

**WSRE-TV FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021 AND 2020**

**WSRE TV FOUNDATION, INC.  
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JUNE 30, 2021 AND 2020**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
WSRE-TV Foundation, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of WSRE-TV Foundation, Inc., [a 501(c)(3) nonprofit corporation], hereinafter referred to as the Foundation, which comprise the statements of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses and changes in net position 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.

### ***Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Foundation as of June 30, 2021 and 2020, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages three through ten be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Foundation's basic financial statements. The schedule of functional expenses on page 23 is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July XX, 2021, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

*Warren Averett, LLC*

Fort Walton Beach, Florida  
July 28, 2021

**WSRE TV FOUNDATION, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2021**

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**OVERVIEW**

This discussion and analysis of WSRE-TV Foundation's ("Foundation") financial statements provide an overview of financial activities for the years ended June 30, 2021 and 2020. Management has prepared the financial statements and the related note disclosures, along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with management.

The Foundation is a Florida not-for-profit corporation, formed in 1990 to raise funds and support the activities, operations and capital needs of WSRE, a public telecommunications entity licensed by the Federal Communications Commission to the District Board of Trustees of Pensacola State College ("College"). The Foundation serves as a direct support organization of the College, as allowable under Florida Statutes, and is financially accountable to the College. In addition to the financial statements presented herein, the Foundation and WSRE also issue combined financial statements for external reporting purposes. The Foundation provides approximately 30% of the total funds required for the annual operation of WSRE, supplemented with grants from the State of Florida, the Corporation for Public Broadcasting and general state appropriations. The discussion and analysis reflects financial activities solely of the Foundation for the fiscal years 2021 and 2020.

Other financial and non-financial considerations that impact the activities of the Foundation, which should be considered by the reader, include:

- Trends in federal and state funding provided to the Station for the operation of WSRE.
- National, statewide and local economic conditions that affect corporate and individual philanthropy.
- Technological change within the broadcasting industry.

**HIGHLIGHTS**

- Foundation funding allows WSRE to continue creating local, impactful programs, including AWARE, inStudio, Conversations with Jeff Weeks, Legislative Review, Nightmare Theatre, Pensacola State Today, and Rally.
- WSRE continued to offer the 24/7 PBS Kids channel within its programming. This channel supplements the children's programming offered on the main channel and is utilized at the Imagination Station to provide exposure to the educational programming for visiting parents and children. In addition to the Imagination Station location at the Blue Wahoos Baseball stadium, WSRE launched a project for a satellite Imagination Station at C.A. Weis Elementary School in Pensacola, which is located in an area where a high percentage of the population is poverty stricken and underserved. Through partnership with the School District of Escambia County and using funding from the Amplify grant awarded to the Foundation by the Gulf Power Foundation, the satellite station opened in the fall of 2019.
- Due to restrictions placed on schools and other organizations as a result of the spread of the Covid 19 virus, both Imagination stations were closed to the public in March 2020 and remained closed for the rest of the fiscal year. As a part of Pensacola State College, WSRE TV Station was also closed to the public from March 2020 and remained closed through the end of June 2021.

**WSRE TV FOUNDATION, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2021**

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**HIGHLIGHTS – CONTINUED**

- In response to the sudden change to remote teaching of K-12 students made necessary by the Covid 19 virus, WSRE TV changed the daytime programming schedule to provide educational programming by subject matter for elementary, middle school and high school students. The programming was provided as a resource for teachers and parents to supplement or be included in the remote educational plans of local schools. The daytime programming schedule remained focused on educational programming until local schools reopened in the fall of 2020.
- WSRE continues to implement the WSRE Passport program, which provides access to an on-demand library of public television programming to members. Passport use continues to grow as more viewers shift from conventional methods of accessing television programming to digital methods.
- Revenue generation continued to be diversified among several sources: annual memberships, major gifts and donations, special events, television program underwriting and corporate support and program grants. Supplemental income continues to be received for production and uplink services provided to others. Studio related income decreased during 2021 to \$81,000 from \$114,000 in 2020. The Foundation's revenues from donations decreased during 2021, with memberships and contributions of \$676,000 from 2020's \$716,000. WSRE has been fortunate to have and is very appreciative of its strong and consistent support base.
- The Foundation's major fundraising event during the year was restructured due to Covid restrictions, which prevented large gatherings. "Beyond the Menu," a series of programs featuring local restaurants, chefs and their specialty dishes, along with the history behind the restaurants, was created. In lieu of providing culinary creations at an in-person event, the participating restaurants provided a selected menu item paired with wine. Each program features four restaurants, and donors purchased from WSRE, a ticket package to be redeemed at each participating restaurant for the selected menu item and paired wine. The taped programs were aired several times with instructions for the purchase of tickets. The first episode of the "Beyond the Menu" program won a bronze Telly award in the Television: Food and Beverage category. Total net revenue from these events was \$42,000 in fiscal year 2021.
- The annual Be My Neighbor Day that was planned for spring of 2021 was presented as a virtual event due to the restrictions on public gatherings. Children's educational activity booklets were created, printed and distributed to school districts, libraries and child development centers in the viewing area. The event was promoted on air, along with instructions on where to obtain the booklets. Short programs were aired on Be My Neighbor Day that coached children through the activities.

**WSRE TV FOUNDATION, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2021**

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**HIGHLIGHTS – CONTINUED**

- As part of a grant to promote awareness of a PBS series focused on Country Music, WSRE began work on a local companion piece focusing on the influence of an area native on early country music. The documentary “Hank Locklin, Country Music’s Timeless Tenor” was presented at a screening held in the Jean and Paul Amos Studio. The documentary was aired by WSRE TV and a number of other PBS stations around the country. The documentary won three Telly awards: a gold for Documentary and two bronze for Directing and Editing.
- Due to past generous gifts that helped fund the creation of the Jean and Paul Amos Performance Studio, numerous community and college events are held in the Studio every year, providing opportunities for community engagement, community service and educational events. As restrictions on public gatherings are lifted, the use of the Amos Studio is beginning to increase.
- As media delivery platforms continue to expand, local high-definition content production remains a high priority for WSRE. Through free, digital over-the-air delivery of four channels and a robust website featuring PBS and WSRE programming, WSRE continues to meet the growing demand for high-quality, relevant and important local programming. The Foundation will continue to seek grants and donations to continue support for content designed for rapidly changing delivery platforms.
- Synovus Trust of Columbus, Georgia is the investment manager for the Foundation’s endowment assets. The endowments are composed of a board-designated endowment fund, whose earnings are to be reinvested until the corpus reaches \$1,000,000 at which time the earnings may be used for operations, and a donor-restricted endowment received to support the future technology needs of the Amos Performance Studio. The Foundation’s Investment Committee is responsible for the oversight of the management of the portfolio in accordance with the Foundation’s investment policy and meets regularly. The investment strategy for the endowment fund is for long-term appreciation of the corpus and reinvestment of earnings to achieve growth over time and provides for a conservative target asset allocation of 65% equity and 35% fixed income and cash. The Foundation also has an individually managed investment account for operational funds not required for short term liquidity. This account is invested in a “Capital Preservation” strategy with target asset allocation of 80% fixed income and cash and 20% equity. As of June 30, 2021, the portfolio is in compliance with this target allocation. Portfolio holdings are detailed in Note 2.

**WSRE TV FOUNDATION, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2021**

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**FINANCIAL STATEMENTS**

This report consists of three basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. The Foundation's statements are prepared using the accrual basis of accounting, which is similar to the accounting methods used by most private-sector organizations. Under this method, revenues are recognized when earned, and expenses are recognized when incurred, regardless of when cash is received or payments made. The Foundation's statements present consolidated results for three separate self-balancing funds:

- General Operating Fund (used for current year general station operations and activities)
- Board-Designated-Endowment Fund (a board-designated endowment used to reserve funds for future operations)
- Donor Restricted Funds (used to receive and disburse funds received from donors restricted as to time and/or purpose)

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information in a way that helps the reader determine if the Foundation is in a better financial position from one year to the next and allows the reader to analyze the information over long periods of time. In the Statement of Net Position, the difference between assets and liabilities, i.e., net position, is one way to measure the Foundation's financial solvency or health at the close of the fiscal year.

Over time, increases and decreases in the Foundation's net position are indicators of whether its financial health is improving or deteriorating. It also helps the user see how funds raised in one period may be expended in future periods in accordance with particular restrictions made by donors. The Statement of Revenues, Expenses and Changes in Net Position, summarizes the components of these increases and decreases for the year(s) being reported upon. If revenues and other support exceed expenses, the result is an increase in net position. If the reverse occurs, the result is a decrease in net position. The Statement of Cash Flows provides details regarding the sources and uses of cash during the year(s) being reported upon and reconciles the operating net income or expense for the year with the cash received and used for operations.

**WSRE TV FOUNDATION, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2021**

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**STATEMENT OF NET POSITION**

The Statement of Net Position presents the assets, liabilities and net position of the Foundation as of the end of the fiscal year. Its purpose is to present to the readers of the financial statements a fiscal snapshot of the Foundation at a certain point in time. This statement allows the reader to determine assets available to continue the Foundation's activities in the short term ("current assets") and the long term ("non-current assets") and to ascertain the amounts due to vendors and others that represent claims to those assets.

At June 30, 2021 and 2020, respectively, the percentage of total assets comprised by cash and investments were 93% and 90%. The increase in non-current assets from 2020 to 2021 is primarily attributable to an increase in the investment portfolio of \$553,458.

Current liabilities consist of accounts and income taxes payable and unearned grant support to fund specific projects in future years. While the Foundation is recognized as a tax-exempt organization for federal income tax purposes, corporate income taxes are remitted on uplink and production services provided to others and considered taxable Unrelated Business Income by the IRS.

The difference between assets and liabilities is presented as "Net Position." Net position is divided among three major categories. The first category, net investment in capital assets, represents the Foundation's net investment in property and equipment. Restricted net position represents the net funds available from donations, restricted by donors for specific time periods or purposes. The final category, unrestricted net position, represents accumulated surpluses from prior years available for any future lawful purpose of the Foundation.

**STATEMENTS OF NET POSITION**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>ASSETS</b>		
Current	\$ 1,032,116	\$ 1,069,471
Noncurrent	<u>3,004,057</u>	<u>2,480,744</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,036,173</u>	<u>\$ 3,550,215</u>
<b>LIABILITIES AND NET POSITION</b>		
Current Liabilities	\$ 131,307	\$ 165,111
<b>NET POSITION</b>		
Net investment in capital assets	151,615	181,431
Restricted - expendable	1,560,942	1,285,935
Unrestricted	<u>2,192,309</u>	<u>1,917,738</u>
<b>TOTAL NET POSITION</b>	<u>3,904,866</u>	<u>3,385,104</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 4,036,173</u>	<u>\$ 3,550,215</u>

**WSRE TV FOUNDATION, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2021**

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**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Changes in total net position, as presented on the Statement of Net Position, are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues earned by the Foundation, both operating and non-operating, and the expenses incurred by the Foundation, operating and non-operating, and any other revenues, expenses, gains and losses recognized for the specific fiscal periods noted.

Operating revenues are generated primarily from individual membership pledges and donations, corporate and other underwriting of programs and events, broadcast and production services provided to others, and non-cash ("in-kind") donations from the station and from the public. Operating expenses are incurred to provide operational support to WSRE and acquire or produce goods and services provided in return for operating revenues. Non-operating revenues are revenues received for which goods and services are not provided.

The largest revenue source for the Foundation continues to be from contributions, comprising 55% and 53% of operating revenue for 2021 and 2020, respectively. Remaining operating revenue is comprised of studio production services, in-kind donations from the station and other income.

The overall level of support provided by the Foundation for programs and services expense on behalf of WSRE remained consistent in 2021. During 2021, the Foundation was able to support WSRE's local productions such as *Pensacola State Today*, *AWARE*, *Conversations with Jeff Weeks*, *RALLY*, *inStudio*, *Nightmare Theatre*, and *Legislative Review*.

In 2021, the Foundation continued its contribution toward payment of WSRE's annual PBS dues and other program acquisition costs. Contributions toward these expenses in 2021 and 2020 were \$265,000 and \$259,000, respectively. Non-operating revenue includes interest income and dividends and realized and unrealized gains/losses on the Foundation's investment portfolio held with an external investment manager. At June 30, 2021 and 2020, the market values of the Foundation's investments were \$2,811,000 and \$2,258,000, respectively.

**WSRE TV FOUNDATION, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2021**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>OPERATING REVENUE</b>		
Contributions	\$ 676,124	\$ 715,815
Studio related income/contracted services	81,263	113,948
In-kind income and other	479,476	543,796
<b>TOTAL OPERATING REVENUE</b>	1,236,863	1,373,559
<b>OPERATING EXPENSE</b>		
Programming and production	463,152	521,007
Broadcasting	118,375	105,748
Fundraising and development	356,584	390,467
Management and general	332,448	329,796
Total operating expense	1,270,559	1,347,018
<b>NET OPERATING (LOSS) INCOME</b>	(33,696)	26,541
<b>NON-OPERATING REVENUE</b>		
Investment income	26,820	36,425
Net gain on investments	526,638	69,481
Total non-operating revenue	553,458	105,906
<b>INCREASE IN NET POSITION</b>	519,762	132,447
<b>NET POSITION, BEGINNING OF YEAR</b>	3,385,104	3,252,657
<b>NET POSITION, END OF YEAR</b>	\$ 3,904,866	\$ 3,385,104

**STATEMENT OF CASH FLOWS**

The final statement presented is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the Foundation during the year. The net change (increase or decrease) in cash is shown for different types of activities:

- Operating cash flows (net cash used by operating activities)
- Investing activities (cash used to purchase investments, cash received from the sale of investments, cash income received and management expenses paid)
- Capital and related financing activities (cash used for the acquisition and construction of capital and related items)

**WSRE TV FOUNDATION, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2021**

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**STATEMENT OF CASH FLOWS – CONTINUED**

This information is consolidated to show the total increase or decrease in cash for the year as shown on the Statement of Net Position. A reconciliation is provided showing how the Operating Income (Loss) as shown on the Statement of Revenues, Expenses and Changes in Net Position, is related to the net cash generated or consumed by operations. The difference between operating income (loss) and net cash provided by (used in) operating activities occurs because of the use of accrual accounting. Income will reflect revenues earned, but not collected in cash, and expenses incurred, but not paid as of the end of the year. Thus, operating income (loss) may be more or less than net cash provided by (used in) operating activities.

The Cash Flow Statement is important to readers because it shows the Foundation's ability to generate cash required for its operations and payment of obligations in a timely fashion. It also provides information as to the decisions made by management as to the use of cash available. Operating cash flows mirror the changes in operating income and expense in the Statement of Revenues, Expenses and Changes in Net Position. Restricted cash represents funds on hand that have been restricted as to use by donors and/or grantors. Unrestricted cash may be used for any lawful purpose of the Foundation.

The increase in cash balances in 2021 are directly related to a decrease in operating expenses from the prior year of approximately \$76,000. At June 30, 2021 and 2020, operating expenses were \$1,271,000 and \$1,347,000 respectively.

**STATEMENTS OF CASH FLOWS**

	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>CASH (USED IN) PROVIDED BY :</b>		
Operating activities	\$ 14,413	\$ 79,165
Investing activities	329	3
Capital related financing activities	(8,659)	(64,553)
Net increase in cash	6,083	14,615
<b>CASH, BEGINNING OF YEAR</b>	939,621	925,006
<b>CASH, END OF YEAR</b>	<b>\$ 945,704</b>	<b>\$ 939,621</b>

## **FINANCIAL STATEMENTS**

**WSRE-TV FOUNDATION, INC.  
STATEMENTS OF NET POSITION  
JUNE 30, 2021 AND 2020**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 945,704	\$ 939,621
Real estate held for sale	25,000	25,000
Accounts receivable, net	21,441	48,395
Prepaid expenses	39,971	56,455
Total current assets	1,032,116	1,069,471
<b>NONCURRENT ASSETS</b>		
Pledges receivable, net	41,018	41,018
Investments	2,811,424	2,258,295
Capital assets, net	151,615	181,431
Total noncurrent assets	3,004,057	2,480,744
<b>TOTAL ASSETS</b>	<b>\$ 4,036,173</b>	<b>\$ 3,550,215</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 36,145	\$ 70,321
Accrued tax liability	5,230	5,276
Unearned revenue	89,932	89,514
Total current liabilities	131,307	165,111
<b>NET POSITION</b>		
Net investment in capital assets	151,615	181,431
Restricted - expendable	1,560,942	1,285,935
Unrestricted	2,192,309	1,917,738
<b>TOTAL NET POSITION</b>	3,904,866	3,385,104
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 4,036,173</b>	<b>\$ 3,550,215</b>

See notes to the financial statements.

**WSRE-TV FOUNDATION, INC.**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Contributions	\$ 676,124	\$ 715,815
Studio related income/contracted services	81,263	113,948
In-kind income	437,353	413,581
Other operating revenues	<u>42,123</u>	<u>130,215</u>
Total operating revenues	1,236,863	1,373,559
<b>OPERATING EXPENSES</b>		
Programming and production	463,152	521,007
Broadcasting	118,375	105,748
Fundraising and development	356,584	390,467
Management and general	<u>332,448</u>	<u>329,796</u>
Total operating expenses	<u>1,270,559</u>	<u>1,347,018</u>
<b>OPERATING (LOSS) INCOME</b>	(33,696)	26,541
<b>NON-OPERATING REVENUES</b>		
Investment income	26,820	36,425
Net gain on investments	<u>526,638</u>	<u>69,481</u>
Total non-operating revenues	<u>553,458</u>	<u>105,906</u>
<b>NET INCOME</b>	519,762	132,447
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>3,385,104</u>	<u>3,252,657</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 3,904,866</u>	<u>\$ 3,385,104</u>

See notes to the financial statements.

**WSRE-TV FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from memberships and contributions	\$ 676,124	\$ 715,815
Cash receipts from studio related income/contracted services	108,217	93,635
Cash receipts from other operating revenue	42,541	122,100
Cash payments for operating expenses	<u>(812,469)</u>	<u>(852,385)</u>
Net cash provided by operating activities	14,413	79,165
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(636,774)	(382,144)
Sale of investments	620,356	355,038
Payments for investment management	(10,073)	(9,316)
Interest and dividends received	<u>26,820</u>	<u>36,425</u>
Net cash provided by investing activities	329	3
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	<u>(8,659)</u>	<u>(64,553)</u>
<b>NET INCREASE IN CASH</b>	6,083	14,615
<b>CASH AT BEGINNING OF YEAR</b>	<u>939,621</u>	<u>925,006</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 945,704</u>	<u>\$ 939,621</u>
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating (loss) income	\$ (33,696)	\$ 26,541
Adjustments to reconcile to net cash flows from operating activities:		
Depreciation	38,475	31,079
Uncollectible accounts receivable	-	-
Decrease (increase) in operating assets:		
Accounts receivable	26,954	(20,313)
Pledges receivable	-	-
Prepaid expenses	16,484	(6,572)
Increase (decrease) in operating liabilities:		
Accounts payable	(34,176)	53,827
Accrued tax liability	(46)	2,718
Unearned revenue	<u>418</u>	<u>(8,115)</u>
Net reconciliation of net operating income to net cash flows from operating activities	<u>\$ 14,413</u>	<u>\$ 79,165</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
In-kind operating expenses	<u>\$ 437,353</u>	<u>\$ 413,581</u>
Cash paid during the year for taxes	<u>\$ 13,219</u>	<u>\$ 13,775</u>

See notes to the financial statements.