

**Big River Public Broadcasting Corporation
Audited Financial Statements**

For the Year Ended June 30, 2023

BIG RIVER PUBLIC BROADCASTING CORPORATION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Big River Public Broadcasting Corporation
Galena, Alaska

Opinion - We have audited the accompanying financial statements of the Big River Public Broadcasting Corporation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Big River Public Broadcasting Corporation as of June 30, 2023, 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.

Basis for Opinion - We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Big River Public Broadcasting Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements - Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt Big River Public Broadcasting Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements - Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Board of Directors
Big River Public Broadcasting Corporation

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Big River Public Broadcasting Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Big River Public Broadcasting Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Foster and Company, LLC

Foster and Company, LLC
Wasilla, Alaska

February 9, 2024

BIG RIVER PUBLIC BROADCASTING CORPORATION**STATEMENT OF FINANCIAL POSITION**

June 30, 2023

ASSETS**CURRENT ASSETS**

| | |
|--|------------|
| Cash and Cash Equivalents - Unrestricted | \$ 476,399 |
|--|------------|

| | |
|----------------------|---------|
| TOTAL CURRENT ASSETS | 476,399 |
|----------------------|---------|

PROPERTY AND EQUIPMENT

| | |
|------------------------|---------|
| Land | 75,811 |
| Buildings | 183,913 |
| Broadcast Equipment | 506,086 |
| Vehicle | 6,243 |
| Furniture and Fixtures | 5,296 |

| | |
|-------------------------------|-----------|
| LESS ACCUMULATED DEPRECIATION | (584,815) |
|-------------------------------|-----------|

| | |
|------------------------------|---------|
| PROPERTY AND EQUIPMENT - NET | 192,534 |
|------------------------------|---------|

| | |
|--------------|------------|
| TOTAL ASSETS | \$ 668,933 |
|--------------|------------|

LIABILITIES AND NET ASSETS**CURRENT LIABILITIES**

| | |
|--------------------------|-----------|
| Accounts Payable | \$ 51,222 |
| Accrued Payroll Expenses | 3,409 |

| | |
|-------------------|--------|
| TOTAL LIABILITIES | 54,631 |
|-------------------|--------|

NET ASSETS**Net Assets Without Donor Restrictions**

| | |
|-------------------------|---------|
| Undesignated | 421,768 |
| Net Investment in Plant | 192,534 |

| | |
|------------------|---------|
| TOTAL NET ASSETS | 614,302 |
|------------------|---------|

| | |
|----------------------------------|------------|
| TOTAL LIABILITIES AND NET ASSETS | \$ 668,933 |
|----------------------------------|------------|

See Independent Auditor's Report and Notes to the Financial Statements

BIG RIVER PUBLIC BROADCASTING CORPORATION**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2023

NET ASSETS WITHOUT DONOR RESTRICTIONS

Support

| | |
|-------------------------------|----------------|
| Grants | \$ 210,215 |
| Memberships and Contributions | 14,585 |
| Underwriting | 4,440 |
| | <u>229,240</u> |

Revenue

| | |
|--------------|----------------|
| Gaming | 102,521 |
| Interest | 198 |
| Other Income | 17,523 |
| | <u>120,242</u> |

Total Support and Revenue

349,482

Expenses

| | |
|----------------------------|----------------|
| Programming and Production | 39,576 |
| Broadcasting and Technical | 43,920 |
| Administration | 156,538 |
| Fundraising | 98,425 |
| | <u>338,459</u> |

Total Expenses

338,459

INCREASE (DECREASE) IN NET ASSETS

11,023

NET ASSETS AT BEGINNING OF YEAR

603,279

NET ASSETS AT END OF YEAR

\$ 614,302

See Independent Auditor's Report and Notes to the Financial Statements

BIG RIVER PUBLIC BROADCASTING CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

| | Programming and Production | Broadcasting and Technical | Administration | Fund Raising | Totals |
|----------------------------|-------------------------------|-------------------------------|----------------|------------------|-------------------|
| Personnel | \$ 9,779 | - | 80,842 | - | \$ 90,621 |
| Programming and Production | 17,148 | 4,313 | - | 4,000 | 25,461 |
| Occupancy | - | - | 14,152 | 16,023 | 30,175 |
| Telephone/Internet | 100 | 7,134 | 785 | - | 8,019 |
| Contract Services | 900 | 10,150 | 28,392 | - | 39,442 |
| Supplies | - | 1,784 | 7,216 | 269 | 9,269 |
| Equipment | 260 | 9,149 | 36 | - | 9,445 |
| Fundraising | - | - | - | 76,942 | 76,942 |
| Travel/Conferences | - | - | 4,379 | - | 4,379 |
| Insurance | - | - | 13,137 | - | 13,137 |
| Depreciation | 11,389 | 11,390 | - | - | 22,779 |
| Miscellaneous | - | - | 7,599 | 1,191 | 8,790 |
| TOTALS | \$ <u>39,576</u> | <u>43,920</u> | <u>156,538</u> | \$ <u>98,425</u> | \$ <u>338,459</u> |

See Independent Auditor's Report and Notes to the Financial Statements

BIG RIVER PUBLIC BROADCASTING CORPORATION**STATEMENT OF CASH FLOWS**

Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|--------------------------|
| Increase (decrease) in net assets | \$ 11,023 |
| Adjustments to reconcile change in net assets to net cash used by operating activities: | |
| Depreciation | 22,779 |
| (Increase) Decrease in operating assets | |
| Prepaid Expenses | 4,656 |
| Increase (Decrease) in operating liabilities | |
| Accounts Payable | 9,437 |
| Accrued Payroll Expenses | <u>357</u> |
| NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES | <u>48,252</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Payments for Equipment | <u>(39,961)</u> |
| NET CASH PROVIDED / (USED) BY INVESTING ACTIVITIES | <u>(39,961)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 8,291 |
| BEGINNING CASH AND CASH EQUIVALENTS | <u>468,108</u> |
| ENDING CASH AND CASH EQUIVALENTS | <u><u>\$ 476,399</u></u> |
| Cash and Cash Equivalents: | |
| Unrestricted | <u><u>\$ 476,399</u></u> |

See Independent Auditor's Report and Notes to the Financial Statements

BIG RIVER PUBLIC BROADCASTING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – NATURE OF THE ORGANIZATION

Nature of Activities – Big River Public Broadcasting Corporation (KIYU, the Organization) is a non-profit public radio station incorporated to provide and promote noncommercial educational radio broadcasting in Galena, Alaska. The financial statements are presented on the accrual basis of accounting. The more significant accounting policies are summarized below.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that are used.

Revenue and Support – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Conditional contributions, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Conditional gifts received prior to the satisfaction of conditions are recorded as refundable advances.

A majority of the Organization's support is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Membership dues, which are nonrefundable, and considered a contribution are recognized immediately.

Special events revenue does not consist of substantial exchange elements that directly benefit donors and therefore are considered a contribution and recognized immediately, unless there is a right of return if the special event does not take place.

See Independent Auditor's Report

BIG RIVER PUBLIC BROADCASTING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Revenues from Contracts with Customers

The Organization recognizes revenue when, or as, performance obligations are satisfied associated with contracts with customers. Revenue is measured as the amount of consideration the Organization expects to receive in exchange for providing services. The primary sources of revenue from contracts with customers are the program service fees. Program service fees revenue is recognized when services have been rendered based on the terms of each individual contract. Amounts received in advance of completing the service are deferred until such time as the service has been completed.

Financial Statement Presentation – The Organization's accounting records are maintained on the accrual basis of accounting under which revenues are recognized when earned and expenses when incurred.

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset 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. These net assets may be used at the discretion of the Organization's management and the board of directors.

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

Donated Materials and Services – Donated materials and services meeting the criteria of FASB ASC 958-205 "*Not-for-Profit Entities: Presentation of Financial Statements*" are recorded at their estimated fair value as of the date of the contribution. The amount of the contribution is presented as both support and expense in the accompanying financial statements.

Cash and Cash Equivalents – For purposes of the statement of cash flows, KIYU considers all demand deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Property and Equipment – Property and equipment is recorded at cost or, in the case of donated property, at its estimated fair value as of the date of the contribution. The organization does not have a capitalization policy. Depreciation is provided using the straight-line method over the estimated useful lives of the property, which range from five to fifteen years.

See Independent Auditor's Report

BIG RIVER PUBLIC BROADCASTING CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *continued*

Functional Allocation of Expenses – The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

| <u>Expense</u> | <u>Method of Allocation</u> |
|--------------------------|-----------------------------|
| Salaries and benefits | Time and effort |
| Occupancy | Square footage |
| Office and board expense | Time and effort |
| Travel | Time and effort |
| Other | Time and effort |

Description of Programming and Supporting Services

Programming and Production – Includes the personnel and direct production costs related to public broadcast programming.

Broadcasting and Technical – Includes direct costs for maintenance, support and replacement of the facility and equipment used for public broadcasting.

Administration – Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy through the Office of the General Manager; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

Fundraising – Provides the structure necessary to encourage and secure private financial support.

Income Taxes – KIYU is exempt from federal and state income taxes as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. The Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements.

NOTE 3 – CASH

The Federal Deposit Insurance Corporation insures funds held within the same banking institution to a maximum of \$250,000. At June 30, 2023, \$197,213 was uninsured.

NOTE 4 – PROPERTY AND EQUIPMENT

During FY23, the Organization purchased \$39,961 in new equipment. Depreciation expense totaled \$22,779 for the year ended June 30, 2023.

See Independent Auditor's Report

BIG RIVER PUBLIC BROADCASTING CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 5 – ACCOUNTS PAYABLE

Accounts payable totaling \$51,222 consisted primarily of \$40,000 for management services.

NOTE 6 – AVAILABILITY AND LIQUIDITY

All of the Organization's financial assets are available to meet general expenditures over the next twelve months.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

KIYU receives grants that are subject to audit and adjustment by the grantor agencies. Any expenditure disallowed as a result of such an audit, and for which grant monies had been expended, would become a liability of KIYU. At June 30, 2023, no such audit was pending and the management of KIYU does not anticipate any such liability arising that would have a material effect on the financial condition of KIYU.

NOTE 8 – MAJOR FUNDING SOURCES

KIYU received \$210,215 from the Corporation for Public Broadcasting during the fiscal year ended June 30, 2023, representing approximately 60% of total support and revenue.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 9, 2024, that date which the financial statements were available for issue. No events were identified that would require disclosure according to generally accepted accounting principles.