ALASKA PUBLIC MEDIA, INC.

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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JAMESMOORE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Alaska Public Media, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alaska Public Media, Inc. (the "Corporation"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of June 30, 2022 and 2021, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 about the Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 GAAS 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.

In performing an audit in accordance with GAAS, 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 the 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 the 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.

Supplementary Information

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

James Moore & Co., P.L.

Gainesville, Florida
January 12, 2023

ALASKA PUBLIC MEDIA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,769,880	$ 1,810,215
Restricted cash and cash equivalents	781,375	1,037,804
Accounts and pledges receivable, net	736,276	667,550
Prepaid expenses	238,893	194,743
Total current assets	3,526,424	3,710,312
Non-current assets		
Investments	1,883,951	2,142,632
Beneficial interest in AKPM Designated Endowment Fund	228,996	252,317
Investment in transmission facilities	368,872	346,916
Property and equipment, net	1,911,542	1,775,002
Total non-current assets	4,393,361	4,516,867
Total Assets	$ 7,919,785	$ 8,227,179
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 172,385	$ 106,040
Accrued payroll and related taxes	194,193	326,958
Deferred revenue	192,720	221,305
Total current liabilities	559,298	654,303
Net assets		
Without donor restrictions		
Designated for investment in property and equipment	1,911,542	1,775,002
Designated for AKPM Designated Endowment Fund	228,996	252,317
Undesignated	4,271,613	4,257,753
With donor restrictions	948,336	1,287,804
Total net assets	7,360,487	7,572,876
Total Liabilities and Net Assets	$ 7,919,785	$ 8,227,179

The accompanying notes to financial statements
are an integral part of these statements.

ALASKA PUBLIC MEDIA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues			
Operations:			
Sustaining memberships	$ 3,939,225	$ -	$ 3,939,225
Program sponsorships	1,042,465	-	1,042,465
CPB grants	1,248,486	-	1,248,486
Other grants	504,437	30,199	534,636
In-kind contributions	46,600	-	46,600
Alaska Public Radio Network station dues	111,500	-	111,500
Investment return, net	(224,822)	-	(224,822)
Tower rental revenue	71,192	-	71,192
Other income	326,296	-	326,296
Net assets released from restrictions:			
Restricted funds expended and expiration of time restrictions	369,667	(369,667)	-
Total public support and revenues	7,435,046	(339,468)	7,095,578
Expenses			
Program services:			
Programming and production	3,158,930	-	3,158,930
Broadcasting and engineering	1,275,035	-	1,275,035
Total program services	4,433,965	-	4,433,965
Supporting services:			
Development and underwriting	1,458,017	-	1,458,017
Management and general	1,078,347	-	1,078,347
Total supporting services	2,536,364	-	2,536,364
Total expenses before depreciation	6,970,329	-	6,970,329
Change in net assets before depreciation and loss on investment in transmission facilities	464,717	(339,468)	125,249
Other changes in net assets			
Depreciation expense	328,019	-	328,019
Loss on investment in transmission facilities	9,619	-	9,619
Change in net assets	127,079	(339,468)	(212,389)
Net assets, beginning of year	6,285,072	1,287,804	7,572,876
Net assets, end of year	$ 6,412,151	$ 948,336	$ 7,360,487

The accompanying notes to financial statements
are an integral part of this statement.

ALASKA PUBLIC MEDIA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues			
Operations:			
Sustaining memberships	$ 3,270,423	$ -	$ 3,270,423
Program sponsorships	1,066,804	-	1,066,804
CPB grants	1,529,209	871,059	2,400,268
Other grants	418,601	416,745	835,346
In-kind contributions	11,699	-	11,699
Alaska Public Radio Network station dues	94,625	-	94,625
Investment return, net	395,763	-	395,763
Tower rental revenue	72,443	-	72,443
Other income	217,754	-	217,754
Forgiveable advance income	627,396	-	627,396
Total public support and revenues	7,704,717	1,287,804	8,992,521
Expenses			
Program services:			
Programming and production	3,024,033	-	3,024,033
Broadcasting and engineering	1,176,366	-	1,176,366
Total program services	4,200,399	-	4,200,399
Supporting services:			
Development and underwriting	1,311,521	-	1,311,521
Management and general	1,050,756	-	1,050,756
Total supporting services	2,362,277	-	2,362,277
Total expenses before depreciation	6,562,676	-	6,562,676
Change in net assets before depreciation and loss on investment in transmission facilities	1,142,041	1,287,804	2,429,845
Other changes in net assets			
Depreciation expense	307,710	-	307,710
Loss on investment in transmission facilities	50,459	-	50,459
Change in net assets	783,872	1,287,804	2,071,676
Net assets, beginning of year	5,501,200	-	5,501,200
Net assets, end of year	$ 6,285,072	$ 1,287,804	$ 7,572,876

The accompanying notes to financial statements
are an integral part of this statement.

ALASKA PUBLIC MEDIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services		Supporting Services		
	Programming and Production	Broadcasting and Engineering	Development and Underwriting	Management and General	Totals
Salaries, wages, and employee benefits	$ 1,838,365	$ 508,010	$ 934,936	$ 501,360	$ 3,782,671
Program acquisition	859,166	-	-	-	859,166
Purchased services	313,382	101,503	99,511	225,837	740,233
Utilities	18,413	250,284	750	81,504	350,951
Maintenance	514	234,879	21,186	21,648	278,227
Travel and training	50,742	24,731	12,451	7,916	95,840
Promotion and advertising	638	-	134,188	5,891	140,717
Dues and subscriptions	46,823	93,300	26,381	19,124	185,628
Property rent/lease	2,880	-	-	75,625	78,505
Public and employee relations	4,992	-	27,178	26,524	58,694
Equipment and furniture	11,768	36,705	-	6,171	54,644
Printing	8,783	-	113,438	692	122,913
Supplies and minor equipment	2,382	915	807	16,238	20,342
Shipping and postage	82	3,778	5,303	4,240	13,403
Taxes, insurance and other	-	20,930	81,888	85,577	188,395
Total expenses before depreciation	3,158,930	1,275,035	1,458,017	1,078,347	6,970,329
Depreciation	159,416	44,053	81,074	43,476	328,019
Total expenses	$ 3,318,346	$ 1,319,088	$ 1,539,091	$ 1,121,823	$ 7,298,348

The accompanying notes to financial statements are an integral part of this statement.

ALASKA PUBLIC MEDIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services		Supporting Services		
	Programming and Production	Broadcasting and Engineering	Development and Fundraising	Management and General	Totals
Salaries, wages, and employee benefits	$ 1,729,886	$ 473,963	$ 880,791	$ 529,110	$ 3,613,750
Program acquisition	990,782	-	-	-	990,782
Purchased services	209,356	53,123	53,915	190,340	506,734
Utilities	16,763	279,693	249	90,570	387,275
Maintenance	156	269,770	21,412	31,957	323,295
Travel and training	12,395	12,516	4,359	6,200	35,470
Promotion and advertising	6,330	3,340	114,953	14,420	139,043
Dues and subscriptions	36,286	67,125	32,026	11,676	147,113
Property rent/lease	-	-	-	75,625	75,625
Public and employee relations	8,613	170	1,506	14,014	24,303
Equipment and furniture	10,553	12,488	-	-	23,041
Printing	225	119	90,163	2,174	92,681
Supplies and minor equipment	1,120	2,251	1,128	14,185	18,684
Shipping and postage	481	1,808	19,669	2,560	24,518
Taxes, insurance and other	1,087	-	91,350	67,925	160,362
Total expenses before depreciation	3,024,033	1,176,366	1,311,521	1,050,756	6,562,676
Depreciation	147,700	40,002	73,851	46,157	307,710
Total expenses	$ 3,171,733	$ 1,216,368	$ 1,385,372	$ 1,096,913	$ 6,870,386

The accompanying notes to financial statements are an integral part of this statement.

ALASKA PUBLIC MEDIA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	$ (212,389)	$ 2,071,676
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized losses (gains) on investments	275,046	(325,069)
Loss (gain) on beneficial interest in AKPM Designated Endowment Fund	23,321	(89,620)
Depreciation expense	328,019	307,710
Loss on investment in transmission facilities	9,619	50,459
Changes in operating assets and liabilities:		
Accounts and pledges receivable, net	(68,726)	(275,598)
Prepaid expenses	(44,150)	77,487
Accounts payable	23,622	(10,164)
Accrued payroll and related taxes	(132,765)	20,209
Deferred revenue	(28,585)	(457,378)
Refundable advance	-	(627,396)
Net cash provided by operating activities	173,012	742,316
Cash flows from investing activities		
Purchases of property and equipment	(421,836)	(343,071)
Purchase of investments	(410,057)	(766,248)
Sale of investments	393,692	344,853
Investments in transmission facilities	(31,575)	(51,116)
Net cash used in investing activities	(469,776)	(815,582)
Change in cash and cash equivalents	(296,764)	(73,266)
Cash and cash equivalents, beginning of year	2,848,019	2,921,285
Cash and cash equivalents, end of year	$ 2,551,255	$ 2,848,019
Cash and cash equivalents are presented on the Statements of Financial Position as:		
Cash and cash equivalents	$ 1,769,880	$ 1,810,215
Restricted cash and cash equivalents	781,375	1,037,804
	$ 2,551,255	$ 2,848,019
Supplemental disclosure of noncash investing activities		
Purchases of property and equipment included in accounts payable	$ 42,723	$ -

The accompanying notes to financial statements
are an integral part of these statements.

(1) **Summary of Significant Accounting Policies:**

(a) **Organization**—Alaska Public Media, Inc. (the "Corporation") is a nonprofit corporation organized to provide educational television and radio broadcasting in the State of Alaska. In previous years, the Corporation operated as Alaska Public Telecommunications, Inc. dba Alaska Public Media. The Corporation is licensed to operate television station KAKM, channel 7, and radio station KSKA, FM 91.1 in Anchorage, Alaska. The Corporation also operates Statewide News which provides Alaska news programming to all of the public radio stations in the state.

(b) **Basis of accounting**—The accounts of the Corporation are maintained in conformity with the principles of accounting of not-for-profit accounting and have been prepared on the accrual basis.

(c) **Basis of presentation**—The Corporation reports net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

> **Net assets without donor restrictions**—Net assets that are not subject to donor-imposed stipulations.
>
> **Net assets with donor restrictions**—Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of the Corporation and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by laws. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Corporation reports the support as unrestricted.

At June 30, 2022, net assets with donor restrictions included unspent American Rescue Plan Act ("ARPA") Stabilization grant funds, Alaska Center for Excellence in Journalism ("ACEJ") grant funds, and Robert Wood Johnson Foundation ("RWJF") grant funds. At June 30, 2021, net assets with donor restrictions included unspent ARPA Stabilization grant funds, Community Service Grant ("CSG") funds, and RWJF grant funds. ARPA Stabilization grant funds are restricted to maintain programming and services and preserve the ability of stations to respond to the global pandemic, coronavirus disease "COVID-19". ACEJ and RWJF grant funds are restricted to spending on educational programming. CSG funds are restricted as described in the General Provisions.

(d) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Accordingly, results could differ from those estimates.

(1) **Summary of Significant Accounting Policies:** (Continued)

(e) **Cash and cash equivalents**—For purposes of the statements of cash flows, management considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Restricted cash and cash equivalents include unspent grant funds that were contributed with donor restrictions.

(f) **Accounts and pledges receivable**—Accounts and pledges receivable are carried at original amounts billed or pledged, less an estimate for doubtful accounts based on periodic review by management. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to certain types of receivables. The Corporation does not require collateral or other security on accounts receivable. There was no allowance for doubtful accounts for accounts receivable recorded at June 30, 2022 and 2021. There were no pledge receivables at June 30, 2022 and 2021.

(g) **Investments**—Investments are carried at fair value, and realized and unrealized gains and losses are reflected in the accompanying statements of activities. See Note 5 for further information on fair value reporting.

(h) **Investment in transmission facilities**—The Corporation uses the cost or equity methods to account for all its investments in transmission facilities. See Note 7 for further information.

(i) **Property and equipment**—Property and equipment are reported at historical cost. Contributed assets are reported at fair value as of the date received. The Corporation capitalizes all property and equipment costing $5,000 or more. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation for financial reporting purposes is computed using the straight-line basis over the estimated useful lives of the assets as follows:

	Years
Buildings and improvements	5 – 35 years
Equipment	3 – 20 years
Furniture and fixtures	3 – 10 years

Property and equipment are analyzed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. There were no impaired assets at June 30, 2022 and 2021.

Property acquired under capital leases is capitalized at the net present value of the lease including any bargain purchase option. Assets are amortized over the life of similar purchased assets.

Property purchased with certain grant funds will revert to the funding agency if the Corporation is dissolved or the property is declared a surplus. Proceeds for the sale of assets originally purchased with state or federal grant funds may be required to be returned to the granting agency.

(j) **Deferred revenue**—Income received to underwrite programs or facilitate programming not yet broadcasted as of the end of the fiscal year is deferred and recognized over the period in which the programming is aired. Grant and service contract awards received in excess of recognized revenues are reflected as deferred revenue in the statements of financial position.

(1) **Summary of Significant Accounting Policies:** (Continued)

(k) **Revenue recognition**—The Corporation recognizes support and revenue from a variety of sources, including but not limited to the following:

Contributions, including membership, pledges, and major gifts, are recognized when cash, securities or other assets; an unconditional promise to give or bequest; or a notification of a beneficial interest is received. Conditional promises to give – 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 met.

Program sponsorships are contributions to the Corporation to support its programming or activities in the form of underwriting credit. Nothing of commensurate value is exchanged for underwriting credit, and the Corporation provides refunds for any underwriting revenues collected if the spots are not aired. Therefore, underwriting revenues contain a barrier to overcome and a right of return or a right of release of the obligation, and are recognized as revenue when the related underwriting credits are aired.

Grants for specific projects and activities are recognized as revenue when awarded and all conditions have been met. The Corporation receives cost-reimbursable grants where the contracts require a right of return or right of release of the obligation of any unspent funds. Revenue on conditional cost-reimbursable grants is recognized to the extent of costs incurred.

Revenues from production contracts, lease agreements, other rentals and services are recognized in the period earned or stipulated in the agreement, as performance obligations are satisfied.

(l) **In-kind contributions**—Contributed materials, supplies, facilities, and property are recorded at their estimated fair value at the date of donation. The Corporation reports gifts of equipment, professional services, materials and other nonmonetary contributions as support in the accompanying statements of activities.

If the fair value of contributed materials, supplies, facilities, and property cannot be reasonably determined they are not recorded. Donated personal services of nonprofessional volunteers, as well as national and local programming services, are not recorded as revenue and expense as there is no objective basis available to measure the value of such services.

Contributed advertising and promotion are recorded at the fair value of the contribution portion of the total value received.

(m) **Pledges and contributions**—The Corporation engages in periodic fundraising campaigns manifested by offering special programs and on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Corporation. Financial contributions are frequently evidenced by pledges received from responding listeners. Contributions, including unconditional promises to give and membership receipts, are recognized as revenue in the period received or given. Collected contributions and pledges are components of net assets without donor restrictions inasmuch as their usage is not limited to specific activities of the Corporation. This usage is consistent with appeals for contributions and pledges.

(1) **Summary of Significant Accounting Policies:** (Continued)

Contributions receivable are a component of net assets with donor restrictions as they are subject to implied time restrictions.

Conditional promises to give are considered conditional if the terms of the agreement include both a right of return of assets received/promised and a barrier to entitlement. Conditional agreements are not recognized as pledges receivable until the conditions and barriers on which they depend are met.

(n) **Functional expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time or effort.

(o) **Advertising costs—**Advertising costs are expensed in the period in which they are incurred. Advertising expense for the years ended June 30, 2022 and 2021 was $57,213 and $21,198, respectively.

(p) **Income taxes—**The Corporation is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Corporation files income tax returns in the U.S. Federal and state jurisdictions. The Corporation's tax returns for the past three years are subject to examination by tax authorities, and may change upon examination. The Corporation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Corporation.

(q) **Corporation for Public Broadcasting Community Service Grants—**The Corporation for Public Broadcasting ("CPB") is a private, nonprofit grant making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants ("CSG") to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years. Certain General Provisions must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These General Provisions mainly pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

The CSGs are reported on the accompanying financial statements as increases in net assets without donor restrictions, provided they are spent in the same fiscal year they are received.

(r) **Recently issued accounting pronouncements**—The Financial Accounting Standards Board ("FASB") issued new or modifications to, or interpretations of, existing accounting guidance during the year ended June 30, 2022. The Corporation has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed

(1) **Summary of Significant Accounting Policies:** (Continued)

in the notes to the financial statements below, does not believe that any other new or modified principles will have a material impact on the Corporation's reported financial position or operations in the near term.

In September 2020, the FASB issued Accounting Standards Update 2020-07: *Not-for-Profit Entities* (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The Corporation adopted ASU 2020-07 for fiscal year 2022. There were no material impacts to the financial statements as a result of implementing this new standard.

In February 2016, the FASB issued Accounting Standards Update 2016-02: *Leases* (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The standard (as amended) is effective for the Corporation's fiscal year ending June 30, 2023, and may be adopted early. The Corporation is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

(s) **Subsequent events**—The Corporation has evaluated subsequent events through January 12, 2023, the date on which the financial statements were available to be issued. No subsequent events have been identified or disclosed.

(2) **Liquidity and Availability:**

The Corporation manages liquidity and availability by monitoring all cash accounts. The process is completed on an as needed basis depending on the cash requirements of the business as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Corporation has a line of credit which it can draw on, as detailed in Note 12. Financial assets available for general expenditure, that is, without donor restrictions, or internal board designations limiting their use, within one year of the balance sheet date, comprise the following:

	2022	2021
Financial assets available within one year, at year end:		
Cash and cash equivalents	$ 2,551,255	$ 2,848,019
Accounts and pledges receivable	736,276	667,550
Less those unavailable for general expenditures within one year, due to:		
With donor restrictions	948,336	1,287,804
Financial assets available to meet cash needs for general expenditures within one year	$ 2,339,195	$ 2,227,765

The Corporation has investments of $1,883,951 and $2,142,632 at June 30, 2022 and 2021, respectively. The Corporation structures its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations come due. Although the Corporation does not intend to liquidate assets other than for amounts needed for general expenditures budgeted during the year, these amounts could be made available if necessary. See Note 5 for additional information regarding investments.

(3) Significant Concentrations:

Information related to significant concentrations of revenues and credit risk for financial instruments owned by the Corporation, except as otherwise disclosed, is as follows:

(a) **Cash and cash equivalents**—The Corporation maintains its cash accounts at financial institutions which at times may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. As of June 30, 2022, and 2021 the uninsured cash balance totaled $1,679,283 and $2,000,813, respectively.

(b) **Revenues**—The CPB provided approximately 18% and 27% of revenue during each of the fiscal years ended June 30, 2022 and 2021, respectively.

(4) Receivables:

At June 30, 2022 and 2021, accounts receivable consists of the following:

	2022	2021
Sponsorships	$ 296,734	$ 216,771
Grants receivable	439,542	450,779
Total receivables	$ 736,276	$ 667,550

At July 1, 2020, sponsorships receivable totaled $189,223.

(5) Investments:

The Corporation invests in various securities primarily based on its investment policy and liquidity needs.

Net investment return on the statements of activities is comprised of the following for the years ended June 30:

	2022	2021
Interest and dividends	$ 88,022	$ 41,191
Realized gain	117,510	73,575
Unrealized gain (loss)	(416,734)	290,655
Investment expense	(13,620)	(9,658)
Investment return, net	$ (224,822)	$ 395,763

The following is a summary of investment funds at June 30, 2022 and 2021:

Year	Cost	Fair Value
2022	$ 1,886,749	$ 1,883,951
2021	$ 1,759,406	$ 2,142,632

(5) **Investments:** (Continued)

The fair value measurement accounting literature provides the framework for measuring fair value. That framework provides 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 and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are described below:

> Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.
>
> Level 2 – Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation of other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
>
> Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes to the methodology used at June 30, 2022 and 2021.

> *Exchange Traded Funds* – Valued at quoted market prices in active markets (Level 1 inputs).

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Corporation believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The investments (all level 1 measurements) are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

(6) **Beneficial Interest in AKPM Designated Endowment Fund:**

The Corporation established a board designated endowment fund with the Alaska Community Foundation (the "Foundation") known as the AKPM Designated Endowment Fund (the "Fund"). The assets of the Fund are held and owned by the Foundation in its corporate capacity and are not deemed to be held by the Foundation as trustee of a separate trust for the Fund.

(6) **Beneficial Interest in AKPM Designated Endowment Fund:** (Continued)

The assets of the Fund may be co-mingled with other Foundation property for investment purposes. The Foundation shall distribute not less than annually an appropriate percentage of the fair market value of the unrestricted portion of the Fund to the Corporation to be used as the Corporation's Board of Directors deem necessary.

Upon written request, the Corporation's Board of Directors can indicate that it deems it in the best interest of the Corporation to distribute the Fund in total to the Corporation. Such a request will be subject to any restrictions placed on the gifted assets in the Fund as described in the advice of instruction documents from the contributors.

Investments are stated at fair value and realized and unrealized gains and losses are recorded in the statements of activities. The balance of the Fund was $228,996 and $252,317 at June 30, 2022 and 2021, respectively.

(7) **Investment in Transmission Facilities:**

Investment in Transmission Tower

The Corporation is a partner and has an ownership interest (34%) in Goose Bay Joint Venture. Goose Bay Joint Venture was formed for operating and maintaining a transmission tower. Goose Bay Joint Venture had a net loss of $28,292 and $148,409 for the years ended June 30, 2022 and 2021, respectively. The Corporation's allocable share of net loss for the years ended June 30, 2022 and 2021 was $9,619 and $50,459, respectively.

Investment in Anchorage Broadcast Television Consortium, Inc. (ABTC)

The Corporation purchased 5,000 shares of stock in a corporation formed for the purpose of purchasing, maintaining, and operating antennas and related equipment in order to transmit and provide television broadcast services to the Kenai and Soldotna communities. The investment recorded at cost was $10,294 at June 30, 2022 and 2021, respectively. The Corporation paid user fees of $24,184 to ABTC during the years ended June 30, 2022 and 2021.

The following details the investment activity:

	Goose Bay Joint Venture	ABTC	Total
Year Ended June 30, 2022			
Carrying value of investment, July 1, 2021	$ 336,622	$ 10,294	$ 346,916
Investment in transmission facilities	31,575	-	31,575
Loss on investment in transmission facilities	(9,619)	-	(9,619)
Total investment in Transmission Facilities	$ 358,578	$ 10,294	$ 368,872

(7) **Investment in Transmission Facilities:** (Continued)

	Goose Bay Joint Venture	ABTC	Total
Year Ended June 30, 2021			
Carrying value of investment, July 1, 2020	$ 335,965	$ 10,294	$ 346,259
Investment in transmission facilities	51,116	-	51,116
Loss on investment in transmission facilities	(50,459)	-	(50,459)
Total investment in Transmission Facilities	$ 336,622	$ 10,294	$ 346,916

(8) **Property and Equipment:**

At June 30, 2022 and 2021, property and equipment consist of the following:

	2022	2021
Buildings and improvements	$ 5,549,556	$ 5,549,556
Equipment	6,308,952	6,109,310
Furniture and fixtures	138,518	138,518
Land	15,716	15,716
	12,012,742	11,813,100
Less: Accumulated depreciation	(10,479,269)	(10,151,250)
Construction in process	378,069	113,152
Property and equipment, net	$ 1,911,542	$ 1,775,002

For the years ended June 30, 2022 and 2021, depreciation expense was $328,019 and $307,710, respectively.

(9) **Contributed Nonfinancial Assets:**

In-kind contributions included in the statement of activities for the years ended June 30, 2022 and 2021, are comprised of professional services and are valued using current rates of the professional firms. In-kind contributions are not restricted. The Corporation does not sell in-kind contributions and uses the contributed in-kind items in management and general activities.

(10) **Accrued Payroll and Related Taxes:**

At June 30, 2022 and 2021, accrued payroll and related taxes consist of the following:

	2022	2021
Accrued payroll and related taxes	$ 56,107	$ 178,597
Accrued vacation	138,086	148,361
Accrued payroll and related taxes	$ 194,193	$ 326,958

(11) **Deferred Revenue:**

At June 30, 2022 and 2021, deferred revenue consists of the following:

	2022	2021
Sponsorships	$ 133,847	$ 112,552
Grants	38,080	55,138
Other	20,793	53,615
Deferred revenue	$ 192,720	$ 221,305

(12) **Line of Credit:**

As of June 30, 2022 and 2021, the Corporation had an available line of credit with a financial institution in the amount of $370,000. Stated interest on the line of credit is the greater of a floating rate, equal to the prime rate (4.38% and 3.25% at June 30, 2022 and 2021, respectively), plus 1%, or the floor rate of 5%. As of June 30, 2022 and 2021, there was no outstanding balance on this line of credit.

(13) **Paycheck Protection Program:**

On April 21, 2020, the Corporation received proceeds in the amount of $627,396, pursuant to the Paycheck Protection Program ("PPP") established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). Under the terms of the PPP, proceeds are forgivable if they are used for qualifying expenses such as payroll, benefits, rent and utilities, and the Corporation maintains its payroll levels over a specified period of time as described in the CARES Act. Any unforgiven portion is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. In December 2021, the Corporation received notice the forgiveness application had been approved in full. Forgivable advance income of $627,396 has been recognized on the statement of activities for the fiscal year ended June 30, 2021.

(14) **Operating Lease Commitments:**

Headquarters

The Corporation is obligated under a long-term land lease for the site of its headquarters building. Lease payments are based upon the fair market value of the land. Currently, this land has a minimum annual rent payment of $43,124 and expires in the year 2058.

(14) **Operating Lease Commitments:** (Continued)

Goose Bay Tower Site

The Corporation also leases the tower site at Goose Bay from the University of Alaska. That lease terminates on December 31, 2037.

The total lease commitments per year for Headquarters and the Goose Bay Tower Site are as follows:

Years Ending June 30:	Amount
2023	$ 75,624
2024	75,624
2025	78,124
2026	78,124
2027	78,124
Thereafter	1,692,782
Total	$ 2,078,402

The Corporation had sublease revenue of $71,192 and $72,443 during the years ended June 30, 2022 and 2021, respectively.

Rental expense under all operating leases was $75,625 for each of the years ended June 30, 2022 and 2021.

(15) **Community Service Grants:**

The Corporation receives a CSG from the CPB annually. The CSGs received and expended during the most recent fiscal years were as follows:

Years of Grant	Grants Received	Expended			Uncommitted Balance at June 30, 2022
		2019-20	2020-21	2021-22	
2021-22	$ 1,079,973	$ -	$ -	$ 1,079,973	$ -
2020-21	1,022,870	-	906,155	116,715	-
2019-20	928,294	928,294	-	-	-

(16) **Employee Benefit Plan:**

The Corporation participates in a defined contribution plan. At the discretion of the Board of Directors, the Corporation may make contributions to the plan. Contributions are based on a percentage of the employee's annual salary. Contributions for the years ended June 30, 2022 and 2021 were $47,249 and $45,932, respectively.

(17) **Risks and Uncertainties:**

The Corporation is exposed to various risks of loss arising from litigation and claims in the normal course of business. The Corporation maintains insurance coverage to provide for risks of loss.

In the event that Goose Bay Joint Venture partnership were to cease operations, the Corporation could be liable for certain liabilities and expenses belonging to the partnership at that time.

(18) **Services and Programming Agreement:**

Effective July 1, 2012, the Corporation signed an agreement with Capital Community Broadcasting, Inc. (“KTOO”) and Bethel Broadcasting, Inc. (“KYUK”), collectively “the Parties”, to work together for the purpose of unifying public television in Alaska. The Corporation provides certain master control, operational, fundraising and back-office services to the Parties. The costs of these services are shared by all the Parties based on an annual budget and are included in program and support services in the statements of activities.

(19) **Nonfederal Financial Support:**

The CPB allocates a portion of its funds annually to public broadcasting entities, primarily based on nonfederal financial support (“NFFS”). NFFS is defined as the total value of cash and the fair market value of property and services received as either a contribution or a payment and meeting all of the respective criteria for each.

A “contribution” is cash, property or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be an entity except the federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcast station or for the production, acquisition, distribution or dissemination of educational television or radio program and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcasting station.

A “payment” is cash, property or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source must be a state or local government or agency thereof, or an educational institution; (2) the form of the payment must be an appropriation or contract payment in exchange for specific materials or services related to public broadcasting; (3) the purpose must be for services or materials with respect to the provision of educational or instructional television or radio programs; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcasting station.

Reported NFFS for the Corporation was $5,545,544 and $5,057,822 for the years ended June 30, 2022 and 2021, respectively.

SUPPLEMENTARY INFORMATION

ALASKA PUBLIC MEDIA, INC.
SCHEDULE OF ACTIVITIES BY DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2022

	Radio	Television	Total
Public support and revenues			
Operations:			
Sustaining memberships	$ 1,969,531	$ 1,969,694	$ 3,939,225
Program sponsorships	846,097	196,368	1,042,465
CPB grants	284,016	964,470	1,248,486
Other grants	381,813	152,823	534,636
In-kind contributions	23,300	23,300	46,600
Alaska Public Radio Network station dues	111,500	-	111,500
Investment return, net	(112,411)	(112,411)	(224,822)
Tower rental revenue	-	71,192	71,192
Other income	185,742	140,554	326,296
Total public support and revenues	3,689,588	3,405,990	7,095,578
Expenses			
Salaries, wages, and employee benefits	2,243,392	1,539,279	3,782,671
Program acquisition	311,708	547,458	859,166
Purchased services	456,441	283,792	740,233
Utilities	184,348	166,603	350,951
Maintenance	108,585	169,642	278,227
Travel and training	62,082	33,758	95,840
Promotion and advertising	66,991	73,726	140,717
Dues and subscriptions	110,931	74,697	185,628
Property rent/lease	28,750	49,755	78,505
Public and employee relations	21,533	37,161	58,694
Equipment and furniture	34,349	20,295	54,644
Printing	53,418	69,495	122,913
Supplies and minor equipment	11,437	8,905	20,342
Shipping and postage	6,174	7,229	13,403
Taxes, insurance and other	88,576	99,819	188,395
Total expenses before depreciation	3,788,715	3,181,614	6,970,329
Changes in net assets before depreciation and loss on investment in transmission facilities	(99,127)	224,376	125,249
Other changes in net assets			
Depreciation expense	218,679	109,340	328,019
Loss on investment in transmission facilities	-	9,619	9,619
Change in net assets	$ (317,806)	$ 105,417	$ (212,389)

The accompanying notes to financial statements
are an integral part of this statement.