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

FINANCIAL REPORT

June 30, 2019

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

FINANCIAL REPORT

June 30, 2019

CONTENTS

BROWNEDWARDS
certified public accountants

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 statement of financial position as of June 30, 2019, and the related statements of activities and change in net assets 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 misstatements.

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.

1715 Pratt Drive, Suite 2700. • Blacksburg, Virginia 24060 • 540-443-3606 • Fax: 540-443-3610 • www.BEcpas.com

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, 2019, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Station adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* for the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Prior Period Financial Statements

The financial statements of WVTF-FM Radio Station (a division of Virginia Tech Foundation, Inc.) as of June 30, 2018 were audited by other auditors, whose report dated November 28, 2018 expressed an unmodified opinion on those statements.

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

CERTIFIED PUBLIC ACCOUNTANTS

Blacksburg, Virginia
December 20, 2019

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

STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash	$ 2,743,560	$ 2,284,518
Restricted cash	8,051	198,758
Total cash	2,751,611	2,483,276
Underwriting and other receivables	35,566	88,349
Prepaid expenses	150,328	159,737
Contributions receivable (Note 2)	415,274	380,392
Compact discs	134,003	133,814
Investments (Note 3)	3,133,193	3,221,657
Property and equipment, net (Note 5)	1,906,841	2,049,370
Intangible asset, net of amortization of $51,956 and $42,959 at June 30, 2019 and 2018, respectively (Note 6)	83,004	92,001
Total assets	$ 8,609,820	$ 8,608,596
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued expenses	$ 305,981	$ 290,737
Deferred revenue	106,259	65,249
Bonds payable (Note 7)	379,903	554,943
Total liabilities	792,143	910,929
NET ASSETS (Note 8)		
Without donor restrictions	5,687,255	5,471,778
With donor restrictions	2,130,422	2,225,889
Total net assets	7,817,677	7,697,667
Total liabilities and net assets	$ 8,609,820	$ 8,608,596

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 ACTIVITES AND CHANGE IN NET ASSETS
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND NET GAINS			
Contributions	$ 2,658,316	$ 108,662	$ 2,766,978
Corporate underwritings	771,044	-	771,044
Investment income (loss)	20,253	3,200	23,453
Rental income	108,990	-	108,990
Net gains on investments	14,684	25,758	40,442
Grants and contracts (Note 13)	177,552	94,705	272,257
Contribution from Virginia Tech Foundation, Inc.	175,189	-	175,189
Other income	12,969	51	13,020
Net assets released from restrictions (Note 8)	327,843	(327,843)	-
Total revenues and net gains	4,266,840	(95,467)	4,171,373
EXPENSES			
Program services			
Programming and production	1,518,237	-	1,518,237
Broadcasting	696,144	-	696,144
Total program services	2,214,381	-	2,214,381
Supporting services			
Management and general	1,092,309	-	1,092,309
Fundraising	534,801	-	534,801
Underwriting and grant solicitation	209,872	-	209,872
Total supporting services	1,836,982	-	1,836,982
Total expenses (Note 16)	4,051,363	-	4,051,363
CHANGE IN NET ASSETS	215,477	(95,467)	120,010
NET ASSETS			
Beginning, as restated (Note 1)	5,471,778	2,225,889	7,697,667
Ending	$ 5,687,255	$ 2,130,422	$ 7,817,677

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 ACTIVITES AND CHANGE IN NET ASSETS
Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND NET GAINS			
Contributions	$ 2,494,708	$ 110,142	$ 2,604,850
Corporate underwritings	868,037	-	868,037
Investment income (loss)	(13,354)	-	(13,354)
Rental income	103,855	-	103,855
Net gains on investments	79,750	139,899	219,649
Grants and contracts (Note 13)	163,328	95,538	258,866
Contribution from Virginia Tech Foundation, Inc.	95,000	-	95,000
Other income	12,508	156	12,664
Net assets released from restrictions (Note 8)	356,275	(356,275)	-
Total revenues and net gains	4,160,107	(10,540)	4,149,567
EXPENSES			
Program services			
Programming and production	1,507,400	-	1,507,400
Broadcasting	673,878	-	673,878
Total program services	2,181,278	-	2,181,278
Supporting services			
Management and general	1,044,856	-	1,044,856
Fundraising	495,574	-	495,574
Underwriting and grant solicitation	214,736	-	214,736
Total supporting services	1,755,166	-	1,755,166
Total expenses	3,936,444	-	3,936,444
CHANGE IN NET ASSETS	223,663	(10,540)	213,123
NET ASSETS, as restated (Note 1)			
Beginning	5,248,115	2,236,429	7,484,544
Ending	$ 5,471,778	$ 2,225,889	$ 7,697,667

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, 2019 and 2018

	2019	2018
OPERATING ACTIVITIES		
Change in net assets	$ 120,010	$ 213,123
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	169,061	225,851
Net gains on investments	(40,442)	(219,649)
Gain on disposal of equipment	-	(1,500)
(Increase) decrease in:		
Underwriting and other receivables	52,783	(58,769)
Prepaid expenses	9,409	(17,178)
Contributions receivable	(34,882)	(43,622)
Compact discs	(189)	(84)
Increase (decrease) in:		
Accrued expenses	15,244	(2,873)
Deferred revenue	41,010	(44,934)
Net cash provided by operating activities	332,004	50,365
INVESTING ACTIVITIES		
Purchases of property and equipment	(17,307)	(8,919)
Proceeds from sale of equipment	-	1,500
Proceeds from sale of investments	128,906	154,224
Net cash provided by investing activities	111,599	146,805
FINANCING ACTIVITIES		
Bond principal payments	(175,268)	(165,304)
Net cash used in financing activities	(175,268)	(165,304)
Increase in cash	268,335	31,866
CASH		
Beginning	2,483,276	2,451,410
Ending	$ 2,751,611	$ 2,483,276
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Cash payments for interest	$ 23,686	$ 25,921

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 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 of Directors 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 reported in the statements of activities and change in net assets as net assets released from restrictions.

Use of estimates

The preparation of financial statements in conformity with U.S. 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, 2019 and 2018, the Station had no cash equivalents. Cash restricted for new construction or equipment has been separately presented in 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, 2019 and 2018.

Compact discs

Compact discs are valued at cost at the date of purchase or fair market 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, 2019 and 2018, 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.

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 its 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, 2019 and 2018.

Bond issuance/placement costs

Bond issuance/placement costs are generally deferred and amortized using the straight-line method over the life of the bonds. 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;
- 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.

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.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues with donor restrictions and are reclassed 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 the 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

With the implementation of ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, on July 1, 2018, the Station began recognizing revenue from corporate underwriting contracts as performance obligations were 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.

For the comparative fiscal year ended June 30, 2018, revenue was recognized as services were performed.

Credit risk concentrations

Financial instruments, which 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 in the statements of activities and change 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 utilizes 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 in 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 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 May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09, and all subsequently issued clarifying ASUs, provide a five-step analysis of contracts to determine when and how revenue is recognized, and replaces most existing revenue recognition guidance in GAAP. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The new guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. ASU 2014-09 was effective for public entities, which includes not-for-profit entities with public debt, for annual reporting periods beginning after December 15, 2017. Due to public debt holding, the Station implemented the provisions of ASU 2014-09 effective July 1, 2018.

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

Accounting pronouncements adopted in the current year (Continued)

The Station implemented ASU 2014-09 using the modified retrospective approach, which resulted in recognizing the cumulative effect of initially applying the new guidance as an adjustment to the opening balance of net assets at July 1, 2018. Therefore, the comparative information has not been adjusted and continues to be reported under extant revenue guidance. The details of the significant changes and quantitative impact of the changes are discussed below.

As part of the adoption of ASU 2014-09, the Station elected to use the following transition practical expedients: (1) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate and (2) ASU 2014-09 is applied only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

There were no significant changes as a result of the adoption of ASU 2014-09, including no reclassifications or adjustments to the opening balance of net assets. The Station does not expect the adoption of the new revenue standard to have a material impact on its net income on an ongoing basis.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*. The amendments in ASU 2016-14 made improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments in ASU 2016-14 set forth the FASB's improvements to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital contributions for construction as an increase to net assets without donor restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board-designated funds, the composition of net assets without donor restrictions, liquidity, and expenses by both natural and functional classification.

The amendments in ASU 2016-14 should be applied on a retrospective basis in the year that it is first applied. However, if presenting comparative financial statements, a not-for-profit entity has the option to omit certain specified information for any periods presented before the period of adoption. The amendments in ASU 2016-14 were effective for annual financial statements issued for fiscal years beginning after December 15, 2017. The Station adopted this guidance effective July 1, 2018.

(Continued)

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

Accounting pronouncements adopted in the current year (Continued)

A summary of the net asset reclassifications from the adoption of ASU 2016-14 is as follows:

	ASU 2016-14 Classifications		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
At June 30, 2017:			
As previously presented:			
Unrestricted	$ 3,931,884	$ -	$ 3,931,884
Temporarily restricted	-	2,492,679	2,492,679
Permanently restricted	-	1,059,981	1,059,981
Net assets as previously presented	3,931,884	3,552,660	7,484,544
Reclassifications to implement ASU 2016-14:			
Capital contributions for construction	1,316,231	(1,316,231)	-
Net assets at June 30, 2017, as reclassified	$ 5,248,115	$ 2,236,429	$ 7,484,544
At June 30, 2018:			
As previously presented:			
Unrestricted	$ 4,038,512	$ -	$ 4,038,512
Temporarily restricted	-	2,599,072	2,599,072
Permanently restricted	-	1,060,083	1,060,083
Net assets as previously presented	4,038,512	3,659,155	7,697,667
Reclassifications to implement ASU 2016-14:			
Capital contributions for construction	1,433,266	(1,433,266)	-
Net assets at June 30, 2018, as reclassified	$ 5,471,778	$ 2,225,889	$ 7,697,667

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in ASU 2018-08 provide guidance to clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. ASU 2018-08 was effective for annual reporting periods beginning after June 15, 2018, including interim periods within those annual periods. The Station adopted this guidance effective July 1, 2018. The adoption of ASU 2018-08 did not result in any significant changes to the Station's accounting for contributions.

(Continued)

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

Future accounting pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which will replace most existing lease guidance in U.S. GAAP when it becomes effective for public entities, which includes not-for-profit entities with public debt, for annual reporting periods beginning after December 15, 2018, with early adoption permitted. In July 2018, the FASB issued the new transition method and practical expedient to simplify the application of the new leasing standard.

Under the new transition method, comparative periods presented in the financial statements in the period of adoption will not need to be restated. Instead, an entity would initially apply the new lease requirements at the effective date, and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. The entity would continue to report comparative periods presented in the financial statements in the period of adoption under current GAAP and provide the applicable required disclosures for such periods. The new practical expedient allows lessors to avoid separating lease and associated non-lease components within a contract if certain criteria are met. If elected, lessors will be able to aggregate non-lease components that otherwise would be accounted for under the new revenue standard with the associated lease component if the following conditions are met: (1) the timing and pattern of transfer for the non-lease component and the associated lease component are the same and (2) the stand-alone lease component would be classified as an operating lease if accounted for separately. The Station is currently assessing the impact that ASU 2016-02, as amended, will have on its financial statements and disclosures.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU 2016-15 addresses the following eight specific cash flow issues: debt prepayment or debt extinguishment costs; settlement of zero-coupon debt instruments or other debt instruments with coupon interest rates that are insignificant in relation to the effective interest rate of the borrowing; contingent consideration payments made after a business combination; proceeds from the settlement of insurance claims; proceeds from the settlement of corporate-owned life insurance policies (COLIs) (including bank-owned life insurance policies (BOLIs)); distributions received from equity method investees; beneficial interests in securitization transactions; and separately identifiable cash flows and application of the predominance principle.

The amendments in ASU 2016-15 apply to all entities, including both business entities and not-for-profit entities that are required to present a statement of cash flows under ASC Topic 230. The amendments in ASU 2016-15 were effective for not-for-profit entities for fiscal years beginning after December 15, 2018; early adoption was permitted. An entity that elects early adoption must adopt all of the amendments in the same period. The amendments in ASU 2016-15 should be applied using a retrospective transition method to each period presented. If it is impracticable to apply the amendments retrospectively for some of the issues, the amendments for those issues would be applied prospectively as of the earliest date practicable. The Station is currently assessing the impact that ASU 2016-15 will have on its financial statements and disclosures.

In November 2016, the FASB issued ASU 2016-18 *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendments in ASU 2016-18 provide guidance on restricted cash presentation in the statement of cash flows. ASU 2016-18 is effective for annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. Early adoption is permitted. The Station is currently evaluating the impact this guidance will have on its financial statements and disclosures.

Note 2. Contributions Receivable

Contributions receivable consisted of the following at June 30:

	2019	2018
Pledges	$ 403,030	$ 368,092
Charitable remainder unitrust held by others	12,244	12,300
	$ 415,274	$ 380,392
Expected to be collected in		
Less than one year	415,572	376,835
Greater than one year	13,020	13,118
	428,592	389,953
Discount to reduce estimated future cash flows to fair value and allowance for uncollectible contributions receivable	(13,318)	(9,561)
Contributions receivable, measured at fair value	$ 415,274	$ 380,392

The discount rates used on long-term contributions receivable ranged from 2.46% to 3.75% at June 30, 2019 and 2.20% to 3.35% at June 30, 2018. As of June 30, 2019 and 2018, there were no conditional promises to give.

Note 3. Investments

Investments consisted of the following at June 30:

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Investments held by Virginia Tech Foundation, Inc.	$ 2,531,963	$ 3,133,193	$ 2,550,766	$ 3,221,657

Total management and administrative fees that were netted against investment income (loss) on the statements of activities and change in net assets amounted to $46,410 and $59,314 for the years ended June 30, 2019 and 2018, respectively.

(Continued)

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, 2019 and 2018 are as follows:

		Fair Value Measurements at Report Date Using			
	Fair Value at June 30, 2019	**Level 1**	**Level 2**	**Level 3**	**NAV***
Assets:					
Contributions receivable	$ 415,274	$ -	$ -	$ 415,274	$ -
Pooled investments	3,133,193	-	-	-	3,133,193
Total	$ 3,548,467	$ -	$ -	$ 415,274	$ 3,133,193

		Fair Value Measurements at Report Date Using			
	Fair Value at June 30, 2018	**Level 1**	**Level 2**	**Level 3**	**NAV***
Assets:					
Contributions receivable	$ 380,392	$ -	$ -	$ 380,392	$ -
Pooled investments	3,221,657	-	-	-	3,221,657
Total	$ 3,602,049	$ -	$ -	$ 380,392	$ 3,221,657

*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 in the financial statements.

(Continued)

Note 4. Fair Value Measurements (Continued)

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, 2019 and 2018:

	Contributions Receivable
Balance at June 30, 2017	$ 336,770
Contributions	2,333,981
Collections	(2,290,359)
Balance at June 30, 2018	380,392
Contributions	2,505,539
Collections	(2,470,657)
Balance at June 30, 2019	$ 415,274

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

Property and equipment consisted of the following at June 30:

	2019	2018
Buildings and building improvements	$ 2,616,179	$ 2,616,179
Furniture and equipment	3,167,314	3,155,007
Automobiles	93,774	93,774
Leasehold improvements	243,092	243,092
	6,120,359	6,108,052
Less accumulated depreciation	(4,491,730)	(4,331,894)
Net depreciable assets	1,628,629	1,776,158
Land	261,212	261,212
Vintage painting	12,000	12,000
Construction in progress	5,000	-
	$ 1,906,841	$ 2,049,370

Depreciation expense recorded in fiscal years 2019 and 2018 totaled $159,836 and $216,691, respectively.

Note 6. Intangible Asset

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, 2019 and 2018 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, 2019 and 2018 was $5,331 and $5,332, respectively. Estimated amortization expense was $8,994 in each of the years 2020 through 2023, $8,954 for fiscal year 2024, and $38,074 thereafter.

Note 7. 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 themselves, it has an agreement to pay the Foundation, who 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 with the proceeds of the issuance of the Series 2017C bonds by the Foundation. The Series 2017C bonds bear 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, 2019 and 2018 was $228 and $161, respectively.

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 1.684% and 1.436% at June 30, 2019 and 2018, respectively.

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

	2019	2018
Bond series		
Series 2017C	$ 381,709	$ 556,977
Unamortized bond issuance costs	(1,806)	(2,034)
Total	$ 379,903	$ 554,943

Note 7. Bonds Payable (Continued)

The future maturities of bonds payable are as follows:

Year ending June 30,	
2020	$ 185,216
2021	196,493
	$ 381,709

Total interest expense for the years ended June 30, 2019 and 2018 was $23,208 and $25,142, respectively.

Note 8. Net Assets

Net assets as of June 30 consisted of the following:

	2019	2018
Without donor restrictions:		
Board-designated endowment funds	$ 1,137,591	$ 1,177,288
Investment in property and equipment, net of debt	1,526,938	1,494,427
Maintenance and repair	591,677	595,152
Amounts to be used for future operations	2,431,049	2,204,911
Total net assets without donor restrictions	5,687,255	5,471,778
With donor restrictions:		
Subject to expenditure for specific purposes and time:		
Property and equipment and general operations	1,027,319	1,124,618
Charitable remainder Unitrust held by others	9,233	9,181
Internet services and legislative fees	33,884	32,007
	1,070,436	1,165,806
Permanent endowment fund	1,056,965	1,056,965
Charitable remainder Unitrust held by others	3,021	3,118
	1,059,986	1,060,083
Total net assets with donor restrictions	2,130,422	2,225,889
Total net assets	$ 7,817,677	$ 7,697,667

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 $327,843 and $356,275 for the years ended June 30, 2019 and 2018, respectively.

Note 9. Availability and Liquidity

The following represents the Station's financial assets at June 30, 2019:

Financial assets		
Cash	$	2,743,560
Restricted cash		8,051
Underwriting and other receivables		35,566
Contributions receivable, net		415,274
Investments		3,133,193
Total financial assets		6,335,644
Less amounts not available to be used within one year:		
Endowment net assets, excluding Board-designated endowment funds of $1,137,591		(1,995,602)
Contributions receivable collectible beyond one year		(13,020)
		(2,008,622)
Financial assets available to meet general expenditures over the next fiscal year	$	4,327,022

The Station has ample liquidity with financial assets available totaling $4,327,022, which exceeds annual operating expenses for the years ended June 30, 2019 and 2018 and estimated operating expenses for the next fiscal year. 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 of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. At June 30, 2019 and 2018, all income generated from permanent endowment funds is not restricted by donors and can be used at the discretion of management for the general operations of the Station.

Interpretation of Relevant Law

The Station has interpreted the Unified 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.

Note 10. Endowment (Continued)

Interpretation of Relevant Law (Continued)

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, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 1,995,602	$ 1,995,602
Board-designated endowment funds	1,137,591	-	1,137,591
Total endowed net assets	$ 1,137,591	$ 1,995,602	$ 3,133,193

Endowment net assets consisted of the following at June 30, 2018:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 2,044,369	$ 2,044,369
Board-designated endowment funds	1,177,288	-	1,177,288
Total endowed net assets	$ 1,177,288	$ 2,044,369	$ 3,221,657

Note 10. Endowment (Continued)

Changes in endowment net assets for the year ended June 30, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2018	$ 1,177,288	$ 2,044,369	$ 3,221,657
Investment return:			
Investment income	1,586	3,200	4,786
Net appreciation	14,684	25,758	40,442
Total investment return	16,270	28,958	45,228
Contributions	-	-	-
Appropriation of endowment assets for expenditure	(55,967)	(77,725)	(133,692)
Endowment net assets, June 30, 2019	$ 1,137,591	$ 1,995,602	$ 3,133,193

Changes in endowment net assets for the year ended June 30, 2018 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2017	$ 1,153,533	$ 2,002,699	$ 3,156,232
Investment return:			
Investment loss	(23,294)	-	(23,294)
Net appreciation	79,750	139,899	219,649
Total investment return	56,456	139,899	196,355
Contributions	-	-	-
Appropriation of endowment assets for expenditure	(32,701)	(98,229)	(130,930)
Endowment net assets, June 30, 2018	$ 1,177,288	$ 2,044,369	$ 3,221,657

(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 of Directors. No deficiencies existed as of June 30, 2019 and 2018.

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 of Directors, 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 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 $771,044 for the year ended June 30, 2019 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.

At June 30, 2019 and 2018, contract liabilities, which include advance payments on corporate underwriting contracts, totaled $106,259 and $65,249, respectively. Contract liabilities are reflected on the statements of financial position as deferred revenue. At June 30, 2019 and 2018, contract receivables totaled $28,695 and $66,668 respectively, which are reflected on the statements of financial position as underwriting and other receivables.

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 in the accompanying statements of activities and change in net assets as contributions and management and general expenses of $159,028 and $164,980 for the years ended June 30, 2019 and 2018, respectively.

During the years ended June 30, 2019 and 2018, the Foundation contributed $175,189 and $95,000, respectively, to the Station to be used for general operations.

Note 13. Grants and Contracts

Grants and contracts for the years ended June 30, 2019 and 2018 were as follows:

	2019	2018
Without donor restrictions		
Community service grant	$ 177,552	$ 163,328
With donor restrictions		
Radio reading service (radio reading services for the sensory impaired)	30,591	30,591
Community service grant	64,114	58,074
National Public Radio Jazz Night	-	6,873
	94,705	95,538
	$ 272,257	$ 258,866

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 $121,039 and $122,888 for the years ended June 30, 2019 and 2018, respectively. Data concerning the actuarial present value of accumulated plan benefits, vested and net assets available for benefits, which are relevant to the Station, are not provided since such determinations are made on a VRS-wide basis.

Note 15. Operating Leases

The Station currently leases transmitter sites under operating leases that expire at various dates through May 30, 2031.

Future minimum lease payments under operating leases are as follows:

Year ending June 30,		
2020	$	85,285
2021		51,220
2022		40,420
2023		27,763
2024		3,002
Thereafter		7,064
	$	214,754

Total rent charged to operations during the years ended June 30, 2019 and 2018 was $113,880 and $110,463, respectively.

Note 16. Expenses by Natural Classification

	Program Services		Supporting Services			
	Programming and Production	Broadcasting	Management and General	Fundraising	Underwriting and Grant Solicitation	Total
Expenses:						
Salaries	$ 498,587	$ 285,711	$ 220,324	$ 140,708	$ 63,634	$ 1,208,964
Employee benefits and payroll taxes	210,721	135,026	102,209	66,498	30,073	544,527
Depreciation and amortization	64,171	80,214	24,676	-	-	169,061
Occupancy	151	112,039	141,371	-	-	253,561
Repairs and maintenance	-	24,162	32,284	-	-	56,446
Supplies	129	10,975	137,072	71,792	-	219,968
Contract services	76,487	3,798	3,703	55,526	-	139,514
Information technology	1,172	-	6,320	-	-	7,492
Travel	3,088	-	16,086	-	-	19,174
Taxes	-	-	1,017	-	-	1,017
Legal fees	-	-	3,364	-	-	3,364
Interest	-	-	23,208	-	-	23,208
Property management	-	-	618	-	-	618
Service charges	-	-	579	-	-	579
Bad debt	-	-	24,135	-	-	24,135
Indirect support	-	-	159,028	-	-	159,028
Gift assessment fees	-	-	168,450	-	-	168,450
Underwriting in-kind	-	-	-	-	116,165	116,165
Public relations	-	-	4,703	186,921	-	191,624
Professional memberships	20,468	-	7,404	1,787	-	29,659
Miscellaneous	-	11,116	799	-	-	11,915
Audit fees	-	-	9,430	-	-	9,430
Broadcasting fees	643,263	13,367	5,390	11,569	-	673,589
Equipment rentals and purchases	-	19,736	139	-	-	19,875
Total expenses	$ 1,518,237	$ 696,144	$ 1,092,309	$ 534,801	$ 209,872	$ 4,051,363

(Continued)

Note 17. Rental Income

The Station currently earns income from leasing transmitters, antennas, and tower sites under operating leases to unrelated third parties, which expire at various dates through August 31, 2023.

Future minimum lease payments receivable are as follows:

Year ending June 30,		
2020	$	95,404
2021		57,564
2022		58,799
2023		52,753
2024		19,418
Thereaftert		10,267
	$	294,205

Total rental income earned during the years ended June 30, 2019 and 2018 was $108,990 and $103,855, respectively.

Note 18. Subsequent Events

On November 5, 2019, the Economic Development Authority of Montgomery County, Virginia issued revenue and refunding bonds on behalf of Virginia Tech Foundation, Inc. of which $2,080,000 is allocated to the Station. Of the Station's allocated amount, $1,870,000 is from Series 2019A with the remaining $210,000 from Series 2019B bonds. As a result, the Station is obligated to pay the Foundation annually in varying amounts ranging from $49,554 to $286,600 for Series 2019A bonds and $2,859 to $31,615 for Series 2019B bonds. The obligation bears an interest rate between 1.250% and 1.710% for Series 2019A bonds and 1.857% to 2.742% for Series 2019B bonds and matures on June 1, 2029. The bonds issued subsequent to year end were used for the acquisition of a radio station in central Virginia.

The Station has evaluated subsequent events for potential recognition and/or disclosure in the June 30, 2019 financial statements through December 20, 2019, the date the financial statements were available to be issued.