

**BASCOMB MEMORIAL BROADCASTING  
FOUNDATION, INC. D/B/A WDNA  
COMMUNITY RADIO  
(A NONPROFIT ORGANIZATION)**

**INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS**

**DECEMBER 31, 2019 AND 2018**

## TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT.....	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities.....	4-5
Statements of Functional Expenses.....	6-7
Statements of Cash Flows.....	8
Notes to the Financial Statements.....	9-15



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Bascomb Memorial Broadcasting Foundation, Inc.  
d/b/a WDNA Community Radio (a nonprofit organization)  
Miami, Florida

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

We have audited the accompanying financial statements of Bascomb Memorial Broadcasting Foundation, Inc. d/b/a WDNA Community Radio (a nonprofit organization) (“the Organization”), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Bascomb Memorial Broadcasting Foundation, Inc. d/b/a WDNA Community Radio as of December 31, 2019 and 2018, 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.

A handwritten signature in blue ink that reads "Veedy-DeArman Touyelle". The signature is written in a cursive style with a large initial 'V'.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
August 11, 2020

**BASCOMB MEMORIAL BROADCASTING FOUNDATION, INC.**  
**D/B/A WDNA COMMUNITY RADIO**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2019 AND 2018**

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	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 11,856	\$ 12,353
Grants and other receivables	303,516	298,826
Land, building and equipment, net	1,957,906	2,037,935
Prepaid and other assets	12,430	11,905
	<u>12,430</u>	<u>11,905</u>
TOTAL ASSETS	<u>\$ 2,285,708</u>	<u>\$ 2,361,019</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 138,803	\$ 119,674
Accrued expenses and other liabilities	31,628	24,477
Line of credit	47,852	31,143
Mortgage payable, net of debt issuance costs	876,334	929,094
	<u>876,334</u>	<u>929,094</u>
TOTAL LIABILITIES	<u>1,094,617</u>	<u>1,104,388</u>
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	1,191,091	1,237,696
With donor restrictions:		
Purpose restrictions	-	18,935
	<u>-</u>	<u>18,935</u>
TOTAL NET ASSETS	<u>1,191,091</u>	<u>1,256,631</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,285,708</u>	<u>\$ 2,361,019</u>

The accompanying notes are an integral part of these financial statements.

**BASCOMB MEMORIAL BROADCASTING FOUNDATION, INC.**  
**D/B/A WDNA COMMUNITY RADIO**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grants	\$ 403,582	\$ -	\$ 403,582
Underwriting	208,437	-	208,437
Contributions from listeners	147,220	-	147,220
Special events	63,207	-	63,207
In-kind contributions	15,450	-	15,450
Other	14,391	-	14,391
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	18,935	(18,935)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>871,222</b>	<b>(18,935)</b>	<b>852,287</b>
<b>EXPENSES</b>			
Program services:	555,655	-	555,655
Total program services	555,655	-	555,655
Supporting activities:			
Management and general	312,690	-	312,690
Fundraising	49,482	-	49,482
Total supporting activities	362,172	-	362,172
<b>TOTAL EXPENSES</b>	<b>917,827</b>	<b>-</b>	<b>917,827</b>
<b>CHANGE IN NET ASSETS</b>	<b>(46,605)</b>	<b>(18,935)</b>	<b>(65,540)</b>
NET ASSETS, beginning of year	1,237,696	18,935	1,256,631
NET ASSETS, end of year	<u>\$ 1,191,091</u>	<u>\$ -</u>	<u>\$ 1,191,091</u>

The accompanying notes are an integral part of these financial statements.

**BASCOMB MEMORIAL BROADCASTING FOUNDATION, INC.**  
**D/B/A WDNA COMMUNITY RADIO**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grants	\$ 373,205	\$ 13,534	\$ 386,739
Underwriting	238,710		238,710
Contributions from listeners	167,709	-	167,709
Special events	126,583	-	126,583
In-kind contributions	26,976	-	26,976
Other	74,620	-	74,620
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	202,500	(202,500)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>1,210,303</b>	<b>(188,966)</b>	<b>1,021,337</b>
<b>EXPENSES</b>			
Program services:	838,834	-	838,834
Total program services	838,834	-	838,834
Supporting activities:			
Management and general	300,435	-	300,435
Fundraising	44,511	-	44,511
Total supporting activities	344,946	-	344,946
<b>TOTAL EXPENSES</b>	<b>1,183,780</b>	<b>-</b>	<b>1,183,780</b>
<b>CHANGE IN NET ASSETS</b>	<b>26,523</b>	<b>(188,966)</b>	<b>(162,443)</b>
NET ASSETS, beginning of year	1,211,173	207,901	1,419,074
NET ASSETS, end of year	<u>\$ 1,237,696</u>	<u>\$ 18,935</u>	<u>\$ 1,256,631</u>

The accompanying notes are an integral part of these financial statements.

**BASCOMB MEMORIAL BROADCASTING FOUNDATION, INC.**  
**D/B/A WDNA COMMUNITY RADIO**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services		Supporting Activities			Total
	Programming, Broadcasting and Promotion	Total Program Services	Management and General	Fundraising	Total Supporting Activities	
<b>EXPENSES</b>						
Salaries	\$ 112,218	\$ 112,218	\$ 108,982	\$ 43,453	\$ 152,435	\$ 264,653
Occupancy and utilities	163,634	163,634	1,116	-	1,116	164,750
Special projects	82,721	82,721	-	-	-	82,721
Depreciation	64,675	64,675	-	-	-	64,675
Interest expense	8,908	8,908	50,306	-	50,306	59,214
Insurance expense	-	-	42,891	-	42,891	42,891
Fundraising promotions/marketing	-	-	-	6,029	6,029	6,029
Engineering and artist fees	38,751	38,751	-	-	-	38,751
Programming	21,620	21,620	-	-	-	21,620
Other	63,128	63,128	109,395	-	109,395	172,523
<b>TOTAL EXPENSES</b>	<u>\$ 555,655</u>	<u>\$ 555,655</u>	<u>\$ 312,690</u>	<u>\$ 49,482</u>	<u>\$ 362,172</u>	<u>\$ 917,827</u>

The accompanying notes are an integral part of these financial statements.



**BASCOMB MEMORIAL BROADCASTING FOUNDATION, INC.**  
**D/B/A WDNA COMMUNITY RADIO**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Program Services		Supporting Activities			Total
	Programming, Broadcasting and Promotion	Total Program Services	Management and General	Fundraising	Total Supporting Activities	
<b>EXPENSES</b>						
Salaries	\$ 111,884	\$ 111,884	\$ 127,494	\$ 40,400	\$ 167,894	\$ 279,778
Occupancy and utilities	160,501	160,501	2,947	-	2,947	163,448
Special projects	301,106	301,106	-	-	-	301,106
Depreciation	69,245	69,245	-	-	-	69,245
Interest expense	8,398	8,398	46,019	-	46,019	54,417
Insurance expense	-	-	45,250	-	45,250	45,250
Fundraising promotions/marketing	-	-	-	4,111	4,111	4,111
Engineering and artist fees	48,861	48,861	-	-	-	48,861
Programming	58,025	58,025	-	-	-	58,025
Other	80,814	80,814	78,725	-	78,725	159,539
<b>TOTAL EXPENSES</b>	<b>\$ 838,834</b>	<b>\$ 838,834</b>	<b>\$ 300,435</b>	<b>\$ 44,511</b>	<b>\$ 344,946</b>	<b>\$ 1,183,780</b>

The accompanying notes are an integral part of these financial statements.

**BASCOMB MEMORIAL BROADCASTING FOUNDATION, INC.**  
**D/B/A WDNA COMMUNITY RADIO**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (65,540)	\$ (162,443)
Adjustments to reconcile change in net assets and net cash provided by operating activities:		
Depreciation	64,675	69,245
Amortization of debt issuance costs	1,931	1,931
Loss on disposal	16,870	-
(Increase) decrease in assets:		
Grants and other receivables	(4,690)	75,997
Prepaid and other assets	(525)	24,717
Increase (decrease) in liabilities:		
Accounts payable	19,129	31,361
Accrued expenses and other liabilities	7,151	(38,773)
<b>TOTAL ADJUSTMENTS</b>	<u>104,541</u>	<u>164,478</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>39,001</u>	<u>2,035</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment and building improvements	(1,516)	(1,841)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(1,516)</u>	<u>(1,841)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net borrowings on line of credit	16,709	12,291
Repayment of mortgages	(54,691)	(52,114)
<b>NET USED IN FINANCING ACTIVITIES</b>	<u>(37,982)</u>	<u>(39,823)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(497)	(39,629)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>12,353</u>	<u>51,982</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 11,856</u>	<u>\$ 12,353</u>

The accompanying notes are an integral part of these financial statements.

**BASCOMB MEMORIAL BROADCASTING FOUNDATION, INC.**  
**D/B/A WDNA COMMUNITY RADIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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**NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS**

Bascomb Memorial Broadcasting Foundation, Inc. d/b/a/ WDNA Community Radio (WDNA) (a nonprofit organization) (the “Organization”) was established on October 5, 1971. The purpose of the Organization is to operate a noncommercial educational public radio station under a Broadcast Station License issued by the Federal Communications Commission, which expires February 1, 2028, and to provide training to individuals interested in radio broadcasting as an art form with a focus on multinational programming.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Adopted Accounting Pronouncements

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 605), as management believes the standard improves the usefulness and understandability of the Organization’s financial reporting.

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended, as management believes the standard improves the usefulness and understandability of the Organization’s financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

**Basis of Accounting and Presentation**

Resources are classified for accounting and reporting purposes into three classes of net assets, according to externally imposed restrictions:

- Net assets without donor restrictions: The portion of the net assets of the Organization that can be used subject only to the broad limits resulting from the nature of the organization, the environment in it operates, the purposes specified in its articles of incorporation or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by the Organization in the course of its business. The Organization has the greatest ability to choose when using these resources. Net assets without donor restrictions are generally contributions that are not subject to donor-imposed restrictions and income from investing excess operating cash, reduced by expenses incurred in providing services, raising contributions, and performing administrative functions.
- Net assets with donor restrictions: The portion of the net assets of the Organization that is subject to either donor imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Organization’s choices when using these resources because the Organization has a fiduciary responsibility to its donors to follow the donor’s instructions. Net assets with donor restrictions generally result from purpose or time restrictions on grants awarded to the Organization.

**BASCOMB MEMORIAL BROADCASTING FOUNDATION, INC.**  
**D/B/A WDNA COMMUNITY RADIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Functional allocation of expenses**

The costs of providing programs and other activities have been summarized on a functional basis in the statements of functional expenses. The financial statements report certain categories of expenses that are attributable to the program or supporting function of the Organization, including certain administrative costs, depreciation, interest, and insurance. Allocation of such expenses is based upon the Organization's personnel time and effort. Such estimates are determined by management.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Cash and cash equivalents**

All highly liquid investments with an initial maturity of three months or less are considered to be cash equivalents.

**Allowance for doubtful accounts**

Management monitors the collection status of its accounts receivables balance on an ongoing basis. The Organization uses the allowance method of accounting. Management believes that all receivables are collectible at December 31, 2019 and 2018. The allowance for doubtful accounts was \$0 at December 31, 2019 and 2018. For the years ended December 31, 2019 and 2018, the Organization did not write-off bad debts.

**Land, building and equipment, net**

Land, building, and equipment are stated at cost, or, if donated to the Organization, at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation of building and equipment is computed on a straight-line basis over the estimated useful lives of the assets.

Estimated useful lives of building and equipment are as follows:

<u>Assets</u>	<u>Life</u>
Building and improvements	39 years
Equipment	10 years

**Long-lived assets**

The Organization reviews its long-lived assets, such as building and equipment, for possible impairment at least annually, and more frequently if circumstances warrant. Impairment is determined to exist when estimated amounts recoverable through future cash flows from operations on an undiscounted basis are less than the long-lived asset carrying values. If a long-lived asset is determined to be impaired, it is written down to its estimated fair value in the extent that the carrying amount exceeds the fair value of the long-lived asset. No write-downs for impairment of long-lived assets were recorded in 2019 and 2018.

**BASCOMB MEMORIAL BROADCASTING FOUNDATION, INC.**  
**D/B/A WDNA COMMUNITY RADIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Debt Issuance Costs**

The Organization amortizes loan origination fees and refinancing costs on the straight-line method over the life of the loan, which is ten years. Amortization on the loan fees for the years ended December 31, 2019 and 2018 was \$1,931 and is included within interest expense on the accompanying statement of functional expenses.

**Donated services, goods, and facilities**

Donated services, goods, and facilities are recorded at their fair value at date of receipt and reflected in the accompanying financial statements. During the years ended December 31, 2019 and 2018, the Organization recognized \$15,450 and \$26,976, respectively, of in-kind contributions related to donated services.

**Grants, contributions and corporate sponsorships**

WDNA recognizes grants and contributions in accordance with ASC 958, *Not-For-Profit Entities*, and corporate sponsorship revenue in accordance with ASC 605, *Revenue Recognition*. Contribution revenue is recognized when assets or commitments of unconditional promises to give are received for which there is sufficient evidence in the form of verifiable documentation that a promise was made and received. Grant revenue is recorded as expenses are incurred. Contributions of assets other than cash are recorded at fair value at the date of donation.

Contributions are considered to be available for the general programs of WDNA unless specifically restricted by the donor. WDNA records gifts of cash and other assets as restricted support if they are recorded with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, WDNA reports the support as unrestricted.

Conditional promises to give cash or other assets (such as securities or property and equipment) are recognized as contribution revenue and receivables when the conditions on which they depend are substantially met or explicitly waived by the donor; that is, when the conditional promise becomes unconditional. Corporate sponsorships are considered exchange transactions and are recognized as revenue when credits are aired.

**Mortgage payable**

Mortgage payable is initially recognized at the fair value of proceeds received, net of transaction costs (including debt issuance costs) incurred, and subsequently carried at amortized costs.

**Income taxes**

The Organization is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code of 1954 (as amended); accordingly, the financial statements reflect no provision for income taxes. The Organization evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of December 31, 2019 and 2018, the Organization does not believe it has taken any tax position that would require the recording of any additional tax liability, nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Organization's federal tax returns are currently open for examination by the Internal Revenue Service. Statutes of limitation generally range from three to five years.

**BASCOMB MEMORIAL BROADCASTING FOUNDATION, INC.**  
**D/B/A WDNA COMMUNITY RADIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Fair value measurements**

The Organization adopted Codification Topic 820 (formerly Statement of Financial Accounting Standard No. 157, “Fair Value Measurement”-“SFAS 157”), which provides a framework for measuring fair value under GAAP. SFAS 157 defines fair value as the exchange price which would be received for an asset or paid to transfer a liability (and exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. SFAS 157 also establishes a fair value hierarchy, which prioritizes the valuable inputs into three broad levels.

The three-level hierarchy fair value measurements are defined as follows:

Level 1: inputs to the valuation methodology are quoted market prices (unadjusted) for similar assets and liabilities in active markets.

Level 2: inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active; and,

Level 3: inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The carrying amounts of cash and receivables approximate fair value.

**Subsequent Events**

The Organization has evaluated subsequent events through August 11, 2020, which is the date the financial statements were available to be issued.

NOTE 3 - GRANTS AND OTHER RECEIVABLES

The breakdown of total grants balance at December 31, collectible within one year were as follows:

	<u>2019</u>	<u>2018</u>
Corporation for Public Broadcasting	\$ 41,363	\$ 44,330
Florida Department of Education	50,000	75,000
Florida Department of State	-	3,292
Miami-Dade County Department of Cultural Affairs	138,534	118,935
National Endowment for the Arts	10,000	-
	<u>\$ 239,897</u>	<u>\$ 241,557</u>

Other receivables of \$63,619 and \$57,269 are included within grants and other receivables in the accompanying statement of financial position as of December 31, 2019 and 2018, respectively.

**BASCOMB MEMORIAL BROADCASTING FOUNDATION, INC.**  
**D/B/A WDNA COMMUNITY RADIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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**NOTE 4 - LAND, BUILDING AND EQUIPMENT, NET**

Land, building and equipment, net, consisted of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Land	\$ 661,757	\$ 661,757
Building and improvements	1,769,823	1,769,823
Equipment	542,139	567,548
	<u>2,973,719</u>	<u>2,999,128</u>
Less: accumulated depreciation	<u>1,015,813</u>	<u>961,193</u>
	<u>\$ 1,957,906</u>	<u>\$ 2,037,935</u>

Depreciation expense was \$64,675 and \$69,245 for the years ended December 31, 2019 and 2018, respectively.

**NOTE 5 - LONG-TERM DEBT**

The Organization has a \$50,000 line of credit with a financial institution on which it may draw upon to provide necessary working capital. Interest at a rate of 5.50% accrues on the outstanding balance. At December 31, 2019 and 2018, the Organization had drawn \$47,852 and \$31,143, respectively on the line that is reported on the accompanying statement of financial position as a liability.

Long-term debt at December 31, 2019 and 2018 consists of the following:

Mortgage note payable to a financial institution, dated September 27, 2007, original amount \$1,403,350, payable in monthly installments of \$10,304, including interest at the rate of 7.32% per annum through September 26, 2012 and then at the rate of 2.85% above the index (five year United States Treasury Constant Maturities), through the original maturity date of September 27, 2017. On May 2015, the mortgage note was amended and restated to adjust the interest rate to 4.5% per annum and to extend the maturity date through September 27, 2020. Payments on the note are based on a twenty-five year amortization schedule. The note contains certain restrictive covenants related to maintenance of certain levels of debt service coverage ratio, liabilities to total net worth ratio and other reporting requirements. At December 31, 2019, the Organization was in compliance with financial covenants. The mortgage note is secured by land and building located in Miami, Florida having an original cost basis of \$2,194,357. The outstanding balances at December 31, 2019 and 2018 were \$876,334 and \$929,094, net of net debt issuance costs \$15,076 and \$17,007, respectively.

**NOTE 6 - RESTRICTIVE COVENANTS**

The Organization was awarded two grants in prior years by the National Telecommunications and Information Administration (NTIA) for the purchase of the studio equipment. The grant stipulates that the NTIA will retain priority reversionary interest in the equipment for a period of ten years following March 31, 2009 and March 31, 2011, on each of the grants respectively.

**BASCOMB MEMORIAL BROADCASTING FOUNDATION, INC.  
D/B/A WDNA COMMUNITY RADIO  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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**NOTE 6 - RESTRICTIVE COVENANTS (Continued)**

The Organization was awarded a grant in the amount of \$500,000 by the Miami-Dade County Department of Cultural Affairs on September 20, 2006 towards the purchase of land and building located in Miami, Florida to be used for its operations. The grant contains restrictive covenants that WDNA must adhere to. Amongst the restrictive covenants are the following:

1. WDNA may not sell the land and building without written approval from the Miami-Dade Board of County Commissioners.
2. If WDNA does not comply with the restrictive covenants, then Miami-Dade County shall be entitled to reimbursement of the grant money plus ten percent simple interest from the date of non-compliance.

The restrictive covenants shall run with the land for a period of twenty-five years. The Grant's principal amount of \$500,000 shall be reduced by \$25,000 a year beginning in the sixth year until it reaches a zero balance, at which time the restrictive covenants will expire.

**NOTE 7 - ECONOMIC DEPENDENCE**

The Organization receives a significant portion of its funding from grants. A significant reduction in the level of this funding, if it were to occur, would have an adverse effect on the Organization's ability to carry out its programs and activities. During the years ended December 31, 2019 and 2018, approximately 94% and 93% of revenue and support from grants were from three grantors, respectively.

**NOTE 8 - COMMITMENT AND CONTINGENCIES**

The Organization is subject to federal, state and local government audits. These audits could result in the questioning of expenditures relating to certain grants under various technical compliance provisions of the individual grants. Based upon prior experience, management does not believe that such disallowance, if any, would have a material effect on the financial statements.

**Litigation**

The Organization is exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the Organization's financial position or results of operations.

**NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of contributions made by the following entities:

	<u>2019</u>	<u>2018</u>
Miami-Dade County Department of Cultural Affairs	\$ -	\$ 18,935
	<u>\$ -</u>	<u>\$ 18,935</u>

During the year ended December 31, 2018, the Organization received funds designated for internal and external renovations. These amounts are classified as net assets with donor restrictions at December 31, 2018. At December 31, 2019, there were no amounts classified as net assets with donor restrictions.



**BASCOMB MEMORIAL BROADCASTING FOUNDATION, INC.**  
**D/B/A WDNA COMMUNITY RADIO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

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**NOTE 10 - LEASE COMMITMENTS**

On June 1, 2009, the Organization entered into a ten-year lease for outside tower space, which expired in 2019 and continued on a month-to-month basis. Rent expense for the years ended December 31, 2019 and 2018 was \$115,027 and \$111,139 respectively.

**NOTE 11 – LIQUIDITY**

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	\$ 11,856	\$ 12,353
Grants and other receivables	303,516	298,826
	<u>\$ 315,372</u>	<u>\$ 311,179</u>

**NOTE 12 - SUBSEQUENT EVENTS**

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Organization, its performance, and its financial results.