

**KLCC-FM RADIO OF
LANE COMMUNITY COLLEGE**

AUDIT REPORT

Years Ended June 30, 2021 and 2020

TABLE OF CONTENTS

Independent Auditor's Report	1 to 2
Management's Discussion and Analysis	3 to 6
Basic Financial Statements:	
KLCC-FM Radio:	
Statement of Net Position	7
Statement of Activities	8
Statement of Cash Flows	9
Notes to Financial Statements	10 to 14
KLCC Public Radio Foundation:	
Statements of Financial Position	15
Statements of Activities	16
Statements of Functional Expenses	17
Statements of Cash Flows	18
Notes to Financial Statements	19 to 26

INDEPENDENT AUDITOR'S REPORT

December 27, 2021

Board of Education
Lane Community College
Eugene, Oregon

We have audited the accompanying financial statements of KLCC-FM Radio of Lane Community College as of and for the years ended June 30, 2021 and 2020, and KLCC Public Radio Foundation, its discretely presented component unit, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise KLCC-FM Radio of Lane Community College's basic financial statements as listed in the table of contents.

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 audits 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KLCC-FM Radio of Lane Community College as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended, and the financial position of KLCC Public Radio Foundation as of June 30, 2021 and 2020, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements of KLCC-FM Radio, the Station's financial statements are intended to present the financial position, changes in financial position and cash flows of only that portion of the financial reporting entity of Lane Community College that is attributable to the transactions of KLCC-FM Radio. They do not purport to, and do not, present fairly the financial position of Lane Community College as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis section of the radio station's annual financial performance provides an overview of the financial activities of KLCC-FM Radio of Lane Community College (KLCC) for the fiscal year ended June 30, 2021. The discussion is designed to assist the readers in understanding the accompanying financial statements through an objective and easily readable analysis of KLCC's financial activities.

Overview of the Basic Financial Statements

The discussion and analysis serves as an introduction to KLCC's basic entity-wide financial statements. The entity-wide presentation is designed to provide readers with a broad overview of KLCC's finances, in a manner similar to a private sector business. These financial statements focus on KLCC's overall financial condition, its results of operations and its cash flows. The entity-wide statements are comprised of the following:

- The **Statement of Net Position** presents KLCC's assets and liabilities with the difference between the two reported as *net position*. Over time, increases or decreases in net position are indicators of the improvement or erosion of KLCC's financial condition. Assets and liabilities are generally measured using current values; capital assets are stated at historical cost, less an allowance for depreciation.
- The **Statement of Activities** presents the revenues earned and the expenses incurred during the year. Revenues and expenses are generally reported using the accrual method of accounting, which records transactions as soon as they occur, regardless when cash is exchanged. Usage of capital assets is reported as depreciation expense, which amortizes the cost of the assets over their estimated useful lives. Revenues and expenses are reported as either operating or non-operating. Primary source of operating revenue is underwriting and grants and contracts for specific operating activities of KLCC. Contributions and Lane Community College support are classified as non-operating revenues.
- The **Statement of Cash Flows** presents information on cash flows from operating activities, non-capital financing activities, capital financing activities and investing activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year. This statement assists in evaluating financial viability and KLCC's ability to meet financial obligations as they become due.
- The **Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the entity-wide financial statements.

Financial Highlights

- KLCC finished fiscal year 2021 with a positive \$10.2 thousand change in net position, finished fiscal year 2020 with a negative \$219.3 thousand change in net position, and finished fiscal year 2019 with a positive \$39.8 thousand change in net position.
- KLCC's cash and cash equivalents of \$1.5 million at June 30, 2021 was greater by 86.6% than the \$815.2 thousand at June 30, 2020 and greater by 59.9% than the \$951.2 thousand at June 30, 2019.
- KLCC was awarded grants totaling \$593,518 from the Corporation for Public Broadcasting during 2021, including a Community Service grant, a CARES Act grant and an ARPA grant. Of this amount, \$273,711 was expended and recognized as earned revenue during 2021.
- KLCC received a Paycheck Protection Program loan of \$231,313 during 2021.
- KLCC created a non-profit corporation, the KLCC Community Support Board, in a prior year to assist the station with fundraising including soliciting major gifts and acquiring grants. The foundation changed their name to KLCC Public Radio Foundation. The foundation has been granted tax exempt status from the IRS and is presented as a component unit of KLCC.

Analysis of the Statement of Net Position

The Statement of Net Position includes all assets and liabilities of KLCC using the accrual basis of accounting. Net position is the difference between assets and liabilities. It is an important measure of the financial condition of KLCC.

	June 30,		
	2021	2020	2019
Assets:			
Cash and cash equivalents	\$1,521,075	\$ 815,244	\$ 951,150
Other current assets	3,642	-	1,692
Capital assets, net of accumulated depreciation	<u>1,238,947</u>	<u>1,287,788</u>	<u>1,336,093</u>
Total assets	<u>\$2,763,664</u>	<u>\$ 2,103,032</u>	<u>\$ 2,288,935</u>
Liabilities:			
Current liabilities	\$ 174,098	\$ 73,977	\$ 41,320
Loan payable	231,313	-	-
Unearned revenue	<u>319,807</u>	<u>771</u>	<u>-</u>
Total liabilities	<u>725,218</u>	<u>74,748</u>	<u>41,320</u>
Net Position:			
Invested in capital assets	1,238,947	1,287,788	1,336,093
Unrestricted	<u>799,499</u>	<u>740,496</u>	<u>911,522</u>
Total net position	<u>2,038,446</u>	<u>2,028,284</u>	<u>2,247,615</u>
Total liabilities and net position	<u>\$2,763,664</u>	<u>\$ 2,103,032</u>	<u>\$ 2,288,935</u>

At June 30, 2021 KLCC's current assets of \$1.5 million was sufficient to cover KLCC's liabilities of \$725.2 thousand. Current assets consist primarily of cash and cash equivalents. Included in noncurrent assets are capital assets (land, buildings, machinery and equipment) net of accumulated depreciation used to provide services.

Current liabilities consist of accounts payable and compensated absences. Other liabilities consist of a Paycheck Protection Program loan payable and unearned revenue from cash received from grantors in excess of related grant expenditures.

Within Net Position, the "invested in capital assets" amount of \$1.2 million represents the total original cost of all of KLCC's land, buildings, machinery and equipment and infrastructure, less total accumulated depreciation on these assets.

*KLCC-FM Radio of Lane Community College
For years ended June 30, 2021 and 2020*

Analysis of the Statement of Activities

The Statement of Activities presents the operating results of KLCC as well as the non-operating revenues and expenses.

	Years Ended June 30,		
	2021	2020	2019
Revenues:			
Underwriting	\$ 459,963	\$ 476,273	\$ 581,275
Grants and contracts:			
CPB Community Service grant	181,108	244,108	252,649
CPB CARES Act grant	93,374	-	-
In-kind contributions	27,765	38,595	26,287
Contributions and memberships	1,458,127	1,272,519	1,151,332
Lane Community College:			
General appropriation	39,866	41,098	121,736
Donated facilities and administrative support	405,511	340,000	356,216
Total revenues	<u>2,665,714</u>	<u>2,412,593</u>	<u>2,489,495</u>
Expenses:			
Program services	1,329,902	1,338,743	1,220,675
Supporting services	1,276,809	1,244,876	1,183,734
Depreciation	48,841	48,305	45,243
Total expenses	<u>2,655,552</u>	<u>2,631,924</u>	<u>2,449,652</u>
Change in net position	10,162	(219,331)	39,843
Net position - beginning of year	<u>2,028,284</u>	<u>2,247,615</u>	<u>2,207,772</u>
Net position - end of year	<u>\$ 2,038,446</u>	<u>\$ 2,028,284</u>	<u>\$ 2,247,615</u>

Revenues:

Total operating revenues, which exclude College appropriations, of KLCC for fiscal years 2021, 2020 and 2019 were \$668.8 thousand, \$759.0 thousand and \$860.2 thousand. The primary source of operating revenue was from underwriting.

Non-operating revenues for fiscal year 2021 were \$2.0 million which is a \$343 thousand increase over 2020. Contributions and membership is the largest share at \$1.5 million.

Total 2021 revenues show an increase of 10.5% over 2020 and an increase of 7.1% over 2019.

Expenses:

Total expenses of KLCC for the fiscal years were \$2.7 million for 2021, \$2.6 million for 2020 and \$2.4 million for 2019. Program services expenses decreased \$8.8 thousand or 0.7% from 2020 but increased \$109.2 thousand or 8.9% from 2019. Supporting services expenses increased \$31.9 thousand or 2.6% from 2020 and increased \$93.1 thousand or 7.9% from 2019.

Total 2021 expenses show an increase of 0.9% over 2020 and an increase of 8.4% over 2019.

Analysis of the Statement of Cash Flows

This statement provides an assessment of the financial health of KLCC. Its primary purpose is to provide relevant information about the cash receipts and cash payments of KLCC during a stated period. The statement of cash flows also helps users assess the ability of KLCC to meet obligations as they become due and the need for external financing.

In summary form the cash flows for the years were:

	Years Ended June 30,		
	2021	2020	2019
Cash Provided by (Used In):			
Operating Activities	\$ (1,376,781)	\$ (1,449,523)	\$ (1,186,850)
Noncapital Financing Activities	2,082,612	1,313,617	1,273,068
Capital Financing Activities	-	-	-
Investing Activities	-	-	-
Net increase (decrease) in cash	705,831	(135,906)	86,218
Cash - Beginning of year	815,244	951,150	864,932
Cash - End of year	<u>\$ 1,521,075</u>	<u>\$ 815,244</u>	<u>\$ 951,150</u>

The major sources of cash from operating activities include receipts from underwriting. Major uses were payments made to employees, employee benefit programs and vendors.

Contributions and memberships, receipts from a CPB CARES Act grant, receipts from a CPB ARPA grant and proceeds from a Paycheck Protection Program loan are the primary sources of non-capital financing. Accounting standards require that KLCC reflect these sources of revenue as non-operating even though KLCC's budget depends on these revenues for ongoing operations.

Requests for Information

This financial report is designed to provide a general overview of KLCC-FM Radio of Lane Community College. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

College Finance
 Lane Community College
 4000 East 30th Avenue
 Eugene, Oregon 97405-0640

BASIC FINANCIAL STATEMENTS

KLCC-FM RADIO OF LANE COMMUNITY COLLEGE

Statement of Net Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,521,075	\$ 815,244
Accounts receivable	3,642	-
Capital assets, net of accumulated depreciation	<u>1,238,947</u>	<u>1,287,788</u>
Total assets	<u>2,763,664</u>	<u>2,103,032</u>
<u>Liabilities</u>		
Accounts payable	99,286	6,461
Compensated absences	74,812	67,516
Loan payable	231,313	-
Unearned revenue	<u>319,807</u>	<u>771</u>
Total liabilities	<u>725,218</u>	<u>74,748</u>
<u>Net Position</u>		
Invested in capital assets	1,238,947	1,287,788
Unrestricted	<u>799,499</u>	<u>740,496</u>
Total net position	<u><u>\$ 2,038,446</u></u>	<u><u>\$ 2,028,284</u></u>

The accompanying notes are an integral part of this statement.

KLCC-FM RADIO OF LANE COMMUNITY COLLEGE

Statement of Activities
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Underwriting	\$ 459,963	\$ 476,273
Corporation for Public Broadcasting Community Service grant	181,108	244,108
In-kind contributions	<u>27,765</u>	<u>38,595</u>
Total operating revenues	<u>668,836</u>	<u>758,976</u>
Operating expenses:		
Program services:		
Programming and production	1,053,664	1,017,971
Broadcasting	266,425	291,081
Program information	<u>9,813</u>	<u>29,691</u>
Total program services	<u>1,329,902</u>	<u>1,338,743</u>
Supporting services:		
Management and general	768,320	668,286
Fund raising and membership development	329,537	374,534
Underwriting and grant solicitation	<u>178,952</u>	<u>202,056</u>
Total supporting services	<u>1,276,809</u>	<u>1,244,876</u>
Depreciation	<u>48,841</u>	<u>48,305</u>
Total operating expenses	<u>2,655,552</u>	<u>2,631,924</u>
Operating loss	<u>(1,986,716)</u>	<u>(1,872,948)</u>
Nonoperating revenues:		
Contributions and memberships	1,458,127	1,272,519
Corporation for Public Broadcasting CARES Act grant	93,374	-
Lane Community College:		
General appropriation	39,866	41,098
Donated facilities and administrative support	<u>405,511</u>	<u>340,000</u>
Total nonoperating revenues	<u>1,996,878</u>	<u>1,653,617</u>
Change in net position	10,162	(219,331)
Net position - beginning of year	<u>2,028,284</u>	<u>2,247,615</u>
Net position - end of year	<u><u>\$ 2,038,446</u></u>	<u><u>\$ 2,028,284</u></u>

The accompanying notes are an integral part of this statement.

KLCC-FM RADIO OF LANE COMMUNITY COLLEGE

Statement of Cash Flows
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Receipts from underwriting	\$ 459,963	\$ 476,273
Receipts from CPB Community Service grant	236,570	244,879
Payments to employees for services	(1,301,276)	(1,333,709)
Payments to suppliers for goods and services	<u>(772,038)</u>	<u>(836,966)</u>
Net cash used in operating activities	<u>(1,376,781)</u>	<u>(1,449,523)</u>
Cash flows from non-capital financing activities:		
Receipts from contributions and memberships	1,454,485	1,272,519
Receipts from Lane Community College general appropriation	39,866	41,098
Receipts from CPB CARES Act grant	112,136	-
Receipts from CPB ARPA grant	244,812	-
Proceeds from loan	<u>231,313</u>	<u>-</u>
Net cash provided by non-capital financing activities	<u>2,082,612</u>	<u>1,313,617</u>
Net increase-(decrease) in cash and cash equivalents	705,831	(135,906)
Cash and cash equivalents - beginning of year	<u>815,244</u>	<u>951,150</u>
Cash and cash equivalents - end of year	<u><u>\$ 1,521,075</u></u>	<u><u>\$ 815,244</u></u>
Noncash investing, capital and financing activities:		
Donated facilities and administrative support revenue	<u>\$ 405,511</u>	<u>\$ 340,000</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	<u>\$ (1,986,716)</u>	<u>\$ (1,872,948)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:		
Donated facilities and administrative support expense	405,511	340,000
Depreciation	48,841	48,305
Decrease in prepaid expenses	-	1,692
Increase in accounts payable	92,825	3,421
Increase in compensated absences	7,296	29,236
Increase in unearned revenue related to operating grant	<u>55,462</u>	<u>771</u>
Total adjustments	<u>609,935</u>	<u>423,425</u>
Net cash used in operating activities	<u><u>\$ (1,376,781)</u></u>	<u><u>\$ (1,449,523)</u></u>

The accompanying notes are an integral part of this statement.

KLCC-FM RADIO OF LANE COMMUNITY COLLEGE

Notes to Financial Statements Years Ended June 30, 2021 and 2020

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of KLCC-FM Radio of Lane Community College have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Station's accounting policies are described below.

(A) Organization and Operation

KLCC-FM Radio is operated by Lane Community College (the institutional licensee). Lane Community College records the transactions of the Station within the College's financial statements. Because the Station's financial statements present only a selected portion of the activities of Lane Community College, they are not intended to and do not present the financial position, changes in financial position and cash flows of the College as a whole.

(B) Description of the Reporting Entity

The financial statements of KLCC-FM Radio present the Station and its component unit, KLCC Public Radio Foundation, which was organized with the mission of building support for KLCC-FM Radio as a strong and valuable resource for the community. The Foundation is a discretely presented component unit and is reported separately in financial statements following those of the Station.

The Foundation is a legally separate, tax-exempt entity and acts primarily as a fund raising organization to supplement the resources that are available to the Station in support of its programs. The board of directors of the Foundation is self-perpetuating. Although the Station does not control the timing or amount of receipts from the Foundation, the majority of resources that the Foundation holds and invests are restricted to the activities of the Station. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the Station, the Foundation is considered a component unit of the Station and is discretely presented in these financial statements.

The Foundation reports as a not-for-profit organization under Financial Accounting Standards Board (FASB) standards. As a result, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundation's financial information in the Station's financial reporting entity for these differences.

During the year ended June 30, 2021, the Foundation provided contributions totaling \$229,381 to the Station. During the year ended June 30, 2020, the Foundation provided contributions totaling \$100,679 to the Station. These contributions are included in contributions and memberships revenues in the Station's financial statements and are shown as program services expenses in the Foundation's financial statements.

KLCC-FM RADIO OF LANE COMMUNITY COLLEGE

Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(C) Measurement Focus and Basis of Accounting

The government-wide financial statements of the Station are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Station's ongoing operations. The principal operating revenues of the Station are underwriting and grants for specific operating activities of the Station. Operating expenses include the cost of program services and support services, and depreciation on capital assets. Other revenues, typically from non-exchange transactions, such as contributions and memberships, the appropriation from Lane Community College and nonoperating grants, are not generated from operations and are considered nonoperating revenues.

(D) Cash and Cash Equivalents

Cash balances of the Station are pooled in bank accounts maintained by Lane Community College. For purposes of the statement of cash flows, cash and cash equivalents include the Station's portion of the College's pooled accounts. The pooled accounts have the general characteristics of a demand deposit account.

(E) Capital Assets

Capital assets include broadcasting rights and equipment with a useful life greater than one year. The Station's capitalization threshold is \$10,000 for all capital assets. Donated capital assets are recorded at their acquisition value on the date donated. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add value or functionality to the asset are not capitalized, but are expensed as incurred.

Capital assets are depreciated using the straight-line method over a 5 to 25 year estimated life.

KLCC-FM RADIO OF LANE COMMUNITY COLLEGE

Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Contd)

(F) Unearned Revenue

Cash received from grantors in excess of related grant expenditures is recorded as unearned revenue.

(G) Compensated Absences

Vacation payable is expected to be paid with future resources and is recorded in the government-wide financial statements as earned by employees.

(H) Indirect Administrative Support

Indirect administrative support consists of allocated support service costs incurred by the College on behalf of the Station. These costs are recorded as revenues and expenditures by the Station at estimated fair values.

(I) Restrictions

When restricted and unrestricted resources are available for use, restricted resources are generally used first.

(J) Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2 - CASH AND CASH EQUIVALENTS:

Cash and cash equivalents are included in the Lane Community College cash and investments pool. Readers of these financial statements are referred to the College's annual comprehensive financial report for information regarding the extent deposits at the College are collateralized.

KLCC-FM RADIO OF LANE COMMUNITY COLLEGE

Notes to Financial Statements
Years Ended June 30, 2021 and 2020

3 - CAPITAL ASSETS:

The following is a summary of changes in the Station's capital assets during the fiscal years:

Year Ended June 30, 2021:	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 320,613	\$ -	\$ -	\$ 320,613
Broadcasting rights	75,000	-	-	75,000
Total capital assets not being depreciated	395,613	-	-	395,613
Capital assets being depreciated:				
Building	1,137,034	-	-	1,137,034
Equipment	688,252	-	-	688,252
Total capital assets being depreciated	1,825,286	-	-	1,825,286
Accumulated depreciation:				
Building	441,482	33,383	-	474,865
Equipment	491,629	15,458	-	507,087
Total accumulated depreciation	933,111	48,841	-	981,952
Total capital assets being depreciated, net	892,175	(48,841)	-	843,334
Net capital assets	<u>\$ 1,287,788</u>	<u>\$ (48,841)</u>	<u>\$ -</u>	<u>\$ 1,238,947</u>
Year Ended June 30, 2020:	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 320,613	\$ -	\$ -	\$ 320,613
Broadcasting rights	75,000	-	-	75,000
Total capital assets not being depreciated	395,613	-	-	395,613
Capital assets being depreciated:				
Building	1,137,034	-	-	1,137,034
Equipment	688,252	-	-	688,252
Total capital assets being depreciated	1,825,286	-	-	1,825,286
Accumulated depreciation:				
Building	408,099	33,383	-	441,482
Equipment	476,707	14,922	-	491,629
Total accumulated depreciation	884,806	48,305	-	933,111
Total capital assets being depreciated, net	940,480	(48,305)	-	892,175
Net capital assets	<u>\$ 1,336,093</u>	<u>\$ (48,305)</u>	<u>\$ -</u>	<u>\$ 1,287,788</u>

KLCC-FM RADIO OF LANE COMMUNITY COLLEGE

Notes to Financial Statements
Years Ended June 30, 2021 and 2020

4 - LOAN PAYABLE:

The Station received loan proceeds of \$231,313 under the Paycheck Protection Program established as part of the CARES Act. The loan is payable over five years and carries an interest rate of 1% per annum. The loan and accrued interest may be forgiven if the Station uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, while maintaining its payroll levels. The Station expects to satisfy these conditions and receive forgiveness of the loan during 2021-22.

5 - OPERATING LEASES:

The Station is obligated under noncancelable operating leases for tower facilities and paid \$35,844 in rent during the 2020-21 fiscal year. The following is a schedule of estimated future minimum rental payments:

2021-22	\$ 36,429
2022-23	37,025
2023-24	37,633
2024-25	31,642
2025-26	32,275
2026-30	109,354

KLCC PUBLIC RADIO FOUNDATION
 Statements of Financial Position
 June 30, 2021 and 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,606,075	\$ 667,350
Investments	15,500	10,862
Unconditional promises to give	335,970	-
Grants receivable	<u>55,250</u>	<u>100,000</u>
 Total assets	 <u><u>\$ 2,012,795</u></u>	 <u><u>\$ 778,212</u></u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable	\$ -	\$ 144
Accrued payroll	-	806
Payroll taxes payable	36	1,946
Loan payable	<u>-</u>	<u>8,900</u>
 Total liabilities	 <u>36</u>	 <u>11,796</u>
Net assets:		
Without donor restrictions:		
Undesignated	1,606,677	544,078
Designated by the Board for specific purposes	<u>37,000</u>	<u>37,000</u>
 Total without donor restrictions	 1,643,677	 581,078
 With donor restrictions	 <u>369,082</u>	 <u>185,338</u>
 Total net assets	 <u>2,012,759</u>	 <u>766,416</u>
 Total liabilities and net assets	 <u><u>\$ 2,012,795</u></u>	 <u><u>\$ 778,212</u></u>

The accompanying notes are an integral part of this statement.

KLCC PUBLIC RADIO FOUNDATION
Statements of Activities
Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and other support:						
Contributions	\$ 1,285,136	\$ 305,250	\$ 1,590,386	\$ 501,570	\$ 165,310	\$ 666,880
Investment earnings	5,117	-	5,117	1,853	-	1,853
Other income	8,900	-	8,900	-	-	-
Net assets released from restrictions for program services	121,506	(121,506)	-	74,414	(74,414)	-
Total revenues and other support	1,420,659	183,744	1,604,403	577,837	90,896	668,733
Expenses and losses:						
Program services:						
KLCC-FM Radio operations	135,871	-	135,871	55,000	-	55,000
KLCC-FM Radio Multimedia Expansion Project	100,000	-	100,000	-	-	-
KLCC-FM Radio program professional development	5,407	-	5,407	20,000	-	20,000
KLCC-FM Radio equipment	9,219	-	9,219	13,673	-	13,673
Journalism Fellowship Program	39,670	-	39,670	47,567	-	47,567
<i>Resilience and Natural Resources in Oregon</i>	1,865	-	1,865	7,135	-	7,135
<i>Borders, Migration and Belonging (Native Voices)</i>	-	-	-	11	-	11
News and journalism	600	-	600	6,028	-	6,028
Total program services	292,632	-	292,632	149,414	-	149,414
Supporting services:						
General administration	64,580	-	64,580	40,687	-	40,687
Fundraising	848	-	848	112	-	112
Total supporting services	65,428	-	65,428	40,799	-	40,799
Total expenses and losses	358,060	-	358,060	190,213	-	190,213
Change in net assets	1,062,599	183,744	1,246,343	387,624	90,896	478,520
Net assets, beginning of year	581,078	185,338	766,416	193,454	94,442	287,896
Net assets, end of year	<u>\$ 1,643,677</u>	<u>\$ 369,082</u>	<u>\$ 2,012,759</u>	<u>\$ 581,078</u>	<u>\$ 185,338</u>	<u>\$ 766,416</u>

The accompanying notes are an integral part of this statement.

KLCC PUBLIC RADIO FOUNDATION
Statements of Functional Expenses
Years Ended June 30, 2021 and 2020

	2021			2020		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
KLCC-FM Radio operations	\$ 135,871	\$ -	\$ 135,871	\$ 55,000	\$ -	\$ 55,000
KLCC-FM Radio Multimedia Expansion Project	100,000	-	100,000	-	-	-
KLCC-FM Radio program professional development	5,407	-	5,407	20,000	-	20,000
KLCC-FM Radio news and journalism	1,515	-	1,515	12,006	-	12,006
KLCC-FM Radio equipment	9,219	-	9,219	13,673	-	13,673
Salaries and wages	36,218	4,140	40,358	40,380	4,275	44,655
Payroll taxes	3,452	398	3,850	4,029	426	4,455
Board expenses	-	2,012	2,012	-	535	535
Contracted services	350	-	350	868	448	1,316
Insurance	-	1,677	1,677	-	1,735	1,735
Office supplies and expense	-	3,682	3,682	924	1,959	2,883
Other expense	600	-	600	-	-	-
Professional services	-	21,703	21,703	-	13,250	13,250
Transportation and lodging	-	99	99	2,534	-	2,534
Vehicle donation program expenses	-	30,869	30,869	-	18,059	18,059
Fundraising	-	848	848	-	112	112
Totals	\$ 292,632	\$ 65,428	\$ 358,060	\$ 149,414	\$ 40,799	\$ 190,213

The accompanying notes are an integral part of this statement.

KLCC PUBLIC RADIO FOUNDATION
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Revenues collected:		
Contributions	\$ 1,299,166	\$ 595,880
Investment earnings	5,117	1,853
Fundraising	-	1,279
Total revenues collected	1,304,283	599,012
Expenses paid:		
Program services	295,492	152,842
Supporting services	65,428	40,799
Total expenses paid	360,920	193,641
Net cash provided by operating activities	943,363	405,371
Cash flows from investing activities:		
Purchases of investments	(4,638)	(8,304)
Cash flows from financing activities:		
Proceeds from loan	-	8,900
Increase in cash and cash equivalents	938,725	405,967
Cash and cash equivalents, beginning of year	667,350	261,383
Cash and cash equivalents, end of year	\$ 1,606,075	\$ 667,350
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 1,246,343	\$ 478,520
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Noncash stock contributions	(28,303)	(18,059)
Noncash stock contributions converted to cash	28,303	18,059
Forgiveness of loan	(8,900)	-
Increase in unconditional promises to give	(335,970)	-
Decrease-(increase) in grants receivable	44,750	(71,000)
Decrease in accounts receivable	-	1,279
Decrease in accounts payable	(144)	(4,856)
Increase-(decrease) in accrued payroll	(806)	323
Increase-(decrease) in payroll taxes payable	(1,910)	1,105
Total adjustments	(302,980)	(73,149)
Net cash provided by operating activities	\$ 943,363	\$ 405,371

The accompanying notes are an integral part of this statement.

KLCC PUBLIC RADIO FOUNDATION
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

KLCC Public Radio Foundation (the Foundation) is a not-for-profit corporation which was organized with the mission of building support for KLCC-FM Radio as a strong and valuable resource for the community. The primary functions of KLCC Public Radio Foundation are to fundraise, advocate, and provide community outreach in support of KLCC-FM Radio. The Foundation raises and donates funds to assist the radio station. The primary revenue sources for the Foundation are donor contributions and fundraising activities. The Foundation is governed by a board of directors which is self-perpetuating.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Financial Statement Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) in FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Foundation is required to report information regarding its financial position and activities according to the following net assets classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. This includes all donor-restricted contributions whose restrictions are met in the same period as the donation is received.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

KLCC PUBLIC RADIO FOUNDATION
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd)

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 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.

Investment Policy/ Spending Policy

The Foundation is responsible for selecting investments appropriate for objectives and revenue needs based on board values and goals. The Foundation will establish goals for the organization's financial portfolio. The Foundation will enlist the professional assistance of investment organizations to manage its assets when appropriate. These organizations, whether community foundations or individual firms, are to be selected following procedures specified by the Foundation. An investment committee comprised of at least three Foundation members and one member of the community will meet at least annually to review assets and investments and bring recommendations to the board of directors for approval.

Funds from the Foundation will be transferred to KLCC-FM Radio in compliance with laws, Lane Community College policies and the Foundation's bylaws, working agreement and gift agreements. The Foundation will award funds to KLCC-FM Radio based on budgeted expenses and cash flow and upon approval by the Foundation for the allocation of funds for operations, capital improvements, projects and services.

Funds received by the Foundation for KLCC-FM Radio will be distributed to the radio station as prescribed by the funder or as outlined in the application proposals granted to the radio station with written documentation.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in a checking account, cash in a money market account at a financial institution and cash at an investment firm.

Investments

Investments in mutual funds with readily determinable fair values are reported at their fair values in the statement of financial position. Realized and unrealized gains and losses are reflected in the statement of activities. Investment income and gains restricted by a donor are reported as increases in donor-restricted net assets until the restrictions are met (either by the passage of time or by use).

KLCC PUBLIC RADIO FOUNDATION
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd)

Contributions

Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Promises to give which are, in substance, unconditional and grants receivable are recorded as with or without donor restrictions at the time the promise or grant is made.

All donor-restricted support is reported as an increase in donor-restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions and grants are recognized as support when they are received or unconditionally promised. Grants and other contracts are classified as contributions in instances in which a resource provider is not itself receiving commensurate value for the resources provided. Contributions are considered conditional when the agreement with the resource provider includes a barrier that must be overcome and either a right of return of assets transferred or right of release of a promisor's obligation to transfer assets. Conditional contributions are not recognized as revenue until the conditions are substantially met. Cash received prior to when conditions are substantially met are recognized as refundable advances.

The Foundation receives funding from state and county grants and contracts. Grants and contracts normally provide for the recovery of direct and indirect costs. Entitlement to the recovery of the direct and related indirect costs is conditional upon compliance with the terms and conditions of the grant agreements and with applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance reviews and audits by the grantors.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is exempt from Oregon excise taxes under applicable state law.

KLCC PUBLIC RADIO FOUNDATION
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

2. AVAILABILITY AND LIQUIDITY

Financial assets at June 30, 2021 and 2020 available to meet general expenditures, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,606,063	\$ 667,350
Investments	15,512	10,862
Unconditional promises to give	335,970	-
Grants receivable	<u>55,250</u>	<u>100,000</u>
 Total financial assets	 <u>2,012,795</u>	 <u>778,212</u>
 Less amounts not available for general expenditures:		
Liabilities payable from donor-restricted funds	-	2,896
Loan payable	-	8,900
Unconditional promises to give not available for use until future years	235,170	-
Net assets restricted for program services	369,082	185,338
Board designated funds	<u>37,000</u>	<u>37,000</u>
 Total amounts not available for general expenditures	 <u>641,252</u>	 <u>234,134</u>
 Financial assets available to meet general expenditures over the next year	 <u>\$ 1,371,543</u>	 <u>\$ 544,078</u>

The Foundation has certain funds limited to use for program services as well as funds payable from donor-restricted funds, both of which are not available for general use within one year. Additionally, the Foundation has certain board-designated assets limited to use for investing purposes and an operating reserve (see Note 8). Though these assets are limited to use and not available for general expenditure within one year, the amounts could be made available if necessary.

As part of its liquidity management plan, the Foundation invests cash in excess of daily requirements in readily available money market funds.

KLCC PUBLIC RADIO FOUNDATION
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash in checking account	\$ 492,412	\$ 156,528
Cash in money market account	1,113,651	510,812
Cash at investment firm	<u>12</u>	<u>10</u>
Total cash and cash equivalents	<u>\$ 1,606,075</u>	<u>\$ 667,350</u>

The Foundation maintains a checking account and a money market account at a financial institution insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. Amounts on deposit may sometimes exceed FDIC coverage. At June 30, 2021, the amount shown on deposit by the financial institution was \$1,612,582 which exceeds FDIC coverage by \$1,362,582. At June 30, 2020, the amount shown on deposit by the financial institution was \$672,551 which exceeds FDIC coverage by \$422,551. The Foundation also has cash which is FDIC insured at an investment firm.

Investment earnings during the year ended June 30, 2021 consisted of \$5,117 of interest and dividends earned on the Foundation's money market account and investment account. Investment earnings during the year ended June 30, 2020 consisted of \$1,853 of interest and dividends earned on the Foundation's money market account and investment account.

4. INVESTMENTS

Investments are stated at fair value and consist of an investment in a mutual fund of \$15,500 at June 30, 2021 and \$10,862 at June 30, 2020. The Foundation's investments are subject to market fluctuations which could dramatically affect the fair value of these assets.

The Foundation's investments are reported at fair value using quoted market prices in active markets for identical securities. This measurement is a Level 1 input which is considered to be the most objective standard for fair value measurement.

KLCC PUBLIC RADIO FOUNDATION
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

5. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following at June 30, 2021:

Due within one year	\$ 100,800
Due within two years	169,300
Due within three years	60,500
Due within four years	5,000
Due within five years	<u>5,000</u>
 Total unconditional promises to give	 340,600
 Less discount to net present value	 <u>(4,630)</u>
 Net unconditional promises to give	 <u><u>\$ 335,970</u></u>

6. LOAN PAYABLE

The Foundation received an SBA Paycheck Protection Program loan of \$8,900 during the 2019-20 year. The loan was forgiven during the 2020-21 year in accordance with the provisions of the Federal CARES Act.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2021 and 2020 subject to expenditure for specified purposes:

	<u>2021</u>	<u>2020</u>
Journalists	\$ 200,000	\$ -
Public affairs	100,000	-
Multimedia Expansion Project	50,000	150,000
Journalism Fellowship Program	-	10,422
News	13,051	13,051
<i>Resilience and Natural Resources in Oregon</i>	-	1,865
<i>Workin' it</i>	5,250	-
Rural Equipment Maintenance	<u>781</u>	<u>10,000</u>
 Totals	 <u><u>\$ 369,082</u></u>	 <u><u>\$ 185,338</u></u>

KLCC PUBLIC RADIO FOUNDATION
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

7. NET ASSETS WITH DONOR RESTRICTIONS (Contd)

During the year ended June 30, 2021, \$121,506 was released from restricted net assets, and during the year ended June 30, 2020, \$74,414 was released from restricted net assets because purpose restrictions were satisfied.

8. BOARD DESIGNATED NET ASSETS

It is the policy of the Board of the Foundation to review its plans for growing and sustaining the mission of the Foundation into the future, as well as ensuring sufficient funds are available to meet all general obligations. The Board designates appropriate sums to assure adequate financing of such plans.

Board designated net assets consisted of the following at June 30, 2021 and 2020:

	2021	2020
Investing	\$ 10,000	\$ 10,000
Operating reserves	27,000	27,000
Totals	\$ 37,000	\$ 37,000

9. FAIR VALUE MEASUREMENTS

The Foundation follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. In accordance with FASB ASC 820, the fair value of a financial instrument is the price that would be received to sell an asset or paid to satisfy a liability in an orderly transaction between market participants at the measurement date. Accounting standards establish a framework for measuring fair value and a three level hierarchy for fair value measurements based upon observable and unobservable input valuation techniques. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect significant market assumptions including those made by the reporting entity. The three level hierarchy is summarized as follows:

Level 1 - Quoted prices in active markets for identical securities

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)

Level 3 - Significant unobservable inputs (including the reporting entity's own assumptions in determining the fair value of investments)

KLCC PUBLIC RADIO FOUNDATION
Notes to Financial Statements
Years Ended June 30, 2021 and 2020

9. FAIR VALUE MEASUREMENTS (Contd)

Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The carrying amount of the Foundation's investments is based upon quoted market values, a Level 1 input.

10. SUBSEQUENT EVENTS

The Foundation evaluated subsequent events for potential required disclosure through December 6, 2021, which is the date the financial statements were available to be issued.