

**PCI - Media Impact, Inc.**

Financial Statements

December 31, 2018

## Independent Auditors' Report

### **The Board of Directors PCI - Media Impact, Inc.**

We have audited the accompanying financial statements of PCI - Media Impact, Inc., which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year 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.

### ***Auditors' 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 of 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 auditors' 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 PCI - Media Impact, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Change in Accounting Principle***

As discussed in note 2 to the financial statements, during the year ended December 31, 2018, PCI – Media Impact, Inc. adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

***Report on Summarized Comparative Information***

We have previously audited PCI - Media Impact, Inc.'s December 31, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 28, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*PKF O'Connor Davies, LLP*

March 22, 2019

**PCI - Media Impact, Inc.**

Statement of Financial Position  
December 31, 2018  
(with comparative amounts at December 31, 2017)

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 165,263	\$ 624,903
Contributions and grants receivable	1,128,776	565,197
Promissory note receivable	24,525	39,583
Prepaid expenses and other assets	41,233	42,825
Investments	819,269	1,049,216
Beneficial interest in charitable remainder trust	-	16,763
Equipment and leasehold improvements, net	<u>286,439</u>	<u>83,339</u>
	<u>\$ 2,465,505</u>	<u>\$ 2,421,826</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 258,471	\$ 328,731
Advances payable	21,403	208,087
Total Liabilities	<u>279,874</u>	<u>536,818</u>
Net Assets		
Without donor restrictions		
Operating	870,295	408,402
Board designated	<u>819,602</u>	<u>1,051,890</u>
	1,689,897	1,460,292
With donor restrictions	<u>495,734</u>	<u>424,716</u>
Total Net Assets	<u>2,185,631</u>	<u>1,885,008</u>
	<u>\$ 2,465,505</u>	<u>\$ 2,421,826</u>

See notes to financial statements

**PCI - Media Impact, Inc.**

Statement of Activities  
Year Ended December 31, 2018  
(with summarized totals for the year ended December 31, 2017)

	2018		2017 Total	
	Without Donor Restrictions	With Donor Restrictions		Total
<b>OPERATING REVENUE AND SUPPORT</b>				
Contributions and grants (includes in-kind contributions of \$88,686 and \$60,696)	\$ 660,874	\$ 5,093,745	\$ 5,754,619	\$ 4,889,516
Investment return, net	7,748	-	7,748	1,544
Other income	31,536	-	31,536	33,132
	<u>700,158</u>	<u>5,093,745</u>	<u>5,793,903</u>	<u>4,924,192</u>
Net assets released from restrictions	5,027,198	(5,027,198)	-	-
Total Operating Revenue and Support	<u>5,727,356</u>	<u>66,547</u>	<u>5,793,903</u>	<u>4,924,192</u>
<b>EXPENSES</b>				
Program Expenses				
Serial drama	2,081,415	-	2,081,415	2,241,934
Global campaigns	2,218,563	-	2,218,563	1,299,403
General program	580,983	-	580,983	413,708
Supporting Expenses				
Administrative	618,821	-	618,821	579,141
Fundraising	290,405	-	290,405	200,906
Total Expenses	<u>5,790,187</u>	<u>-</u>	<u>5,790,187</u>	<u>4,735,092</u>
(Deficiency) Excess of Operating Revenue and Support Over Expenses	<u>(62,831)</u>	<u>66,547</u>	<u>3,716</u>	<u>189,100</u>
<b>NON-OPERATING ACTIVITIES</b>				
Bequests	292,436	-	292,436	162,352
Change in value of beneficial interest in charitable trust	-	4,471	4,471	1,189
Total Non-operating Activities	<u>292,436</u>	<u>4,471</u>	<u>296,907</u>	<u>163,541</u>
Change In Net Assets	229,605	71,018	300,623	352,641
<b>NET ASSETS</b>				
Beginning of year	<u>1,460,292</u>	<u>424,716</u>	<u>1,885,008</u>	<u>1,532,367</u>
End of year	<u>\$ 1,689,897</u>	<u>\$ 495,734</u>	<u>\$ 2,185,631</u>	<u>\$ 1,885,008</u>

See notes to financial statements

PCI - Media Impact, Inc.

Statement of Functional Expenses  
Year Ended December 31, 2018

(with summarized totals for the year ended December 31, 2017)

	Program Expenses			Total Program Expenses	Supporting Expenses		Fund-raising	2018 Total	2017 Total
	Serial Drama	Global Campaigns	General Program		Administrative				
Salaries	\$ 355,392	\$ 257,938	\$ 309,825	\$ 923,155	\$ 111,333	\$ 113,837	\$ 1,148,325	\$ 723,588	
Payroll taxes and employee benefits	96,918	61,204	60,462	218,584	51,007	24,761	294,352	214,671	
Total Salaries and Related Expenses	452,310	319,142	370,287	1,141,739	162,340	138,598	1,442,677	938,259	
Consulting fees	989,566	594,920	54,010	1,638,496	10,619	125,795	1,774,910	2,122,608	
Professional fees (includes \$49,783 and \$14,012 of in-kind legal services)	-	-	-	-	100,693	-	100,693	77,306	
Broadcast production/airtime	384,292	827,848	-	1,212,140	-	-	1,212,140	682,697	
Travel (includes \$2,937 and \$5,319 of in-kind travel)	196,876	56,007	106,263	319,146	30,152	2,363	351,661	351,460	
Rent (includes \$35,966 and \$33,786 of in-kind rent)	39,377	-	7,404	46,781	158,065	1,629	206,475	208,363	
Telecommunications	2,613	1,279	636	4,528	14,646	-	19,174	21,731	
Printing and duplicating	966	23,776	3,966	28,708	2,158	12,045	42,911	40,407	
Public representation and outreach	8,874	203,564	23,906	236,344	2,103	-	238,447	87,245	
Postage	140	378	1,102	1,620	2,469	556	4,645	6,299	
Office supplies (includes \$0 and \$7,579 of in-kind office supplies)	13,873	6,087	1,435	21,395	25,175	-	46,570	38,171	
Meetings and conferences	28,183	174,133	7,669	209,985	714	-	210,699	58,546	
Tapes and films	-	117	65	182	-	-	182	640	
Equipment rentals, repairs and maintenance	-	1,700	368	2,068	30,374	1,627	34,069	36,335	
Registration dues and fees	4,345	9,612	3,872	17,829	3,638	7,792	29,259	18,753	
Insurance	-	-	-	-	22,062	-	22,062	21,623	
Depreciation	-	-	-	-	53,613	-	53,613	24,613	
Bad debt expense	-	-	-	-	-	-	-	36	
<b>Total Expenses</b>	<b>\$ 2,081,415</b>	<b>\$ 2,218,563</b>	<b>\$ 580,983</b>	<b>\$ 4,880,961</b>	<b>\$ 618,821</b>	<b>\$ 290,405</b>	<b>\$ 5,790,187</b>	<b>\$ 4,735,092</b>	

See notes to financial statements

**PCI - Media Impact, Inc.**

Statement of Cash Flows  
Year Ended December 31, 2018  
(with comparative amounts for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 300,623	\$ 352,641
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	53,613	24,613
Donated stock	(321,700)	(167,540)
Change in beneficial interest in charitable remainder trust	(4,471)	(1,189)
Changes in operating assets and liabilities		
Contributions and grants receivable	(563,579)	(162,094)
Prepaid expenses and other assets	1,592	(1,322)
Accounts payable and accrued expenses	(70,260)	(36,801)
Advances payable	<u>(186,684)</u>	<u>208,087</u>
Net Cash from Operating Activities	<u>(790,866)</u>	<u>216,395</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Promissory note receivable	15,058	5,281
Purchase of equipment and leasehold improvements	(256,713)	(54,832)
Change in money market funds	553,988	39,602
Purchases of investments	(29,264)	(6,286)
Proceeds from sale of investments	26,923	1,092
Proceeds from sale of beneficial interest in charitable trust	<u>21,234</u>	<u>-</u>
Net Cash from Investing Activities	<u>331,226</u>	<u>(15,143)</u>
 Net Change in Cash and Cash Equivalents	 (459,640)	 201,252
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>624,903</u>	<u>423,651</u>
 End of year	 <u>\$ 165,263</u>	 <u>\$ 624,903</u>

See notes to financial statements

## PCI - Media Impact, Inc.

Notes to Financial Statements  
December 31, 2018 and 2017

### 1. Organization and Tax Status

PCI - Media Impact, Inc.'s ("PCI Media") unique approach to communications combines the principles of Entertainment-Education with the reach of mass media to mobilize individual and community action and catalyze positive change. Entertainment-Education is a form of entertainment designed to educate and amuse audiences and can be done with a variety of formats, ranging from comic books, to TV, radio productions, and street theatre. Programs primarily focus on promoting sexual and reproductive health, prevention of HIV/AIDS, biodiversity conservation, sustainable development, human rights and democracy, and global campaigns. PCI Media is a not-for-profit organization exempt from income taxes under Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code.

### 2. Summary of Significant Accounting Policies

#### ***Basis of Presentation and Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires PCI Media's management to make certain estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent 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.

#### ***Change in Accounting Principle***

On January 1, 2018, PCI Media adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires PCI Media to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires PCI Media to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements. As a result of implementing this standard prior year amounts for temporarily restricted net assets are now presented as net assets with donor restrictions.

#### ***Cash and Cash Equivalents***

PCI Media considers investments in highly liquid debt instruments with a maturity of three months or less at the time of purchase to be cash equivalents, except for those held for investment purposes.

#### ***Fair Value Measurements***

PCI Media follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.



## PCI - Media Impact, Inc.

Notes to Financial Statements  
December 31, 2018 and 2017

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Investment Valuation***

Investments are valued at fair value in the statement of financial position. Interest, dividends, realized and unrealized gains and losses on the sale of investments are included in the statement of activities. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of change in net assets.

#### ***Equipment and Leasehold Improvements***

PCI Media capitalizes all expenditures for equipment in excess of \$1,000. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Leasehold improvements, office furniture and computer equipment are deemed to have a useful life between five and seven years. Equipment leased under capital leases is amortized over its economic useful life.

#### ***Split-Interest Agreements***

Split-interest agreements with donors consist primarily of charitable gift annuities and a charitable remainder unitrust. A charitable gift annuity provides for payments of fixed amounts to the donor or other designated beneficiaries over the annuity's term (usually the designated beneficiary's lifetime). The assets received are recorded at fair value when received and a liability for payment is recognized for the present value of the future cash flows expected to be paid to the donor's designated beneficiary. The difference between these two amounts is recorded as unrestricted contribution revenue unless the donor restricts the use of the gift. The initial present value of the estimated future payments is determined using appropriate discount rates and mortality tables.

PCI Media had a beneficial interest in a charitable remainder trust, which was a time-restricted contribution not available to PCI Media until after the death of the donor, who, while living, received an annual payout from the trust based on a fixed percentage of the market value of the invested funds. The value of PCI Media's beneficial interest in the charitable trust was estimated to be equivalent to the discounted present value of PCI Media's future cash flows from the trust. The underlying assets in the trust were principally marketable securities. In 2018, the donor passed away and the beneficial interest in the charitable remainder trust was released from restrictions and sold.

#### ***Net Asset Presentation***

PCI Media reports information regarding its financial position and activities according to classes of net assets based on the presence of donor-imposed restrictions. Net assets without donor restrictions are not externally restricted for identified purposes. Net assets with donor restrictions represent amounts that are restricted by donors that are to be held until the donor or time restriction has been satisfied or that are to be held in perpetuity.

**PCI - Media Impact, Inc.**

Notes to Financial Statements  
December 31, 2018 and 2017

**2. Summary of Significant Accounting Policies (continued)**

***Contributions and Grants***

Contributions are recognized as revenue when an unconditional promise to give is made and the gift is subject to reasonable valuation. Contributions are considered to be available for general use unless specifically restricted by the donor. Contributions receivable consist of gifts pledged. Grant awards received for specific purposes are recognized as support and revenue to the extent related expenses are incurred in compliance with the specific grants terms. The unexpended funds are considered refundable advances and reported as advances payable. PCI Media believes that all grants and other receivables are collectible and no allowance has been provided.

***In-Kind Contributions***

Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services that do not meet the above criteria are not recognized. Other non-cash contributions are recorded at their fair value when received.

***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, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

***Operating Measure***

PCI Media has elected to present an operating measure in its statement of activities. Accordingly, items not affecting operations are segregated from those affecting operations. Items not affecting operations include bequests, change in beneficial interest in charitable remainder trust and other planned giving.

***Prior Year Summarized Comparative Information***

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with PCI Media's financial statements as of and for the year ended December 31, 2017, from which the summarized comparative information was derived.

**PCI - Media Impact, Inc.**

Notes to Financial Statements  
December 31, 2018 and 2017

**2. Summary of Significant Accounting Policies (continued)**

***Accounting for Uncertainty in Income Taxes***

PCI Media recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that PCI Media has no uncertain tax positions that would require financial statement recognition or disclosure. PCI Media is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2015.

***Reclassifications***

Certain amounts from the 2017 financial statements were reclassified to conform to the 2018 presentation.

***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 22, 2019.

**3. Investments**

The following are major categories of investments at December 31:

	<u>2018</u>	<u>2017</u>
Money market funds, at cost	\$ 811,568	\$1,043,856
Equity funds	<u>7,701</u>	<u>5,360</u>
	<u>\$ 819,269</u>	<u>\$1,049,216</u>

Equity funds at December 31, 2018 and 2017 were valued using a Level 1 fair value input under the fair value hierarchy.

**4. Beneficial Interest in Charitable Remainder Trust**

PCI Media's beneficial interest in charitable remainder trust was measured at fair value on a recurring basis. The beneficial interest in charitable remainder trust was valued using Level 3 inputs of the fair value hierarchy.

The following is a reconciliation of the beginning and ending balances for Level 3 assets as of December 31:

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 16,763	\$ 15,574
Change in present value of beneficial interest in remainder trust	4,471	1,189
Sale of remainder trust	<u>(21,234)</u>	<u>-</u>
Ending balance	<u>\$ -</u>	<u>\$ 16,763</u>

**PCI - Media Impact, Inc.**

Notes to Financial Statements  
December 31, 2018 and 2017

**5. Equipment and Leasehold Improvements**

Equipment and leasehold improvements consist of the following at December 31:

	<u>2018</u>	<u>2017</u>
Leasehold improvements	\$ 191,027	\$ 35,467
Equipment	205,395	128,536
Accumulated depreciation and amortization	<u>(109,983)</u>	<u>(80,664)</u>
	<u>\$ 286,439</u>	<u>\$ 83,339</u>

**6. Board Designated Net Assets**

PCI Media established a board designated fund into which gifts and contributions received through PCI Media's planned giving program are placed, as well as certain other assets and liabilities. The purpose of this fund is to provide long term returns commensurate with a benchmark allocation, provide as much real spendable income as possible to present and future beneficiaries, have a somewhat predictable spendable income stream, and to keep the market value of the fund whole. The components of these board designated net assets at December 31, are as follows:

	<u>2018</u>	<u>2017</u>
Investments		
General investment account	\$ 221,985	\$ 218,351
Gift annuity accounts	8,035	8,035
Cash held for investments	<u>589,582</u>	<u>825,504</u>
	<u>\$ 819,602</u>	<u>\$ 1,051,890</u>

The changes in board designated net assets for the years ended December 31, are as follows:

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 1,051,890	\$ 922,854
Contributions designated for investment	313,670	162,352
Investment return	4,042	1,684
Release to fund general operations	<u>(550,000)</u>	<u>(35,000)</u>
Balance, end of year	<u>\$ 819,602</u>	<u>\$ 1,051,890</u>

**PCI - Media Impact, Inc.**

Notes to Financial Statements  
December 31, 2018 and 2017

**7. Net Assets With Donor Restrictions**

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

	<u>2018</u>	<u>2017</u>
Purpose Restricted:		
For programs in Latin America	\$ 282,930	\$ 195,213
For programs in the Caribbean	5,000	-
For programs in Africa	147,804	212,740
For global programs	<u>60,000</u>	<u>-</u>
	495,734	407,953
Time Restricted:		
Beneficial interest in charitable remainder trust	<u>-</u>	<u>16,763</u>
	<u>\$ 495,734</u>	<u>\$ 424,716</u>

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donor or as a result of the expiration of donor imposed time restriction as follows:

	<u>2018</u>	<u>2017</u>
Purpose Restricted:		
For programs in Latin America	\$ 297,140	\$ 96,885
For programs in the Caribbean	233,749	174,076
For programs in Africa	1,700,747	1,316,449
For programs in Southeast Asia	145,149	1,058,633
For global programs	<u>2,629,177</u>	<u>1,149,663</u>
	5,005,962	3,795,706
Time Restricted:		
Beneficial interest in charitable remainder trust	<u>21,236</u>	<u>-</u>
	<u>\$ 5,027,198</u>	<u>\$ 3,795,706</u>

**8. Liquidity and Availability of Financial Assets**

The following reflects PCI Media's financial assets as of December 31, 2018, reduced by amounts not available for general use within one year of that date because of contractual or donor-imposed restrictions or internal designations. Amounts available include the Board-approved appropriation from the endowment fund for the following year as well as donor-restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Board of Directors approves that action.

**PCI - Media Impact, Inc.**

Notes to Financial Statements  
December 31, 2018 and 2017

**8. Liquidity and Availability of Financial Assets (continued)**

Financial assets:	
Cash and cash equivalents	\$ 165,263
Contributions and grants receivable	1,128,776
Promissory note receivable	24,525
Investments	<u>819,269</u>
Total financial assets	2,137,833
Less: Contractual, internally designated or donor restricted amounts	
Promissory note receivable scheduled to be collected in more than one year	13,905
Board-imposed restrictions:	
Board designated	819,602
Donor-imposed restrictions:	
Donor restricted	<u>495,734</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 808,592</u>

PCI Media's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of contributions and grants. Due to the advanced payment of grants, PCI Media will have cash on hand to satisfy its operating cash flow requirements.

At December 31, 2018 PCI Media has a Board designated reserve fund of \$819,602. PCI Media's board-designated reserve fund was established by the Board of Directors, with the objective of setting funds aside to be drawn upon in the event of need by PCI Media.

**9. Lease Commitments**

PCI Media leases office space in New York City. The lease contains clauses for escalations for PCI Media's share of increased building costs. The original lease was scheduled to expire on April 30, 2018. PCI Media renewed this lease subsequent to year-end, which extended the lease term to April 30, 2021. PCI Media also leases an officer copier.

Future minimum annual lease payments for non-cancellable operating leases at December 31, 2018 are as follows:

2019	\$ 170,389
2020	170,389
2021	<u>58,751</u>
Total minimum annual lease payments	<u>\$ 399,529</u>

**PCI - Media Impact, Inc.**

Notes to Financial Statements  
December 31, 2018 and 2017

**10. Concentrations of Credit Risk**

Financial instruments that potentially subject PCI Media to concentrations of credit risk consist principally of cash and cash equivalents, contributions receivable and investments. PCI Media maintains its cash with high credit quality financial institutions and its policy is designed to limit exposure to any one institution. At times, cash balances may be in excess of balances insured by the Federal Deposit Insurance Corporation.

A concentration of credit risk existed with respect to contributions and grants receivable since amounts receivable from three donors represented 71% of the total balance as of December 31, 2018. As of December 31, 2017, a concentration of credit risk existed with respect to contributions and grants receivable since amounts receivable from one donor represented 86% of the total balance. In 2018, approximately 28% of PCI Media's total revenue was received from one donor. In 2017, approximately 21% of PCI Media's total revenue was received from one donor.

**11. Retirement Plan**

PCI Media maintains a Simplified Employee Pension Plan (the "Plan") for the benefit of eligible employees. PCI Media's contribution rate, determined by its Board, was 6% of annual base salary for 2018 and 2017. Plan expense was \$55,759 and \$38,190 for 2018 and 2017.

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