

Tri-State Public Communications, Inc.

Audited Financial Statements

December 31, 2021 and 2020

Lakeview Accounting Services, Inc.

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Independent Auditor's Report

Tri-State Public Communications, Inc.
67 Main Street
Sharon, CT 06069

I have audited the accompanying statement of financial position of Tri-State Public Communications, Inc. as of December 31, 2021 and 2020 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements' presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Tri-State Public Communications, Inc. as of December 31, 2021 and 2020 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Cathleen A. Caranci
Certified Public Accountant

May 5, 2022

Tri-State Public Communications, Inc.
Statement of Financial Position
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Cash and cash equivalents	\$ 864,127	\$ 914,788
Furniture and equipment, net of accumulated depreciation	<u>156,914</u>	<u>177,029</u>
Total assets	<u>\$ 1,021,041</u>	<u>\$ 1,091,817</u>
Liabilities and net assets:		
Liabilities:		
Credit cards payable	\$ 53,948	\$ 62,941
Payroll taxes payable	2,903	1,204
Line of credit payable	38,092	45,280
Loan from officer	<u>1,282,018</u>	<u>1,295,491</u>
Total liabilities	<u>1,376,961</u>	<u>1,404,916</u>
Net Assets:		
Unrestricted	(355,920)	(313,099)
Temporarily restricted	-	-
Permanently restricted	<u>-</u>	<u>-</u>
Total net assets	(355,920)	(313,099)
Total liabilities and net assets	<u>\$ 1,021,041</u>	<u>\$ 1,091,817</u>

The Notes to Financial Statements are an integral part of this Statement
See the accompanying Independent Auditor's Report

Tri-State Public Communications, Inc.
Statement of Activities
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues, Gains and Other Support:		
Donations	\$ 152,136	\$ 1,081,555
Underwriting	94,592	87,637
Grants	413,333	306,147
Fundraising income	6,243	6,686
Air time lease	-	-
Production income	-	-
Investment income	3	318
	<u>666,307</u>	<u>1,482,343</u>
Total Public Support and Revenues		
Expenses and Losses:		
Program Services		
Programming and production	47,802	63,320
Program information/promotion	62,965	65,558
Broadcast and engineering	13	428
Support Services		
Fundraising/membership development	-	-
Management and General		
Administrative	57,260	54,723
Occupancy	143,785	151,288
Maintenance and supplies	191,448	175,223
Professional fees	3,000	3,175
Other management and general expenses	125,381	122,981
Underwriting/grant solicitation	38,976	30,503
Depreciation expense	38,498	37,579
	<u>709,128</u>	<u>704,778</u>
Total expenses and losses		
Change in net assets	(42,821)	777,565
Net assets, beginning of year	<u>(313,099)</u>	<u>(1,090,664)</u>
Net assets, end of year	<u>\$ (355,920)</u>	<u>\$ (313,099)</u>

The Notes to Financial Statements are an integral part of this Statement.

See the accompanying Independent Auditor's Report

Tri-State Public Communications, Inc.
Statement of Cash Flows
For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ (42,821)	\$ 777,565
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	38,498	37,579
Change in payroll taxes payable	1,699	146
Change in credit cards payable	<u>(8,993)</u>	<u>15,960</u>
Net cash provided by operating activities	(11,617)	831,250
Cash flows from investing activities:		
Purchases of fixed assets	<u>(18,382)</u>	<u>(44,880)</u>
Net cash used in investing activities	(18,382)	(44,880)
Cash flows from financing activities:		
Loans from officer	(13,473)	34,269
Line of credit advances	-	-
Repayment of debt	<u>(7,189)</u>	<u>(6,828)</u>
Net cash used in financing activities	(20,662)	27,441
Net increase in cash and cash equivalents	(50,661)	813,811
Cash and cash equivalents, beginning of year	<u>914,788</u>	<u>100,977</u>
Cash and cash equivalents, end of year	<u>\$ 864,127</u>	<u>\$ 914,788</u>

The Notes to Financial Statements are an integral part of this Statement.
See the accompanying Independent Auditor's Report

Tri-State Public Communications, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note A – Summary of Significant Accounting Policies

Description of Programs

Tri-State Public Communications, Inc. (“Tri-State”) is a local not-for-profit organization whose purpose is to improve the quality of life in Northwest Connecticut communities through noncommercial, educational, informational and entertaining television and radio programs that are produced for and by residents of Northwest Connecticut. For the years ended December 31, 2021 and 2020, Tri-State provided television and radio broadcasts of daily news and information programs, as well as local weather alerts, sports and school activities and local government meetings.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*. Under SFAS No. 117, Tri-State is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Contributions and Promises to Give

Tri-State follows the recommendations of the Financial Accounting Standards Board in its SFAS No. 11, *Accounting for Contributions Received and Contributions Made*. Under SFAS No. 116, contributions received are reported as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions as recognized when a donor makes a promise to give to Tri-State that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire or are met in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

As of December 31, 2021 and 2020, Tri-State had no temporarily or permanently restricted net assets.

Tri-State Public Communications, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note A – Summary of Significant Accounting Policies- continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reports 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

For purposes of the Statement of Cash Flows, Tri-State considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Income Taxes

Tri-State is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. In addition, Tri-State qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Property and Equipment

Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contribution of cash that are restricted by donors to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, Tri-State reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Tri-State reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is provided over the estimated useful lives of the assets ranging from five to twenty five years using straight line methods.

Tri-State Public Communications, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note B – Property and Equipment

Property and equipment consist of the following:

	<u>2021</u>	<u>2020</u>
Station Purchase	\$ 236,724	\$ 236,724
Transmitter Site work	71,609	71,609
Furniture, fixtures and equipment	395,592	377,209
Automobile	<u>29,900</u>	<u>29,900</u>
Total	733,825	715,442
Less: accumulated depreciation	<u>(576,911)</u>	<u>(538,413)</u>
	<u>\$ 156,914</u>	<u>\$ 177,209</u>

Depreciation expense for the year ended December 31, 2021 and 2020 was \$ 38,498 and \$ 37,579 respectively.

Note C – Line of Credit Payable

Tri-State has a line of credit at a local bank to help finance short term cash flow needs. As of December 31, 2021 and 2020 the outstanding balance was \$ 38,092 and \$ 45,280, respectively. Interest is based on the bank's prime lending rate. The interest rate as of December 31, 2021 and 2020 was 4.0% and 4.0%, respectively.

Note D – Classification of Expenses

Tri-State has allocated expenses to program and supporting services as follows:

	<u>2021</u>	<u>2020</u>
Program services	\$ 692,584	\$ 690,496
Support services		
Management and general	<u>16,543</u>	<u>14,282</u>
Total expenses	<u>\$ 709,128</u>	<u>\$ 704,778</u>

Tri-State Public Communications, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

Note E – Related Party Transactions

During the year an officer of Tri-State made loans to the organization to fund cash flow shortages and asset purchases. The total amount of the loans and balance as of December 31, 2021 and 2020 was \$ 1,282,018 and \$ 1,295,491, respectively. No interest was paid on the loans during the year.