

KACHEMAK BAY BROADCASTING, INC.

FINANCIAL STATEMENTS

June 30, 2018 and 2017

KACHEMAK BAY BROADCASTING, INC.
FINANCIAL STATEMENTS

TABLE OF CONTENTS

	<u>Page</u>
Independent auditor's report	1-2
Financial statements	
Statements of financial position	3
Statements of activities	4-5
Statements of cash flows	6-7
Notes to financial statements	8
Supplementary information	
Schedules of functional expenses	
Year ended June 30, 2018	15
Year ended June 30, 2017	16
Schedules of sources of revenues and other support	
Year ended June 30, 2018	17
Year ended June 30, 2017	18

Lambe, Tuter & Associates, APC

Certified Public Accountants

Robert B. Lambe
Janice M. Tuter
Stephanie J. Lambe-
Musgrove

189 S. Binkley St.,
Suite 201 Soldotna,
Alaska 99669

Ph: (907) 262-9123
Fax: (907) 262-3855

www.akcpas.com

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 statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 15-16 and the schedules of sources of revenue and other support on pages 17-18 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Lambe Tuter & Associates

January 17, 2019

Lambe, Tuter & Associates, APC

KACHEMAK BAY BROADCASTING, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2018 and 2017

	<u>ASSETS</u>	
	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 579,116	\$ 708,790
Certificates of deposit	101,000	-
Receivable from Pickle Hill Public Broadcasting, Inc.	72,517	60,708
Accounts receivable	1,170	914
Underwriting receivable	13,995	12,758
Unconditional promises to give	60	270
Receivable from Beneficial Interest in The Homer Foundation	-	2,464
Prepaid expenses	14,332	15,340
Total current assets	<u>782,190</u>	<u>801,244</u>
PROPERTY AND EQUIPMENT	1,211,530	1,189,178
Less accumulated depreciation	<u>(807,572)</u>	<u>(769,795)</u>
	<u>403,958</u>	<u>419,383</u>
COMPUTER SOFTWARE	20,935	20,935
Less accumulated amortization	<u>(20,935)</u>	<u>(20,696)</u>
	<u>-</u>	<u>239</u>
OTHER ASSETS		
Beneficial Interest in The Homer Foundation	34,487	34,259
Donated equipment held for resale	-	5,000
	<u>34,487</u>	<u>39,259</u>
	<u>\$ 1,220,635</u>	<u>\$ 1,260,125</u>
	<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES		
Accounts payable	\$ 3,709	\$ 6,816
Underwriting deposits	8,203	7,614
Accrued expenses	26,340	20,638
Unearned grant revenue	2,499	3,757
Total current liabilities	<u>40,751</u>	<u>38,825</u>
NET ASSETS		
Unrestricted	1,132,663	1,164,749
Temporarily restricted	13,184	22,292
Permanently restricted	34,037	34,259
Total net assets	<u>1,179,884</u>	<u>1,221,300</u>
	<u>\$ 1,220,635</u>	<u>\$ 1,260,125</u>

See notes to financial statements.

KACHEMAK BAY BROADCASTING, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2018 and 2017

CHANGES IN UNRESTRICTED NET ASSETS
FROM OPERATING ACTIVITIES

	<u>2018</u>	<u>2017</u>
REVENUES AND OTHER SUPPORT		
Underwriting	\$ 129,014	\$ 125,273
Membership dues	120,977	116,979
Service agreement	60,792	73,500
Donated services	36,932	32,894
Donations	12,826	-
Broadcasting income	10,998	11,000
Fund-raising	7,167	13,352
Other Income	-	70
	<u>378,706</u>	<u>373,068</u>

NET ASSETS RELEASED FROM RESTRICTIONS

Satisfaction of program restrictions	<u>212,259</u>	<u>222,710</u>
Total revenues and other support	<u>590,965</u>	<u>595,778</u>

EXPENSES

Programming and production	244,426	223,004
Management and general	190,595	183,166
Broadcasting and technical	110,028	122,967
Fund-raising	<u>76,988</u>	<u>84,951</u>
TOTAL EXPENSES	<u>622,037</u>	<u>614,088</u>

CHANGE IN UNRESTRICTED NET ASSETS FROM
OPERATING ACTIVITIES

<u>(31,072)</u>	<u>(18,310)</u>
-----------------	-----------------

CHANGES IN UNRESTRICTED NET ASSETS
FROM NON-OPERATING ACTIVITIES

Interest	1,236	670
Investment earnings	450	4,043
Gain on sale of equipment	1,100	-
Loss on sale of donated asset held for resale	(3,800)	-
Loss on value of donated asset held for resale	-	(10,000)
	<u>(1,014)</u>	<u>(5,287)</u>
Net assets transferred to permanently restricted endowment	<u>-</u>	<u>(2,657)</u>

CHANGE IN UNRESTRICTED NET ASSETS FROM
NON-OPERATING ACTIVITIES

<u>(1,014)</u>	<u>(7,944)</u>
----------------	----------------

DECREASE IN UNRESTRICTED NET ASSETS

<u>(32,086)</u>	<u>(26,254)</u>
-----------------	-----------------

See notes to financial statements.

KACHEMAK BAY BROADCASTING, INC.
STATEMENTS OF ACTIVITIES (CONT.)
Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Government grants	<u>\$ 203,151</u>	<u>\$ 207,504</u>
	203,151	207,504
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of program restrictions	<u>(212,259)</u>	<u>(222,710)</u>
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(9,108)</u>	<u>(15,206)</u>
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS		
Increase (decrease) in value on endowment	(222)	(9,048)
Net assets transferred to permanently restricted endowment	<u>-</u>	<u>2,657</u>
DECREASE IN PERMANENTLY RESTRICTED NET ASSETS	<u>(222)</u>	<u>(6,391)</u>
CHANGE IN NET ASSETS	(41,416)	(47,851)
NET ASSETS AT BEGINNING OF YEAR	<u>1,221,300</u>	<u>1,269,151</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 1,179,884</u></u>	<u><u>\$ 1,221,300</u></u>

See notes to financial statements.

KACHEMAK BAY BROADCASTING, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash received from members, contributors and granting agencies	\$ 483,474	\$ 470,575
Cash paid to suppliers and employees	(497,470)	(491,741)
Interest received	1,236	670
Net cash used by operating activities	<u>(12,760)</u>	<u>(20,496)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(20,678)	(5,457)
Proceeds from sale of assets	1,100	-
Proceeds from sale of donated asset held for resale	1,200	-
Proceeds from beneficial interest from the Homer Foundation	2,464	-
Proceeds from certificates of deposit	100,000	35,193
Purchase of certificates of deposit	(201,000)	-
Cash provided (used) for investing activities	<u>(116,914)</u>	<u>29,736</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(129,674)	9,240
CASH AND CASH EQUIVALENTS, beginning	<u>708,790</u>	<u>699,550</u>
CASH AND CASH EQUIVALENTS, ending	<u><u>\$ 579,116</u></u>	<u><u>\$ 708,790</u></u>

See notes to financial statements.

KACHEMAK BAY BROADCASTING, INC.
STATEMENTS OF CASH FLOWS (CONT.)
Years Ended June 30, 2018 and 2017

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES:	<u>2018</u>	<u>2017</u>
CHANGE IN NET ASSETS	<u>\$ (41,416)</u>	<u>\$ (47,851)</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS		
Depreciation and amortization	38,016	44,950
Decrease (increase) in underwriting receivables	(1,237)	8,514
Decrease (increase) in unconditional promises to give	210	(70)
Increase in accounts receivable	(256)	(326)
Decrease (increase) in prepaid expenses	1,008	(5,685)
Increase in receivable from Pickle Hill Public Broadcasting, Inc.	(11,809)	(37,046)
Increase (decrease) in accounts payable	(3,107)	2,644
Increase in accrued expenses	5,702	2,663
Increase (decrease) in underwriting deposits	589	(3,848)
Increase (decrease) in unearned grant revenue	(1,258)	1,632
Capitalized donated services	(1,674)	-
Gain on sale of asset	(1,100)	-
Loss on sale of equipment held for resale	3,800	-
Loss on value of donated asset held for resale	-	10,000
Non-cash investment (earnings) losses	(228)	3,927
Total adjustments	<u>28,656</u>	<u>27,355</u>
	<u><u>\$ (12,760)</u></u>	<u><u>\$ (20,496)</u></u>

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING ACTIVITIES

During the fiscal year ended June 30, 2018, the Corporation received donated capital improvements valued at \$1,674.

See notes to financial statements.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

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

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

Unrestricted amounts are those currently available at the discretion of the Board for the use in Kachemak Bay Broadcasting, Inc.'s operations.

Temporarily restricted amounts are those which 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.

Permanently restricted amounts are those for which the principal is stipulated by donors or grantors to be invested in perpetuity.

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 temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and 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, decrease in liabilities 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.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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.

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, 2018 and 2017.

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

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.

Functional Expense Allocation

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.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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.

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 2013.

3. CONCENTRATION

Financial Instruments

The Corporation maintains deposits in one financial institution that, at times, 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 \$77,274 and \$78,023 from the State of Alaska and \$125,877 and \$122,849 from the Corporation for Public Broadcasting during the years ended June 30, 2018 and 2017, respectively. This represents 13% and 14% and 22% and 22% for the year ended June 30, 2018 and 2017, respectively, of the Corporation's total support and revenues.

4. CERTIFICATES OF DEPOSIT

Certificates of deposit in the amounts of \$101,000 and \$0 at June 30, 2018 and 2017, respectively, bear interest at 2.15%, mature April 29, 2019, and are classified as follows:

	<u>2018</u>	<u>2017</u>
Current assets	<u>\$ 101,000</u>	<u>\$ -</u>

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Buildings	\$ 642,577	\$ 623,166
Broadcast equipment	381,300	378,359
Land	163,566	163,566
Furniture and fixtures	<u>24,087</u>	<u>24,087</u>
	1,211,530	1,189,178
Less accumulated depreciation	<u>(807,572)</u>	<u>(769,795)</u>
	<u><u>\$ 403,958</u></u>	<u><u>\$ 419,383</u></u>

Depreciation expense was \$37,777 and \$44,174, respectively, for the years ended June 30, 2018 and 2017, and is allocated appropriately on the statement of functional expenses.

During the year ended June 30, 2008, Kachemak Bay Broadcasting, Inc. received a grant totaling \$116,012 from the Corporation for Public Broadcasting for construction of a new digital transmitter site in Homer. The United States Department of Commerce retains a reversionary interest in property purchased under the grant project for a period of ten years. The net book value is recorded as temporarily restricted net assets at June 30, 2018 and 2017.

During the year ended June 30, 2012, Kachemak Bay Broadcasting, Inc. received a grant for property and equipment purchases totaling \$38,641 from the Alaska Public Broadcasting, Inc. as an infrastructure improvement capital grant. The Denali Commission retains a reversionary interest in property purchased under this grant project for a period of five years. The net book value is recorded as temporary restricted net assets at June 30, 2018 and 2017.

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 permanently 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. At June 30, 2018 and 2017, Kachemak Bay Broadcasting, Inc.'s endowment funds with The Homer Foundation are \$34,487 and \$34,037, respectively. Investment earnings transferred into permanent corpus for the years ending June 30, 2018 and 2017 were \$0 and \$2,657, respectively.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

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 reoccurring basis at June 30, 2018 and 2017 are the following:

	<u>2018</u>	<u>2017</u>
Beneficial Interest in Homer Foundation	<u>\$ 34,487</u>	<u>\$ 34,259</u>

The Corporation considers the measurement of its beneficial interest in the 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 years ended June 30, 2018 and 2017.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

8. DONATED SERVICES

The value of donated services included as contributions in the financial statements and the corresponding program expenses and other assets for the years ended June 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Property and equipment		
Capital asset additions	<u>\$ 1,674</u>	<u>\$ -</u>
Expenses:		
Technical support	32,846	32,894
Supplies	<u>2,412</u>	<u>-</u>
	<u>\$ 35,258</u>	<u>\$ 32,894</u>
Revenue and other support:		
Donated services	<u>\$ 36,932</u>	<u>\$ 32,984</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. 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, 2018 and 2017 is \$65,433 and \$22,875, respectively, at 6.75% interest on outstanding draws. No draws have been made on the line of credit.

10. 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 \$11,615 and \$17,750 respectively, for the years ended June 30, 2018 and 2017.

11. SERVICE AGREEMENT

Pickle Hill Public Broadcasting, Inc. operates under a vendor agreement with Kachemak Bay Broadcasting, Inc. Under the terms of the agreement, the Corporation provides programming and manages all aspects of the operation of Pickle Hill Public Broadcasting, Inc. Revenue earned under the agreement was \$60,792 and \$73,500, respectively, for the years ended June 30, 2018 and 2017.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

12. 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, 2018 and 2017, no such audits were pending.

13. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available
for the following purposes or periods at June 30:

	<u>2018</u>	<u>2017</u>
Property and equipment, net		
Corporation of Public Broadcasting, Inc. grant	\$ -	\$ 5,792
Denali Commission, round 6 grant	13,184	16,500
	<u>\$ 13,184</u>	<u>\$ 22,292</u>

14. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of funds held as a beneficial interest in the Homer Foundation.

15. SUBSEQUENT EVENTS

Subsequent to year-end, the Corporation purchased an additional long-term certificate of deposit for \$101,000 using funds from the operating cash reserve. The certificate of deposit purchased matures on August 13, 2019.

January 17, 2019 is the date the subsequent events have been evaluated to and the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

KACHEMAK BAY BROADCASTING, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended June 30, 2018

	Programming and Production	Management and General	Broadcasting and Technical	Fund- raising	Total
Personnel costs	\$ 204,094	\$ 116,182	\$ -	\$ 56,373	\$ 376,649
Utilities	-	6,438	33,042	-	39,480
Depreciation	-	23,164	14,613	-	37,777
Technical support	-	-	37,455	-	37,455
Programming and production costs	37,066	-	-	-	37,066
Supplies	-	8,134	11,488	2,554	22,176
Professional fees	-	12,200	-	-	12,200
Insurance	-	11,660	-	-	11,660
Advertising	-	-	-	11,615	11,615
Repairs/maintenance	-	-	8,370	-	8,370
Travel	1,421	2,697	666	748	5,532
Bank service charges	-	1,051	-	4,363	5,414
Bad debt	-	-	-	947	947
Amortization	-	239	-	-	239
Other	1,845	8,830	4,394	388	15,457
	<u>\$ 244,426</u>	<u>\$ 190,595</u>	<u>\$ 110,028</u>	<u>\$ 76,988</u>	<u>\$ 622,037</u>

KACHEMAK BAY BROADCASTING, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended June 30, 2017

	Programming and Production	Management and General	Broadcasting and Technical	Fund- raising	Total
Personnel costs	\$ 182,456	\$ 106,496	\$ -	\$ 57,833	\$ 346,785
Depreciation	-	23,293	20,881	-	44,174
Technical support	-	-	41,171	-	41,171
Utilities	-	6,871	32,793	-	39,664
Programming and production costs	36,652	-	-	-	36,652
Supplies	-	8,599	14,538	3,398	26,535
Advertising	340	-	-	17,410	17,750
Professional fees	-	12,200	-	-	12,200
Insurance	-	10,748	-	-	10,748
Travel	2,625	4,699	359	833	8,516
Repairs/maintenance	-	314	8,019	-	8,333
Bank Service Charges	-	1,361	-	3,804	5,165
Bad debt	-	-	-	1,343	1,343
Amortization	-	776	-	-	776
Other	931	7,809	5,206	330	14,276
	<u>\$ 223,004</u>	<u>\$ 183,166</u>	<u>\$ 122,967</u>	<u>\$ 84,951</u>	<u>\$ 614,088</u>

KACHEMAK BAY BROADCASTING, INC.
SCHEDULE OF SOURCES OF REVENUES AND OTHER SUPPORT
Year Ended June 30, 2018

TEMPORARILY RESTRICTED GRANTS				UNRESTRICTED REVENUES AND OTHER SUPPORT			
	Balance 6/30/17	Grants Received in 2018	Grants Released from Restrictions in 2018	Balance 6/30/18	Temporarily Restricted Grants Released from Restrictions in 2018	Unrestricted Revenues and Other Support	Total Grants and Support for 2018
For Operations							
Revenue and Other Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,706	\$378,706
Operating Grants	-	203,151	(203,151)	-	203,151	-	203,151
	-	203,151	(203,151)	-	203,151	378,706	581,857
For Capital Grants	22,292	-	(9,108)	13,184	9,108	-	9,108
	<u>\$ 22,292</u>	<u>\$203,151</u>	<u>\$ (212,259)</u>	<u>\$ 13,184</u>	<u>\$ 212,259</u>	<u>\$ 378,706</u>	<u>\$590,965</u>

KACHEMAK BAY BROADCASTING, INC.
SCHEDULE OF SOURCES OF REVENUES AND OTHER SUPPORT
Year Ended June 30, 2017

TEMPORARILY RESTRICTED GRANTS				UNRESTRICTED REVENUES AND OTHER SUPPORT			
				Temporarily Restricted			
				Grants Released from Restrictions	Unrestricted Revenues and Other Support	Total Grants and Support	
	Balance 6/30/16	Grants Received in 2017	Grants Released from Restrictions in 2017	Balance 6/30/17	Grants Released from Restrictions in 2017	Unrestricted Revenues and Other Support	Total Grants and Support for 2017
For Operations Revenue and Other Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 373,068	\$ 373,068
Operating Grants	-	207,504	(207,504)	-	222,710	-	222,710
	-	207,504	(207,504)	-	222,710	373,068	595,778
For Capital Grants	37,498	-	(15,206)	22,292	-	-	-
	<u>\$ -</u>	<u>\$ 207,504</u>	<u>\$ (222,710)</u>	<u>\$ 22,292</u>	<u>\$ 222,710</u>	<u>\$ 373,068</u>	<u>\$ 595,778</u>