

THE KBOO FOUNDATION

FINANCIAL STATEMENTS

Year Ended September 30, 2019



KERN ▲ THOMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

**THE KBOO FOUNDATION**  
**FINANCIAL STATEMENTS**  
**Year Ended September 30, 2019**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-15

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
The KBOO Foundation  
Portland, Oregon

We have audited the accompanying financial statements of The KBOO Foundation (a non-profit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The KBOO Foundation as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Report on Summarized Comparative Information***

We have previously audited The KBOO Foundation's 2018 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated April 29, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Emphasis of Matter***

As discussed in Note B, the Organization adopted the provisions of Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958)*, for the year ended September 30, 2019. Our opinion is not modified with respect to this matter.



Portland, Oregon  
May 2, 2020

**THE KBOO FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**

**September 30, 2019**  
(With Comparative Totals as of September 30, 2018)

**ASSETS**

	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	\$ 276,064	\$ 373,317
Accounts receivable	8,348	12,141
Prepaid expenses	21,037	18,818
<b>Total current assets</b>	<b>305,449</b>	<b>404,276</b>
Property and equipment - net	190,567	222,178
Beneficial interest in assets held by others	225,991	226,755
<b>Total assets</b>	<b>\$ 722,007</b>	<b>\$ 853,209</b>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 26,615	\$ 43,218
Accrued payroll and related liabilities	45,903	24,875
<b>Total liabilities, all current</b>	<b>72,518</b>	<b>68,093</b>
<b>Net assets</b>		
Without donor restrictions		
Undesignated	192,042	231,614
Board designated for operating reserve	128,987	208,003
Board designated endowment funds	225,991	226,755
<b>Total without donor restrictions</b>	<b>547,020</b>	<b>666,372</b>
With donor restrictions	102,469	118,744
<b>Total net assets</b>	<b>649,489</b>	<b>785,116</b>
<b>Total liabilities and net assets</b>	<b>\$ 722,007</b>	<b>\$ 853,209</b>

See notes to financial statements.

**THE KBOO FOUNDATION**

**STATEMENT OF ACTIVITIES**

**Year Ended September 30, 2019**

(With Comparative Totals for the Year Ended September 30, 2018)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	
			<b>2019</b>	<b>2018</b>
<b>Revenues, gains and other support</b>				
Membership subscriptions	\$ 535,255	\$ -	\$ 535,255	\$ 594,127
Grants and contributions	174,985	49,040	224,025	351,842
50th anniversary contributions, including in-kind of \$101,800	-	-	-	119,930
In-kind contributions, other	85,148	-	85,148	91,320
Underwriting and advertising	27,421	-	27,421	35,014
Lease income	8,823	-	8,823	10,499
Investment return	11,016	-	11,016	20,695
Other income	6,710	-	6,710	24,474
	849,358	49,040	898,398	1,247,901
Net assets released from restrictions	65,315	(65,315)	-	-
<b>Total revenues, gains and other support</b>	<b>914,673</b>	<b>(16,275)</b>	<b>898,398</b>	<b>1,247,901</b>
<b>Expenses</b>				
Program services	768,104	-	768,104	869,239
Supporting services				
Administration	71,117	-	71,117	81,856
Fundraising	194,804	-	194,804	244,645
<b>Total expenses</b>	<b>1,034,025</b>	<b>-</b>	<b>1,034,025</b>	<b>1,195,740</b>
<b>Change in net assets</b>	<b>(119,352)</b>	<b>(16,275)</b>	<b>(135,627)</b>	<b>52,161</b>
<b>Net assets, beginning of year</b>	666,372	118,744	785,116	732,955
<b>Net assets, end of year</b>	<b>\$ 547,020</b>	<b>\$ 102,469</b>	<b>\$ 649,489</b>	<b>\$ 785,116</b>

See notes to financial statements.

**THE KBOO FOUNDATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended September 30, 2019**

(With Comparative Totals for the Year Ended September 30, 2018)

	<u>Program Services</u>	<u>SUPPORTING SERVICES</u>		<u>Total</u>	
		<u>Management and General</u>	<u>Fundraising</u>	<u>2019</u>	<u>2018</u>
Salaries and related expenses	\$ 379,195	\$ 16,616	\$ 98,673	\$ 494,484	\$ 547,175
Professional fees	67,407	27,237	15,058	109,702	108,097
Supplies	-	-	-	-	-
Telephone and internet	15,369	625	4,061	20,055	21,158
Printing and postage	3,558	90	24,779	28,427	31,599
Rent and utilities	158,233	542	3,521	162,296	155,552
Repairs and maintenance	6,260	948	1,235	8,443	10,196
Travel, conferences, training	21	2,065	53	2,139	5,184
Advertising and marketing	5,505	-	15,794	21,299	25,874
Grant expense and events	66,669	6,459	-	73,128	167,918
Insurance	13,287	654	1,383	15,324	15,771
Bank fees	575	633	14,228	15,436	20,503
Other	22,378	12,080	13,402	47,860	51,845
Depreciation	29,647	3,168	2,617	35,432	34,868
	<u>\$ 768,104</u>	<u>\$ 71,117</u>	<u>\$ 194,804</u>	<u>\$ 1,034,025</u>	<u>\$ 1,195,740</u>

See notes to financial statements.

**THE KBOO FOUNDATION**  
**STATEMENT OF CASH FLOWS**

**Year Ended September 30, 2019**  
(With Comparative Totals for the Year Ended September 30, 20017)

	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (135,627)	\$ 52,161
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	35,432	34,686
Net (gain) loss on investments	(8,475)	(17,733)
Changes in assets and liabilities:		
Accounts receivable	3,793	14,634
Grants receivable	-	29,480
Prepaid expenses	(2,219)	(4,614)
Accounts payable	(16,603)	7,894
Accrued payroll and related liabilities	21,028	(3,890)
<b>Net cash provided by (used in) operating activities</b>	<b>(102,671)</b>	<b>112,618</b>
<b>Cash flows from investing activities:</b>		
Distributions from beneficial interest in assets held by others	9,239	9,326
Purchase of property and equipment	(3,821)	(3,538)
<b>Net cash provided by (used in) investing activities</b>	<b>5,418</b>	<b>5,788</b>
<b>Net increase in cash and cash equivalents</b>	<b>(97,253)</b>	<b>118,406</b>
Cash and cash equivalents, beginning of year	373,317	254,911
<b>Cash and cash equivalents, end of year</b>	<b>\$ 276,064</b>	<b>\$ 373,317</b>

See notes to financial statements.

**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2019**

**NOTE A – DESCRIPTION OF ORGANIZATION**

The KBOO Foundation (the Foundation) is an Oregon non-profit corporation which operates an independent, member-supported, non-commercial, volunteer-powered community radio station in Portland, Oregon. KBOO embodies equitable social change, shares knowledge, and fosters creativity by delivering locally rooted and diverse music, culture, news and opinions, with a commitment to the voices of oppressed and underserved communities.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Adoption of New Accounting Pronouncement**

During the fiscal year ended September 30, 2019, the Organization implemented *Accounting Standards Update No. 2016-14, Not-for-Profit Entities Topic 958 (“ASU 2016-14”)*. This standard revised the net asset classification requirements and information presented in financial statements and notes about a not-for-profit entity’s liquidity, financial performance, and cash flows.

As a result of the implementation of ASU 2016-14, net assets and transactions are now presented in two categories (with donor restrictions and without donor restrictions) instead of three (unrestricted, temporary, and permanent). Additionally, disclosures regarding liquidity have been added and the expansion of disclosures regarding the nature of donor restrictions have been made.

Additional matters impacted include:

- The presentation of expenses on a functional basis, and the methodology used to allocate functional expenses
- Information about board designated funds
- Information regarding endowment funds

The implementation of ASU 2016-14 had no impact on total beginning net assets although it affected individual net asset classes as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net assets at September 30, 2018, as previously reported:			
Unrestricted	\$ 666,372	\$ -	\$ 666,372
Temporarily restricted	<u>-</u>	<u>118,744</u>	<u>118,744</u>
	<u>\$ 666,372</u>	<u>\$ 118,744</u>	<u>\$ 785,116</u>



## THE KBOO FOUNDATION

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration 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.

##### Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable.

The Foundation reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

##### Functional Allocation of Expenses

The costs of providing the programs and supporting services have been summarized in the statement of Activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort.

##### Cash and Cash Equivalents

The Foundation classifies as cash and cash equivalents all checking, savings, and money market accounts used for operating purposes.

## THE KBOO FOUNDATION

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Concentrations of Credit Risk

Receivables consist primarily of pledges and uncollected fees from program contracts, all of which are unsecured. No allowance for doubtful accounts has been recorded, as management believes all accounts are collectible, based on historical experience and knowledge of current circumstances. Uncollected fees over 90 days old are considered delinquent and are immaterial at September 30, 2019.

The Foundation has cash and cash equivalents which may exceed depository insurance limits. The Foundation makes such deposits with high credit quality entities and has not experienced any credit related losses.

Investments are valued at their fair value in the statement of financial position. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) of those investments, is also shown in the statement of activities as part of investment return.

Investment securities, including investments held by Oregon Community Foundation, are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

##### Endowment Investment and Spending Policies

The goal of the Foundation's investment program for funds held as Board designated endowment is to achieve a total rate of return that will allow the Foundation to respond to today's needs and the long-term growth necessary to respond to future needs. The investment objective for endowed funds is to retain (at a minimum) when possible an increase in the purchasing power of the funds, while at the same time producing a reasonable return for distribution to meet current needs. To meet this investment objective, the Foundation follows a total return strategy in which investment decisions are made with the intent of maximizing the long-term total return of the portfolio, combining market-value changes (realized and unrealized) and current yield (interest and dividends). Foundation endowment assets are invested in The Oregon Community Foundation (OCF) as an endowment partner.

The Foundation has adopted a spending policy based on the policies of its endowment partner, OCF, to determine the annual amount available for distributions from funds held as Board designated endowment. Each year OCF sets an annual payout rate for the coming year based on a 10-year projection of investment return. Currently, if the projected 10-year return is 9% or above, the payout for grants will be 5% of market value; if the projected 10-year return is below 9%, the payout for grants will be 4-1/2% of market value. Market value is determined using a 13-quarter trailing average of fund market value.

**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 2019**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributed Services**

The value of contributed services meeting the requirements for recognition has been recorded in the financial statements (see Note J). Additionally, numerous volunteers have donated a significant number of hours to the Foundation. Although these services do not meet the criteria for recognition under generally accepted accounting principles, they are integral to the Foundation's mission. The Foundation had approximately 500 volunteers for the year ended September 30, 2019.

**Property and Equipment**

Property and equipment purchases in excess of \$1,500 individually are recorded at cost. Donated property is recorded at estimated fair value determined as of the date of receipt. Depreciation is calculated by the straight-line method over the estimated useful lives of individual assets, which range from 5 to 30 years.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Tax Status**

The Foundation has been granted exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under Section 509(a)(1) of the Code. Accordingly, donations made to the Foundation qualify as charitable contributions.

**Prior Year Summarized Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2018, from which the summarized information was derived.

**NOTE C – FAIR VALUE MEASUREMENTS**

Valuation techniques used to measure fair values are prioritized into the following hierarchy:

**Level 1** – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments, exchange traded funds, and cash equivalents.

THE KBOO FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

September 30, 2019

NOTE C – FAIR VALUE MEASUREMENTS (CONTINUED)

**Level 2** – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies.

**Level 3** – Unobservable inputs that reflect management’s assumptions and best estimates based on available data. Assets in this level include beneficial interest in assets held by others (Note D).

Fair value of the beneficial interest in assets held by others is determined by the Foundation’s endowment partner, OCF, and is based upon the Foundation’s proportionate interest in OCF’s endowment partner fund liability after adjustments for contributions and distributions made during the year. OCF’s endowment partner fund liability is stated at fair value, which is generally equivalent to the present value of future payments expected to be made to the endowment partners.

Realized and unrealized gains and losses from investments are reported in the Statement of Activities as investment return. There have been no changes in valuation techniques and related inputs.

Fair value of assets measured on a recurring basis at September 30, 2019 were:

	<u>Level 3</u>
Beneficial interest in assets held by others	\$ <u>225,991</u>

For the year ended September 30, 2019, the changes in investments (all unrestricted board designated net assets) classified as Level 3 are as follows:

Balance September 30, 2018	\$ 226,755
Net gains and (losses)	8,475
Distributions	<u>(9,239)</u>
Balance September 30, 2019	\$ <u>225,991</u>

NOTE D – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In December 2000, \$100,000 was transferred to the Oregon Community Foundation (OCF) in conjunction with the Board designated endowment fund. Variance power was not granted to OCF unless the Foundation ceases to exist or loses its tax exempt status, and distributions in the amount of a reasonable rate of return determined by OCF will be distributed to the Foundation each year.

**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 2019**

**NOTE E – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at September 30, 2019 consist of:

Cash on hand and in checking	\$ 145,980
Money market accounts (includes Board designated operating reserve)	128,987
Brokerage	<u>1,097</u>
	<u>\$ 276,064</u>

**NOTE F – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at September 30, 2019:

Land	\$ 23,708
Building and improvements	192,720
Office furniture and equipment	168,409
Production and broadcast equipment	1,114,219
Website design	<u>29,390</u>
	1,528,446
Less accumulated depreciation	<u>(1,337,879)</u>
	<u>\$ 190,567</u>

Depreciation expense for the year ended September 30, 2019 was \$35,432.

Several pieces of equipment were acquired with partial funding from the National Telecommunications and Information Administration, which retains a priority reversionary interest in the equipment. Equipment subject to the reversionary interest totals \$17,283 for the year ended September 30, 2019, and is included in property and equipment on page 2. The reversionary interest will be in effect through April 2021.

**NOTE G – RESTRICTIONS ON NET ASSETS**

The Organization's net assets with donor restrictions consist of grants or bequests restricted for purpose.

**NOTE H – BOARD DESIGNATIONS OF NET ASSETS**

In addition to the Board designated endowment funds (see Note D), the Board has designated a portion of cash and unrestricted net assets as a three-month operating reserve for the future.

**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**September 30, 2019**

**NOTE H – BOARD DESIGNATIONS OF NET ASSETS (CONTINUED)**

Board-designated net assets at September 30, 2019 and 2018 consist of the following:

	<u>Without Donor Restrictions</u>
Board-designated endowment	\$ 225,991
Operating reserve	<u>128,987</u>
Total Board designated net assets	<u>\$ 354,978</u>

**NOTE I – ENDOWMENT**

The Organization’s endowment consists of funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board designated endowments are held at OCF.

**Interpretation of Relevant Law**

The Board of Directors of the Organization has interpreted Oregon’s enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA or the Act) as requiring the establishment of a set of prudent management and investment standards for boards to follow when managing endowment funds. A donor’s intent to maintain an endowment in perpetuity must be considered and the fund managed accordingly.

As a result of this interpretation, the Organization classifies as restricted net assets-corpus not subject to expiration:

- The original value of gifts donated to the perpetual endowment
- The original value of subsequent gifts to the endowment
- Accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument

**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 2019**

**NOTE I – ENDOWMENT (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

Changes in endowment net assets for the years ended September 30, 2019 are as follows:

	<u>Board Designated - Without Donor Restrictions</u>
Endowment net assets, beginning of year	\$ 226,755
Investment gains (losses)	8,475
Distributions appropriated	<u>(9,239)</u>
Endowment net assets, end of year	\$ <u><u>225,991</u></u>

**NOTE J – IN-KIND CONTRIBUTIONS**

In-kind contributions of transmitter space rents included in the Statement of Activities for the year ended September 30, 2019 totaled \$67,940. Other in-kind contributions were \$17,208 of contract services for programming and production.

**NOTE K – LEASE COMMITMENTS**

The Foundation leases tower space for certain repeater stations from third parties under operating lease agreements for various terms ranging up to 5 years with renewal options. The minimum rental commitments are summarized as follows:

<u>Year Ending September 30,</u>	
2020	\$ 67,871
2021	67,321
2022	69,785
2023	72,345
2024	<u>75,005</u>
	\$ <u><u>352,327</u></u>

Total rent expense for the year ended September 30, 2019 was \$131,377, including in-kind transmitter space rents contributed.

The Foundation subleases space on the towers to various unaffiliated not-for profit organizations on a month-to-month basis. Tower rental income is included as "lease income" in the statement of activities.

**THE KBOO FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 2019**

**NOTE L – EMPLOYEE BENEFIT PLAN**

The Foundation maintains a defined contribution plan under Section 401(k) of the Internal Revenue Code covering eligible employees. Retirement contributions by the Foundation are at the discretion of the Board of Directors. Contributions totaling \$9,809 were made by the Foundation for the year ended September 30, 2019.

**NOTE M – CONCENTRATION OF SOURCE OF SUPPLY OF LABOR**

The Foundation's staff, with the exception of management, (representing approximately 75% of the Foundation's employees), are members of the Communications Workers of America Local 7901, Local #123, American. The Foundation's contract with the union has been renewed through September 30, 2020. The Foundation's management are not represented by a union.

**NOTE N – LIQUIDITY**

The following represents the Organization's financial assets available to meet cash needs for general expenditures within one year of September 30, 2019:

Financial assets at year-end*	
Cash and cash equivalents	\$ 276,064
Other receivables	8,348
Beneficial interest held by others	<u>225,991</u>
Total financial assets	<u>510,403</u>
Less amounts unavailable for general use within one year:	
Contractual or donor-imposed restrictions:	
Restricted by donor with purpose restriction	(102,469)
Board designations:	
Board-designated endowment fund	<u>(225,991)</u>
Total unavailable financial assets	<u>(328,460)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 181,943</u></u>

\* Total assets, less nonfinancial assets (e.g. property and equipment, prepaid expenses)



**THE KBOO FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**September 30, 2019**

**NOTE N – LIQUIDITY (CONTINUED)**

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Although the Organization does not intend to spend from its board-designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board-designated endowment could be made available if necessary to manage unanticipated liquidity needs.

**NOTE O – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 2, 2020, which is the date the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple entities. The Organization has transitioned to virtual operations for the most part, and continues to broadcast using remote software. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

In April 2020, the Organization was approved for a Paycheck Protection Program loan of \$89,568. The loan is forgivable if certain criteria are met.