

KACHEMAK BAY BROADCASTING, INC.

FINANCIAL STATEMENTS

June 30, 2014 and 2013

KACHEMAK BAY BROADCASTING, INC.
FINANCIAL STATEMENTS

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Robert B. Lambe
Janice M. Tuter

INDEPENDENT AUDITOR'S REPORT

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To the Boards of Directors of
Kachemak Bay Broadcasting, Inc.

We have audited the accompanying financial statements of Kachemak Bay Broadcasting, Inc (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014 and 2013, and the related statements of activities 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 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 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 Kachemak Bay Broadcasting, Inc as of June 30, 2014 and 2013, 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.

Lambe Tuter & Wagner

October 21, 2014

KACHEMAK BAY BROADCASTING, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 503,904	\$ 468,745
Certificates of deposit	30,203	120,171
Receivable from Pickle Hill Public Broadcasting, Inc.	61,948	-
Underwriting receivable	22,421	20,937
Accounts receivable	154	-
Unconditional promises to give	464	7,264
Prepaid expenses	17,942	18,139
Total current assets	637,036	635,256
PROPERTY AND EQUIPMENT	1,291,677	1,269,963
Less accumulated depreciation	(800,846)	(755,954)
	490,831	514,009
COMPUTER SOFTWARE	20,935	20,935
Less accumulated amortization	(17,560)	(16,380)
	3,375	4,555
OTHER ASSETS		
Certificates of deposit	68,785	99,295
Investment in The Homer Foundation	46,329	43,611
Donated equipment held for resale	15,000	15,000
	130,114	157,906
	\$ 1,261,356	\$ 1,311,726
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 11,763	\$ 2,650
Underwriting deposits	13,806	2,379
Accrued expenses	25,524	20,851
Payable to Pickle Hill Public Broadcasting, Inc.	-	493
Total current liabilities	51,093	26,373
NET ASSETS		
Unrestricted	1,095,216	1,157,414
Temporarily restricted	68,718	84,328
Permanently restricted	46,329	43,611
Total net assets	1,210,263	1,285,353
	\$ 1,261,356	\$ 1,311,726

See notes to financial statements.

KACHEMAK BAY BROADCASTING, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2014 and 2013

CHANGES IN UNRESTRICTED NET ASSETS FROM OPERATING ACTIVITIES	<u>2014</u>	<u>2013</u>
REVENUES AND OTHER SUPPORT		
Underwriting	\$ 98,220	\$ 127,524
Membership dues	80,098	89,791
Service agreement	79,750	80,000
Fund-raising	27,715	25,512
Donated services	51,253	51,139
Broadcasting income	11,000	11,000
Other Income	3,405	732
	<u>351,441</u>	<u>385,698</u>
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of program restrictions	<u>277,606</u>	<u>272,878</u>
Total revenues and other support	<u>629,047</u>	<u>658,576</u>
EXPENSES		
Programming and production	244,445	224,171
Management and general	203,029	200,953
Broadcasting and technical	142,113	144,025
Fund-raising	105,485	88,327
TOTAL EXPENSES	<u>695,072</u>	<u>657,476</u>
CHANGE IN UNRESTRICTED NET ASSETS FROM OPERATING ACTIVITIES	<u>(66,025)</u>	<u>1,100</u>
CHANGES IN UNRESTRICTED NET ASSETS FROM NON-OPERATING ACTIVITIES		
Loss on value of donated asset held for resale	-	(20,000)
Interest	3,827	5,588
Investment earnings	2,718	2,451
	<u>6,545</u>	<u>(11,961)</u>
Net assets transferred to permanently restricted endowment	<u>(2,718)</u>	<u>(2,451)</u>
CHANGE IN UNRESTRICTED NET ASSETS FROM NON-OPERATING ACTIVITIES	<u>3,827</u>	<u>(14,412)</u>
DECREASE IN UNRESTRICTED NET ASSETS	<u>(62,198)</u>	<u>(13,312)</u>

See notes to financial statements.

KACHEMAK BAY BROADCASTING, INC.
 STATEMENTS OF ACTIVITIES (CONT.)
 Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Grants received for operating purposes	<u>261,996</u>	<u>252,639</u>
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of program restrictions	<u>(277,606)</u>	<u>(272,878)</u>
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(15,610)</u>	<u>(20,239)</u>
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS		
Net assets transferred to permanently restricted endowment	<u>2,718</u>	<u>2,451</u>
INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	<u>2,718</u>	<u>2,451</u>
CHANGE IN NET ASSETS	(75,090)	(31,100)
NET ASSETS AT BEGINNING OF YEAR	<u>1,285,353</u>	<u>1,316,453</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 1,210,263</u></u>	<u><u>\$ 1,285,353</u></u>

See notes to financial statements.

KACHEMAK BAY BROADCASTING, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from members, contributors and granting agencies	\$ 495,342	\$ 543,902
Cash paid to suppliers and employees	(562,773)	(527,862)
Interest received	3,826	5,588
Net cash provided (used) by operating activities	<u>(63,605)</u>	<u>21,628</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	(21,714)	-
Proceeds from certificates of deposit	120,478	62,393
Cash provided for investing activities	<u>98,764</u>	<u>62,393</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	35,159	84,021
CASH AND CASH EQUIVALENTS, beginning	<u>468,745</u>	<u>384,724</u>
CASH AND CASH EQUIVALENTS, ending	<u>\$ 503,904</u>	<u>\$ 468,745</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
CHANGE IN NET ASSETS	<u>\$ (75,090)</u>	<u>\$ (31,100)</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation and amortization	46,072	53,233
Loss on value of donated asset held for resale	-	20,000
Decrease (increase) in underwriting receivables	(1,484)	11,867
Decrease in grants receivable	-	22,587
Decrease (increase) in unconditional promises to give	6,800	(3,954)
Increase in accounts receivable	(154)	-
Decrease (increase) in prepaid expenses	197	(1,030)
Increase (decrease) in accounts payable	9,113	(6,648)
Increase (decrease) in accrued expenses	4,673	(6,143)
Increase (decrease) in underwriting deposits	11,427	(33,734)
Increase in payable to Pickle Hill Public Broadcasting, Inc.	(493)	(999)
Increase in receivable from Pickle Hill Public Broadcasting, Inc.	(61,948)	-
Non-cash investment earnings	<u>(2,718)</u>	<u>(2,451)</u>
Total adjustments	<u>11,485</u>	<u>52,728</u>
	<u>\$ (63,605)</u>	<u>\$ 21,628</u>

See notes to financial statements.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kachemak Bay Broadcasting, Inc. (Corporation) is a public, nonprofit radio station incorporated in the State of Alaska, to provide and promote noncommercial educational radio broadcasting in the Kachemak Bay area.

Kachemak Bay Broadcasting, Inc. is under contract to provide for the operations of Pickle Hill Public Broadcasting, Inc.

The accounting policies that affect the more significant elements of Kachemak Bay Broadcasting, Inc. are summarized as follows:

a. Method of Accounting

Kachemak Bay Broadcasting, Inc. reports information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted amounts are those currently available at the discretion of the Board for the use in Kachemak Bay Broadcasting, Inc.'s operations.

Temporarily restricted amounts are those which are stipulated by donors or grantors for specific operating purposes. Revenue from grants and contracts are recognized as earned when the Corporation has incurred expenditures in compliance with the specific grant or contract.

Permanently restricted amounts are those for which the principal is stipulated by donors or grantors to be invested in perpetuity.

b. Contributions

All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor or grantor. Amounts received that are designated for future periods or restricted by the donor or grantor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues in the period received and as assets, decrease in liabilities, or expenses, depending on the form of benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Kachemak Bay Broadcasting, Inc.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

c. Underwriting Receivable

Kachemak Bay Broadcasting, Inc. extends credit for services rendered to underwriting customers on open accounts and receives payments for services in cash and trades.

Underwriting receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Corporation provides for losses on underwriting receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of underwriters to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Corporation's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. No allowance for doubtful accounts is considered necessary at June 30, 2014 and 2013.

Payments received in advance of services rendered are recorded as underwriting deposits.

d. Property and Equipment

All acquisitions of property and equipment in excess of \$2,000, and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized.

Property and equipment is recorded at cost, or in the case of donated property, at its estimated fair value as of the date of the contribution. Depreciation is provided using the straight-line method over the estimated useful life of the property, which ranges from three to thirty-five years. Expenditures for repairs and maintenance are charged against operations as incurred.

e. Functional Expense Allocation

Directly identifiable expenses are charged to functional expense classes for programming and production, broadcasting and technical, fundraising, and management and general expenses. Expenses related to more than one function are charged to each function on the basis of time studies and management estimates based upon prior experience. Management and general expenses include those expenses that are not directly chargeable to any other specific function but provide for the overall support and direction of the Corporation.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

f. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include all highly liquid debt instruments with maturities of three months or less.

g. Use of Estimates

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

h. Subsequent Events

Subsequent events have been evaluated through October 21, 2014, which is the date the financial statements were available to be issued.

2. CERTIFICATES OF DEPOSIT

Certificates of deposit in the amount of \$98,988 and \$252,495 at June 30, 2014 and 2013, respectively, bear interest at 2.1% to 3.0%, mature December 2, 2014 through December 16, 2016, and are classified as follows:

	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ -	\$ 33,029
Current assets	30,203	120,171
Other assets	68,785	99,295
	<u>\$ 98,988</u>	<u>\$ 252,495</u>

3. MAJOR FUNDING SOURCE

Kachemak Bay Broadcasting, Inc. receives a substantial portion of their annual funding through grants. The Corporation received \$132,616 and \$130,924 from the State of Alaska and \$126,880 and \$121,715 from the Corporation for Public Broadcasting during the years ended June 30, 2014 and 2013, respectively.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

4. DONATED SERVICES

The value of donated services included as contributions in the financial statements and the corresponding program expenses and other assets for the year then ended June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Expenses:		
Broadcasting and technical	<u>\$ 51,253</u>	<u>\$ 51,139</u>
Revenue and other support:		
Donated services and equipment	<u>\$ 51,253</u>	<u>\$ 51,139</u>

Numerous volunteers have donated significant amounts of time to Kachemak Bay Broadcasting, Inc.'s program services and fund-raising efforts. No amounts have been reflected in the accompanying financial statements for the fair value of these services.

5. SERVICE AGREEMENT

Pickle Hill Public Broadcasting, Inc. operates under a service agreement with KBBI – Kachemak Bay Broadcasting, Inc. Under the terms of the agreement, KBBI provides programming and manages all aspects of the operation of Pickle Hill Public Broadcasting, Inc. Revenue earned under the agreement was \$79,750 and \$80,000, respectively, for the years ended June 30, 2014 and 2013.

6. ADVERTISING

Kachemak Bay Broadcasting, Inc. uses advertising to promote their programs among the audience they serve. The production costs of advertising are expensed as incurred. Advertising costs totaled \$21,902 and \$20,858, respectively, for the years ended June 30, 2014 and 2013.

7. COMMITMENTS AND CONTINGENCIES

Kachemak Bay Broadcasting, Inc. receives grants that are subject to audit and adjustment by the grantor agencies. Any expenditures disallowed as a result of such audit and for which the grant monies had been expended would become a liability of the Corporation. As of June 30, 2014 and 2013, no such audits were pending.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

8. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Land	\$ 163,566	\$ 163,566
Buildings	616,656	598,236
Broadcast equipment	466,076	466,076
Furniture and fixtures	45,379	42,085
	<u>1,291,677</u>	<u>1,269,963</u>
Less accumulated depreciation	<u>(800,846)</u>	<u>(755,954)</u>
	<u>\$ 490,831</u>	<u>\$ 514,009</u>

Depreciation expense was \$44,892 and \$52,053, respectively, for the years ended June 30, 2014 and 2013, and is charged to management and general and broadcasting and technical expenses.

During the year ended June 30, 2004, Kachemak Bay Broadcasting, Inc. purchased property and equipment in the amount of \$110,962 funded in part by a federal grant. The U.S. Department of Commerce retains a reversionary interest in property purchased under the grant project for a period of ten years. The net book value is recorded as temporarily restricted net assets at June 30, 2014 and 2013.

During the year ended June 30, 2008, Kachemak Bay Broadcasting, Inc. received a grant totaling \$116,012 from the Corporation for Public Broadcasting for construction of new digital transmitter site in Homer. The United States Department of Commerce retains a revisionary interest in property purchased under the grant project for a period of ten years. The net book value is recorded as temporarily restricted net assets at June 30, 2014 and 2013.

During the year ended June 30, 2012, Kachemak Bay Broadcasting, Inc. received a grant for property and equipment purchases totaling \$38,641 from the Alaska Public Broadcasting, Inc. as an infrastructure improvement capital grant. The Denali Commission retains a reversionary interest in property purchased under this grant project for a period of five years. The net book value is recorded as temporary restricted net assets at June 30, 2014 and 2013.

9. LINE OF CREDIT

The Corporation has an approved line of credit based on the value of its investment account with Edward Jones. The available credit line at June 30, 2014 and 2013 is \$64,342 and \$127,198, respectively, at 6% interest. No draws have been made on the line of credit.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

10. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available
for the following purposes or periods at June 30:

	<u>2014</u>	<u>2013</u>
Property and equipment, net		
Corporation of Public Broadcasting, Inc grant	\$ 40,598	\$ 52,200
Denali Commission, round 6 grant	28,120	32,128
	<u>\$ 68,718</u>	<u>\$ 84,328</u>

11. PERMANENTLY RESTRICTED ENDOWMENT FUNDS

Kachemak Bay Broadcasting, Inc. has an agreement with The Homer Foundation, a community foundation, whereby the foundation invests the permanently restricted funds of the Corporation – Bev Munro Endowment for the benefit of the Corporation. Kachemak Bay Broadcasting, Inc. earns income on its endowment fund, which it may choose to receive or reinvest in the endowment fund. At June 30, 2014 and 2013, Kachemak Bay Broadcasting, Inc.’s endowment fund contributed costs with The Homer Foundation are \$46,330 and \$43,611, respectively. The Foundation allocated portfolio share for the Corporation – Bev Munro Endowment Fund is reported at \$40,903 and \$38,850 at June 30, 2014 and 2013, respectively.

12. INCOME TAXES

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Corporation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Corporation and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2014 and 2013.

The Corporation files its form 990 in the U.S. federal jurisdiction for the State of Alaska. The Corporation is generally no longer subject to examination by the Internal Revenue Service for years before 2011.

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

13. FUNCTIONAL CLASSIFICATION OF EXPENSES

Functional expenses are classified as follows for the year ended June 30, 2014:

	Programming and Production	Management and General	Broadcasting and Technical	Fund- raising	Total
Personnel costs	\$ 184,124	\$ 122,147	\$ -	\$ 55,665	\$ 361,936
Depreciation	-	22,153	22,739	-	44,892
Programming and production costs	54,504	-	-	-	54,504
Technical support	-	-	51,253	-	51,253
Repairs/maintenance	-	9,132	15,344	459	24,935
Utilities	-	6,352	37,906	-	44,258
Advertising	263	2,093	-	19,546	21,902
Supplies	-	3,283	6,200	11,929	21,412
Travel	1,443	12,336	15	1,539	15,333
Professional fees	-	9,654	-	-	9,654
Insurance	-	8,522	-	-	8,522
Amortization	-	1,180	-	-	1,180
Bad debt	-	-	-	6,150	6,150
Other	4,111	6,177	8,656	10,197	29,141
	<u>\$ 244,445</u>	<u>\$ 203,029</u>	<u>\$ 142,113</u>	<u>\$ 105,485</u>	<u>\$ 695,072</u>

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

13. FUNCTIONAL CLASSIFICATION OF EXPENSES (CONT.)

Functional expenses are classified as follows for the year ended June 30, 2013:

	Programming and Production	Management and General	Broadcasting and Technical	Fund- raising	Total
Personnel costs	\$ 162,699	\$ 131,413	\$ -	\$ 41,703	\$ 335,815
Depreciation	-	22,176	29,877	-	52,053
Programming and production costs	54,095	-	-	-	54,095
Technical support	-	-	51,139	-	51,139
Repairs/maintenance	-	1,638	13,424	27	15,089
Utilities	-	5,753	32,259	-	38,012
Advertising	1,328	544	-	18,986	20,858
Supplies	29	3,006	2,543	17,335	22,913
Travel	2,714	9,264	-	1,093	13,071
Professional fees	-	7,588	-	-	7,588
Insurance	-	9,170	-	-	9,170
Amortization	-	1,180	-	-	1,180
Other	3,306	9,221	14,783	9,183	36,493
	<u>\$ 224,171</u>	<u>\$ 200,953</u>	<u>\$ 144,025</u>	<u>\$ 88,327</u>	<u>\$ 657,476</u>

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

14. SOURCES OF REVENUES AND OTHER SUPPORT

Sources of revenue and other support are summarized as follows for the year ended June 30, 2014:

	TEMPORARILY RESTRICTED GRANTS			UNRESTRICTED REVENUES AND OTHER SUPPORT			
	Balance 6/30/13	Grants Received in 2014	Grants Released from Restrictions in 2014	Balance 6/30/14	Temporarily Restricted Grants Released from Restrictions in 2014	Unrestricted Revenues and Other Support	Total Grants and Support for 2014
For Operations Revenue and Other Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 351,441	\$ 351,441
Operating Grants	-	261,996	(261,996)	-	261,996	-	261,996
	-	261,996	(261,996)	-	261,996	351,441	613,437
For Capital Grants	84,328	-	(15,610)	68,718	15,610	-	15,610
	<u>\$ 84,328</u>	<u>\$ 261,996</u>	<u>\$ (277,606)</u>	<u>\$ 68,718</u>	<u>\$ 277,606</u>	<u>\$ 351,441</u>	<u>\$ 629,047</u>

KACHEMAK BAY BROADCASTING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

14. SOURCES OF REVENUES AND OTHER SUPPORT (CONT.)

Sources of revenue and other support are summarized as follows for the year ended June 30, 2013:

	TEMPORARILY RESTRICTED GRANTS			UNRESTRICTED REVENUES AND OTHER SUPPORT			
	Balance 6/30/12	Grants Received in 2013	Grants Released from Restrictions in 2013	Balance 6/30/13	Temporarily Restricted Grants Released from Restrictions in 2013	Unrestricted Revenues and Other Support	Total Grants and Support for 2013
For Operations Revenue and Other Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 385,698	\$ 385,698
Operating Grants	-	252,639	(252,639)	-	252,639	-	252,639
	-	252,639	(252,639)	-	252,639	385,698	638,337
For Capital Grants	104,567	-	(20,239)	84,328	20,239	-	20,239
	<u>\$ 104,567</u>	<u>\$ 252,639</u>	<u>\$ (272,878)</u>	<u>\$ 84,328</u>	<u>\$ 272,878</u>	<u>\$ 385,698</u>	<u>\$ 658,576</u>