

**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION  
d/b/a WDVX**

**Financial Statements**

**December 31, 2021 and 2020**

**(With Independent Auditors' Report Thereon)**

**LBMC**

**MAKE A GOOD  
BUSINESS BETTER**

**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION**  
**d/b/a WDVX**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Cumberland Communities Communications Corporation:

### Opinion

We have audited the accompanying financial statements of Cumberland Communities Communications Corporation, d/b/a WDVX (the "Organization"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control matters that we identified during the audit.

*LBMC, PC*

Knoxville, Tennessee  
April 25, 2022

**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION**  
**d/b/a WDVX**

**Statements of Financial Position**

**December 31, 2021 and 2020**

Assets

	<u>2021</u>	<u>2020</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 400,763	\$ 234,902
Accounts and other receivables	57,174	20,630
Prepaid expenses	<u>7,386</u>	<u>9,593</u>
<b>Total current assets</b>	<u>465,323</u>	<u>265,125</u>
Property and equipment, net	20,251	12,635
Beneficial interest in assets held by others	<u>44,340</u>	<u>39,067</u>
<b>Total assets</b>	<u>\$ 529,914</u>	<u>\$ 316,827</u>

Liabilities and Net Assets

<b>Current liabilities:</b>		
Expected maturities of the Paycheck Protection Program loan payable	\$ -	\$ 2,957
Accounts payable	6,102	7,120
Accrued expenses and liabilities	26,966	22,071
Deferred revenue	<u>126,138</u>	<u>30,333</u>
<b>Total current liabilities</b>	<u>159,206</u>	<u>62,481</u>
<b>Net assets:</b>		
<b>Without donor restrictions</b>		
Undesignated	326,368	215,279
Board designated	<u>44,340</u>	<u>39,067</u>
<b>Total net assets</b>	<u>370,708</u>	<u>254,346</u>
<b>Total liabilities and net assets</b>	<u>\$ 529,914</u>	<u>\$ 316,827</u>

See accompanying notes to the financial statements.

**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION**  
**d/b/a WDVX**

**Statements of Activities and Change in Net Assets**

**Years ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Changes in net assets without donor restrictions:</b>		
<b>Revenue, gains and other support:</b>		
Contributions	\$ 183,918	\$ 183,288
Special events	55,780	13,902
Underwriting	150,922	115,125
Grants	218,160	184,648
CPB CARES Act funds	-	75,000
CPB American Recovery Act funds	27,362	-
Paycheck Protection Program Loan Forgiveness	76,874	70,961
Non-cash (Trade)	68,112	64,916
Sale of merchandise	2,509	1,912
Interest	79	57
Net gain on beneficial interest in assets held by others	<u>5,273</u>	<u>4,790</u>
Total revenues, gains and other support without donor restrictions	<u>788,989</u>	<u>714,599</u>
<b>Expenses:</b>		
Program	419,335	394,543
Management and general expenses	142,448	113,389
Fundraising	<u>110,844</u>	<u>117,647</u>
Total expenses	<u>672,627</u>	<u>625,579</u>
Change in net assets without donor restrictions	116,362	89,020
Net assets at beginning of year	<u>254,346</u>	<u>165,326</u>
Net assets at end of year	<u>\$ 370,708</u>	<u>\$ 254,346</u>

See accompanying notes to the financial statements.

**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION**  
**d/b/a WDVX**

**Statement of Functional Expenses**

**Year ended December 31, 2021**

	Program Services				Fundraising				
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting and Grant Solicitation	Total Fundraising	Total
Salaries and wages	\$ 183,262	\$ 4,250	\$ 4,114	\$ 191,626	\$ 64,357	\$ 21,315	\$ 44,029	\$ 65,344	\$ 321,327
Payroll taxes	14,257	250	250	14,757	5,003	1,751	3,502	5,253	25,013
Employee medical insurance	25,122	-	-	25,122	8,374	4,187	6,280	10,467	43,963
Event expense	46,366	-	-	46,366	5,718	-	-	-	52,084
Studio rent (Trade)	39,360	-	-	39,360	-	-	-	-	39,360
Tower rent	-	23,316	-	23,316	-	-	-	-	23,316
Broadcast fees and IT support (Trade)	-	4,200	-	4,200	-	-	-	-	4,200
Webcasting fees	-	22,837	-	22,837	-	-	-	-	22,837
Repairs	-	435	-	435	-	-	-	-	435
Office telephone	-	15,829	-	15,829	-	-	-	-	15,829
Mobile telephone	3,124	-	-	3,124	-	-	-	-	3,124
Utilities	816	-	-	816	204	-	-	-	1,020
Supplies	571	-	-	571	4,528	-	-	-	5,099
Studio supplies	839	3,239	-	4,078	-	-	-	-	4,078
Postage	-	-	-	-	611	2,838	-	2,838	3,449
Legal and accounting fees	-	-	-	-	-	-	-	-	-
Legal and accounting fees (Trade)	-	-	-	-	29,814	-	-	-	29,814
Insurance	-	-	-	-	6,598	-	-	-	6,598
Advertising and promotion (Trade)	-	-	7,627	7,627	-	4,674	-	4,674	12,301
Mileage reimbursements	-	-	-	-	-	451	-	451	451
Travel and conferences	320	-	728	1,048	1,900	-	2,500	2,500	5,448
Lodging (Trade)	240	-	-	240	-	-	-	-	240
Meals and entertainment (Trade)	1,800	-	-	1,800	-	-	-	-	1,800
Fringe benefits	7,840	-	-	7,840	-	-	-	-	7,840
Fund drive premiums, mailings, and supplies	-	-	-	-	-	18,931	-	18,931	18,931
Miscellaneous	-	-	1,221	1,221	14,461	386	-	386	16,068
Total expenses before depreciation	<u>323,917</u>	<u>74,356</u>	<u>13,940</u>	<u>412,213</u>	<u>141,568</u>	<u>54,533</u>	<u>56,311</u>	<u>110,844</u>	<u>664,625</u>
Depreciation	<u>7,122</u>	<u>-</u>	<u>-</u>	<u>7,122</u>	<u>880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,002</u>
<b>Total expenses</b>	<b><u>\$ 331,039</u></b>	<b><u>\$ 74,356</u></b>	<b><u>\$ 13,940</u></b>	<b><u>\$ 419,335</u></b>	<b><u>\$ 142,448</u></b>	<b><u>\$ 54,533</u></b>	<b><u>\$ 56,311</u></b>	<b><u>\$ 110,844</u></b>	<b><u>\$ 672,627</u></b>

See accompanying notes to the financial statements.

**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION**  
**d/b/a WDVX**

**Statement of Functional Expenses**

**Year ended December 30, 2020**

	Program Services				Fundraising				
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting and Grant Solicitation	Total Fundraising	Total
Salaries and wages	\$ 155,052	\$ 5,128	\$ 36,750	\$ 196,930	\$ 51,081	\$ 23,759	\$ 48,973	\$ 72,732	\$ 320,743
Payroll taxes	11,805	492	2,705	15,002	4,181	1,663	3,748	5,411	24,594
Employee medical insurance	19,612	-	4,315	23,927	6,668	2,746	5,884	8,630	39,225
Event expense	7,692	-	1,227	8,919	-	4,394	-	4,394	13,313
Studio rent (Trade)	39,360	-	-	39,360	-	-	-	-	39,360
Tower rent	-	18,825	-	18,825	-	-	-	-	18,825
Broadcast fees and IT support (Trade)	-	4,200	-	4,200	-	-	-	-	4,200
Webcasting fees	21,492	-	4,920	26,412	-	-	-	-	26,412
Repairs	-	-	-	-	-	-	-	-	-
Office telephone	-	20,277	-	20,277	-	-	-	-	20,277
Mobile telephone	2,946	-	-	2,946	-	-	-	-	2,946
Utilities	816	-	-	816	204	-	-	-	1,020
Supplies	-	-	-	-	3,872	-	-	-	3,872
Studio supplies	1,644	1,690	-	3,334	-	-	-	-	3,334
Postage	-	-	-	-	222	-	-	-	222
Legal and accounting fees	-	-	-	-	-	-	-	-	-
Legal and accounting fees (Trade)	-	-	-	-	25,872	-	-	-	25,872
Insurance	-	-	-	-	8,042	-	-	-	8,042
Advertising and promotion (Trade)	1,227	-	7,425	8,652	-	-	-	-	8,652
Mileage reimbursements	-	-	-	-	-	-	356	356	356
Travel and conferences	-	-	-	-	1,432	-	-	-	1,432
Lodging (Trade)	1,200	-	-	1,200	-	-	-	-	1,200
Meals and entertainment (Trade)	3,400	-	-	3,400	-	-	-	-	3,400
Fringe benefits	5,784	-	-	5,784	1,928	-	-	-	7,712
Fund drive premiums, mailings, and supplies	-	-	-	-	-	17,109	-	17,109	17,109
Miscellaneous	5,800	-	1,320	7,120	8,947	1,065	7,950	9,015	25,082
Total expenses before depreciation	277,830	50,612	58,662	387,104	112,449	50,736	66,911	117,647	617,200
Depreciation	7,439	-	-	7,439	940	-	-	-	8,379
<b>Total expenses</b>	<b>\$ 285,269</b>	<b>\$ 50,612</b>	<b>\$ 58,662</b>	<b>\$ 394,543</b>	<b>\$ 113,389</b>	<b>\$ 50,736</b>	<b>\$ 66,911</b>	<b>\$ 117,647</b>	<b>\$ 625,579</b>

See accompanying notes to the financial statements.



**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION**  
**d/b/a WDVX**

**Statements of Cash Flows**

**Years ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ <u>116,362</u>	\$ <u>89,020</u>
Adjustments to reconcile change in net assets to cash flows provided by operating activities:		
Depreciation	8,002	8,379
Net gain on beneficial interest in assets held by others	(5,273)	(4,790)
Paycheck Protection Program loan forgiveness	(76,875)	(70,961)
Decrease in operating assets:		
Receivables	(36,544)	7,395
Prepaid expenses	2,207	4,956
Increase (decrease) in operating liabilities:		
Accounts payable	(1,018)	(16,456)
Accrued expenses and liabilities	4,895	11,982
Deferred revenue	<u>95,805</u>	<u>(10,656)</u>
Total adjustments	<u>(8,801)</u>	<u>(70,151)</u>
Net cash provided by operating activities	<u>107,561</u>	<u>18,869</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	<u>(15,618)</u>	<u>(3,120)</u>
Net cash used by investing activities	<u>(15,618)</u>	<u>(3,120)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from Paycheck Protection Program loan	<u>73,918</u>	<u>73,918</u>
Net cash provided by financing activities	<u>73,918</u>	<u>73,918</u>
Increase in cash and cash equivalents	165,861	89,667
Cash and cash equivalents at beginning of year	<u>234,902</u>	<u>145,235</u>
Cash and cash equivalents at end of year	<u>\$ 400,763</u>	<u>\$ 234,902</u>

See accompanying notes to the financial statements.

**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION**  
**d/b/a WDVX**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

**(1) Nature of operations**

Cumberland Communities Communications Corporation d/b/a WDVX (the "Organization") was organized to create and provide content to promote the cultural heritage of East Tennessee and the Southern Appalachian region by entertaining and educating audiences globally with original programs showcasing live radio performance, underrepresented arts, emerging and local talent.

**(2) Summary of significant accounting policies**

The financial statements of the Organization are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The significant accounting policies followed are described below.

**(a) Basis of presentation**

The Organization reports information regarding its financial position and activities based on the existence or absence of donor or grantor imposed restrictions. Net assets of the Organization are presented as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor or grantor imposed restrictions. The Organization's board of directors has designated, from net assets without donor restrictions, net assets for particular purposes.

*Net Assets With Donor Restrictions* - Net assets subject to donor or grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization has no net assets subject to donor-imposed restrictions at December 31, 2021 or 2020.

Contributions received are recorded as without donor restrictions or with donor restrictions support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Revenue from grants with donor restrictions is recorded based on expenses incurred since these grants are generally on a cost-reimbursement basis.

**(b) Cash and cash equivalents**

The Organization considers all highly liquid investments with original maturities of less than three months to be cash equivalents.

**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION**  
**d/b/a WDVX**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

**(c) Receivables and credit policies**

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from invoice date. Certain customers have been granted extended payment terms based on business volume. Late or interest charges on delinquent accounts are not recorded until collected. The carrying amount of accounts receivable is reduced by a valuation allowance, if necessary, which reflects management's best estimate of the amounts that will not be collected. The allowance is estimated based on management's knowledge of its customers, historical loss experience and existing economic conditions. No allowance was deemed necessary at December 31, 2021 or 2020.

**(d) Property and equipment**

Property and equipment are stated at cost. Donated property and equipment are recorded at their estimated fair value at the date of the donation. Depreciation is provided over the assets' estimated useful lives, generally five years, using the straight-line method.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in changes in net assets without donor restrictions.

**(e) Income taxes**

The Organization is exempt for federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3), and, accordingly, no provision for income taxes is included in the financial statements. The Internal Revenue Service does not classify the Organization as a private foundation.

An uncertain tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Organization has no material uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

As of December 31, 2021 and 2020, the Organization has accrued no interest and no penalties related to uncertain tax positions. It is the Organization's policy to recognize interest and/or penalties related to income tax matters in income tax expense. The Organization files a U.S. Federal nonprofit tax return annually. The Organization is currently open to audit under the statute of limitations for a period of three years.

**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION**  
**d/b/a WDVX**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

**(f) Revenue recognition and contributions**

Cash contributions are recognized when received.

Revenues from underwriting contracts are recognized as earned. Billings occur in accordance with the terms of the respective underwriting contracts, and revenues which relate to billings rendered in advance are deferred until earned.

Grant funds are earned and reported as revenues of the applicable grant when the Organization has incurred expenses in compliance with the specific restrictions of the grant agreement.

Non-cash (Trade) revenues are earned and reported as revenues when underwriting spots are played on air in exchange for various goods and services of the same value.

In-kind contributions are recorded based on their estimated fair value at the date of donation.

Revenue received from the Corporation for Public Broadcasting ("CPB") totaled \$83,351 and \$105,988 for years ending December 31, 2021 and 2020, respectively. The Organization recognizes revenue in the amount to which it has the right to invoice CPB under a Community Service Grant. The grant places restrictions on funds based on matching fund formulas, qualifying expenses, and other conditions of the grant. In April 2020, the Organization received \$75,000 of Stabilization Funds from CPB from the Coronavirus Aid, Relief, and Economic Security ("CARES") Act funds distributed by CPB to Community Service Grant recipients. In April 2021, the Organization received \$134,000 of Stabilization Funds from CPB from the American Rescue Act funds distributed by CPB to Community Service Grant Recipients. As of December 31, 2021 and 2020, the Organization has deferred revenues totaling \$106,638 and \$0, respectively, for CPB funds that it had not earned in accordance with the terms of the grants.

**(g) Donated services**

The Organization receives contributed professional services from third parties. Such services support management and general activities. Donated services received during 2021 and 2020 were measured at their estimated fair value based on a similar value of like services and have been included as revenue and expense in the Statement of Activities and Changes in Net Assets.

**(h) Advertising and promotion costs**

Advertising and promotion costs are expensed as incurred.

**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION**  
**d/b/a WDVX**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

(i) Realization of long-lived assets

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

(j) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. Actual results could differ from those estimates.

(k) Events occurring after reporting date

The Organization has evaluated events and transactions that occurred between December 31, 2021 and April 25, 2022, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

(3) Liquidity

A summary of the Organization's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general use because of donor-imposed restrictions, within one year of the statement of financial position date is as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 400,763	\$ 234,902
Accounts and other receivables	57,174	20,630
Beneficial interest in assets held by others	<u>44,340</u>	<u>39,067</u>
Financial assets at end of year	502,277	294,599
Less: assets unavailable for general expenditures within one year:		
Board designated endowment fund	<u>44,340</u>	<u>39,067</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>457,937</u></u>	\$ <u><u>255,532</u></u>

Board designated investments of \$44,340 and \$39,067 as of December 31, 2021 and 2020, respectively, are designated for long-term purposes. The Organization does not intend to use these investments for operating purposes and has excluded these investments from financial assets available in the table above. However, these amounts could be made available for operations, if necessary.

**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION**  
**d/b/a WDVX**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

**(4) Credit risk and other concentrations**

The Organization occasionally maintains cash and cash equivalents on deposit at banks in excess of federally insured amounts. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk related to cash and cash equivalents.

Contributions under one grant amounted to approximately 30% and 26% of the Organization's total revenues, gains, and other support in 2021 and 2020, respectively.

**(5) Property and equipment**

A summary of property and equipment as of December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Leasehold improvements	\$ 6,179	\$ 6,179
Machinery and equipment	188,046	178,405
Furniture and fixtures	<u>9,052</u>	<u>19,965</u>
	203,277	204,549
Accumulated depreciation	<u>(183,026)</u>	<u>(191,914)</u>
	<u>\$ 20,251</u>	<u>\$ 12,635</u>

**(6) Beneficial interest in assets held by others**

An endowment held by the East Tennessee Foundation (the "Foundation") for the benefit of the Organization is administered by the Foundation.

Endowment income is distributed to the Organization based on a spending policy. Additional disbursements may be made with a two-thirds vote of approval from the Organization's Board of Directors. The Organization has granted the Foundation variance power, which is defined as the power to modify any restriction or condition on the distribution of funds for the specified charitable purposes or to be a specified organization if, in the sole judgment of the Foundation's board, such restrictions or conditions become, in effect unnecessary, undesirable, impracticable, incapable of fulfillment, or inconsistent with the charitable needs of the community served. Assets held by the Foundation for the benefit of the Organization are recorded as an asset in the accompanying statements of financial position.

**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION**  
**d/b/a WDVX**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

**(7) Paycheck Protection Program loan**

During April 2020, the Organization obtained a Paycheck Protection Program loan ("PPP") from the U.S. Small Business Administration ("SBA") under the CARES Act in the amount of \$73,918. This amount was forgiven by the SBA in its entirety in June 2021 and the gain on debt extinguishment has been recognized under the grant model on the statement of activities.

In February 2021, the Organization obtained a second PPP loan from the SBA under the CARES act in the amount of \$73,918. This amount was forgiven by the SBA in its entirety in November 2021 and the gain on debt extinguishment has been recognized under the grant model on the statement of activities.

**(8) Simple IRA Plan**

The Organization sponsors a Simple IRA Plan covering all employees whose prior year compensation was at least \$5,000 and whose compensation for the current year is expected to be at least \$5,000. Matching contributions are made equal to each employee's salary reduction contribution up to a limit of 3% of total compensation for the year. Benefits become vested immediately. The Organization made contributions of \$7,840 and \$7,712 to the plan in 2021 and 2020, respectively.

**(9) Lease commitments**

The Organization leases space for the station broadcasting facilities and office in Knoxville, Tennessee, as well as a studio in Norris, Tennessee; where underwriting sponsorships are exchanged for use of the facilities. The exchange is recognized in the financial statements as underwriting income and studio rent expense. The Organization also rents tower usage under various leases. The Organization anticipates that each of these arrangements will continue in the near future. Rent expense totaled \$62,676 and \$58,185 in 2021 and 2020, respectively. A summary of approximate future minimum payments under these leases as of December 31, 2021 is as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 45,906
2023	46,247
2024	46,597
2025	36,513
2026	<u>18,760</u>
	<u>\$ 194,023</u>

It is expected that in the normal course of business, leases that expire will be renewed or replaced by other leases; thus, it is anticipated that future lease payments will not be less than the expense for 2021.

**CUMBERLAND COMMUNITIES COMMUNICATIONS CORPORATION**  
**d/b/a WDVX**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

**(10) Supplemental disclosures of cash flow statement information**

During 2021 and 2020, the Organization received \$68,112 and \$64,916, respectively, for various goods and services which were either accepted as in-kind donations or exchanged for underwriting spots.