

Salt Pond Community Broadcasting Company d/b/a WERU Community Radio (WERU)

Financial Statements

Years Ended December 31, 2021 and 2020



WIPFLI

Independent Auditor's Report

To the Board of Directors
Salt Pond Community Broadcasting
East Orland, ME

Opinion

We have audited the accompanying financial statements (the "financial statements") of Salt Pond Community Broadcasting, a nonprofit organization, which comprise the accompanying statements of financial position as of December 31, 2021 and 2020, and the related accompanying statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Salt Pond Community Broadcasting as of December 31, 2021 and 2020, 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 ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States ("GAAS"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are required to be independent of Salt Pond Community Broadcasting 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 GAAP, 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 Salt Pond Community Broadcasting's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's 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 auditor's 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 GAAS 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 GAAS, 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 Salt Pond Community Broadcasting'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 Salt Pond Community Broadcasting'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-related matters that we identified during the audit.

Wipfli LLP

Wipfli LLP
South Portland, Maine
May 16, 2022

Salt Pond Community Broadcasting

Statements of Financial Position

December 31,	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 439,290	\$ 199,292
Grants and contributions receivable	35,360	33,715
Prepaid expenses	18,824	17,326
Total current assets	493,474	250,333
Other Assets		
Investments	79,891	61,460
Other assets	4,181	5,328
Property and equipment	154,482	159,564
Total other assets	238,554	226,352
Total assets	\$ 732,028	\$ 476,685
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 26,848	\$ 15,430
Accrued expenses and other liabilities	15,880	41,361
Refundable advances	185,050	59,700
Total liabilities	227,778	116,491
Net Assets		
Without donor restrictions		
Undesignated	330,260	199,645
Board designated - endowment	54,891	36,460
Total without donor restrictions	385,151	236,105
With donor restrictions	119,099	124,089
Total net assets	504,250	360,194
Total liabilities and net assets	\$ 732,028	\$ 476,685

See accompanying notes to financial statements.

Salt Pond Community Broadcasting

Statement of Activities

Year Ended December 31, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Support			
Membership	\$ 346,723	\$ -	\$ 346,723
Underwriting	82,473	-	82,473
Contributions - other	18,168	12,083	30,251
Contributions - in-kind	13,960	-	13,960
Federal grant revenue - PPP	124,852	-	124,852
Corporation for Public Broadcasting	13,567	128,303	141,870
	599,743	140,386	740,129
Other revenue			
Special events	5,426	-	5,426
Trade income	28,743	-	28,743
Investment income	10,191	-	10,191
Other revenue	2,934	-	2,934
Net assets released from restrictions	145,376	(145,376)	-
	192,670	(145,376)	47,294
Total revenue	792,413	(4,990)	787,423
Expenses			
Program services	353,948	-	353,948
Management and general	166,053	-	166,053
Fundraising	94,623	-	94,623
Trade expenses	28,743	-	28,743
Total expenses	643,367	-	643,367
Change in net assets	149,046	(4,990)	144,056
Net assets, beginning of year	236,105	124,089	360,194
Net assets, end of year	\$ 385,151	\$ 119,099	\$ 504,250

See accompanying notes to financial statements.

Salt Pond Community Broadcasting

Statement of Activities

Year Ended December 31, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Support			
Membership	\$ 293,412	\$ -	\$ 293,412
Underwriting	58,885	-	58,885
Contributions - other	34,619	19,668	54,287
Contributions - in-kind	14,820	-	14,820
Corporation for Public Broadcasting	112,136	121,892	234,028
	513,872	141,560	655,432
Other revenue			
Special events	822	-	822
Trade income	20,856	-	20,856
Investment income	3,293	-	3,293
Other revenue	4,897	-	4,897
Net assets released from restrictions	138,403	(138,403)	-
	168,271	(138,403)	29,868
Total revenue	682,143	3,157	685,300
Expenses			
Program services	342,459	-	342,459
Management and general	145,302	-	145,302
Fundraising	91,084	-	91,084
Trade expenses	20,856	-	20,856
Total expenses	599,701	-	599,701
Change in net assets	82,442	3,157	85,599
Net assets, beginning of year	153,663	120,932	274,595
Net assets, end of year	\$ 236,105	\$ 124,089	\$ 360,194

See accompanying notes to financial statements.

Salt Pond Community Broadcasting

Statement of Functional Expenses

Year Ended December 31, 2021	Program	Management and General	Fund Raising	Total
Salaries and wages	\$ 131,044	\$ 84,451	\$ 75,715	\$ 291,210
Employee benefits	11,151	7,186	6,443	24,780
Payroll taxes	11,543	7,439	6,669	25,651
Depreciation	68,894	-	-	68,894
Telephone	17,236	-	-	17,236
Programming	28,983	-	-	28,983
Transmitter and translator	25,633	-	-	25,633
Technology and website	4,876	602	542	6,020
Equipment rental and maintenance	11,812	1,312	-	13,124
Occupancy	7,291	4,512	-	11,803
Engineering	16,275	503	-	16,778
Professional fees	-	22,099	-	22,099
Dues and subscriptions	-	10,073	-	10,073
Supplies	5,122	12,258	915	18,295
Insurance	10,157	-	-	10,157
Bank and credit card fees	-	12,398	-	12,398
Postage and shipping	-	3,220	-	3,220
Member premiums	-	-	1,744	1,744
Printing and publications	3,931	-	1,937	5,868
Bad debts	-	-	555	555
Miscellaneous expense	-	-	103	103
Subtotal	353,948	166,053	94,623	614,624
Trade expense:				
Advertising	-	8,558	-	8,558
Sponsorships and other	-	20,185	-	20,185
Total expense	\$ 353,948	\$ 194,796	\$ 94,623	\$ 643,367

See accompanying notes to financial statements.

Salt Pond Community Broadcasting

Statement of Functional Expenses

Year Ended December 31, 2020	Program	Management and General	Fund Raising	Total
Salaries and wages	\$ 128,310	\$ 82,689	\$ 74,135	\$ 285,134
Employee benefits	11,256	7,254	6,504	25,014
Payroll taxes	10,763	6,936	6,219	23,918
Depreciation	70,022	-	-	70,022
Telephone	15,579	-	-	15,579
Programming	30,307	-	-	30,307
Transmitter and translator	30,226	-	-	30,226
Technology and website	5,328	658	592	6,578
Equipment rental and maintenance	8,544	1,181	-	9,725
Occupancy	4,572	4,239	-	8,811
Engineering	13,325	412	-	13,737
Professional fees	-	12,085	-	12,085
Dues and subscriptions	-	8,926	-	8,926
Supplies	2,649	6,341	474	9,464
Insurance	7,234	-	-	7,234
Bank and credit card fees	-	11,197	-	11,197
Postage and shipping	-	3,210	-	3,210
Printing and publications	3,945	-	1,943	5,888
Bad debts	-	-	1,217	1,217
Miscellaneous expense	399	174	-	573
Subtotal	342,459	145,302	91,084	578,845
Trade expense:				
Advertising	-	8,604	-	8,604
Sponsorships and other	-	12,252	-	12,252
Total expense	\$ 342,459	\$ 166,158	\$ 91,084	\$ 599,701

See accompanying notes to financial statements.

Salt Pond Community Broadcasting

Statements of Cash Flows

Years Ended December 31,	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 144,056	\$ 85,599
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	68,894	70,022
Donated equipment	(13,960)	(14,820)
Gain on investments	(10,265)	(3,099)
Bad debt provision	555	1,217
(Increase) decrease in:		
Grants and contributions receivable	(2,200)	325
Prepaid expenses	(1,498)	251
Increase (decrease) in:		
Accounts payable	11,418	(9,134)
Refundable advances	125,350	59,700
Accrued expenses and other liabilities	(25,481)	10,350
Net cash flows from operating activities	296,869	200,411
Cash flows from investing activities:		
Purchase of property and equipment	(48,705)	(16,022)
Proceeds from sale of investments	2,260	2,240
Purchase of investments	(10,426)	(194)
Net cash flows from investing activities	(56,871)	(13,976)
Net change in cash and cash equivalents	239,998	186,435
Cash and cash equivalents at beginning of year	199,292	12,857
Cash and cash equivalents at end of year	\$ 439,290	\$ 199,292

See accompanying notes to financial statements.

Salt Pond Community Broadcasting

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of the Business

Salt Pond Community Broadcasting Company d/b/a WERU Community Radio (WERU) is a Maine organization incorporated in January 1984 for the purpose of operating a community radio station supported primarily by contributions from individuals and businesses in Hancock County and surrounding communities. WERU's primary sources of revenue are through public contributions (deemed memberships), grants from the Corporation for Public Broadcasting (CPB), special events, and on-air underwriting.

Basis of Accounting and Presentation

The financial statements of WERU have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States ("GAAP").

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of WERU and changes therein are classified and reported, as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net assets with donor restrictions: Net assets subject to donor- (or certain 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Use of Estimates

The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Salt Pond Community Broadcasting

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant Awards That Are Contributions - Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.

Grant Awards That Are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability. WERU has no grants awards that are considered exchange transactions.

Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Salt Pond Community Broadcasting

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Investments

The endowment funds are held and managed by Maine Community Foundation (MCF) in an investment pool. MCF typically distributes amounts in accordance with MCF's spending policy which WERU can elect to receive or reinvest. WERU utilized the net asset value (NAV) reported by MCF as a practical expedient for determining the fair value of the investment.

Grants and Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The allowance for uncollectable promises to give is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

Property and Equipment

All acquisitions and improvements of property and equipment in excess of \$500 or more are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Fixed assets are depreciated over their estimated service lives, as follows:

Building & improvements	25 years	Straight-line
Land improvements	15 years	Straight-line
Furnishings & equipment	5-10 years	Straight-line
Music library	5 years	Straight-line

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function; therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office and occupancy expenses, which are allocated based on estimated actual usage, as well as personnel costs, which are allocated on the basis of estimates of time and effort.

Salt Pond Community Broadcasting

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Statements of Cash Flows

For purposes of the statements of cash flows, WERU considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

Licenses

WERU holds a license to broadcast as a community radio station under the call letters WERU. The cost of obtaining the license is amortized using the straight-line method over a life of 40 years, and cost of application to change the signal pattern with the Federal Communications Commission is being amortized over five years. The licenses are included in other assets on the statement of financial position.

Income Taxes

WERU is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal and state income taxes, except for taxes pertaining to unrelated business income, as applicable. No provision for income taxes is considered necessary. WERU is generally open to audit under the statute of limitations by the Internal Revenue Service and state taxing authorities for three years following the filing of the return.

Upcoming Accounting Pronouncement

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-Financial Assets* (Topic 958). The amendments in this update will require entities to present contributed nonfinancial assets as a separate line item in the statement of activities, expand disclosures on the various contributed nonfinancial assets recognized, including disaggregated category types, the valuation techniques and inputs used to arrive at fair value, and the policy for either monetizing or utilizing contributed nonfinancial assets. The amendments in this update are effective for December 31, 2022, applied on a retrospective basis.

Note 2: Liquidity and Availability of Financial Resources

WERU regularly monitors liquidity required to meet its operating needs and other contractual commitments. WERU has various sources of liquidity at its disposal, including cash and cash equivalents and a line of credit. See Note 6 for information about WERU's line of credit.

Salt Pond Community Broadcasting

Notes to Financial Statements

Note 2: Liquidity and Availability of Financial Resources (Continued)

WERU strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. The following table reflects WERU's financial assets as of December 31, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions or internal board designations. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution. CPB funds are considered available for general expenditure due to the broad purpose of the grant. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31:

	2021	2020
Cash and cash equivalents	\$ 439,290	\$ 199,292
Grants and pledges receivable	35,360	33,715
	474,650	233,007
Less amounts restricted by donor	(42,378)	(30,933)
Total	\$ 432,272	\$ 202,074

Note 3: Investments

The endowment fund is held and invested at the Maine Community Foundation (MCF). The endowment was established to provide WERU with predictable and growing investment income through the prudent selection of quality investments. Income generated from the endowment fund is allowed to be used for the support of WERU's current needs. The endowment funds are invested in MCF's socially responsible pool.

Investment income consists of the following for the years ended December 31, 2021 and 2020:

	2021	2020
Interest and dividends	\$ 879	\$ 948
Gain	10,265	3,099
Fees	(953)	(754)
Total	\$ 10,191	\$ 3,293

Salt Pond Community Broadcasting

Notes to Financial Statements

Note 3: Investments (Continued)

Endowment net asset composition by type of fund as of December 31, 2021 and 2020 are, as follows:

	Without Donor Restriction	With Donor Restriction	Total
2021			
Board-designated funds	\$ 54,891	-	\$ 54,891
Donor-restricted endowment funds	-	\$ 25,000	25,000
Total	\$ 54,891	\$ 25,000	\$ 79,891
2020			
Board-designated funds	\$ 36,460	-	\$ 36,460
Donor-restricted endowment funds	-	\$ 25,000	25,000
Total	\$ 36,460	\$ 25,000	\$ 61,460

Changes in endowment net assets for the years ended December 31, 2021 and 2020 are, as follows:

	Without Donor Restriction	With Donor Restriction	Total
Balance, January 1, 2021	\$ 36,460	\$ 25,000	\$ 61,460
Investment income	10,191	-	10,191
Transfer	10,500	-	10,500
Amounts appropriated	(2,260)	-	(2,260)
Balance, December 31, 2021	\$ 54,891	\$ 25,000	\$ 79,891
	Without Donor Restriction	With Donor Restriction	Total
Balance, January 1, 2020	\$ 35,407	\$ 25,000	\$ 60,407
Investment income	3,293	-	3,293
Amounts appropriated	(2,240)	-	(2,240)
Balance, December 31, 2020	\$ 36,460	\$ 25,000	\$ 61,460

Salt Pond Community Broadcasting

Notes to Financial Statements

Note 4: Grants and Contributions Receivable

Grants and contributions receivable are as follows at December 31:

	2021	2020
Other	\$ 5,870	\$ 5,775
CPB grants	31,090	29,540
	36,960	35,315
Less allowance for doubtful accounts	(1,600)	(1,600)
Total	\$ 35,360	\$ 33,715
Amounts due in:		
Less than one year	\$ 36,960	
	\$ 36,960	

Note 5: Property and Equipment

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

	2021	2020
Land	\$ 11,440	\$ 11,440
Buildings improvements	221,159	193,497
Furniture and fixtures	9,349	9,349
Equipment	388,765	392,100
Music library	193,490	221,610
Total cost	824,203	827,996
Less: Accumulated depreciation	(669,721)	(668,432)
Net	\$ 154,482	\$ 159,564

Note 6: Line of Credit

WERU maintains a line of credit with a local bank in the amount of \$150,000 with variable interest at 4% at December 31, 2021 and 2020. The line of credit was renewed September 7, 2021. This note is a revolving line of credit with no expiration. The line of credit is secured by real property and all business assets. There was no outstanding balance at December 31, 2021 and 2020.

Salt Pond Community Broadcasting

Notes to Financial Statements

Note 7: Refundable Advances

Refundable advances on grants consist of the following as of December 31:

	2021	2020
ARPA grant	\$ 185,050	\$ -
Paycheck Protection Plan	-	59,700
Total	\$ 185,050	\$ 59,700

Note 8: Net Assets with Donor Restriction

Net assets with donor restrictions are comprised of the following at December 31, 2021 and 2020:

	2021	2020
Subject to time and purpose restrictions:		
CPB grants	\$ 77,126	\$ 75,732
Other	16,973	23,357
	94,099	99,089
Endowments:		
Perpetual in nature	25,000	25,000
Total endowments	25,000	25,000
Total net assets with donor restrictions	\$ 119,099	\$ 124,089

Net assets released from restrictions consist of the following:

<i>Years Ended December 31,</i>	2021	2020
Operations	\$ 143,293	\$ 135,735
Capital expenditures	2,083	2,668
Total	\$ 145,376	\$ 138,403

Salt Pond Community Broadcasting

Notes to Financial Statements

Note 9: Non-Cash Donations

In-kind donations consist of various types of audio media contributed to WERU, as well as other capital and expendable items. The audio donations are capitalized at their fair market value and depreciated over an estimated useful life of five years. The total non-cash donations received during 2021 and 2020 consist of the following for the years ended December 31:

	2021	2020
Audio media	\$ 13,960	\$ 14,820
Trade exchange	28,743	20,856
Total	\$ 42,703	\$ 35,676

Note 10: Retirement Plan

WERU has a 403(b) plan available to all eligible employees. Employees may contribute at their own discretion, with no match from WERU.

Note 11: Rent Transmitter

WERU leases transmitter tower space under a month-to-month verbal lease agreement. Rental payments are in the amount of \$100 per month. Rent expense was \$1,200 in 2021 and 2020.

Note 12: Concentration of Credit Risk

WERU maintains cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At certain times during the year, cash balances may be in excess of FDIC coverage. WERU has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Note 13: Risks and Uncertainties

Operations of WERU are dependent upon support received from its listening community and grants from CPB. Supporters are primarily located within and are dependent upon the economy of areas served by WERU's broadcast signal in Maine. WERU does not believe a material risk of loss exists with respect to its financial position due to this concentration of credit risk or revenue sources.

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID 19 outbreak. As of the date of issuance of the financial statements, WERU had not yet suffered material adverse impact from the CV19 Crisis. The future impact of the CV19 Crisis on WERU cannot be reasonably estimated at this time.

Salt Pond Community Broadcasting

Notes to Financial Statements

Note 14: Evaluation of Subsequent Events

Management has evaluated subsequent events through May 16, 2022, the date the financial statements were available to be issued.