

KACHEMAK BAY BROADCASTING, INC.

FINANCIAL STATEMENTS

June 30, 2020

KACHEMAK BAY BROADCASTING, INC.
FINANCIAL STATEMENTS

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LAMBE, TUTER & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Kachemak Bay Broadcasting, Inc.

We have audited the accompanying financial statements of Kachemak Bay Broadcasting, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kachemak Bay Broadcasting, Inc. as of June 30, 2020, 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.

Lambe Tutor & Associates

Soldotna, Alaska
January 14, 2021

KACHEMAK BAY BROADCASTING, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2020

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 691,703
Receivable from Pickle Hill Public Broadcasting, Inc.	78,098
Underwriting receivable	11,545
Accounts receivable	2,891
Prepaid expenses	16,368
Total current assets	<u>800,605</u>
PROPERTY AND EQUIPMENT	1,238,408
Less accumulated depreciation	<u>(851,883)</u>
	<u>386,525</u>
COMPUTER SOFTWARE	45,974
Less accumulated amortization	<u>(21,352)</u>
	<u>24,622</u>
OTHER ASSETS	
Beneficial interest in the Homer Foundation	<u>35,253</u>
TOTAL ASSETS	<u><u>\$ 1,247,005</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 7,094
Underwriting deposits	12,014
Accrued expenses	28,645
Unearned grant revenue	5,039
Refundable advances	154,592
Total current liabilities	<u>207,384</u>
NET ASSETS	
Without donor restrictions	996,035
With donor restrictions	<u>43,586</u>
Total net assets	<u>1,039,621</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,247,005</u></u>

KACHEMAK BAY BROADCASTING, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

REVENUES AND OTHER SUPPORT

Revenue from Contracts	
Service agreement	\$ 60,792
Total revenue from contracts	<u>60,792</u>
Other Support	
Membership dues	171,374
Government grants	168,049
Underwriting	106,343
Donated services	35,456
Fundraising	26,448
Other non-government grants	13,200
Broadcasting income	12,100
Donations	5,654
Investment earnings	4,911
Loss on disposal of asset	(30)
	<u>543,505</u>

Total revenues and other support without donor restrictions	<u>604,297</u>
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NET ASSETS RELEASED FROM RESTRICTIONS

Satisfaction of program restrictions	11,666
Expiration of time restrictions	<u>1,105</u>
Total revenues and other support	<u>617,068</u>

EXPENSES

Program	371,868
Management and general	180,496
Fundraising	<u>115,162</u>
TOTAL EXPENSES	<u>667,526</u>

DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(50,458)</u>
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KACHEMAK BAY BROADCASTING, INC.
STATEMENT OF ACTIVITIES (CONT)
Year Ended June 30, 2020

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS	
Other non-government grants	20,000
Increase in value of beneficial interest	1,769
Donations	<u>10</u>
	21,779
NET ASSETS RELEASED FROM RESTRICTIONS	
Expiration of purpose restrictions	(11,666)
Expiration of time restrictions	<u>(1,105)</u>
	(12,771)
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>9,008</u>
CHANGE IN NET ASSETS	(41,450)
NET ASSETS AT BEGINNING OF YEAR	<u>1,081,071</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 1,039,621</u></u>

KACHEMAK BAY BROADCASTING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

				<u>Supporting activities</u>		
	Programming and Production	Broadcasting and Technical	Total Program	Management and General	Fundraising	Total
Personnel costs	\$ 206,545	\$ -	\$ 206,545	\$ 101,036	\$ 70,786	\$ 378,367
Technical support	5,925	34,781	40,706	9,463	-	50,169
Utilities	-	37,359	37,359	6,002	-	43,361
Supplies	-	15,293	15,293	4,013	13,648	32,954
Programming and production costs	32,733	-	32,733	-	-	32,733
Depreciation	-	9,005	9,005	22,493	-	31,498
Advertising	-	-	-	125	22,996	23,121
Repairs/maintenance	-	17,628	17,628	1,473	-	19,101
Professional fees	-	-	-	16,700	-	16,700
Insurance	-	-	-	12,418	-	12,418
Bank service charges	-	636	636	-	6,404	7,040
Internet & digital services	-	6,335	6,335	-	-	6,335
Travel	642	675	1,317	1,345	545	3,207
Amortization	-	-	-	417	-	417
Other	3,332	979	4,311	5,011	783	10,105
	<u>\$ 249,177</u>	<u>\$ 122,691</u>	<u>\$ 371,868</u>	<u>\$ 180,496</u>	<u>\$ 115,162</u>	<u>\$ 667,526</u>

KACHEMAK BAY BROADCASTING, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from members, contributors, and granting agencies	\$ 555,257
Cash paid to suppliers and employees	(573,595)
Interest received	<u>4,911</u>
Net cash used by operating activities	<u>(13,427)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of equipment and software	(71,630)
Proceeds from beneficial interest in the Homer Foundation	1,095
Proceeds from certificates of deposit	<u>206,000</u>
Cash provided by investing activities	<u>135,465</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from refundable advances	<u>154,592</u>
Cash provided by financing activities	<u>154,592</u>

NET INCREASE IN CASH AND
CASH EQUIVALENTS

276,630

CASH AND CASH EQUIVALENTS, beginning

415,073

CASH AND CASH EQUIVALENTS, ending

\$ 691,703

KACHEMAK BAY BROADCASTING, INC.
STATEMENT OF CASH FLOWS (CONT.)
Year Ended June 30, 2020

RECONCILIATION OF CHANGE IN NET ASSETS TO NET
CASH USED BY OPERATING ACTIVITIES:

CHANGE IN NET ASSETS	<u>\$ (41,450)</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES	
Depreciation and amortization	31,915
Increase in underwriting receivables	(104)
Decrease in unconditional promises to give	110
Increase in accounts receivable	(1,327)
Increase in prepaid expenses	(1,004)
Increase in receivable from Pickle Hill Public Broadcasting, Inc.	(1,788)
Decrease in accounts payable	(7,643)
Increase in accrued expenses	10,706
Decrease in underwriting deposits	(3,687)
Increase in unearned grant revenue	2,584
Loss on asset disposal	30
Non-cash investment earnings	<u>(1,769)</u>
Total adjustments	<u>28,023</u>
	<u><u>\$ (13,427)</u></u>

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

1. ORGANIZATION

Kachemak Bay Broadcasting, Inc. (Corporation) is a public, nonprofit radio station incorporated in the State of Alaska with a mission to provide and promote news, information, and entertainment to foster community engagement for the southern Kenai Peninsula.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting which is in accordance with the accounting principles generally accepted in the United States of America (GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Kachemak Bay Broadcasting, Inc. reports information regarding its financial position and activities according to two classes of net assets as follows:

Net assets without donor restrictions are those amounts currently available at the discretion of the Board of Directors for use in Kachemak Bay Broadcasting, Inc.'s operations.

Net assets with donor restrictions are those amounts that are stipulated by donors or grantors for specific operating purposes. Revenue from grants and contracts are recognized as earned when the Corporation has incurred expenditures in compliance with the specific grant or contract. It also includes amounts for which the principal is stipulated by a donor or grantor to be invested in perpetuity.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include all highly liquid debt instruments with maturities of three months or less.

Property and Equipment

All acquisitions of property and equipment in excess of \$2,000 and all expenditures for repairs, maintenance, renewals and betterments, that materially prolong the useful lives of assets, are capitalized.

Property and equipment is recorded at cost, or in the case of donated property, at its estimated fair value as of the date of the contribution. Depreciation is provided using the straight-line method over the estimated useful life of the property, which ranges from three to thirty-five years. Expenditures for repairs and maintenance are charged against operations as incurred.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Underwriting Receivable

Kachemak Bay Broadcasting, Inc. extends credit for services rendered to underwriting customers on open accounts and receives payments for services in cash and trades.

Underwriting receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Corporation provides for losses on underwriting receivables using the allowance method. The allowance is based on experience, third-party contracts and other circumstances, which may affect the ability of underwriters to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Corporation's policy to charge-off uncollectible receivables when management determines the receivables will not be collected. No allowance for doubtful accounts is considered necessary at June 30, 2020.

Payments received in advance of services rendered are recorded as underwriting deposits.

Contributions

All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor or grantor. Amounts received that are designated for future periods or restricted by the donor or grantor for specific purposes are reported as donor support that increases net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of a liability or expenses, depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by Kachemak Bay Broadcasting, Inc.

A portion of the Corporation's support is derived from cost-reimbursable federal and state grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as support when expenditures are incurred in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. Grants receivable, if any, represent the excess of allowable expenses over cash receipts.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Revenue Recognition for Contracts

Kachemak Bay Broadcasting, Inc. operates under a vendor agreement with Pickle Hill Broadcasting, Inc. Under the terms of the agreement, the Corporation provides programming and manages all aspects of the operation of Pickle Hill Broadcasting, Inc. The revenue is recognized over time through monthly invoicing as services are rendered. Invoices from the Corporation to Pickle Hill Broadcasting, Inc. are due within thirty days. Revenue earned under the agreement was \$60,792 for the year ended June 30, 2020. The receivable from Pickle Hill Broadcasting, Inc. had balances of \$76,310 and \$78,098 at July 1, 2019 and June 30, 2020 respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Expense Allocation

Expenses are recorded when incurred in accordance with the accrual basis of accounting. The costs of providing the program services and supporting activities of the Corporation have been summarized on a natural classification basis. Accordingly, certain costs have been allocated among the program and supporting activities benefited.

Directly identifiable expenses are charged to functional expense classes for programming and production, management and general, broadcasting and technical, and fundraising expenses. Expenses related to more than one function are charged to each function on the basis of time studies and management estimates based upon prior experience. Management and general expenses include those expenses that are not directly chargeable to any other specific function but provide for the overall support and direction of the Corporation.

Income Taxes

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

The Corporation files its form 990 in the U.S. federal jurisdiction for the State of Alaska. The Corporation is generally no longer subject to examination by the Internal Revenue Service for years before 2016.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Recently Issued Accounting Standards

The Corporation adopted the following standard as of July 1, 2019:

FASB ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial statements among not-for-profit entities. This standard was implemented using the retrospective method and there were no impacts on the beginning balance of net assets presented.

As a result of the new update, the contributions footnote (Note 2) has been expanded.

3. CONCENTRATION

Financial Instruments

The Corporation maintains deposits in one financial institution that, at times during the fiscal year, exceeds the insured amounts of \$250,000 provided by the US Federal Deposit Insurance Corporation (FDIC).

Contributions

The Corporation receives a substantial portion of their annual funding through grants. The Corporation received \$168,049 from the Corporation for Public Broadcasting during the year ended June 30, 2020. This represents 27% of the Corporation's total support and revenues for the year ending June 30, 2020.

4. LINE OF CREDIT

The Corporation has an approved line of credit based on the value of its investment account with Edward Jones. The available credit line at June 30, 2020 is \$203,127 at 5.25% interest on outstanding draws. No draws have been made on the line of credit.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2020:

Buildings	\$ 653,964
Broadcast equipment	385,189
Land	163,566
Furniture and fixtures	<u>35,689</u>
	1,238,408
Less accumulated depreciation	<u>(851,883)</u>
	<u><u>\$ 386,525</u></u>

Depreciation expense was \$31,498 and is allocated appropriately on the statement of functional expenses.

6. BENEFICIAL INTEREST IN HOMER FOUNDATION

Kachemak Bay Broadcasting, Inc. has an agreement with the Homer Foundation, a community foundation, whereby the foundation invests the donor restricted funds of the Corporation. Kachemak Bay Broadcasting, Inc. earns income on its endowment funds, which it may choose to receive or reinvest in the endowment funds. A summary of the Endowment's contributions and investment income for the year ended June 30, 2020 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Foundation balance, beginning of the year	\$ -	\$ 34,579	\$ 34,579
Net investment gains (losses)	-	1,769	1,769
Contributions	-	10	10
Amounts released for expenditures	1,105	(1,105)	-
Distributions from the Foundation	<u>(1,105)</u>	<u>-</u>	<u>(1,105)</u>
Foundation balance, end of the year	<u><u>\$ -</u></u>	<u><u>\$ 35,253</u></u>	<u><u>\$ 35,253</u></u>

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

7. FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under generally accepted accounting principles are described below:

- Level 1- Quoted market prices in active markets for identical assets or liabilities
- Level 2- Observable market based inputs or unobservable inputs corroborated by market data.
- Level 3- Unobservable inputs reflecting the reporting entity's own assumptions.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques followed need to maximize the use of the observable inputs and minimize the use of unobservable inputs.

Fair values of assets measured on a recurring basis at June 30, 2020 are the following:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in Homer Foundation	\$ 35,253	\$ -	\$ -	\$ 35,253
	<u>\$ 35,253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,253</u>

The Corporation considers the measurement of its beneficial interest in the Homer Foundation to be a Level 3 measurement within the fair value measurement hierarchy because, even though that measurement is based on the fair value of Foundation assets reported by the trustee, the Corporation will never receive those assets or have the ability to direct the Foundation to redeem them.

There were no changes in methods or assumptions during the year ended June 30, 2020.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

8. DONATED SERVICES

The value of donated services included as contributions in the financial statements and the corresponding schedule for the year ended June 30, 2020 are as follows:

	Broadcasting and <u>Technical</u>	Management and General	<u>Total</u>
Expenses:			
Technical support	\$ 26,637	\$ -	\$ 26,637
Repairs and maintenance	-	4,819	4,819
Professional fees	-	4,000	4,000
	<u>\$ 26,637</u>	<u>\$ 8,819</u>	<u>\$ 35,456</u>
Revenue and other support:			
Donated services			<u>\$ 35,456</u>

Numerous volunteers have donated significant amounts of time to Kachemak Bay Broadcasting, Inc.'s program services and fund-raising efforts. No amounts have been reflected in the accompanying financial statements for the fair value of these services.

9. ADVERTISING

Kachemak Bay Broadcasting, Inc. uses advertising to promote their programs among the audience they serve. The production costs of advertising are expensed as incurred. Advertising costs totaled \$23,121 for the year ended June 30, 2020.

10. RELATED- PARTY TRANSACTIONS

Kachemak Bay Broadcasting, Inc. received donated services of \$8,588 from different board members during the year ending June 30, 2020. This amount is included in "Donated services" on the statement of activities.

11. COMMITMENTS AND CONTINGENCIES

Kachemak Bay Broadcasting, Inc. receives grants that are subject to audit and adjustment by the grantor agencies. Any expenditures disallowed as a result of such audit and for which the grant monies had been expended would become a liability of the Corporation. As of June 30, 2020, no such audits were pending.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

12. REFUNDABLE ADVANCES

During the year ended June 30, 2020, Congress created the Paycheck Protection Program (PPP) as part of the \$2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. 116-136. The legislation authorized the Department of Treasury to use the Small Business Administration's (SBA) 7(a) small business lending program to fund forgivable loans of up to \$10 million per borrower. Qualifying businesses could use the monies to cover payroll, mortgage interest, rent, and utilities costs. The loans were available to small businesses that were in operation on February 15, 2020 with 500 or fewer employees, including not-for-profit organizations. Congress designed the loans to support organizations facing economic hardships created by the coronavirus pandemic and assist them in continuing to pay employee salaries.

Currently it is believed that the loan will be forgiven, in full or in part, if the funds are used for eligible expenses and other criteria is met. Current guidance states that for portions of the loan amounts not forgiven and if an SBA loan number was received in relation to the loan before June 5, 2020, the loan will have an interest rate of 1% and a two-year maturity unless the borrower and lender mutually agree to extend the term of the loan to five years.

The Corporation received \$94,000 in monies from the PPP in April 2020. The Corporation believes that the monies received will qualify for forgiveness either partially or in full, and therefore the Corporation is considering the full amount a refundable advance until the time when they have applied for loan forgiveness and have been notified for any portions that will not be forgiven. At that time the Corporation will recognize the contribution, reduce the refundable advance, and consider the portion not forgiven, if any, a note payable.

In addition, the Corporation received grant funds in relation to the CARES relief packages directly from the Corporation of Public Broadcasting, Inc. for \$112,136. Of this amount, the Corporation expended \$51,544 during the fiscal year ending, with the remaining \$60,592 recorded on the statement of financial position as refundable advances.

Refundable advances related to these amounts received consists of the following balances at June 30, 2020:

SBA PPP Loan monies	\$ 94,000
CARES- Act Corporation Public Broadcasting	<u>60,592</u>
Total refundable advances	<u><u>\$ 154,592</u></u>

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

13. NET ASSETS WITHOUT DONOR RESTRICTION

As of June 30, 2020, the Corporation's Board of Directors has placed the following allocations on net assets without donor restrictions:

Undesignated	\$ 609,510
Net investment in property and equipment	<u>386,525</u>
Total net assets without donor restrictions	<u><u>\$ 996,035</u></u>

14. NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2020, the Corporation's Board of Directors has placed the following limitations on net assets with donor restrictions:

Subject to restriction in perpetuity	
Beneficial interest investment held by others	\$ 35,253
Subject to restriction in purpose	
Technology upgrades	<u>8,333</u>
Total net assets with donor restrictions	<u><u>\$ 43,586</u></u>

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

15. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Corporation's financial assets as of June 30, 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, perpetual endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for a specific contingency reserve or a long-term investment as board-designated endowments. These Board designations could be drawn upon if the Board approves that action.

The Corporation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Financial Assets

Cash and cash equivalents	\$ 691,703
Receivable from Pickle Hill Public Broadcasting, Inc.	78,098
Underwriting receivable	11,545
Accounts receivable	<u>2,891</u>
Financial assets, at year end	<u>\$ 784,237</u>

Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 784,237</u></u>
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16. SUBSEQUENT EVENTS

January 14, 2021 is the date the subsequent events have been evaluated to and the date the financial statements were available to be issued.