



**MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL  
AND AFFILIATE**

**COMBINED FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**JMM & ASSOCIATES  
CERTIFIED PUBLIC ACCOUNTANTS**

**MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

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**JUNE 30, 2022 AND 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Mountain Lake Public Telecommunications Council and Affiliate  
One Sesame Street  
Plattsburgh, New York

### Opinion

We have audited the accompanying combined financial statements of Mountain Lake Public Telecommunications Council (a New York Nonprofit Corporation) and Affiliate, which comprise the combined statements of financial position as of June 30, 2022 and 2021, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, based on our audit and the report of other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of Mountain Lake Public Telecommunications Council and Affiliate 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.

We did not audit the financial statements of Canadian Friends of WCFE-TV 57, an affiliate, which statements reflect total assets constituting 1% and 2%, respectively, of combined total assets at June 30, 2022 and 2021, and total revenues constituting 9% and 6%, respectively, of combined total revenues for the years then ended. Those statements, which were prepared in accordance with Canadian accounting standards for not-for-profit organizations, were audited by other auditors, whose report has been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of Canadian Friends of WCFE-TV 57, which conform those financial statements to accounting principles generally accepted in the United States of America. Our opinion, insofar as it relates to the amounts included for Canadian Friends of WCFE-TV 57, prior to these conversion adjustments, is based solely on the report of the other auditors.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Mountain Lake Public Telecommunications Council and Affiliate 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.

JMM & ASSOCIATES ■ CERTIFIED PUBLIC ACCOUNTANTS

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## **Responsibilities of Management for the Combined Financial Statements**

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mountain Lake Public Telecommunications Council and Affiliate's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Combined Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Mountain Lake Public Telecommunications Council and Affiliate'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mountain Lake Public Telecommunications Council and Affiliate'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.

*Jmm & Associates*

December 13, 2022

**MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2022 AND 2021**

**A S S E T S**

	<b>2022</b>	<b>2021</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 739,995	\$ 595,865
Pledges receivable	5,000	5,000
Grants receivable	17,000	-
Other receivables	77,882	81,421
Prepaid expenses	51,591	45,102
Broadcast contract rights	14,114	11,447
<b>TOTAL CURRENT ASSETS</b>	<b>905,582</b>	<b>738,835</b>
 <b>PROPERTY AND EQUIPMENT, net</b>	 <b>2,298,787</b>	 <b>2,362,386</b>
 <b>OTHER ASSETS</b>		
Beneficial interest with Adirondack Foundation	93,647	112,232
Investment in Centralcast, LLC	539,267	489,769
 <b>TOTAL OTHER ASSETS</b>	 <b>632,914</b>	 <b>602,001</b>
 <b>TOTAL ASSETS</b>	 <b>\$ 3,837,283</b>	 <b>\$ 3,703,222</b>

**See accompanying notes.**

## LIABILITIES AND NET ASSETS

	<b>2022</b>	<b>2021</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 109,711	\$ 44,327
Accrued payroll and related expenses	10,716	10,010
Accrued compensated absences	63,585	61,006
Current portion of long-term debt	33,000	31,000
Deferred revenue	23,086	22,097
	<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>	240,098	168,440
<b>LONG-TERM DEBT, net of current portion</b>	<hr/> 647,018	<hr/> 684,819
<b>TOTAL LIABILITIES</b>	<hr/> 887,116	<hr/> 853,259
<b>NET ASSETS</b>		
Net assets without donor restrictions:		
Net investment in property and equipment	1,618,769	1,646,567
Other	809,448	716,064
Total net assets without donor restrictions	<hr/> 2,428,217	<hr/> 2,362,631
Net assets with donor restrictions:		
Restricted for future periods	498,709	465,091
Restricted in perpetuity	23,241	22,241
Total net assets with donor restrictions	<hr/> 521,950	<hr/> 487,332
<b>TOTAL NET ASSETS</b>	<hr/> 2,950,167	<hr/> 2,849,963
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<hr/> <hr/> \$ 3,837,283	<hr/> <hr/> \$ 3,703,222

See accompanying notes.

**MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>SUPPORT AND REVENUE</b>		
Government grants	\$ 1,460,645	\$ 1,911,290
Program grants	67,000	42,500
Miscellaneous grants	-	75,250
PPP loan forgiveness	-	181,200
Local community support	522,013	529,293
Underwriting and other support	138,294	140,537
Rental income	117,788	130,877
In-kind revenue	28,486	22,003
Miscellaneous income	59,606	254,148
Production services	-	6,900
Gain on foreign exchange	375	1,675
	<u>2,394,207</u>	<u>3,295,673</u>
Net assets released from restrictions	<u>14,000</u>	<u>34,214</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>2,408,207</u>	<u>3,329,887</u>
<b>EXPENSES</b>		
Program services:		
Programming	854,420	860,031
Production	332,260	394,820
Educational services	119,421	111,185
Broadcast engineering	318,082	313,580
Public information	35,582	47,163
Total program services	<u>1,659,765</u>	<u>1,726,779</u>
Support services:		
General and administrative	389,161	377,592
Development	348,445	377,711
Total support services	<u>737,606</u>	<u>755,303</u>
<b>TOTAL EXPENSES</b>	<u>2,397,371</u>	<u>2,482,082</u>
<b>OPERATING INCOME</b>	<u>10,836</u>	<u>847,805</u>
<b>NON-OPERATING INCOME</b>		
Capital grant	67,455	442,015
Unrealized gain (loss) on investments	(12,705)	15,416
<b>TOTAL NON-OPERATING INCOME</b>	<u>54,750</u>	<u>457,431</u>
<b>CHANGE IN NET ASSETS WITHOUT</b>		
<b>DONOR RESTRICTIONS (forward)</b>	<u>\$ 65,586</u>	<u>\$ 1,305,236</u>

See accompanying notes.



**MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**STATEMENTS OF ACTIVITIES (CONTINUED)**

**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS (forwarded)</b>	\$ 65,586	\$ 1,305,236
<b>BEGINNING NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>2,362,631</u>	<u>1,057,395</u>
<b>ENDING NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u><u>\$ 2,428,217</u></u>	<u><u>\$ 2,362,631</u></u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS SUPPORT AND REVENUE</b>		
Contributions and grants	\$ 6,000	\$ 16,228
Gain on investment in Centralcast, LLC	49,498	43,844
Net gain (loss) on endowment fund	<u>(6,880)</u>	<u>8,007</u>
	48,618	68,079
Net assets released from restrictions	<u>(14,000)</u>	<u>(34,214)</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>34,618</u>	<u>33,865</u>
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>	34,618	33,865
<b>BEGINNING NET ASSETS WITH DONOR RESTRICTIONS</b>	<u>487,332</u>	<u>453,467</u>
<b>ENDING NET ASSETS WITH DONOR RESTRICTIONS</b>	<u><u>\$ 521,950</u></u>	<u><u>\$ 487,332</u></u>
<b>TOTAL CHANGE IN NET ASSETS</b>	<u><u>\$ 100,204</u></u>	<u><u>\$ 1,339,101</u></u>

See accompanying notes.

**MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**STATEMENT OF FUNCTIONAL EXPENSES - 2022**

**FOR THE YEAR ENDED JUNE 30, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>Programming</u>	<u>Production</u>	<u>Educational Services</u>	<u>Broadcast Engineering</u>	<u>Public Information</u>
Salaries and wages	\$ 131,302	\$ 195,782	\$ 64,428	\$ 58,171	\$ 27,662
Benefits	24,275	34,451	7,990	5,416	2,362
Payroll taxes	11,100	16,551	5,446	4,918	2,338
Subtotal - Personnel	166,677	246,784	77,864	68,505	32,362
Program acquisition	484,380	-	-	-	-
Contracted services	146,963	23,261	28,350	46	-
Depreciation and amortization	3,389	18,199	1,427	105,168	-
Insurance - general	-	-	-	-	-
Repairs and maintenance	-	-	-	44,864	-
Postage and shipping	-	(154)	-	41	-
Occupancy	10,024	12,135	4,221	6,860	1,583
Telephone	870	1,635	475	23,083	332
Miscellaneous	956	6,252	402	28,284	-
Interest expense	6,993	8,354	2,944	4,784	1,104
Dues and subscriptions	1,739	837	-	115	-
Premium expense	-	-	-	-	-
In-kind donations	5,400	5,850	-	-	-
Legal and accounting	-	-	-	-	-
Infrastructure fees	25,000	-	-	-	-
Equipment rental	-	4,400	-	17,939	-
Bank fees	-	-	-	15	-
Electric and utilities	-	-	-	16,251	-
Travel and conferences	-	3,474	500	1,238	-
Supplies	-	1,233	3,238	889	-
Underwriting expense	-	-	-	-	-
Printing	2,029	-	-	-	-
Advertising	-	-	-	-	201
Bad debt expense	-	-	-	-	-
<b>TOTAL EXPENSES</b>	<u>\$ 854,420</u>	<u>\$ 332,260</u>	<u>\$ 119,421</u>	<u>\$ 318,082</u>	<u>\$ 35,582</u>

See accompanying notes.

	<b>Total Program Services</b>	<b>General &amp; Administrative</b>	<b>Development</b>	<b>2022 Total</b>	<b>2021 Total</b>
Salaries and wages	\$ 477,345	\$ 147,373	\$ 123,985	\$ 748,703	\$ 774,653
Benefits	74,494	14,873	22,286	111,653	136,404
Payroll taxes and benefits	40,353	12,458	10,481	63,292	60,567
Subtotal - Personnel	592,192	174,704	156,752	923,648	971,624
Program acquisition	484,380	-	-	484,380	495,867
Contracted services	198,620	48,550	10,540	257,710	258,478
Depreciation and amortization	128,183	2,577	3,568	134,328	149,390
Insurance - general	-	70,565	-	70,565	64,598
Repairs and maintenance	44,864	6,153	5,364	56,381	82,131
Postage and shipping	(113)	1,771	54,646	56,304	50,680
Occupancy	34,823	7,319	10,552	52,694	54,972
Telephone	26,395	728	17,257	44,380	47,162
Miscellaneous	35,894	2,629	4,571	43,094	8,021
Interest expense	24,179	5,487	7,361	37,027	46,364
Dues and subscriptions	2,691	33,011	264	35,966	36,352
Premium expense	-	-	31,955	31,955	47,532
In-kind donations	11,250	810	16,426	28,486	22,002
Legal and accounting	-	28,323	-	28,323	31,494
Infrastructure fees	25,000	-	-	25,000	25,000
Equipment rental	22,339	577	1,340	24,256	23,409
Bank fees	15	2,273	19,604	21,892	22,805
Electric and utilities	16,251	-	-	16,251	13,178
Travel and conferences	5,212	3,024	1,224	9,460	7,323
Supplies	5,360	660	1,065	7,085	10,722
Underwriting expense	-	-	5,956	5,956	7,728
Printing	2,029	-	-	2,029	2,297
Advertising	201	-	-	201	709
Bad debt expense	-	-	-	-	2,244
<b>TOTAL EXPENSES</b>	<b>\$ 1,659,765</b>	<b>\$ 389,161</b>	<b>\$ 348,445</b>	<b>\$ 2,397,371</b>	<b>\$ 2,482,082</b>

See accompanying notes.

**MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**STATEMENT OF FUNCTIONAL EXPENSES - 2021**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u><b>Programming</b></u>	<u><b>Production</b></u>	<u><b>Educational Services</b></u>	<u><b>Broadcast Engineering</b></u>	<u><b>Public Information</b></u>
Salaries and wages	\$ 130,829	\$ 186,232	\$ 65,397	\$ 83,737	\$ 28,253
Benefits	25,735	36,815	8,600	16,067	2,490
Payroll taxes	10,229	14,561	5,113	6,547	2,209
Subtotal - Personnel	166,793	237,608	79,110	106,351	32,952
Program acquisition	495,867	-	-	-	-
Contracted services	146,761	45,000	22,173	-	-
Depreciation and amortization	5,381	64,602	-	69,111	850
Repairs and maintenance	-	300	-	61,483	-
Insurance - general	-	-	-	-	-
Occupancy	10,441	12,512	4,329	7,156	1,883
Postage and shipping	-	-	-	1,047	-
Premium expense	-	-	-	-	-
Telephone	501	1,513	376	20,120	376
Interest expense	8,787	10,637	3,699	6,012	1,387
Dues and subscriptions	464	1,778	-	-	1,565
Legal and accounting	-	-	-	-	-
Infrastructure fees	25,000	-	-	-	-
Equipment rental	-	4,200	-	17,426	-
Bank fees	-	4	-	-	-
In-kind donations	-	13,002	-	3,599	5,401
Electric and utilities	-	-	-	13,178	-
Supplies	36	892	1,498	11	3
Miscellaneous	-	36	-	5,532	-
Underwriting expense	-	-	-	-	-
Travel and conferences	-	2,736	-	2,554	-
Printing	-	-	-	-	2,037
Bad debt expense	-	-	-	-	-
Advertising	-	-	-	-	709
<b>TOTAL EXPENSES</b>	<u><u>\$ 860,031</u></u>	<u><u>\$ 394,820</u></u>	<u><u>\$ 111,185</u></u>	<u><u>\$ 313,580</u></u>	<u><u>\$ 47,163</u></u>

**See accompanying notes.**

	<b>Total Program Services</b>	<b>General &amp; Administrative</b>	<b>Development</b>	<b>2021 Total</b>
Salaries and wages	\$ 494,448	\$ 145,901	\$ 134,304	\$ 774,653
Benefits	89,707	16,236	30,461	136,404
Payroll taxes and benefits	38,659	11,407	10,501	60,567
Subtotal - Personnel	622,814	173,544	175,266	971,624
Program acquisition	495,867	-	-	495,867
Contracted services	213,934	36,467	8,077	258,478
Depreciation and amortization	139,944	4,065	5,381	149,390
Repairs and maintenance	61,783	8,984	11,364	82,131
Insurance - general	-	64,598	-	64,598
Occupancy	36,321	7,660	10,991	54,972
Postage and shipping	1,047	1,094	48,539	50,680
Premium expense	-	-	47,532	47,532
Telephone	22,886	501	23,775	47,162
Interest expense	30,522	6,592	9,250	46,364
Dues and subscriptions	3,807	32,300	245	36,352
Legal and accounting	-	31,494	-	31,494
Infrastructure fees	25,000	-	-	25,000
Equipment rental	21,626	577	1,206	23,409
Bank fees	4	2,936	19,865	22,805
In-kind donations	22,002	-	-	22,002
Electric and utilities	13,178	-	-	13,178
Supplies	2,440	4,406	3,876	10,722
Miscellaneous	5,568	1,190	1,263	8,021
Underwriting expense	-	-	7,728	7,728
Travel and conferences	5,290	1,184	849	7,323
Printing	2,037	-	260	2,297
Bad debt expense	-	-	2,244	2,244
Advertising	709	-	-	709
<b>TOTAL EXPENSES</b>	<b>\$ 1,726,779</b>	<b>\$ 377,592</b>	<b>\$ 377,711</b>	<b>\$ 2,482,082</b>

See accompanying notes.

**MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u><b>2022</b></u>	<u><b>2021</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants	\$ 1,584,089	\$ 2,497,795
Cash received from contributions	660,307	665,130
Other operating receipts	218,410	353,854
Cash paid for salaries and benefits	(920,363)	(974,741)
Cash paid to suppliers for goods and services	(1,217,654)	(1,670,861)
Cash paid for interest	<u>(37,027)</u>	<u>(46,364)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>287,762</u>	<u>824,813</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(107,831)	(374,686)
Increase in long-term investment	<u>(1,000)</u>	<u>(1,228)</u>
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<u>(108,831)</u>	<u>(375,914)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Endowment gifts received	1,000	1,228
Principal payments on long-term debt	<u>(35,801)</u>	<u>(28,277)</u>
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<u>(34,801)</u>	<u>(27,049)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	144,130	421,850
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>595,865</u>	<u>174,015</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u><u>\$ 739,995</u></u>	<u><u>\$ 595,865</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITY</b>		
Forgiveness of Paycheck Protection Program loan	<u><u>\$ -</u></u>	<u><u>\$ 181,200</u></u>

See accompanying notes.

# **MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

### **1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES**

#### Summary of operations

Mountain Lake Public Telecommunications Council and Affiliate (the Council or the Organization), formerly known as Northeast New York Public Telecommunications Council, Inc., is a nonprofit corporation organized under the Education Law of the State of New York in 1968 for the purpose of providing educational services. The Council obtains its revenue principally from federal and state grants, public contributions and underwriting contracts with area businesses.

#### Principles of combination

The combined financial statements include the accounts of Mountain Lake Public Telecommunications Council and its affiliated friends organization, Canadian Friends of WCFE-TV 57. All significant intercompany accounts and transactions have been eliminated in the combination.

#### Upcoming accounting standard

In February 2016, FASB issued ASU No. 2016-02, *Leases* (Topic 842), which will replace the current guidance for leases found in FASB ASC 840. ASU No. 2016-02 will affect most not-for-profits for annual reporting periods beginning on or after December 15, 2021 (the Council's fiscal year ending June 30, 2023). ASU No. 2016-02 applies to both lessees and lessors, and will require lessees with operating leases to recognize a right-of-use asset and related lease liability for leases with terms of 12 months or more. Management has not yet determined the impact of this ASU on the Organization's financial statements.

#### Basis of presentation

The Council reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

#### Cash and cash equivalents

For purposes of reporting the Statements of Cash Flows, the Council considers all highly-liquid investments purchased with a maturity of three months or less to be cash equivalents.

The Council maintains its cash and investments in banks and investment firms. Accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per bank. There were approximately \$474,000 and \$303,000 on deposit in excess of the FDIC limit as of June 30, 2022 and 2021, respectively.

#### Revenue recognition

Rental income is recognized as services are delivered. The Council recognizes production services as the performance obligations outlined in the contracts are met. The Council had no material contract revenue during the fiscal years ending June 30, 2022 or 2021, and no assets or liabilities associated with contracts as of the beginning or end of the fiscal years ending June 30, 2022 or 2021.

# **MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

### **1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### Support

The Council recognizes contributions when cash, securities or other assets; an unconditional promise to give; or 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 are met.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions, and reported in the Statements of Activities as net assets released from donor restrictions.

A portion of the Council's revenue is derived from cost-reimbursable contracts and grants, which are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with the specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the Statements of Financial Position.

The Council recognizes sustaining membership revenue on a cash basis.

#### Foreign currency translation

Translation of Canadian currency amounts for the Canadian affiliate that operates in a local currency environment is performed as follows: assets and liabilities are translated to U.S. dollars at year-end exchange rates. Income and expense items are translated at average rates of exchange prevailing during the year. Translation gain or loss is included in the Statements of Activities.

#### Property and equipment

Property and equipment is stated at cost. Donations of property and equipment received without stipulations about how long the donated asset must be used are recorded as revenue without donor restrictions at their estimated fair value. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are initially recorded as donor restricted support, and will be released from restrictions by reclassifying net assets with donor restrictions to net assets without donor restrictions when the asset is placed in service, unless the donor also placed a time restriction on the use of the long-lived asset, in which case the release occurs over the life of the time restriction.

The cost of maintenance and repairs is charged to expense as incurred; renewals and betterments costing greater than \$1,000 are capitalized. Donated capital assets with a fair value greater than \$1,000 at the date of the gift are similarly capitalized. Depreciation is computed by the straight-line method over the estimated useful lives of the underlying asset.



# **MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

### **1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### Fair value measurements

Generally accepted accounting principles for fair value measurements emphasize a market-based approach to fair value, and require disclosures about valuation techniques used in the preparation of financial statements. The framework establishes a hierarchy that prioritizes the inputs used in measuring fair value (with Level 1 given the highest priority and Level 3 the lowest):

- Level 1 inputs are quoted prices available in active markets.
- Level 2 inputs are other than quoted prices in active markets which are "observable" as of the reporting date (such as published life expectancy tables used for valuing an annuity).
- Level 3 measurements use "significant unobservable inputs" and include net present value calculations of estimated future cash flows.

The investment in Centralcast LLC, as shown in Note 8, is valued using member's equity share which approximates fair value in accordance with the definition of Level 3 inputs as described above.

The fair value of the beneficial interest with the Adirondack Foundation is measured using information from the Adirondack Foundation, using inputs other than quoted prices (Level 2).

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

#### Income taxes

The Council is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Council's tax-exempt purpose is subject to taxation as unrelated business income, as defined by Section 509(a)(1) of the Code. The Council generates unrelated business tax from the net income of certain production services and tower rental activities. The Council has available a net operating loss carryforward of \$14,062 as of June 30, 2022 to offset future unrelated business taxable income.

The Council does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any tax liability for unrecognized tax benefits.

#### Use of 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.

# **MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

### **1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas, while indirect costs that benefit multiple functional areas have been allocated among the various functional areas. Indirect salaries have been allocated to the various programs based on estimated time spent by each person. Other indirect costs are allocated based on percentages of persons working in each functional area.

#### Accounts receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Council provides for losses on accounts receivable using the allowance method. The allowance method is based on experience, third-party contracts and other circumstances which may affect the ability of third parties to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with contractual terms. It is the Council's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

#### Reclassifications

Certain amounts in the financial statements for 2021 have been restated to provide an improved comparison to 2022.

#### Advertising

The Council expenses advertising costs as they are incurred.

#### Donated services and materials

The Council receives various types of in-kind support including professional services and unskilled labor. Contributed professional services are recognized at fair value if the services rendered (a) create or enhance long-lived assets or (b) require specialized skills, and would typically need to be purchased if not provided by donation. In-kind donations are recorded as revenue and expense in the accompanying Statements of Activities or as additions to assets in the Statements of Financial Position.

#### Broadcast contract rights

Broadcast contract rights relate to programs that will be aired principally in the next fiscal year. Broadcast contract rights purchased by the Council are recorded at cost and amortized on a straight-line method over the periods of their expected usage.

# MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

### 2) LIQUIDITY

The Council regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, current receivables and a line of credit (Note 11).

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Council considers all expenditures related to its ongoing activities of community investment and community impact and volunteer mobilization, as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Council operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The following tables show the total financial assets held by the Organization, and the amounts of those financial assets that could readily be made available within one year of the Statements of Financial Position dates to meet general expenditures.

The Council's financial assets at June 30 were as follows:

	<b>2022</b>	<b>2021</b>
Financial assets at year-end:		
Cash	\$ 739,995	\$ 595,865
Pledges receivable	5,000	5,000
Grants receivable	17,000	-
Other receivables	77,882	81,421
Beneficial interest with Adirondack Foundation	93,647	112,232
Investment in Centralcast, LLC	539,267	489,769
Total financial assets at year-end	<u>1,472,791</u>	<u>1,284,287</u>
Less amounts not available to meet general expenditures:		
Beneficial interest with Adirondack Foundation	(93,647)	(112,232)
Investment in Centralcast, LLC	(539,267)	(489,769)
Restricted for program grants	-	(9,000)
	<u>(632,914)</u>	<u>(611,001)</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 839,877</u>	<u>\$ 673,286</u>

In addition to these financial assets available for general expenditures, a significant portion of the Council's annual expenditures will be funded by regular Federal and State grant payments which are deposited in the Council's accounts at multiple points during the course of the year, along with member support, underwriting fees and other revenues. In the event of an unanticipated liquidity need, the Council could draw upon an available \$300,000 line of credit (Note 11). Although the Council does not intend to use such funds outside of their designation, a portion of its endowment and board-designated financial assets with the Adirondack Foundation could be made available if necessary.

# MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

### 3) PLEDGES RECEIVABLE

Unconditional promises to give were as follows as of June 30:

	<u>2022</u>	<u>2021</u>
Pledges receivable within one year	\$ 5,000	\$ 5,000

Management considers the pledges outstanding as of June 30, 2022 to be fully collectible, and that no allowance for uncollectible pledges is necessary.

### 4) GRANTS RECEIVABLE

Grants receivable consists of amounts due from program-related grants. Due to the current nature of the receivables, no allowance for uncollectible accounts is considered necessary.

### 5) OTHER RECEIVABLES

Other receivables consisted of amounts due for underwriting, rent and other items as of June 30:

	<u>2022</u>	<u>2021</u>
Other receivables	\$ 77,882	\$ 81,421

Due to the current nature of the receivables, no allowance for uncollectible accounts is considered necessary.

### 6) PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 53,511	\$ 53,511
Land improvements	109,373	109,373
Studio building	1,489,766	1,478,494
Antenna, tower and power lines	2,039,956	1,969,656
Transmitter building	57,375	59,428
Transmitter and equipment	832,650	916,635
Studio and technical equipment	2,667,171	2,889,669
Vehicles	103,202	103,202
Information systems	54,169	54,575
Translator	105,106	105,106
Furniture and fixtures	152,817	248,741
	<u>7,665,096</u>	<u>7,988,390</u>
Less accumulated depreciation	<u>(5,366,309)</u>	<u>(5,626,004)</u>
	<u>\$ 2,298,787</u>	<u>\$ 2,362,386</u>

# **MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

### **7) BENEFICIAL INTEREST WITH ADIRONDACK FOUNDATION**

The Council has placed its endowment and other Board-designated financial assets with the Adirondack Foundation (formerly Adirondack Community Trust) and has granted variance power to the Adirondack Foundation. The Board of Trustees of the Adirondack Foundation has the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community served. As the beneficiary, the Council will receive distributions of income from the funds, subject to the Adirondack Foundation's investment spending policy. The Adirondack Foundation holds endowment funds for the benefit of the Council with fair values totaling \$93,647 and \$112,232 at June 30, 2022 and 2021, respectively.

### **8) LONG-TERM INVESTMENT IN CENTRALCAST, LLC**

In 2012, the Council made capital contributions of \$65,102 to Centralcast, LLC, a New York limited liability company established to provide joint master control services to eight New York public television stations. The Council's investment in Centralcast, LLC is recorded using the equity method and, as such, the Council records its share of the net income or loss of Centralcast, LLC according to its member's equity share (9.7% as of June 30, 2022 and 2021). For the years ended June 30, 2022 and 2021, the Council's shares of Centralcast, LLC's net gain were \$49,498 and \$43,844, respectively, which have been recorded as increases in net assets with donor restrictions.

As of the report date, Centralcast, LLC is involved in negotiating an affiliation agreement with a competitor that would effectively merge the operations of the two organizations. The Council does not expect this to negatively impact the value of its investment in Centralcast, LLC.

### **9) DEFINED CONTRIBUTION RETIREMENT PLAN**

Many of the Council's employees participate in a defined contribution retirement plan administered by the Teachers Insurance Annuity Association (TIAA) and College Retirement Equities Fund (CREF). Eligible employees may begin participation on a voluntary basis after completing two years of service, with executive staff eligible after one year and some staff eligible immediately. The Council contributes, on a matching basis, an amount equal to 7% of each participant's gross wages. The Council's contributions totaled \$40,253 and \$43,186 for the years ended June 30, 2022 and 2021, respectively.

### **10) DEFERRED REVENUE**

Deferred revenue consists of prepaid rent amounts and prepayments on a conditional grant.

# MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

### 11) LINE OF CREDIT

The Council has a line of credit agreement with Champlain National Bank. The amount available to the Council was \$300,000 as of June 30, 2022 and 2021 and due on demand. The line of credit bears interest at the Wall Street Journal Prime Rate plus 2% (6.75% and 5.25% as of June 30, 2022 and 2021, respectively). Under the terms of the agreement, the Council's assets are pledged as collateral and the line of credit is cross-collateralized with the Council's long-term debt. There were no amounts outstanding on the line of credit as of June 30, 2022 or 2021.

### 12) LONG-TERM DEBT

Long-term debt consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Champlain National Bank:		
Mortgage note payable in monthly installments of \$6,041, including interest at 5.09%, collateralized by the Council's assets, balloon payment due August 2026	\$ 680,018	\$ 715,819
Less current portion	<u>(33,000)</u>	<u>(31,000)</u>
	<u>\$ 647,018</u>	<u>\$ 684,819</u>

Future maturities of long-term debt for the years ending June 30 are as follows:

2023	\$ 33,000
2024	35,000
2025	37,000
2026	39,000
2027	<u>536,018</u>
	<u>\$ 680,018</u>

Monthly installments on the Champlain National Bank mortgage are subject to change every 60 months due to variable interest rates based on the five-year Federal Home Loan Bank of New York Rate index. The interest rate changed in August 2021 from 5.95% to 5.09% and may change every 60 months thereafter. The loan carries a prepayment penalty of 3% to 5% of the outstanding balance within the first five years of the loan term.

The Paycheck Protection Program loan through the U.S. Small Business Administration was forgiven in full in November 2020 and recognized as revenue during the year ended June 30, 2021.

# MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

### 13) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30:

	2022	2021
Restricted to time or purpose:		
Investment in Centralcast, LLC (grant-funded)	\$ 484,243	\$ 434,745
Unappropriated earnings on endowment funds	9,466	16,346
Restricted to time	5,000	5,000
Restricted program grants	-	9,000
Subtotal - restricted to time or purpose	498,709	465,091
Restricted in perpetuity:		
Donor-restricted endowment	23,241	22,241
	<u>\$ 521,950</u>	<u>\$ 487,332</u>

### 14) LEASES

The Council leases tower space to third parties on an annual basis. The primary purpose of these towers is for the broadcasting of the television station operated by the Council. The Council also leases a portion of its studio building to third parties. A portion of the Council's third-party rental income is considered unrelated to the Council's primary exempt purpose and, as such, is subject to unrelated business tax on the net income.

The Council has noncancelable operating leases for office equipment and a vehicle that expire at various dates through October 2022. Lease payments were immaterial for the years ended June 30, 2022 and 2021, and future minimum lease commitments under operating leases as of June 30, 2022 were not material to the combined financial statements.

### 15) ENDOWMENT FUNDS

#### Interpretation of relevant law

The Council follows the New York Prudent Management of Institutional Funds Act (NYPMIFA) and its own governing documents. The Council's donors have not placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds. The Board of Directors, on the advice of legal counsel, has determined that the majority of the Council's contributions are subject to the terms of its governing documents. Certain contributions received are subject to specific agreements with the Council. Under the terms of the Council's governing documents, the Board of Directors has the ability to distribute so much of the original principal of any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine. As a result of the ability to distribute the original principal, all contributions not classified as donor restricted are classified as net assets without donor restrictions for financial statement purposes.

# **MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

### **15) ENDOWMENT FUNDS (continued)**

#### Endowment investment and spending policies

The Council has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets over the long term. The Council's spending and investment policies work together to achieve this objective. The investment policy has provided variance power to Adirondack Community Trust to invest endowment assets in order to achieve this objective.

#### Strategies employed for achieving objectives

To satisfy its long-term rate of return objectives, the Council relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Council targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

#### Spending policy and how the investment objectives relate to spending policy

The spending policy calculates the amount of money available annually for distribution from the Council's various endowment funds in support of programs. The current spending policy is to distribute an amount at least equal to 4% of a moving four-year average of the fair value of the endowment funds. Accordingly, over the long term, the Council expects its current spending policy to allow its endowment assets to grow. This is consistent with the Council's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through investment return.

#### Funds with deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Council complies with NYPMIFA and has interpreted NYPMIFA to permit spending from underwater endowment funds in accordance with prudent measures required under the law. There were no such deficiencies at June 30, 2022 or 2021.



**MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

**15) ENDOWMENT FUNDS (continued)**

Endowment net asset composition was as follows as of:

		<b>Net Assets with Donor Restrictions</b>		
	<b>Without Donor Restrictions</b>	<b>Un- Appropriated Earnings</b>	<b>To Be Held in Perpetuity</b>	<b>Total</b>
<b><u>June 30, 2022</u></b>				
Board-designated endowment funds	\$ 60,940	\$ -	\$ -	\$ 60,940
Donor-restricted endowment funds	-	9,466	23,241	32,707
	<u>\$ 60,940</u>	<u>\$ 9,466</u>	<u>\$ 23,241</u>	<u>\$ 93,647</u>
<b><u>June 30, 2021</u></b>				
Board-designated endowment funds	\$ 73,645	\$ -	\$ -	\$ 73,645
Donor-restricted endowment funds	-	16,346	22,241	38,587
	<u>\$ 73,645</u>	<u>\$ 16,346</u>	<u>\$ 22,241</u>	<u>\$ 112,232</u>

Changes in endowment net assets were as follows for the years ended June 30, 2021 and 2022:

		<b>Net Assets with Donor Restrictions</b>		
	<b>Without Donor Restrictions</b>	<b>Un- Appropriated Earnings</b>	<b>To Be Held in Perpetuity</b>	<b>Total</b>
<b>Endowment net assets, July 1, 2020</b>	\$ 58,477	\$ 8,339	\$ 21,013	\$ 87,829
Additional designations/gifts	-	-	1,228	1,228
Investment return	15,168	8,007	-	23,175
<b>Endowment net assets, June 30, 2021</b>	<u>\$ 73,645</u>	<u>\$ 16,346</u>	<u>\$ 22,241</u>	<u>\$ 112,232</u>
<b>Endowment net assets, July 1, 2021</b>	\$ 73,645	\$ 16,346	\$ 22,241	\$ 112,232
Additional designations/gifts	-	-	1,000	1,000
Investment return	(12,705)	(6,880)	-	(19,585)
<b>Endowment net assets, June 30, 2022</b>	<u>\$ 60,940</u>	<u>\$ 9,466</u>	<u>\$ 23,241</u>	<u>\$ 93,647</u>

# **MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

### **16) COMMITMENTS AND CONTINGENCIES**

As part of the Council's investment in Centralcast, LLC (the Company), the Council is required to make ongoing infrastructure payments in accordance with the Company's annual budget. The Council was liable for infrastructure payments of \$25,000 for the years ended June 30, 2022 and 2021.

Grants and contracts require the fulfillment of certain conditions as set forth in the instrument of the grant or contract. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although that is a possibility, management deems the contingency remote since by accepting the awards and their terms, it has accommodated the objectives of the Organization to the provisions of the grant.

### **17) RELATED PARTY TRANSACTIONS**

The Council has a member equity share in Centralcast, LLC of 9.7%. The Council paid Centralcast, LLC infrastructure fees of \$25,000 and services fees of \$86,295 in the years ended June 30, 2022 and 2021.

The combined financial statements include the activity and balances of the Council's affiliated friends organization, Canadian Friends of WCFE-TV 57.

### **18) CANADIAN FRIENDS OF WCFE-TV 57**

Mountain Lake Public Telecommunications Council's Affiliate, Canadian Friends of WCFE-TV 57 (Affiliate), was audited by the Canada Revenue Agency (CRA). The audit examined the Affiliate's operations during the 2011 fiscal year. In the opinion of the CRA, the audit raised concerns about the purposes and activities of the Affiliate which, if proven, would not satisfy the registration requirements under the Income Tax Act and lead to the issuance of a Notice of Annulment of Registration. The Affiliate, with the assistance of its legal counsel, responded to the issues raised by the CRA and was of the opinion that their conclusions were unfounded. On August 20, 2015, the CRA reached a conclusion and issued a "Notice of Annulment of Registration", thereby annulling the Affiliate's charitable status. Accordingly, as of August 20, 2015, the Affiliate did not qualify as a charity under the Income Tax Act and was not permitted to issue donation receipts. During 2017, subsequent to the Affiliate's contestation, the CRA reversed its prior decision and reinstated the Organization's charitable status retroactive to August 20, 2015. In August of 2017, the Affiliate was notified that the CRA was attempting to revoke its exempt status. The Affiliate filed a response in September of 2017.

On November 8, 2017, the CRA issued a "Notice of Intention to Revoke" the charitable registration of the Affiliate. In response, the Affiliate filed a "Notice of Objection" and disputed the conclusions arrived at by the CRA. On July 26, 2022, the Affiliate was notified that the CRA confirmed the proposal to revoke its registration. On December 3, 2022, a formal Notice of Revocation was issued by the CRA and, as a result, Canadian Friends of WCFE-TV 57 will be concluding its charitable operations as of that date.

# **MOUNTAIN LAKE PUBLIC TELECOMMUNICATIONS COUNCIL AND AFFILIATE**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2022 AND 2021**

### **19) GLOBAL PANDEMIC**

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) to be a global pandemic. This affected the Council's operations through the end of fiscal year 2020, all of fiscal year 2021 and into fiscal year 2022. Ongoing effects may include the long-term potential for decline in New York State funding, economic impact of the crisis on business underwriters and other donors, and the suspension or cancellation of certain activities and events impacting the Organization's ability to raise funds. The Council is closely monitoring its cash flows and is actively working to minimize the impact of these declines.

In addition, the Council secured a loan under the U.S. Small Business Administration Paycheck Protection Program, which was forgiven in November of 2020 and recognized as revenue in the year ended June 30, 2021.

As of the report date, it is not possible to determine the long-term impact of this health crisis on the Council's operations. Additionally, it cannot be determined if the effects are temporary or permanent in nature.

### **20) SUBSEQUENT EVENTS**

As described in Note 18, the Council's affiliate, Canadian Friends of WCFE-TV 57, was notified on July 26, 2022 that the CRA confirmed the proposal to revoke its registration. On December 3, 2022, a formal Notice of Revocation was issued by the CRA and, as a result, Canadian Friends of WCFE-TV 57 will be concluding its charitable operations as of that date.

The Council has evaluated events and transactions for potential recognition or disclosure through December 13, 2022, the date the financial statements were available to be issued.