WVTF-FM RADIO STATION
(A DIVISION OF VIRGINIA TECH FOUNDATION, INC.)

FINANCIAL REPORT

June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
WVTF-FM Radio Station (a division of Virginia Tech Foundation, Inc.)
Roanoke, Virginia

We have audited the accompanying financial statements of WVTF-FM Radio Station (a division of Virginia Tech Foundation, Inc.), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to 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 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 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 represent fairly, in all material respects, the financial position of WVTF-FM Radio Station (a division of Virginia Tech Foundation, Inc.) as of June 30, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Brown, Edwards & Company, L. L. P.

CERTIFIED PUBLIC ACCOUNTANTS

Christiansburg, Virginia
January 10, 2022

WVTF-FM RADIO STATION
(A DIVISION OF VIRGINIA TECH FOUNDATION, INC.)

STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash	$ 4,033,615	$ 2,957,867
Restricted cash	77,968	244,276
Total cash	4,111,583	3,202,143
Underwriting and other receivables	131,652	68,572
Prepaid expenses	166,887	134,869
Contributions receivable (Note 2)	558,986	461,072
Compact discs	139,386	139,323
Investments (Note 3)	3,320,807	2,794,399
Property and equipment, net (Note 5)	2,629,567	2,384,832
Intangible assets, net of amortization of $69,951 and $60,954 at June 30, 2021 and 2020, respectively (Note 6)	1,933,585	1,942,582
Total assets	$ 12,992,453	$ 11,127,792
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 481,830	$ 309,228
Deferred revenue	127,750	126,625
Lease liabilities (Note 15)	148,778	-
Note payable (Note 7)	363,042	-
Bonds payable (Note 7)	2,415,179	2,610,021
Total liabilities	3,536,579	3,045,874
NET ASSETS (Note 8)		
Without donor restrictions	7,068,465	6,091,293
With donor restrictions	2,387,409	1,990,625
Total net assets	9,455,874	8,081,918
Total liabilities and net assets	$ 12,992,453	$ 11,127,792

The Notes to Financial Statements are an integral part of these statements.

WVTF-FM RADIO STATION
(A DIVISION OF VIRGINIA TECH FOUNDATION, INC.)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND NET GAINS			
Contributions	$ 3,406,789	$ 101,916	$ 3,508,705
Corporate underwritings (Note 11)	834,680	-	834,680
Investment income (loss)	8,794	1,104	9,898
Rental income (Note 15)	107,340	-	107,340
Net gain (loss) on investments	238,342	418,106	656,448
Grants and contracts (Note 13)	357,627	91,910	449,537
Contribution from Virginia Tech Foundation, Inc.	188,972	-	188,972
Other income	1,268	45	1,313
Net assets released from restrictions (Note 8)	216,297	(216,297)	-
Total revenues and net gains	5,360,109	396,784	5,756,893
EXPENSES			
Program services			
Programming and production	1,512,030	-	1,512,030
Broadcasting	679,375	-	679,375
Total program services	2,191,405	-	2,191,405
Supporting services			
Management and general	1,292,647	-	1,292,647
Fundraising	640,775	-	640,775
Underwriting and grant solicitation	258,110	-	258,110
Total supporting services	2,191,532	-	2,191,532
Total expenses (Note 16)	4,382,937	-	4,382,937
CHANGE IN NET ASSETS	977,172	396,784	1,373,956
NET ASSETS			
Beginning	6,091,293	1,990,625	8,081,918
Ending	$ 7,068,465	$ 2,387,409	$ 9,455,874

The Notes to Financial Statements are an integral part of these statements.

WVTF-FM RADIO STATION
(A DIVISION OF VIRGINIA TECH FOUNDATION, INC.)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND NET GAINS			
Contributions	$ 3,089,955	$ 103,515	$ 3,193,470
Corporate underwritings (Note 11)	839,468	-	839,468
Investment income (loss)	11,710	(11,918)	(208)
Rental income (Note 15)	117,830	-	117,830
Net gain (loss) on investments	(67,675)	(118,716)	(186,391)
Grants and contracts (Note 13)	252,681	93,749	346,430
Contribution from Virginia Tech Foundation, Inc.	184,951	-	184,951
Other income	1,047	48	1,095
Net assets released from restrictions (Note 8)	206,475	(206,475)	-
Total revenues and net gains	4,636,442	(139,797)	4,496,645
EXPENSES			
Program services			
Programming and production	1,635,027	-	1,635,027
Broadcasting	668,726	-	668,726
Total program services	2,303,753	-	2,303,753
Supporting services			
Management and general	1,215,043	-	1,215,043
Fundraising	524,973	-	524,973
Underwriting and grant solicitation	188,635	-	188,635
Total supporting services	1,928,651	-	1,928,651
Total expenses (Note 16)	4,232,404	-	4,232,404
CHANGE IN NET ASSETS	404,038	(139,797)	264,241
NET ASSETS			
Beginning	5,687,255	2,130,422	7,817,677
Ending	$ 6,091,293	$ 1,990,625	$ 8,081,918

The Notes to Financial Statements are an integral part of these statements.

WVTF-FM RADIO STATION
(A DIVISION OF VIRGINIA TECH FOUNDATION, INC.)

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	2021	2020
OPERATING ACTIVITIES		
Change in net assets	$ 1,373,956	$ 264,241
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	162,208	140,258
Net loss (gain) on investments	(656,448)	186,391
(Increase) decrease in:		
Underwriting and other receivables	(63,080)	(33,006)
Prepaid expenses	(32,018)	15,459
Contributions receivable	(97,914)	(45,798)
Compact discs	(63)	(5,320)
Increase in:		
Accounts payable and accrued expenses	172,602	3,247
Deferred revenue	1,125	20,366
Net cash provided by operating activities	860,368	545,838
INVESTING ACTIVITIES		
Purchases of property and equipment	(247,515)	(607,928)
Purchases of intangibles	-	(1,868,575)
Proceeds from sale of investments	130,040	152,403
Net cash used in investing activities	(117,475)	(2,324,100)
FINANCING ACTIVITIES		
Proceeds from borrowings on bonds payable	-	2,429,895
Proceeds from borrowings on notes payable	363,042	-
Bond principal payments	(196,495)	(183,409)
Bond issuance costs	-	(17,692)
Net cash provided by financing activities	166,547	2,228,794
Increase in cash and restricted cash	909,440	450,532
CASH AND RESTRICTED CASH		
Beginning	3,202,143	2,751,611
Ending	$ 4,111,583	$ 3,202,143
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Cash payments for interest	$ 97,202	$ 59,303
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Establishment of right-of-use assets	$ 242,522	$ -
Establishment of lease liabilities	$ 242,522	$ -

The Notes to Financial Statements are an integral part of these statements.

Note 1. Description of Business and Summary of Significant Accounting Policies

Description of business

WVTF-FM Radio Station (the "Station"), a division of the Virginia Tech Foundation, Inc. (the "Foundation"), is an institutionally licensed public radio station serving listeners in Central and Western Virginia. It is regulated by the Federal Communication Commission (FCC) and its license and supervisory responsibilities reside with the Executive Committee of the Virginia Tech Foundation, Inc.'s Board of Directors (the "Board"). The Station's broadcasting programs include regional and national news coverage, jazz and classical music, and a reading service for the visually impaired. Listener contributions, corporate underwritings, and grants provide the majority of support for the Station's operations.

Basis of financial statement presentation

The financial statements of the Station have been prepared on the accrual basis of accounting and in accordance with the provisions of accounting principles generally accepted in the United States of America (GAAP) applicable to not-for-profit organizations. The accompanying financial statements present information regarding the Station's financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported in two classes as follows:

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor restrictions. These net assets may be designated for specific purposes by action of the Board or may otherwise be limited by contractual agreements with outside parties. Board-designated endowment funds are not subject to donor restrictions and are included in net assets without donor restrictions. Revenues, gains, and losses that are not net assets with donor restrictions are included in this classification. Expenses are reported as decreases in this classification.

Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or that can be fulfilled by action of the Station pursuant to those stipulations. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported on the statements of activities and changes in net assets as net assets released from restrictions.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts 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.

(Continued)

Note 1. Description of Business and Summary of Significant Accounting Policies (Continued)

Cash and cash equivalents and restricted cash

The Station considers all highly liquid investments with a maturity of three months or fewer when purchased to be cash equivalents. As of June 30, 2021 and 2020, the Station had no cash equivalents. Cash restricted for new construction or equipment has been separately presented on the statements of financial position as restricted cash. During the year, the Station's bank deposits may exceed federal insured limits; however, the Station has not experienced losses in such accounts and does not believe it is exposed to any significant risk.

Underwriting and other receivables

Underwriting and other receivables are stated at the amount management expects to collect on outstanding balances and do not bear interest. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance. There was no valuation allowance as of June 30, 2021 and 2020.

Compact discs

Compact discs are valued at cost at the date of purchase or fair value at the date of the gift, if donated.

Investments

Investments carried at fair value were invested by the Foundation on behalf of the Station and are held and managed by the Foundation. As of June 30, 2021 and 2020, the funds were invested in a diversified portfolio of marketable equity and fixed income securities as well as limited marketability investments including private equities, absolute return investments, and real estate. In accordance with fair value guidance, net asset value (NAV) is used as a practical expedient to estimate the fair value of this portfolio. The Foundation reviews and evaluates the NAV provided by investment managers and agrees with the valuation assumptions and methods used in determining NAV.

Property and equipment

Property and equipment are stated at cost at the date of acquisition or fair value at the date of the gift, if contributed, less accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of buildings and building improvements (7 – 40 years), furniture and equipment (5 – 15 years), and automobiles (5 years). Amortization of leasehold improvements is calculated using either the estimated useful lives of the assets or the lease term, whichever is shorter.

(Continued)

Note 1. Description of Business and Summary of Significant Accounting Policies (Continued)

Long-lived assets

Long-lived assets, such as property and equipment and intangible assets, are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Station first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds fair value. Fair value is determined using various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary. No impairment losses were recognized in the years ended June 30, 2021 and 2020.

Bond issuance/placement costs

Bond issuance/placement costs are generally deferred and amortized using the straight-line method over the life of the bond. Bond issuance/placement costs are presented on the statements of financial position as a direct deduction from the carrying amount of the debt liability.

Deferred revenue

Deferred revenue consists of prepaid corporate underwriting contracts not earned as of year end.

Statements of activities

Revenues, expenses, gains, and losses are classified as increases or decreases in net assets without donor restrictions or net assets with donor restrictions based on the existence or absence of donor-imposed restrictions. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Realized and unrealized gains and losses on investments as well as dividends, interest, and other investment income are reported as follows:

- Increases or decreases in net assets with donor restrictions if donor stipulations of the assets received require that they be added to the principal of an endowment fund to be held in perpetuity, if the donor stipulations of the assets received impose restrictions on the use of the income, or as required by law; or
- Increases or decreases in net assets without donor restrictions in all other cases.

Contributions

Contributions of cash and other assets, including unconditional promises to give or contributions receivable, are recognized as contribution revenue without donor restrictions or with donor restrictions depending on the existence or nature of any donor stipulations. Contributions designated for future periods or restricted by the donor for a specific purpose are reported as contributions with donor restrictions.

(Continued)

Note 1. Description of Business and Summary of Significant Accounting Policies (Continued)

Contributions (Continued)

Contributions of assets other than cash are recorded at their estimated fair values. Contributions of land, buildings, and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues without donor restrictions. Contributions of cash or other assets to be used to acquire land, buildings, and equipment with such donor stipulations are reported as revenues with donor restrictions and such restrictions are considered to be released at the time the long-lived assets are placed in service.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues with donor restrictions and are reclassified to net assets without donor restrictions to reflect the expiration of such restrictions.

Unconditional promises to give that are expected to be collected in future years are recorded at fair value (pursuant to the Fair Value Option included in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*), which is determined by discounting the estimated future cash flows at rates that reflect, among other things, market interest rates and the contributors' overall credit standing. The discounts on those amounts are computed using estimated discount rates at the measurement date applicable to the years in which the promises to give are expected to be received.

Conditional promises to give are not recognized until they become unconditional, i.e., when the conditions on which they depend are substantially met.

Revenue recognition

The Station recognizes revenue from corporate underwriting contracts as performance obligations are satisfied, as indicated by the transfer of services to customers. Revenue is recognized in an amount equal to the consideration the Station receives or expects to receive. The Station does not have any significant financing components, as payment is received at the time services are provided or shortly thereafter. Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than one year.

Credit risk concentrations

Financial instruments that potentially subject the Station to concentrations of credit risk consist principally of cash and investment securities. The Station places its temporary cash investments with high-credit, quality financial institutions. Concentration of credit risk for investment securities is limited by the Foundation's policy of diversification of investments.

Income taxes

As a division of the Foundation, the Station qualifies for income tax exemption under Section 501(c)(3) of the *Internal Revenue Code* as long as the exemption remains in effect.

Note 1. Description of Business and Summary of Significant Accounting Policies (Continued)

Functional allocation of expenses

The costs of providing the Station's various programs and supporting services have been summarized on a functional basis on the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include depreciation and interest, which are recorded by individual project or asset and assigned to a program or support function based on the project's purpose or use of the asset. Salaries and benefits are also allocated based on estimates of time and effort.

Fair value measurements

The Station uses guidance contained within the provisions of FASB ASC *Topic 820, Fair Value Measurement* for fair value measurements of financial assets and financial liabilities that are recognized at fair value on the financial statements. ASC *Topic 820* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Cash and Restricted Cash, Underwriting and Other Receivables, and Accounts Payable and Accrued Expenses

The carrying amount approximates fair value because of the short maturity of these instruments.

Contributions Receivable

Fair value is determined by discounting the estimated future cash flows at rates that reflect, among other things, market interest rates and the contributors' overall credit standing (Note 2).

Investments

Fair value is determined using NAV as a practical expedient to estimate fair value (Note 4).

ASC *Topic 820* also establishes a framework for measuring fair value and expands disclosures about fair value measurements, which are included in Note 4.

Reclassifications

Certain reclassifications have been made to prior year amounts in order to conform to the current year presentation.

Accounting pronouncements adopted in the current year

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which replaces most existing lease guidance. In July 2018, the FASB issued the new transition method and practical expedient to simplify the application of the new leasing standard. ASU 2016-02, as amended, requires that lessees recognize all leases (other than leases with a term of 12 months or fewer) on the balance sheet as lease liabilities, based upon the present value of the lease payments, with corresponding right of use assets.

(Continued)

Note 1. Description of Business and Summary of Significant Accounting Policies (Continued)

Accounting pronouncements adopted in the current year (Continued)

ASU 2016-02 also makes targeted changes to other aspects of current guidance, including identifying a lease and lease classification criteria as well as the lessor accounting model in which lessors may avoid separating lease and associated non-lease components within a contract if certain criteria are met.

The Station elected the optional transition method provided by the FASB in ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, and as a result, has not restated its financial statements for prior periods presented. The Station has elected the package of practical expedients upon transition which allowed the Station to retain the lease classification for any leases that existed prior to adoption, to not reassess whether any contracts entered into prior to adoption are leases, and to not reassess initial direct costs for any leases that existed prior to adoption.

Due to its parent holding public debt, the Station adopted the provisions of ASU No. 2016-02, as amended, effective July 1, 2020.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the existing disclosure requirements relating to fair value measurements. ASU 2018-13 eliminates certain disclosures related to transfers and the valuations process, modifies disclosures for investments that are valued based on NAV, clarifies the measurement uncertainty disclosure, and requires additional disclosures for Level 3 fair value measurements. ASU 2018-13 is applicable to all entities that are required, under GAAP, to make disclosures about recurring or nonrecurring fair value measurements. The Station adopted the provisions of ASU 2018-13 effective July 1, 2020.

Future accounting pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326),* which introduces new guidance for the accounting for expected credit losses on financial instruments measured at amortized cost at the end of each reporting period rather than recognizing the credit losses when it is probable that the loss has been incurred in accordance with current guidance. ASU 2016-13 requires the measurement of all expected credit losses for financial assets based on historical experience, current conditions, and reasonable supportable forecasts. ASU 2016-13 is effective for fiscal years beginning after December 15, 2020. The Station is currently assessing the impact that ASU 2016-13 will have on its financial statements and disclosures.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets,* which introduces new guidance for the presentation and disclosure of nonfinancial asset contributions. ASU 2020-07 requires the presentation of contributed nonfinancial assets as a separate line item on the statement of activities and changes in net assets. The new guidance also requires the disclosure of contributed nonfinancial assets by type, whether those assets were utilized during the reporting period, and a description of any donor-imposed restrictions associated with the contributed nonfinancial assets. Disclosure of the Station's valuation techniques and inputs used to arrive at fair value are also necessary. ASU 2020-07 is effective for fiscal years beginning after June 15, 2021. The Station is currently assessing the impact that ASU 2020-07 will have on its financial statements and disclosures.

(Continued)

Note 2. Contributions Receivable

Contributions receivable consisted of the following at June 30:

	2021	2020
Pledges	$ 545,646	$ 448,737
Charitable remainder unitrust held by others	13,340	12,335
	$ 558,986	$ 461,072
Expected to be collected in		
Less than one year	$ 564,786	$ 461,366
Greater than one year	13,055	13,012
	577,841	474,378
Discount to reduce estimated future cash flows to fair value and allowance for uncollectible contributions receivable	(18,855)	(13,306)
Contributions receivable, measured at fair value	$ 558,986	$ 461,072

The discount rates used on long-term contributions receivable ranged from .14% to 2.05% at June 30, 2021 and 0.30% to 2.20% at June 30, 2020. As of June 30, 2021 and 2020, there were no conditional promises to give.

Note 3. Investments

Investments consisted of the following at June 30:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Investments held by Virginia Tech Foundation, Inc.	$ 2,592,226	$ 3,320,807	$ 2,437,569	$ 2,794,399

Total management and administrative fees that were netted against investment income (loss) on the statements of activities and changes in net assets amounted to $38,743 and $38,015 for the years ended June 30, 2021 and 2020, respectively.

Note 4. Fair Value Measurements

ASC *Topic 820* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 inputs are inputs for similar assets and liabilities in active markets that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 inputs are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair values of assets measured on a recurring basis at June 30 were as follows:

		Fair Value Measurements at Report Date Using			
	Fair Value at June 30, 2021	**Level 1**	**Level 2**	**Level 3**	**NAV***
Assets:					
Contributions receivable	$ 558,986	$ -	$ -	$ 558,986	$ -
Investments	3,320,807	-	-	-	3,320,807
Total	$ 3,879,793	$ -	$ -	$ 558,986	$ 3,320,807

Note 4. Fair Value Measurements (Continued)

	Fair Value at June 30, 2020	Fair Value Measurements at Report Date Using Level 1	Level 2	Level 3	NAV*
Assets:					
Contributions receivable	$ 461,072	$ -	$ -	$ 461,072	$ -
Investments	2,794,399	-	-	-	2,794,399
Total	$ 3,255,471	$ -	$ -	$ 461,072	$ 2,794,399

*Certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented on the financial statements.

The following table presents the Station's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in FASB ASC 820 for the years ended June 30, 2021 and 2020:

	Contributions Receivable
Balance at June 30, 2019	$ 415,274
Contributions	2,792,602
Collections	(2,746,804)
Balance at June 30, 2020	461,072
Contributions	3,007,979
Collections	(2,910,065)
Balance at June 30, 2021	$ 558,986

Investments held by the Foundation are pooled with other organizations' funds and invested in a diversified portfolio of marketable equity and fixed income securities as well as limited marketability investments including private equities, absolute return investments, and real estate. The Foundation allows a partial or full redemption of the investments on a quarterly basis. The Station's ownership in such investments is represented by an undivided interest in an investment portfolio managed by the Foundation, not in the underlying assets themselves. As such, NAV is used as a practical expedient to estimate fair value of this investment portfolio.

Note 5. Property and Equipment, net

Property and equipment consisted of the following at June 30:

	2021	2020
Buildings and building improvements	$ 2,796,160	$ 2,796,160
Furniture and equipment	3,418,367	3,391,709
Automobiles	66,791	93,774
Leasehold improvements	243,092	243,092
	6,524,410	6,524,735
Less accumulated depreciation	(4,745,723)	(4,621,667)
Net depreciable assets	1,778,687	1,903,068
Land	469,764	469,764
Vintage painting	12,000	12,000
Construction in progress	221,331	-
Right-of-use lease asset	147,785	-
	$ 2,629,567	$ 2,384,832

Depreciation expense recorded in fiscal years 2021 and 2020 totaled $151,558 and $129,937, respectively.

Note 6. Intangible Assets

In August 2009, the Station purchased a translator license for $55,000; the license is being amortized over 15 years. Amortization expense for the years ended June 30, 2021 and 2020 was $3,667. In June 2016, the Station purchased 50% of new Wide Orbit software for $12,050, and in October 2017 additional software was purchased for $67,910. The software is being amortized over 15 years. Amortization expense related to the Wide Orbit software for the years ended June 30, 2021 and 2020 was $5,331.

The future amortization expense is as follows:

Year ending June 30,	
2022	$ 8,998
2023	8,998
2024	8,954
2025	5,331
2026	5,331
Thereafter	27,398
	$ 65,010

In January 2020, the Station purchased an FCC license for $1,868,575. At the acquisition date, the license was deemed to have an indefinite useful life and therefore, the license will not be amortized unless its useful life is deemed to no longer be indefinite. For the years ended June 30, 2021 and 2020, no amortization expense was recognized, as the useful life of the FCC license was determined to be indefinite. The Station also completes an annual impairment review and no impairment charge was considered necessary for the years ended June 30, 2021 and 2020.

Note 7. Notes and Bonds Payable

Bonds payable

On August 25, 2005, the Foundation issued Industrial Development Authority of Montgomery County, Virginia Variable Rate Revenue Bonds, Series 2005, due over a 20-year period. The bonds bore a variable interest rate, which included remarketing and credit enhancement fees of 0.798%, at June 30, 2016. Bond proceeds were used to finance and refinance a number of Foundation capital projects and to refinance its previously outstanding Series 2001A bonds, a portion of which were issued on behalf of the Station. While the Station is not legally obligated to pay the bonds itself, it has an agreement to pay the Foundation, which in turn pays the bond holders. The Station incurred bond issuance costs of $11,273 and bond placement costs of $4,250 in connection with the Series 2005 bonds. On June 1, 2017, the Series 2005 bonds, which were to mature on June 1, 2035, were fully repaid by the Foundation with the proceeds of the issuance of the Series 2017C bonds. The Station's portion of the Series 2017C bonds bears a variable interest rate calculated as 65% of the one-month London Inter-bank Offered Rate (LIBOR) plus 0.407%. The Station incurred bond issuance costs of $2,281 in connection with the Series 2017C bonds. Total amortization expense for the years ended June 30, 2021 and 2020 was $228. The Series 2017C bonds matured during the year ended June 30, 2021.

Effective September 1, 2005, the Foundation entered into an interest rate swap agreement with a lending institution. This agreement was based on the principal balances of the Series 2001A bond issue, which were refinanced by the Series 2005 bonds, and more recently by the Series 2017C bonds. The Foundation participates as a fixed-rate payer, with a fixed rate of 3.265%. The lending institution participates as a floating rate payer with a floating interest rate that is calculated based on the weighted average of 70% of USD-LIBOR-BBA, which was 0.059% and 0.128% at June 30, 2021 and 2020, respectively.

The Foundation is obligated under the Economic Development Authority of Montgomery County, Virginia Revenue Bonds (Series 2019A) and Taxable Revenue and Refunding Bonds (Series 2019B) dated November 5, 2019. Proceeds will be used to finance costs related to the acquisition, construction, and equipping of certain facilities, funding capitalized interest, refinancing all or a portion of the outstanding Series 2010B and Series 2011B bonds, and paying certain costs of issuance. A portion of these bonds were issued on behalf of the Station to finance costs related to the acquisition of property, equipment, and a FCC license. While the Station is not legally obligated to pay the bonds itself, it has an agreement to pay the Foundation, which in turn pays the bond holders. The Station's portion of the Series 2019A and 2019B bonds, which bear a weighted average fixed interest rate of 2.54% and 3.06%, respectively, have annual serial and sinking fund maturities beginning June 1, 2022 and concluding June 1, 2029, in varying amounts. At June 30, 2021 and 2020, unspent bond proceeds of $434 and $91,893, respectively, were included in the Station's restricted cash. The Station incurred bond issuance costs of $13,741 and $2,146 in connection with the Series 2019A and 2019B bonds, respectively. Total amortization expense for the years ended June 30, 2021 and 2020 was $1,643 and $1,096, respectively.

Note 7. Notes and Bonds Payable (Continued)

Principal amounts outstanding for bonds payable were as follows at June 30:

	2021	2020
Bond series		
Series 2017C	$ -	$ 196,495
Series 2019A	1,870,000	1,870,000
Series 2019B	210,000	210,000
Unamortized premium on Series 2019A	349,895	349,895
Unamortized bond issuance costs	(14,716)	(16,369)
Total	$ 2,415,179	$ 2,610,021

The future maturities of bonds payable are as follows:

Year ending June 30,	
2022	$ 243,924
2023	262,189
2024	280,910
2025	262,496
2026	311,620
Thereafter	1,068,756
	$ 2,429,895

Total interest expense for the years ended June 30, 2021 and 2020 was $97,202 and $59,303, respectively.

Notes payable

As part of the extended federal COVID-19 relief Paycheck Protection Program (PPP) administered by the SBA, the Station applied for and received a PPP loan on March 30, 2021 for $363,042. Loan proceeds may only be used for payroll costs, interest on covered mortgage obligations, covered rent obligations, covered utility payments, worker protection costs related to COVID-19, and certain supplier costs and operating expenses incurred during the 24 week period after the loan disbursement date. The notes bears interest at 1% with principal and interest payments deferred for 10 months following the 24 week covered period. Under the terms of the PPP, certain amounts may be forgiven if proceeds are used for qualifying expenses. The amount received is recognized in the statements of financial position as note payable at June 30, 2021. The Station intends to use the entire loan for qualifying expenses. Upon notice of forgiveness, the amount forgiven will be recorded as gain on forgiveness of debt in fiscal year 2022. Subsequent to year end, in September 2021, the PPP note payable was forgiven in full.

Note 8. Net Assets

Net assets as of June 30 consisted of the following:

	2021	2020
Without donor restrictions:		
Board-designated endowment funds	$ 1,205,710	$ 1,014,582
Investment in property and equipment, net of debt	2,082,742	1,643,386
Maintenance and repair	642,637	574,097
Amounts to be used for future operations	3,137,376	2,859,228
Total net assets without donor restrictions	7,068,465	6,091,293
With donor restrictions:		
Subject to expenditure for specific purposes and time:		
Property and equipment and general operations	1,284,828	895,393
Charitable remainder unitrust held by others	9,326	9,281
Internet services and legislative fees	33,235	25,974
	1,327,389	930,648
Permanent endowment fund	1,056,965	1,056,965
Charitable remainder unitrust held by others	3,055	3,012
	1,060,020	1,059,977
Total net assets with donor restrictions	2,387,409	1,990,625
Total net assets	$ 9,455,874	$ 8,081,918

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by donors. Total net assets released or reclassified were $216,297 and $206,475 for the years ended June 30, 2021 and 2020, respectively.

Note 9. Availability and Liquidity

The following represents the Station's financial assets at June 30:

	2021	2020
Financial assets:		
Cash	$ 4,033,615	$ 2,957,867
Restricted cash	77,968	244,276
Underwriting and other receivables	131,652	68,572
Contributions receivable, net	558,986	461,072
Investments	3,320,807	2,794,399
Total financial assets	8,123,028	6,526,186
Less amounts not available to be used within one year:		
Endowment net assets, excluding Board-designated endowment funds of $1,205,710 and $1,014,582 at June 30, 2021 and 2020, respectively	(2,115,097)	(1,779,816)
Contributions receivable collectible beyond one year	(13,055)	(13,012)
	(2,128,152)	(1,792,828)
Financial assets available to meet general expenditures over the next fiscal year	$ 5,994,876	$ 4,733,358

The Station has ample liquidity, with financial assets available totaling $5,994,876, which exceeds annual operating expenses for the years ended June 30, 2021 and 2020 and estimated operating expenses for the next fiscal year. To manage liquidity needs, the Station structures its financial assets to be available for its general expenditures and liabilities coming due within one year. The Station receives cash flow from donor contributions, corporate underwriting contracts, and grants and contracts to fund its programs and activities. The Station's liquid assets primarily include cash as well as investments, which are invested, held, and managed by the Foundation. The Foundation allows a partial or full redemption of the investments on a quarterly basis.

Note 10. Endowment

The Station's endowment consists of various funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. At June 30, 2021 and 2020, all income generated from permanent endowment funds was not restricted by donors and can be used at the discretion of management for the general operations of the Station.

Note 10. Endowment (Continued)

Interpretation of relevant law

The Station has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as the prudent preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Station classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations of investment returns to the permanent endowment made in accordance with the direction of the applicable donor gift instrument, when applicable, at the time the accumulation is added to the fund.

Also included in net assets with donor restrictions is accumulated appreciation on donor-restricted "true" endowment funds, which are available for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

In accordance with UPMIFA, the Station considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Endowment net assets consisted of the following at June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 2,115,097	$ 2,115,097
Board-designated endowment funds	1,205,710	-	1,205,710
Total endowed net assets	$ 1,205,710	$ 2,115,097	$ 3,320,807

Endowment net assets consisted of the following at June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 1,779,817	$ 1,779,817
Board-designated endowment funds	1,014,582	-	1,014,582
Total endowed net assets	$ 1,014,582	$ 1,779,817	$ 2,794,399

Note 10. Endowment (Continued)

Changes in endowment net assets for the year ended June 30, 2021 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2020	$ 1,014,582	$ 1,779,817	$ 2,794,399
Investment return:			
Investment income	1,327	2,326	3,653
Net appreciation	238,342	418,106	656,448
Total investment return	239,669	420,432	660,101
Contributions			
Appropriation of endowment assets for expenditure	(48,541)	(85,152)	(133,693)
Endowment net assets, June 30, 2021	$ 1,205,710	$ 2,115,097	$ 3,320,807

Changes in endowment net assets for the year ended June 30, 2020 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2019	$ 1,137,591	$ 1,995,603	$ 3,133,194
Investment return:			
Investment loss	(6,794)	(11,918)	(18,712)
Net depreciation	(67,675)	(118,716)	(186,391)
Total investment return	(74,469)	(130,634)	(205,103)
Contributions	-	-	-
Appropriation of endowment assets for expenditure	(48,540)	(85,152)	(133,692)
Endowment net assets, June 30, 2020	$ 1,014,582	$ 1,779,817	$ 2,794,399

(Continued)

Note 10. Endowment (Continued)

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Station to retain as a fund of perpetual duration. Deficiencies of this nature are to be reported in net assets with donor restrictions. These deficiencies result from unfavorable market fluctuations that occur shortly after the investment of new donor-restricted contributions and continued appropriation for certain programs that are deemed prudent by the Board. No deficiencies existed as of June 30, 2021 and 2020.

Return objectives and risk parameters

The Station has adopted a spending and investment policy for endowment assets that attempts to provide a stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The majority of endowment assets include those assets of donor-restricted funds that must be held in perpetuity or for a donor-specified period, as well as Board-designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce a reasonable rate of return while assuming a moderate level of investment risk. The Station expects its endowment funds, over time, to grow by inflation as measured by the Consumer Price Index (CPI). Real growth in any given year may vary.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, the Station relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Station targets a diversified asset allocation that places a greater emphasis on equity investments within a balanced portfolio to achieve its long-term return objectives within prudent risk constraints.

Spending policy and how the investment objectives relate to spending policy

In an effort to maintain the endowment's purchasing power, the payout rate for program support is adjusted annually to reflect the change in the CPI over the preceding calendar year. A 12-quarter average of endowment values is used to smooth out the unit values when determining if program spending falls within the current year approved range of 3.00% – 4.40%. Without this moving average, the beneficiaries of the endowments would be vulnerable to increased volatility in the capital markets. In establishing the spending policy, the Station considered the expected return on its endowment. Accordingly, the Station expects the current spending and investment policy to allow its endowment to maintain its purchasing power over time, by growing at a rate equal to inflation plus programmatic spending and related endowment management and administrative fees. Additional growth is anticipated through new gifts and excess investment returns.

(Continued)

Note 11. Corporate Underwritings

The Station's revenues primarily include contributions, corporate underwritings, rental income, and grants and contracts. Corporate underwritings are in the scope of ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and are generated from contracts with businesses and organizations in which the Station provides on-air announcements over a specific period of time in return for a fee. The Station's corporate underwriting revenues of $834,680 and $839,468 for the years ended June 30, 2021 and 2020, respectively, have performance obligations that are satisfied over time. As a result, control transfers to the customer and the Station recognizes revenue as on-air announcements are made. Corporate underwriting contracts are billed at a fixed price and revenue is recognized over time based on the proportion performed. This method is used because management considers services provided to be the best available measure of progress on contracts.

Contract liabilities include advance payments on corporate underwriting contracts and are reflected on the statements of financial position as deferred revenue. Contract receivables are reflected on the statements of financial position as underwriting and other receivables.

Contract assets and liabilities consisted of the following at June 30:

	2021	2020	2019
Underwriting and other receivable	$ 77,388	$ 49,088	$ 28,695
Deferred revenue	127,750	126,625	106,259

Note 12. Related Party Transactions

Development and administration of the Station is performed by some employees of Virginia Polytechnic Institute and State University ("Virginia Tech"). The value of this contributed time is based on wages paid to the individuals plus an estimate of fringe benefits. Also, expenditures incurred by Virginia Tech that have benefitted the Station are allocated to the Station based on Station expenditures as a percentage of total applicable institution expenditures of instruction, research, and public service. The contributed time and expenditures are reflected on the accompanying statements of activities and changes in net assets as contributions and management and general expenses of $317,633 and $290,313 for the years ended June 30, 2021 and 2020, respectively.

During the years ended June 30, 2021 and 2020, the Foundation contributed $188,972 and $184,951, respectively, to the Station to be used for general operations.

Note 13. Grants and Contracts

Grants and contracts for the years ended June 30 were as follows:

	2021	2020
Without donor restrictions		
Community service grant	$ 166,040	$ 177,681
American Rescue Plan Act stabilization grant	191,587	75,000
	357,627	252,681
With donor restrictions		
Radio reading service (radio reading services for the sensory impaired)	30,591	30,771
Community service grant	61,319	62,978
	91,910	93,749
	$ 449,537	$ 346,430

Note 14. Employee Benefits

Retirement benefits for full-time salaried employees are provided by the Virginia Retirement System (VRS). VRS is a program established by the Commonwealth of Virginia to fund retirement benefits for various Commonwealth of Virginia political entities and agencies. Contributions made on behalf of radio station employees were $120,585 and $114,825 for the years ended June 30, 2021 and 2020, respectively. Data concerning the actuarial present value of accumulated plan benefits, vested and net assets available for benefits, that are relevant to the Station are not provided since such determinations are made on a VRS-wide basis.

Note 15. Leases

Operating leases – Station as lessor

The Station rents leasing transmitters, antennas, and tower sites under operating leases to unrelated third parties, which expire at various dates through March 31, 2026. For the years ended June 30, 2021 and 2020, the Station earned rental income of $107,340 and $117,830, respectively.

Future minimum lease payments receivable under these leases are as follows:

	Total
Year ending June 30,	
2022	$ 114,342
2023	104,370
2024	72,283
2025	52,416
2026	1,467
Thereafter	2,933
Total	$ 347,811

(Continued)

Note 15. Leases (Continued)

Leases – Station as lessee

The Station leases transmitter sites under operating leases to unrelated third parties. The terms of these leases range from 1 to 11 years, expiring on various dates from August 31, 2021 to May 30, 2031. Annual payments under these agreements range from $1 to $32,657 and rent expense amounted to $95,597 for the year ended June 30, 2021.

The Station's lease contracts may include options to extend or terminate the lease. The Station exercises judgment to determine the term of those leases when such options are present and include such options in the calculation of the lease term when it is reasonably certain that it will exercise those options.

The Station includes contract lease components in its determination of lease payments, while non-lease components of the contracts, such as taxes, insurance, and common area maintenance, are expensed as incurred. At commencement, right-of-use assets and lease liabilities are measured at the present value of future lease payments over the lease term. The Station uses its incremental borrowing rate based on information available at the time of lease commencement to measure the present value of future payments.

Operating lease expense is recognized on a straight-line basis over the lease term. Short-term leases with an initial term of 12 months or fewer are expensed as incurred. The Station's short-term leases have month-to-month terms.

At June 30, 2021 operating right-of-use assets were $147,785 and are reflected on the statements of financial position as property and equipment. At June 30, 2021 operating lease liabilities were $148,778 and are included on the statements of financial position as lease liabilities.

The weighted average remaining lease term was 26 months and the weighted average discount rate was 0.38% as of June 30, 2021.

The Station's future payments due under operating leases reconciled to the lease liability are as follows:

	Total
Year ending June 30,	
2022	$ 81,844
2023	54,367
2024	5,702
2025	4,902
2026	3,062
Total undiscounted lease payments	149,877
Present value discount	(1,099)
Total lease liability	$ 148,778

(Continued)

Note 16. Expenses by Natural Classification

	Program Services		Supporting Services			
	Programming and Production	Broadcasting	Management and General	Fundraising	Underwriting and Grant Solicitation	2021 Total
Expenses:						
Salaries	$ 469,772	$ 294,527	$ 205,751	$ 132,093	$ 125,238	$ 1,227,381
Employee benefits and payroll taxes	207,150	137,746	96,227	61,778	58,572	561,473
Depreciation and amortization	59,582	77,081	30,920	-	-	167,583
Occupancy	15,068	127,865	144,007	-	-	286,940
Repairs and maintenance	-	26,230	54,434	-	-	80,664
Supplies	-	-	59,082	130,411	-	189,493
Contract services	65,976	3,300	21,394	176,063	-	266,733
Information technology	1,100	12,626	3,558	11,576	-	28,860
Travel	826	-	2,116	-	-	2,942
Taxes	-	-	589	-	-	589
Legal fees	-	-	3,476	-	-	3,476
Interest	-	-	96,602	-	-	96,602
Property management	-	-	22,501	-	-	22,501
Service charges	-	-	234	248	-	482
Bad debt	-	-	5,878	-	-	5,878
Indirect support	-	-	317,633	-	-	317,633
Gift assessment fees	-	-	192,868	-	-	192,868
Underwriting in-kind	-	-	-	-	74,300	74,300
Public relations	-	-	8,563	127,880	-	136,443
Professional memberships	-	-	8,875	60	-	8,935
Miscellaneous	119	-	714	666	-	1,499
Audit fees	-	-	11,265	-	-	11,265
Broadcasting fees	692,437	-	1,090	-	-	693,527
Equipment rentals and purchases	-	-	4,870	-	-	4,870
Total expenses	$ 1,512,030	$ 679,375	$ 1,292,647	$ 640,775	$ 258,110	$ 4,382,937

(Continued)

Note 16. Expenses by Natural Classification (Continued)

	Program Services		Supporting Services			
	Programming and Production	Broadcasting	Management and General	Fundraising	Underwriting and Grant Solicitation	2020 Total
Expenses:						
Salaries	$ 556,906	$ 282,677	$ 214,708	$ 137,611	$ 67,044	$ 1,258,946
Employee benefits and payroll taxes	213,269	115,493	87,723	56,223	27,392	500,100
Depreciation and amortization	52,240	65,301	22,717	-	-	140,258
Occupancy	148	126,888	119,925	-	-	246,961
Repairs and maintenance	-	6,907	17,131	-	-	24,038
Supplies	-	17,297	144,990	121,653	-	283,940
Contract services	78,725	3,939	-	173,268	-	255,932
Information technology	17,194	-	6,794	13,992	-	37,980
Travel	479	-	5,031	-	-	5,510
Taxes	-	-	1,119	-	-	1,119
Legal fees	-	-	10,642	-	-	10,642
Interest	-	-	59,303	-	-	59,303
Property management	-	-	2,882	-	-	2,882
Service charges	-	-	145	-	-	145
Bad debt	-	-	13,077	-	-	13,077
Indirect support	-	-	290,313	-	-	290,313
Gift assessment fees	-	-	172,641	-	-	172,641
Underwriting in-kind	-	-	-	-	94,199	94,199
Public relations	7,564	-	2,438	4,666	-	14,668
Professional memberships	11,432	-	12,401	-	-	23,833
Miscellaneous	-	4,109	4,676	-	-	8,785
Audit fees	-	-	11,500	-	-	11,500
Broadcasting fees	693,301	11,919	6,275	-	-	711,495
Equipment rentals and purchases	3,769	34,196	8,612	17,560	-	64,137
Total expenses	$ 1,635,027	$ 668,726	$ 1,215,043	$ 524,973	$ 188,635	$ 4,232,404

(Continued)

Note 17. COVID-19 Outbreak

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The COVID-19 outbreak in the United States has caused business disruptions through mandated and voluntary closing of non-essential businesses. While the closings were temporary, there has been a change in the environment in how businesses and organizations operate along with the implementation of various safety protocols.

The Station received an allocation from the American Rescue Plan Act in the form of a stabilization grant distributed by the Corporation for Public Broadcasting (CPB) during the year ended June 30, 2021. The Station received $191,587 of which a portion is for general operations and a portion is restricted in the same manner as the community service grant distributed by CPB. The American Rescue Plan Act stabilization grant is recorded on the statements of activities and changes in net assets as grants and contracts.

The Station received an allocation from the Coronavirus Aid, Relief, and Economic Security (CARES) Act in the form of CARES Stabilization Grants distributed by the CPB. The Station received $75,000 for general operations in the year ended June 30, 2020, which is recorded on the statements of activities and changes in net assets as grants and contracts without donor restrictions.

In an effort to mitigate the potential financial impact as a result of the COVID-19 outbreak, and in order to ensure its continued ability to pay employees, the Station applied for and received $363,042 in March 2021 in loan assistance through the PPP administered by the SBA as part of the "CARES Act." Subsequent to year end, in September 2021, the PPP note payable was forgiven in full. Additional information regarding this loan is provided in Note 7.

The Station is not able to estimate the effects of the COVID-19 outbreak on its financial condition, liquidity, or results of operations for fiscal year 2022 given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread.

Note 18. Subsequent Events

The Station has evaluated subsequent events for potential recognition and/or disclosure in the June 30, 2021 financial statements through January 10, 2021, the date the financial statements were available to be issued.