



Alaska Public Media, Inc.

Financial Statements and Supplementary Information

Years Ended June 30, 2020 and 2019

(With Independent Auditor's Report Thereon)

Alaska Public Media, Inc.

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Alaska Public Media, Inc.

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Independent Auditor's Report

Board of Directors
Alaska Public Media, Inc.
Anchorage, Alaska

We have audited the accompanying financial statements of Alaska Public Media, Inc. (the Corporation) which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alaska Public Media, Inc. as of June 30, 2020 and 2019, 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.

BDO USA, LLP

February 12, 2021
Anchorage, Alaska

Financial Statements

Alaska Public Media, Inc.
Statements of Financial Position

<i>June 30,</i>	2020	2019
Assets		
Current Assets		
Cash and cash equivalents:		
Undesignated	\$ 2,242,602	\$ 1,501,600
Designated	678,683	353,338
Total cash and cash equivalents	2,921,285	1,854,938
Accounts and pledges receivable, net	391,952	202,452
Prepaid expenses	272,230	278,464
Total Current Assets	3,585,467	2,335,854
Investments	1,396,168	1,379,305
Beneficial interest in APM Designated Endowment Fund	162,697	148,176
Investment in transmission facilities	346,259	329,861
Property and equipment, net	1,510,551	1,682,855
Total Assets	\$ 7,001,142	\$ 5,876,051
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 116,204	\$ 97,398
Accrued payroll and related taxes	306,749	246,566
Note payable	627,396	-
Deferred revenue	678,683	353,338
Total Liabilities	1,729,032	697,302
Commitments and Contingencies (note 15)		
Net Assets		
Without donor restriction:		
Designated for investment in property and equipment	1,510,551	1,682,855
Designated for APM Designated Endowment Fund	162,697	148,176
Undesignated	3,598,862	3,347,718
Total Net Assets	5,272,110	5,178,749
Total Liabilities and Net Assets	\$ 7,001,142	\$ 5,876,051

See accompanying notes to financial statements.

Alaska Public Media, Inc.
Statements of Activities

<i>Years Ended June 30,</i>	Without Donor Restrictions	
	2020	2019
Public Support and Revenues		
Operations:		
Sustaining memberships	\$ 3,396,481	\$ 2,855,418
Program sponsorships	962,837	1,026,595
CPB grants	1,228,612	1,249,905
State operating grants	-	397,035
Other grants	535,935	299,543
In-kind contributions	4,330	153,976
APRN station dues	86,750	77,500
Gains on investments	42,280	79,616
Tower rental revenue	93,997	71,611
Auction and special events	-	11,556
Other income	184,942	171,640
Total Public Support and Revenues	6,536,164	6,394,395
Expenses		
Program services:		
Programming and production	2,461,054	2,613,887
Broadcasting and engineering	1,052,178	1,165,379
Support services:		
Development and fundraising	1,205,295	1,173,935
Administration	1,392,215	1,056,358
Total Expenses Before Depreciation	6,110,742	6,009,559
Change in Net Assets before Depreciation and Loss on Investment in Transmission Facilities	425,422	384,836
Other Changes in Net Assets		
Depreciation expense	295,207	348,341
Loss on investment in transmission facilities	36,854	17,794
Change in Net Assets	93,361	18,701
Net Assets, beginning of year	5,178,749	5,160,048
Net Assets, end of year	\$ 5,272,110	\$ 5,178,749

See accompanying notes to financial statements.

Alaska Public Media, Inc.
Statement of Functional Expenses - FY20

<i>Year Ended June 30, 2020</i>	Program Services		Support Services		Totals
	Programming and Production	Broadcasting and Engineering	Development and Fundraising	Administration	
Salaries, wages and employee benefits	\$ 1,334,514	\$ 535,682	\$ 708,456	\$ 846,207	\$ 3,424,859
Program acquisitions	821,124	434	-	-	821,558
Purchased services	165,035	5,190	65,858	186,614	422,697
Utilities	14,671	188,606	95,866	90,928	390,071
Maintenance	8,826	232,298	16,742	22,491	280,357
Promotion and advertising	13,242	-	105,664	6,160	125,066
Travel and training	36,762	16,874	6,951	35,922	96,509
Dues and subscriptions	36,524	11,140	25,908	18,435	92,007
Property rent/lease	693	-	-	74,374	75,067
Printing	315	-	61,378	2,889	64,582
Equipment and furniture	8,883	47,423	-	1,618	57,924
Public and employee relations	13,167	2,148	5,695	17,153	38,163
Shipping and postage	-	2,970	19,940	8,140	31,050
Supplies and minor equipment	3,077	5,561	531	17,005	26,174
Bad debt recovery	-	-	(750)	-	(750)
Taxes, insurance and other	4,221	3,852	93,056	64,279	165,408
Total expenses before depreciation	2,461,054	1,052,178	1,205,295	1,392,215	6,110,742
Depreciation	-	119,356	10,580	165,271	295,207
Total Expenses	\$ 2,461,054	\$ 1,171,534	\$ 1,215,875	\$ 1,557,486	\$ 6,405,949

See accompanying notes to financial statements.

Alaska Public Media, Inc.
Statement of Functional Expenses - FY19

<i>Year Ended June 30, 2019</i>	Program Services		Support Services		Totals
	Programming and Production	Broadcasting and Engineering	Development and Fundraising	Administration	
Salaries, wages and employee benefits	\$ 1,440,992	\$ 375,248	\$ 690,200	\$ 548,380	\$ 3,054,820
Program acquisitions	783,946	-	-	-	783,946
Purchased services	14,621	317,986	650	76,564	409,821
Utilities	210,204	42,052	86,706	127,081	466,043
Maintenance	-	273,152	24,147	19,893	317,192
Promotion and advertising	7,810	2,143	89,069	33,250	132,272
Travel and training	87,709	8,583	31,652	22,225	150,169
Donated services and in-kind expenses	-	108,551	33,839	-	142,390
Dues and subscriptions	44,890	7,417	22,078	11,867	86,252
Property rent/lease	-	-	6,410	68,914	75,324
Printing	-	-	41,028	4,058	45,086
Equipment and furniture	10,339	23,497	21,937	11,247	67,020
Public and employee relations	6,107	54	17,620	48,081	71,862
Shipping and postage	455	3,736	12,087	8,137	24,415
Supplies and minor equipment	2,593	1,912	14,094	16,276	34,875
Bad debt	-	-	3,634	-	3,634
Taxes, insurance and other	4,221	1,048	78,784	60,385	144,438
Total expenses before depreciation	2,613,887	1,165,379	1,173,935	1,056,358	6,009,559
Depreciation	-	175,439	-	172,902	348,341
Total Expenses	\$ 2,613,887	\$ 1,340,818	\$ 1,173,935	\$ 1,229,260	\$ 6,357,900

See accompanying notes to financial statements.

Alaska Public Media, Inc.

Statements of Cash Flows

Years Ended June 30,	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 93,361	\$ 18,701
Adjustments to reconcile change in net assets to net cash from operating activities:		
Realized and unrealized gains on investments	(8,496)	(78,136)
Gain on beneficial interest in APTI Designated Endowment Fund	(14,521)	(17,470)
Depreciation expense	295,207	348,341
Bad debt expense (recovery)	(750)	3,634
Loss on investment in transmission facilities	36,854	17,794
Changes in operating assets and liabilities:		
Accounts and pledges receivable, net	(188,750)	(44,400)
Prepaid expenses	6,234	23,213
Accounts payable	18,806	(87,000)
Accrued payroll and related taxes	60,183	41,745
Deferred revenue	325,345	99,062
Net cash from operating activities	623,473	325,484
Cash Flows for Investing Activities		
Purchase of property and equipment	(122,903)	(221,207)
Purchase of investments	(282,983)	(74,011)
Sale of investments	274,616	95,382
Investment in transmission facilities	(53,252)	(42,038)
Net cash for investing activities	(184,522)	(241,874)
Cash Flows from Financing Activities		
Proceeds from note payable	627,396	-
Net Increase in Cash and Cash Equivalents	1,066,347	83,610
Cash and Cash Equivalents, beginning of year	1,854,938	1,771,328
Cash and Cash Equivalents, end of year	\$ 2,921,285	\$ 1,854,938

See accompanying notes to financial statements.

Alaska Public Media, Inc.

Notes to Financial Statements

1. Organization and Summary of Significant Accounting Policies

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.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of FASB Accounting Standards Codification (FASB ASC) 958-205, Not-For-Profit Entities - Presentation of Financial Statements. Under these provisions, the Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Estimates and Assumptions

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

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.

Accounts and Pledges Receivable

Receivables are stated at the amount management expects to collect from balances outstanding. Management closely monitors outstanding balances throughout the year, and writes off all balances that are considered uncollectible.

Alaska Public Media, Inc.

Notes to Financial Statements

Investments

Investments in marketable securities with readily determinable fair values are reported at fair value based on quoted market prices for identical securities in active markets. Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statements of activities as an increase or decrease in unrestricted net assets unless the income or loss is restricted by donor or law.

Investment in Transmission Facilities

The corporation uses the cost or equity methods to account for all its investments in transmission facilities.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Inputs that are not observable in the market and reflect management's judgment about the assumptions that market participants would use in pricing the asset or liability.

Property and Equipment

Fixed assets are recorded at cost or in the case of donated property at their estimated fair value as of the date of receipt. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from three to thirty-five years.

Estimated useful lives are as follows:

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

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.

Alaska Public Media, Inc.

Notes to Financial Statements

Public Support and Revenue Recognition

Grant and service contract revenues are recognized in proportion to the extent of authorized costs incurred. Grant and service contract awards in excess of recognized revenues are reflected as deferred revenue in the statement of financial position.

Contributions, including pledges, from the general public are recognized as public support when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Contributions that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily or only restricted contributions based on the nature of the restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In-kind Contributions

In-kind contributions consist of donated materials and services recorded as revenue and expense at their estimated fair market value when received.

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.

Advertising Costs

Advertising costs are expensed as incurred.

Income Taxes

The Corporation is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes. The Corporation has analyzed its tax positions taken for filings with the Internal Revenue Service. It believes that its tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on its financial condition, results of operations, or cash flows. The Corporation's federal and state income tax returns are subject to examination by federal, state and local taxing authorities, generally for three years after they are filed.

Alaska Public Media, Inc.

Notes to Financial Statements

New Accounting Standards Adopted

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 addresses current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction for purposes of revenue recognition. The new guidance is to be applied on a modified prospective basis to all agreements that are not fully recognized as of the effective date. APM adopted this standard on July 1, 2019, the result of which did not have a material impact on its financial statements.

Subsequent Events

The Corporation has evaluated subsequent events through February 12, 2021, the date on which the financial statements were available to be issued.

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 footnote 11. The carrying amount of financial assets available within one year of the balance sheet date for the years ended June 30, 2020 and 2019 are as follows:

	2020	2019
Undesignated cash deposits	\$ 2,242,602	\$ 1,501,600
Accounts receivable	391,952	202,452
Investments	1,396,168	1,379,305
Total Liquid Assets	\$ 4,030,722	\$ 3,234,243

3. Concentration of Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist of bank balances that at times exceed federally insured limits. At June 30, 2020 and 2019, the Corporation's uninsured cash balances totaled approximately \$2,171,035 and \$1,084,625, respectively. Management believes it is not exposed to any significant credit risk on its balances.

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Alaska Public Media, Inc.

Notes to Financial Statements

4. Receivables

At June 30, 2020 and 2019, accounts receivable consists of the following:

	2020	2019
Sponsorships (underwriting)	\$ 189,223	\$ 142,970
Contributions (pledges)	12,081	12,081
Grants receivable	193,311	50,064
Less allowance for doubtful accounts	394,615 (2,663)	205,115 (2,663)
Total Receivables	\$ 391,952	\$ 202,452

The pledged contributions are due within one year.

5. Investments

Investments consist of the following at June 30, 2020 and 2019:

<i>June 30, 2020</i>	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Investments at fair value:				
Money market funds	\$ 27,036	\$ -	\$ -	\$ 27,036
Exchange-traded funds	1,240,573	138,844	10,285	1,369,132
Total Investments	\$ 1,267,609	\$ 138,844	\$ 10,285	\$ 1,396,168

<i>June 30, 2019</i>	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Investments at fair value:				
Money market funds	\$ 16,185	\$ -	\$ -	\$ 16,185
Exchange-traded funds	1,215,616	149,983	2,479	1,363,120
Total Investments	\$ 1,231,801	\$ 149,983	\$ 2,479	\$ 1,379,305

The fair value of the money market and exchange traded funds is based on quoted market prices in active markets (Level 1 inputs).

Alaska Public Media, Inc.

Notes to Financial Statements

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.

Gains on investment are comprised of the following at June 30:

<i>June 30,</i>		2020		2019
Interest and dividends	\$	44,362	\$	9,440
Realized and unrealized gains		8,496		78,136
Management fees		(10,578)		(7,960)
Gains on Investment, net	\$	42,280	\$	79,616

6. Beneficial Interest in APM Designated Endowment Fund

The Corporation established a board designated endowment fund with the Alaska Community Foundation (Foundation) known as the APM 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. 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 Endowment Fund was \$162,697 and \$148,176 at June 30, 2020 and 2019, respectively.

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Alaska Public Media, Inc.

Notes to Financial Statements

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. Summarized financial statements for the years ended June 30, 2020 and 2019 are as follows:

	(Unaudited)	
	2020	2019
Current assets	\$ 324,913	\$ 269,292
Long-term assets	171,406	195,146
Total Assets	\$ 496,319	\$ 464,438
Current liabilities	\$ 10,000	\$ 14,944
Equity	486,319	449,493
Total Liabilities and Equity	\$ 496,319	\$ 464,438
Revenues	\$ 74,760	\$ 103,581
Expenses	(183,154)	(155,916)
Net Loss	\$ (108,394)	\$ (52,335)
APM's Allocable Share of Net Loss	\$ (36,854)	\$ (17,794)

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, 2020 and 2019, respectively. The Corporation paid user fees of \$24,184 to ABTC during the years ended June 30, 2020 and 2019.

The following details the investment activity:

		Goose Bay Joint Venture		
<i>Year Ended June 30, 2020</i>			ABTC	Total
Carrying value of investment, July 1, 2019	\$	319,567	\$ 10,294	\$ 329,861
Investment in transmission facilities		53,252	-	53,252
Loss on investment in transmission facilities		(36,854)	-	(36,854)
Total Investment in Transmission Facilities	\$	335,965	\$ 10,294	\$ 346,259

Alaska Public Media, Inc.

Notes to Financial Statements

<i>Year Ended June 30, 2019</i>	Goose Bay Joint Venture	ABTC	Total
Carrying value of investment, July 1, 2018	\$ 295,323	\$ 10,294	\$ 305,617
Investment in transmission facilities	42,038	-	42,038
Loss on investment in transmission facilities	(17,794)	-	(17,794)
Total Investment in Transmission Facilities	\$ 319,567	\$ 10,294	\$ 329,861

8. Property and Equipment

At June 30, 2020 and 2019, property and equipment consist of the following:

	2020	2019
Buildings and improvements	\$ 5,549,556	\$ 5,549,556
Equipment	5,879,389	5,756,487
Furniture and fixtures	138,518	138,518
Land	15,716	15,716
	11,583,179	11,460,277
Less accumulated depreciation	(10,072,628)	(9,777,422)
Total Property and Equipment, net	\$ 1,510,551	\$ 1,682,855

For the years ended June 30, 2020 and 2019, depreciation expense was \$295,207 and \$348,341, respectively.

9. Accrued Payroll and Related Taxes

At June 30, 2020 and 2019, accrued payroll and related taxes consist of the following:

	2020	2019
Accrued payroll and related taxes	\$ 151,661	\$ 109,511
Accrued vacation	155,088	137,055
Total Accrued Payroll and Related Taxes	\$ 306,749	\$ 246,566

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Alaska Public Media, Inc.

Notes to Financial Statements

10. Deferred Revenue

At June 30, 2020 and 2019, deferred revenue consists of the following:

	2020	2019
Sponsorships	\$ 95,477	\$ 132,180
Grants	536,770	180,793
Other	46,436	40,365
Total Deferred Revenue	\$ 678,683	\$ 353,338

11. Line of Credit

As of June 30, 2020, and 2019, the Corporation had an available line of credit with a financial institution in the amount of \$370,000 which expired July 2020. Stated interest on the line of credit is the greater of a floating rate equal to the prime rate (3.25% at June 30, 2020) plus 1% or the floor rate of 5%. As of June 30, 2020, and 2019, there was no outstanding balance on this line of credit. Additionally, the Corporation made no withdrawals during the year. Subsequent to the end of the year, the line of credit was renewed until October 2021.

12. Note Payable

The Corporation applied and received monies from the SBA Paycheck Protection Program (PPP). The assistance came in the form of a loan in the amount of \$627,396. The term of the loan includes an interest rate of 1.00 percent to be paid over a period of 24 months ending in 2022. The PPP loan is subject to forgiveness based upon criteria and approval set by the SBA. The Corporation has applied for full forgiveness of the loan and has classified the balance as a current liability due to the anticipation of forgiveness by February 2021.

13. 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.

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 lease commitments per year are as follows:

Year Ending June 30,

2021	\$ 32,500
2022	32,500
2023	32,500
2024	32,500
2025	33,750
Thereafter	445,000

Alaska Public Media, Inc.

Notes to Financial Statements

\$ 608,750

The Corporation had sublease revenue of \$93,997 and \$71,610 during the years ended June 30, 2020 and 2019, respectively.

Rental expense under all operating leases was \$74,374 and \$68,914 for the years ended June 30, 2020 and 2019, respectively.

14. Pension Plan

The Corporation participates in a defined contribution pension 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, 2020 and 2019 were \$39,577 and \$38,606, respectively.

15. 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.

16. Commitments and Contingencies

Expenses pursuant to grants are subject to audits by governmental and private agencies or their representatives. Amounts reflected in the financial statements and expenses in prior periods have generally not been audited by the grantor agencies. Accordingly, adjustments of amounts received under grants could result if the grants are audited by such agencies.

Management believes that no significant liability will result from the foregoing matter and, accordingly, no liability for amounts, if any, that may be payable has been recorded in the accompanying financial statements.

In the event the 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.

COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on APM's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.

Alaska Public Media, Inc.

Notes to Financial Statements

Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, APM is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

- APM is dependent on its workforce to deliver its services. Developments such as social distancing, health of employees, and shelter-in-place directives may impact the APM's ability to deploy its workforce as effectively. While expected to be temporary, prolonged workforce disruptions may negatively impact performance of services or require use of emergency personnel.
- The outbreak could have a continued material adverse impact on economic and market conditions and suppliers and could trigger a period of global economic slowdown, which may impair APMs's asset values, including equity and debt investments.

Although APM cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on APMs's results of future operations, financial position, and liquidity in fiscal year 2020.

17. Recent Accounting Pronouncements Not Yet Adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FASB deferred the effective date for the Corporation until annual periods beginning after December 15, 2019. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management is currently evaluating the impact of this ASU on its financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The standard also requires lessors to treat a lease as a sale if it transfers all of the risks and rewards, as well as control of the underlying asset, to the lessee. If risks and rewards are conveyed without the transfer of control, the lease is treated as a financing. If the lessor doesn't convey risks and rewards or control, an operating lease results. The guidance is effective for the Corporation for the fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Management is currently evaluating the impact of their pending adoption of the new standard on their financial statements.

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Supplementary Information

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Independent Auditor's Report on Supplementary Information

Board of Directors
Alaska Public Media, Inc.
Anchorage, Alaska

Our audits of the financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report 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 audits 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.

BDO USA, LLP

Anchorage, Alaska
February 12, 2021

Alaska Public Media, Inc.
Schedule of Functional Expenses

Year Ended June 30, 2020	Program Services			Support Services			Total
	Programming and Production	Broad-casting and Engineering	Total	Development and Fundraising	Administration	Total	
Personnel and Related							
Salaries, wages and employee benefits	\$ 1,334,514	\$ 535,682	\$ 1,870,196	\$ 708,456	\$ 846,207	\$ 1,554,663	\$ 3,424,859
Program Support							
Supplies and minor equipment	3,077	5,561	8,638	531	17,005	17,536	26,174
Program acquisitions	821,124	434	821,558	-	-	-	821,558
Dues and subscriptions	36,524	11,140	47,664	25,908	18,435	44,343	92,007
Donated services and in-kind expenses	-	-	-	-	-	-	-
Purchased services	165,035	5,190	170,225	65,858	186,614	252,472	422,697
Bad debt	-	-	-	(750)	-	(750)	(750)
Equipment maintenance	8,826	168,836	177,662	16,697	8,504	25,201	202,863
Total Program Support	1,034,586	191,161	1,225,747	108,244	230,558	338,802	1,564,549
Marketing and Advertising							
Printing	315	-	315	61,378	2,889	64,267	64,582
Promotion and advertising	13,242	-	13,242	105,664	6,160	111,824	125,066
Total Marketing and Advertising	13,557	-	13,557	167,042	9,049	176,091	189,648
Administration and General							
Public and employee relations	13,167	2,148	15,315	5,695	17,153	22,848	38,163
Shipping and postage	-	2,970	2,970	19,940	8,140	28,080	31,050
Equipment and furniture	8,883	47,423	56,306	-	1,618	1,618	57,924
Taxes, insurance and other	4,221	3,852	8,073	93,056	64,279	157,335	165,408
Travel and training	36,762	16,874	53,636	6,951	35,922	42,873	96,509
Total Administration and General	63,033	73,267	136,300	125,642	127,112	252,754	389,054
Occupancy							
Property rent / lease	693	-	693	-	74,374	74,374	75,067
Building utilities	14,671	188,606	203,277	95,866	90,928	186,794	390,071
Maintenance	-	63,462	63,462	45	13,987	14,032	77,494
Total Occupancy	15,364	252,068	267,432	95,911	179,289	275,200	542,632
Total Expenses Before Depreciation	2,461,054	1,052,178	3,513,232	1,205,295	1,392,215	2,597,510	6,110,742
Depreciation	-	119,356	119,356	10,580	165,271	175,851	295,207
Total Expenses	\$ 2,461,054	\$ 1,171,534	\$ 3,632,588	\$ 1,215,875	\$ 1,557,486	\$ 2,773,361	\$ 6,405,949

See accompanying independent auditor's report on supplementary information.

Alaska Public Media, Inc.

Schedule of Activities by Department

<i>Year Ended June 30, 2020</i>	Radio	Television	Total
Public Support and Revenues			
Operations:			
Sustaining memberships	\$ 1,698,380	1,698,101	\$ 3,396,481
Program sponsorships	730,706	232,131	962,837
CPB grants	251,088	977,524	1,228,612
Other grants	368,699	167,236	535,935
In-kind contributions	12,824	(8,494)	4,330
APRN station dues	86,750	-	86,750
Tower rental revenue	-	93,997	93,997
Gains on investment	21,140	21,140	42,280
Other income	39,703	145,239	184,942
Total Public Support and Revenues	3,209,290	3,326,874	6,536,164
Expenses			
Salaries, wages and employee benefits	1,965,531	1,459,328	3,424,859
Program acquisitions	292,759	528,799	821,558
Purchased services	272,216	150,481	422,697
Utilities	183,970	206,101	390,071
Maintenance	152,391	127,966	280,357
Travel and training	61,084	35,425	96,509
Promotion and advertising	14,238	110,828	125,066
Dues and subscriptions	55,340	36,667	92,007
Property rent/lease	28,782	46,285	75,067
Public and employee relations	14,049	24,114	38,163
Equipment and furniture	11,939	45,985	57,924
Printing	32,180	32,402	64,582
Supplies and minor equipment	16,751	9,423	26,174
Shipping and postage	15,311	15,739	31,050
Bad debt	-	(750)	(750)
Taxes, insurance and other	85,018	80,390	165,408
Total Expenses Before Depreciation	3,201,559	2,909,183	6,110,742
Change in Net Assets before Depreciation and Loss on Investment in Transmission Facilities	7,731	417,691	425,422
Other Changes in Net Assets			
Depreciation expense	137,125	158,082	295,207
Loss on investment in transmission facilities	-	36,854	36,854
Change in Net Assets	\$ (129,394)	\$ 222,755	\$ 93,361

See accompanying independent auditor's report on supplementary information.