$ 2,262,671	\$ 2,622,604
Restricted	244,592	-
Total	<u>\$ 2,507,263</u>	<u>\$ 2,622,604</u>

Detroit Educational Television Foundation

Notes to Financial Statements June 30, 2008 and 2007

Note I - Nature of Business and Significant Accounting Policies

Nature of Organization - Detroit Educational Television Foundation (the "Foundation") is a not-for-profit corporation, which is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code, classified as an organization that is not a private foundation, and incorporated under the name Detroit Educational Television Foundation. The Foundation receives the majority of its funding from corporate and individual contributions and retail sales of productions of artists featured during programming.

The Foundation distinguishes among contributions received for each net asset category in accordance with donor-imposed restrictions. A description of the three categories is as follows:

Unrestricted Net Assets - Unrestricted net assets are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the board or may otherwise be limited by contractual agreements with outside parties.

Temporarily Restricted Net Assets - Temporarily restricted net assets are subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by passage of time.

Temporarily restricted net assets total approximately \$544,000 and \$668,000 at June 30, 2008 and 2007, respectively. Changes in temporarily restricted net assets include contributions of \$267,800 and \$474,000 restricted for production funding at June 30, 2008 and 2007, respectively. Changes in temporarily restricted net assets also include \$27,968 and \$24,000 restricted for children's programming and other purposes at June 30, 2008 and 2007, respectively.

Permanently Restricted Net Assets - Permanently restricted net assets are subject to donor-imposed stipulations that they may be maintained permanently by the Foundation.

Changes in permanently restricted net assets include contributions of \$80,000 for an endowment at June 30, 2008.

Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as reclassifications between the applicable classes of net assets.

Contribution revenue with donor-imposed restrictions that are met in the same year as received or earned is reported as unrestricted revenue. Contribution revenue with donor-imposed restrictions that are not met in the same year is reported as temporarily restricted revenue and is reclassified to unrestricted net assets when an expense is incurred that satisfies the donor-imposed restriction.

Detroit Educational Television Foundation

Notes to Financial Statements June 30, 2008 and 2007

Note I - Nature of Business and Significant Accounting Policies (Continued)

The significant accounting policies are described below:

Cash Equivalents - The Foundation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments - The Foundation has investments in mutual funds at June 30, 2008 and 2007. Investments are recorded at fair value based on quoted market prices.

Accounts Receivable - Accounts receivable consist of trade receivables and receivables from Koch Entertainment LLC (Koch) for sales of retail products that are companions to the Foundation's fund-raising programs.

Trade receivables are stated at billed amounts. An allowance for doubtful accounts is established based on specific assessment of all billings that remain unpaid following normal payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period the determination is made. At June 30, 2008 and 2007, gross trade accounts receivable were approximately \$589,000 and \$580,000, respectively.

The Foundation entered into an agreement until January 2009 with Koch for retail distribution throughout the United States and Canada of its music and video products that are companions to its television fund-raising programs. The receivable for retail sales by Koch is for sales that have occurred before the end of the fiscal year for which the Foundation has not received the proceeds. The receivables are stated at net realizable value. An allowance for potential returned merchandise is established based on historical merchandise return experience. At June 30, 2008 and 2007, accounts receivable from Koch totaled approximately \$624,000 and \$824,000, respectively, net of an allowance for returned merchandise of \$146,000 and \$195,000, respectively.

Pledges Receivable - The Foundation receives pledges of financial support from corporations, foundations, and individuals. Revenue is recognized when a pledge is made. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

An allowance for uncollectible contributions is provided based on management's judgment of potential defaults. The determination includes such factors as prior collection history, type of contribution, and nature of fund-raising.

Inventory - Inventory, consisting mainly of promotional items and merchandise held for resale by a third party, is stated at the lower of cost, computed on a first-in, first-out (FIFO) basis, or net realizable value.

Detroit Educational Television Foundation

Notes to Financial Statements June 30, 2008 and 2007

Note I - Nature of Business and Significant Accounting Policies (Continued)

Restricted Cash - The Michigan Strategic Fund Variable Rate Demand Limited Obligation Revenue Bonds Series 2005 contains an escrow agreement. The restricted cash is the balance of the required monthly escrow payments as of June 30, 2008. The escrow agreement requires monthly payments equal to one-twelfth of the next annual principal payment. The escrow account is treated as additional collateral for the bonds.

Property and Equipment - Property and equipment are stated at original cost if purchased or at estimated fair value if donated. When assets are retired or otherwise disposed of, the related cost and depreciation are removed from the respective accounts, and any profit or loss is included in revenue. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

Other Assets - Other assets consist of capitalized bond issue costs related to the Series 2005 debt. The costs are being amortized over the life of the bonds.

Revenue - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Revenue relating to retail sales is recognized when the sales occur.

Use of 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 certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

New Accounting Pronouncement - In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157 (SFAS 157), *Fair Value Measurements*. SFAS 157 defines fair value and expands disclosures about fair value measurements. SFAS 157 does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. The provisions of SFAS 157 are effective for the fiscal year beginning after November 15, 2007. The Foundation is currently evaluating the impact, if any, of the provisions of SFAS 157 on its financial statements.

Detroit Educational Television Foundation

Notes to Financial Statements June 30, 2008 and 2007

Note 2 - Pledges Receivable

Pledges receivable represent amounts pledged from donors. Pledges receivable consist of the following as of June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Pledges receivable	\$ 5,879,785	\$ 7,460,333
Less unamortized discount	(255,049)	(461,724)
Less allowance for uncollectible pledges	<u>(250,493)</u>	<u>(267,988)</u>
Net pledges receivable	<u>\$ 5,374,243</u>	<u>\$ 6,730,621</u>
Amounts due in:		
Less than one year	\$ 2,717,102	\$ 2,907,693
One to five years	<u>3,162,683</u>	<u>4,552,640</u>
Gross payments on pledges receivable	<u>\$ 5,879,785</u>	<u>\$ 7,460,333</u>

Note 3 - Property and Equipment

The cost of property and equipment and the related accumulated depreciation at June 30, 2008 and 2007 are as follows:

	<u>2008</u>	<u>2007</u>
Land	\$ 2,746,173	\$ 2,746,173
Land improvements	74,543	74,543
Buildings and building improvements	9,777,336	9,675,773
Broadcast and production equipment	9,200,335	8,538,445
Office equipment	1,322,214	1,276,313
Construction in progress	<u>784,743</u>	<u>156,150</u>
Total cost	23,905,344	22,467,397
Accumulated depreciation	<u>(9,366,969)</u>	<u>(8,740,676)</u>
Net carrying amount	<u>\$ 14,538,375</u>	<u>\$ 13,726,721</u>

Depreciation expense was \$648,160 and \$580,534 at June 30, 2008 and 2007, respectively.

Detroit Educational Television Foundation

Notes to Financial Statements June 30, 2008 and 2007

Note 4 - Long-term Debt

Bonds payable consist of the following:

Michigan Strategic Fund Variable Rate Demand Limited Obligation Revenue Bonds Series 2005, in the amount of \$10,370,000, have an original maturity date of June 1, 2035. The bonds bear interest at a variable rate determined weekly (1.59 percent at June 30, 2008), not to exceed 18 percent or the maximum rate permitted by applicable law, at which time the bonds are remarketed. Annual principal payments range from \$225,000 to \$2,000,000 through 2030. Beginning in 2008, the bond agreement required the Foundation to make deposits into an escrow account as described in Note 1. At June 30, 2008, the balance of the escrow account was \$244,592. The Foundation is also required to maintain a letter of credit, which would fund any draws for bonds which are unable to be remarketed, equal to the balance of the bonds plus 45 days' interest at a maximum rate of 10 percent, not to exceed \$10,497,849. The letter of credit expires on July 16, 2010. The bonds are collateralized by the letter of credit, which is collateralized by substantially all of the assets of the Foundation. In addition, the Foundation is subject to meeting certain financial covenants.

Minimum principal payments on the bonds payable to maturity as of June 30, 2008 are as follows:

Years Ending June 30	Amount
2009	\$ 225,000
2010	235,000
2011	240,000
2012	250,000
2013	255,000
2014 and thereafter	<u>6,165,000</u>
Total	<u>\$ 7,370,000</u>

The fair value of variable rate bonds payable approximates the carrying amount because the current effective rates reflect market rates. The fair value of the letter of credit is not determinable due to the uncertainty of the timing of payment, if any.

Interest expense for the years ended June 30, 2008 and 2007 was \$216,249 and \$319,672, respectively.

Subsequent to year end, the Foundation entered into an interest rate swap agreement maturing July 2013 to effectively convert a portion of the variable rate bonds to a fixed rate. Under the agreement, the Foundation will receive interest at a variable rate of 68 percent of LIBOR and pay interest at a fixed rate of 2.81 percent.

Detroit Educational Television Foundation

Notes to Financial Statements June 30, 2008 and 2007

Note 5 - Line of Credit

The Foundation has available an unsecured line of credit, payable upon demand, which allows the Foundation to borrow up to \$500,000, with interest at the bank's prime rate less 0.75 percentage points, an effective rate of 4.25 percent at June 30, 2008. The line of credit expires December 31, 2008. There were no borrowings under this line of credit during the years ended June 30, 2008 and 2007.

Note 6 - Leases

The Foundation leases space for its analog television antenna under a noncancelable operating lease agreement through February 28, 2009 at a monthly rent of \$8,500. In addition, the Foundation is required to pay applicable maintenance and insurance. The Foundation also leases space for a transmitting antenna and associated equipment to transmit its broadcasting signal in digital format. This is a noncancelable operating lease agreement through June 30, 2019 at variable future minimum monthly lease payments. Beginning in year four of the lease, payments increase based upon the U.S. Department of Commerce's National Consumer Price Index for all urban consumer U.S. city averages. The Foundation also leases other miscellaneous equipment with monthly payments ranging from \$110 to \$5,100 with various expiration dates through 2012. Future minimum payments under these leases with initial or remaining terms of one year or more are as follows:

Years Ending June 30	Amount
2009	\$ 349,160
2010	202,499
2011	175,418
2012	131,465
2013	117,379
Thereafter	653,440
Total	<u>\$ 1,629,361</u>

Antenna rent expense was approximately \$210,000 and \$189,000 for the years ended June 30, 2008 and 2007, respectively.

Note 7 - Pension Costs

The Foundation has a defined contribution retirement plan covering substantially all full-time employees. Annually, the Foundation contributes 10 percent of each participating employee's compensation to the retirement plan.

Detroit Educational Television Foundation

Notes to Financial Statements June 30, 2008 and 2007

Note 7 - Pension Costs (Continued)

Certain employees also participate in a pension plan administered by the Directors Guild of America. The Foundation contributes 5.5 percent of each participating employee's compensation.

The Foundation contributed approximately \$513,000 and \$512,000 to the two plans during 2008 and 2007, respectively.

Note 8 - Conditional Promises to Give

During the year ended June 30, 2005, the Foundation received a \$2,500,000 conditional promise. Revenue was recognized as the conditions of the promise were met, including \$1,000,000 for the year ended June 30, 2007. As of June 30, 2007, the Foundation has met all conditions of the promise to give and recognized and received the entire contribution.

During the year ended June 30, 2006, the Foundation received a \$1,000,000 conditional promise. Revenue was recognized as the conditions of the promise were met, including \$166,000 and \$100,000 for the years ended June 30, 2008 and 2007, respectively. As of June 30, 2008, the Foundation had met all conditions of the promise to give. At June 30, 2008, \$366,000 was recorded as a pledge receivable.

During the year ended June 30, 2008, the Foundation received a \$1,250,000 conditional promise. No revenue was recognized or received during the year ended June 30, 2008. To satisfy the conditions of the promise, the Foundation is required to raise \$20,750,000 in capital campaign contributions. As of June 30, 2008, the Foundation had raised approximately \$18,000,000 toward this goal.

Note 9 - Commitments

The Foundation has entered into multiple agreements with artists in which the Foundation has rights to manufacture, market, and distribute the artists' products throughout the United States and Canada. The Foundation also is obligated to pay royalties to publishers as a requirement under the copyright act. The Foundation is required to pay such royalties based upon a percentage of proceeds derived from the sales of the products. At June 30, 2008 and 2007, the Foundation has accrued approximately \$729,000 and \$1,152,000, respectively, in royalties under these agreements.

Detroit Educational Television Foundation

Notes to Financial Statements June 30, 2008 and 2007

Note 10 - Conditional Asset Retirement Obligations

The Foundation has an obligation related to the removal of asbestos within one building upon reconstruction, demolition, or abandonment by the Foundation. The Foundation has not recorded a liability related to the potential costs associated with the asbestos abatement, as the fair value of the liability cannot currently be reasonably estimated because the range of time over which the Foundation may settle the obligation is unknown and cannot be estimated. The Foundation currently has no plans or expectation of plans to undertake a major renovation that would require the removal of the asbestos or demolition of the building. The Foundation will recognize a liability in the period when sufficient information is available to reasonably estimate the fair value of any such liability.

Note 11 - Construction Contract Commitments

At June 30, 2008, the Foundation entered into an agreement with a contractor and an engineering firm to perform the buildout of the master control room for a total estimated cost of \$793,000. Through June 30, 2008, approximately \$621,000 was paid related to the project.

Additional Information



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To the Board of Directors
Detroit Educational Television Foundation

We have audited the financial statements of Detroit Educational Television Foundation as of June 30, 2008 and 2007. Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The balance sheet by broadcast entity, statement of activities and changes in net assets by broadcast entity, and statement of functional expenses are presented for the purpose of additional analysis and are not required parts of the basic financial statements. Such information has been subjected to the procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

September 26, 2008

Detroit Educational Television Foundation

Balance Sheet by Broadcast Entity June 30, 2008 (with comparative totals for June 30, 2007)

	WTVS	WRCJ	Totals	
			2008	2007
Assets				
Current Assets				
Cash and cash equivalents	\$ 1,955,362	\$ 307,309	\$ 2,262,671	\$ 2,622,604
Receivables:				
Trade - Less allowance for doubtful accounts of \$7,819 in 2008 and \$83,850 in 2007	1,117,298	88,072	1,205,370	1,320,002
Pledges receivable - Net	2,390,228	76,381	2,466,609	2,639,705
Investments	1,222,874	-	1,222,874	1,198,603
Inventory	460,437	-	460,437	398,127
Intercompany	(1,192,548)	1,192,548	-	-
Restricted cash - Bond payments	244,592	-	244,592	-
Prepaid assets and other	270,370	23,226	293,596	288,798
Total current assets	6,468,613	1,687,536	8,156,149	8,467,839
Pledges Receivable - Long-term	2,907,634	-	2,907,634	4,090,916
Property and Equipment - Net	14,421,029	117,346	14,538,375	13,726,721
Other Assets	190,021	-	190,021	198,658
Total assets	<u>\$ 23,987,297</u>	<u>\$ 1,804,882</u>	<u>\$ 25,792,179</u>	<u>\$ 26,484,134</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	\$ 1,032,602	\$ 177,774	\$ 1,210,376	\$ 533,269
Current portion of long-term debt	225,000	-	225,000	1,380,000
Accrued liabilities and other	1,216,821	32,768	1,249,589	1,689,952
Total current liabilities	2,474,423	210,542	2,684,965	3,603,221
Long-term Debt - Net of current portion	7,145,000	-	7,145,000	7,370,000
Total liabilities	9,619,423	210,542	9,829,965	10,973,221
Net Assets				
Unrestricted	13,744,087	1,594,340	15,338,427	14,843,083
Temporarily restricted - Production funding, children's programming, and other	543,787	-	543,787	667,830
Permanently restricted - Endowment	80,000	-	80,000	-
Total net assets	14,367,874	1,594,340	15,962,214	15,510,913
Total liabilities and net assets	<u>\$ 23,987,297</u>	<u>\$ 1,804,882</u>	<u>\$ 25,792,179</u>	<u>\$ 26,484,134</u>

Detroit Educational Television Foundation

Statement of Activities and Changes in Net Assets by Broadcast Entity

Years Ended June 30, 2008

(with comparative totals for June 30, 2007)

	WTVS	WRCJ	Totals	
			2008	2007
Changes in Unrestricted Net Assets				
Revenue and support:				
Individual contributions	\$ 7,453,225	\$ 903,810	\$ 8,357,035	\$ 8,187,422
Retail product sales	4,051,346	-	4,051,346	4,805,296
Productions of local and national programs	1,839,194	-	1,839,194	1,867,059
Corporate contributions	1,122,659	335,978	1,458,637	1,696,580
Corporation for Public Broadcasting grant	1,558,920	265,985	1,824,905	1,422,639
Foundation contributions	172,050	231,025	403,075	1,191,082
Special events	220,418	-	220,418	452,846
Facilities rental	2,003,524	-	2,003,524	343,971
Capital campaign contributions	1,456,145	-	1,456,145	2,269,991
Net realized and unrealized gains (losses) on investments	(55,729)	-	(55,729)	173,569
Interest income - Unrestricted	28,818	9,419	38,237	50,867
Miscellaneous income	136,694	827	137,521	20,412
Total revenue and support	19,987,264	1,747,044	21,734,308	22,481,734
Net assets released from restrictions	391,843	-	391,843	439,132
Total revenue, support, and net assets released from restrictions	20,379,107	1,747,044	22,126,151	22,920,866
Expenses:				
Program services:				
Communications	1,054,111	117,202	1,171,313	1,107,743
Production	4,890,688	17,573	4,908,261	5,885,236
Engineering	3,278,433	97,960	3,376,393	3,169,442
Broadcast	3,734,697	957,650	4,692,347	4,801,386
Total program service expenses	12,957,929	1,190,385	14,148,314	14,963,807
Support services:				
Administration and general	2,040,649	201,232	2,241,881	2,523,398
Fund-raising	4,841,007	399,605	5,240,612	5,234,133
Total expenses	19,839,585	1,791,222	21,630,807	22,721,338
Increase (Decrease) in Unrestricted Net Assets	539,522	(44,178)	495,344	199,528
Changes in Temporarily Restricted Net Assets				
Contributions	267,800	-	267,800	498,000
Net assets released from restrictions	(391,843)	-	(391,843)	(439,132)
(Decrease) Increase in Temporarily Restricted Net Assets	(124,043)	-	(124,043)	58,868
Increase in Permanently Restricted Net Assets - Contributions	80,000	-	80,000	-
Increase (Decrease) in Net Assets	495,479	(44,178)	451,301	258,396
Net Assets - Beginning of year	13,872,395	1,638,518	15,510,913	15,252,517
Net Assets - End of year	\$ 14,367,874	\$ 1,594,340	\$ 15,962,214	\$ 15,510,913

Detroit Educational Television Foundation

Statement of Functional Expenses Year Ended June 30, 2008 (with comparative totals for year ended June 30, 2007)

	Program Services					Support Services		Total Expenses	
	Broadcast	Communications	Engineering	Production	Total	Administration	Fund-raising	2008	2007
Salaries	\$ 1,306,975	\$ 391,038	\$ 1,746,843	\$ 728,558	\$ 4,173,414	\$ 980,400	\$ 1,319,443	\$ 6,473,257	\$ 6,583,278
Employee benefits	281,465	82,264	327,379	125,495	816,603	190,833	290,289	1,297,725	1,375,475
Payroll taxes	106,522	33,272	154,341	47,100	341,235	73,167	98,700	513,102	516,762
Total salaries and related expenses	1,694,962	506,574	2,228,563	901,153	5,331,252	1,244,400	1,708,432	8,284,084	8,475,515
Product production	-	-	-	1,833,823	1,833,823	-	-	1,833,823	2,131,176
Royalties	124,713	-	-	816,056	940,769	-	-	940,769	1,565,695
Program acquisition	2,128,320	-	-	-	2,128,320	-	-	2,128,320	2,150,276
Program production	-	-	-	936,262	936,262	-	11,172	947,434	923,051
Professional services	60,909	49,775	10,429	74,228	195,341	182,159	860,767	1,238,267	933,403
Donor support	-	-	-	-	-	501	768,555	769,056	744,740
Direct mail	-	-	-	-	-	-	654,605	654,605	769,501
Heat, power, and light	53,860	36,262	365,827	29,863	485,812	55,460	78,923	620,195	608,611
Advertising and promotion	-	184,979	-	11,014	195,993	-	600	196,593	213,204
Information technology	19,575	6,129	22,031	3,100	50,835	6,038	280,223	337,096	356,147
Outreach and events	2,074	10,941	-	-	13,015	-	207,585	220,600	351,632
Maintenance and repairs	38,105	21,422	92,070	17,642	169,239	32,763	46,625	248,627	269,839
Public Broadcasting Service fees	272,438	-	-	-	272,438	-	-	272,438	231,938
Tower rental	-	-	210,056	-	210,056	-	-	210,056	189,089
Telephone	36,028	15,611	47,383	14,787	113,809	25,171	34,371	173,351	241,093
Interest and bond financing	-	-	-	-	-	325,050	-	325,050	463,645
Program guide	-	211,160	-	-	211,160	-	-	211,160	181,413
Legal	3,363	2,264	6,126	35,981	47,734	3,462	9,802	60,998	57,847
Credit card/Bank fees	-	-	-	79	79	10,350	182,467	192,896	144,682
Equipment	17,411	11,858	88,503	9,654	127,426	17,929	27,960	173,315	261,661
Security	53,991	-	61,793	18,807	134,591	-	-	134,591	125,374
Insurance	26,692	17,971	48,627	14,800	108,090	27,485	39,113	174,688	175,143
Postage and shipping	3,546	636	3,878	88,677	96,737	5,754	123,717	226,208	195,142
Travel	22,667	4,427	4,049	39,878	71,021	24,335	32,710	128,066	90,291
Property tax	-	-	-	-	-	31,221	-	31,221	34,173
Dues, books, and periodicals	24,286	1,701	1,039	657	27,683	35,811	1,021	64,515	55,228
Office supplies and printing	6,899	20,368	1,549	6,156	34,972	9,623	20,248	64,843	86,884
Audit	-	-	-	-	-	66,850	-	66,850	66,895
Personnel development	1,298	1,667	1,341	-	4,306	27,105	1,294	32,705	34,907
Miscellaneous	852	-	299	-	1,151	7,075	3,363	11,589	3,972
Depreciation and amortization	100,358	67,568	182,830	55,644	406,400	103,339	147,059	656,798	589,171
Total functional expenses	<u>\$ 4,692,347</u>	<u>\$ 1,171,313</u>	<u>\$ 3,376,393</u>	<u>\$ 4,908,261</u>	<u>\$ 14,148,314</u>	<u>\$ 2,241,881</u>	<u>\$ 5,240,612</u>	<u>\$ 21,630,807</u>	<u>\$ 22,721,338</u>