

GEORGIA RADIO READING SERVICE, INC.

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2021 AND 2020

GEORGIA RADIO READING SERVICE, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Georgia Radio Reading Service, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Georgia Radio Reading Service, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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 audits. 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 of 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 Georgia Radio Reading Service, Inc. as of June 30, 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.

Brooks, McGinnis & Company, LLC

Atlanta, Georgia
November 30, 2021

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GEORGIA RADIO READING SERVICE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 215,526	\$ 215,271
Grant and other receivable	50,475	20,320
Prepaid expenses	1,496	1,496
Cash restricted for endowment fund	128,029	10,400
Endowment Fund investments	49,600	49,563
Property and equipment, net	<u>12,353</u>	<u>26,386</u>
Total assets	<u>\$ 457,479</u>	<u>\$ 323,436</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 417	\$ 3,339
Accrued payroll expenses	5,420	5,396
Paycheck Protection Program loan	<u>48,449</u>	<u>-</u>
Total liabilities	<u>54,286</u>	<u>8,735</u>
Net assets:		
Net assets without donor restrictions - available for use	160,052	194,691
Board designated net assets	<u>112,113</u>	<u>109,610</u>
Total net assets without donor restrictions	272,165	304,301
Net assets with donor restrictions	<u>131,028</u>	<u>10,400</u>
Total net assets	<u>403,193</u>	<u>314,701</u>
Total liabilities and net assets	<u>\$ 457,479</u>	<u>\$ 323,436</u>

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

GEORGIA RADIO READING SERVICE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE TOTALS
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
Revenues, gains and support:				
Grants - state and local	\$ 280,000	\$ -	\$ 280,000	\$ 325,256
Grants - foundations	10,500	-	10,500	2,501
General donations	9,404	14,000	23,404	97,877
Endowment fund donations	2,978	117,129	120,107	3,400
Annual giving campaign	8,501	-	8,501	11,855
Donated facilities and services	86,995	-	86,995	79,682
Investment and other income(loss)	(301)	-	(301)	6,522
Net assets released from restrictions	<u>10,501</u>	<u>(10,501)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and support	<u>408,578</u>	<u>120,628</u>	<u>529,206</u>	<u>527,093</u>
Expenses:				
Program services	<u>401,926</u>	<u>-</u>	<u>401,926</u>	<u>398,671</u>
Supporting services:				
Management and general	28,825	-	28,825	28,345
Fundraising	<u>9,963</u>	<u>-</u>	<u>9,963</u>	<u>9,856</u>
Total supporting services	<u>38,788</u>	<u>-</u>	<u>38,788</u>	<u>38,201</u>
Total expenses	<u>440,714</u>	<u>-</u>	<u>440,714</u>	<u>436,872</u>
(Decrease) increase in net assets	<u>(32,136)</u>	<u>120,628</u>	<u>88,492</u>	<u>90,221</u>
Net assets at beginning of year	<u>304,301</u>	<u>10,400</u>	<u>314,701</u>	<u>224,480</u>
Net assets at end of year	<u>\$ 272,165</u>	<u>\$ 131,028</u>	<u>\$ 403,193</u>	<u>\$ 314,701</u>

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

GEORGIA RADIO READING SERVICE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total 2020
Revenues, gains and support:			
Grants - state and local	\$ 325,256	\$ -	\$ 325,256
Grants - foundations	2,501	-	2,501
General donations	85,377	12,500	97,877
Endowment fund donations	-	3,400	3,400
Annual giving campaign	11,855	-	11,855
Donated facilities and services	79,682	-	79,682
Investment and other income(loss)	6,522	-	6,522
Net assets released from restrictions	12,500	(12,500)	-
	<u>523,693</u>	<u>3,400</u>	<u>527,093</u>
Total revenues, gains and support			
Expenses:			
Program services	398,671	-	398,671
Supporting services:			
Management and general	28,345	-	28,345
Fundraising	9,856	-	9,856
Total supporting services	38,201	-	38,201
	<u>436,872</u>	<u>-</u>	<u>436,872</u>
Total expenses			
Increase in net assets	86,821	3,400	90,221
	<u>217,480</u>	<u>7,000</u>	<u>224,480</u>
Net assets at beginning of year			
Net assets at end of year	\$ <u>304,301</u>	\$ <u>10,400</u>	\$ <u>314,701</u>

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

GEORGIA RADIO READING SERVICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 240,709	\$ 11,919	\$ 6,478	\$ 259,106
Payroll taxes	18,412	912	495	19,819
Donated facilities and services	80,819	4,002	2,175	86,996
Space and parking rent	11,827	259	141	12,227
Professional fees	8,000	6,111	-	14,111
Depreciation	13,038	646	349	14,033
Program books and magazines	8,040	-	-	8,040
Technical support	4,596	-	-	4,596
Insurance	5,693	282	153	6,128
Printing	1,888	-	99	1,987
Office supplies	-	2,517	-	2,517
Volunteer appreciation	1,053	-	-	1,053
Broadcast radios	4,569	-	-	4,569
Payroll processing	-	1,571	-	1,571
Broadcasting supplies	1,000	-	-	1,000
Other	913	45	25	983
Bank charges	-	559	-	559
Postage/Copier	855	-	46	901
Dues and subscriptions	469	-	-	469
Telephone	45	2	2	49
Total expenses	<u>\$ 401,926</u>	<u>\$ 28,825</u>	<u>\$ 9,963</u>	<u>\$ 440,714</u>
Percentages	<u>91%</u>	<u>7%</u>	<u>2%</u>	<u>100%</u>

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

GEORGIA RADIO READING SERVICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services	Management and General	Fundraising	Total Expenses
Salaries and wages	\$ 235,823	\$ 11,677	\$ 6,346	\$ 253,846
Payroll taxes	18,055	894	486	19,435
Donated facilities and services	74,561	3,692	2,006	80,259
Space and parking rent	14,759	404	220	15,383
Professional fees	8,000	5,570	-	13,570
Depreciation	14,723	729	396	15,848
Program books and magazines	7,604	-	-	7,604
Technical support	7,113	-	-	7,113
Insurance	6,353	315	171	6,839
Printing	3,314	-	174	3,488
Office supplies	-	2,670	-	2,670
Volunteer appreciation	2,641	-	-	2,641
Broadcast radios	1,788	-	-	1,788
Payroll processing	-	1,689	-	1,689
Broadcasting supplies	1,679	-	-	1,679
Other	1,237	61	33	1,331
Bank charges	-	642	-	642
Postage/Copier	411	-	22	433
Dues and subscriptions	404	-	-	404
Sub-channel use fee - radio	142	-	-	142
Telephone	41	2	1	44
Travel	24	-	-	24
Total expenses	\$ <u>398,672</u>	\$ <u>28,345</u>	\$ <u>9,855</u>	\$ <u>436,872</u>
Percentages	<u>92%</u>	<u>6%</u>	<u>2%</u>	<u>100%</u>

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

GEORGIA RADIO READING SERVICE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase in net assets	\$ <u>88,492</u>	\$ <u>90,221</u>
Adjustments to reconcile increase in net assets to net cash provided by operations:		
Depreciation	14,033	15,848
Contributions for endowment fund	(117,629)	(3,400)
Change in assets and liabilities:		
(Decrease) Increase in grants receivable	(30,155)	39,244
(Increase) decrease in prepaid expenses	-	188
(Decrease) in accounts payable	(2,922)	(1,061)
Increase in accrued payroll expenses	<u>24</u>	<u>190</u>
Total adjustments	<u>(136,649)</u>	<u>51,009</u>
Net cash provided by (used in) operating activities	<u>(48,157)</u>	<u>141,230</u>
Cash flows from investing activities:		
Purchase of endowment fund investments	<u>(37)</u>	<u>(49,563)</u>
Net cash used in investing activities	<u>(37)</u>	<u>(49,563)</u>
Cash flows from financing activities:		
Contributions for endowment fund	117,629	3,400
Proceeds from Payroll Protection Program loan	<u>48,449</u>	<u>-</u>
Net cash provided by financing activities	<u>166,078</u>	<u>3,400</u>
Net increase in cash and cash equivalents	117,884	95,067
Cash and cash equivalents, beginning of year	<u>225,671</u>	<u>130,604</u>
Cash and cash equivalents, end of year	<u><u>\$ 343,555</u></u>	<u><u>\$ 225,671</u></u>

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

GEORGIA RADIO READING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Nature of Organization and Significant Accounting Policies

Organization

The accompanying financial statements include the accounts of Georgia Radio Reading Services, Inc. (the Organization). The Organization is a nonprofit Georgia corporation that provides radio reading services for blind and print-handicapped individuals via closed-circuit radio and several cable television systems in Georgia.

Method of Reporting and Financial Statements Presentation

The Organization's accounts are maintained, and these statements are presented, on the accrual basis of accounting to present the results of activities and financial position in conformity with accounting principles generally accepted in the United States of America.

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions based on stipulations made by the donor.

Comparative Totals

The Statement of Activities for the year ended June 30, 2021 on page 3 includes summarized totals for the year ended June 30, 2020 presented only to provide a basis for comparison with fiscal 2021. The summarized totals for fiscal 2020 on page 3 are not intended to present all information necessary for fair presentation in accordance with GAAP. The detailed presentation in accordance with GAAP for the year ended June 30, 2020 is provided on page 4.

Contributions

The Organization records unconditional promises to give and contributions received as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Conditional promises to give are recognized as contributions or grants without donor restrictions once the conditions of the promise or grant have been substantially met.

The Organization reports gifts of cash and other assets as restricted support if they are received 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

GEORGIA RADIO READING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Nature of Organization and Significant Accounting Policies – Continued

Contributions – Continued

The Organization records gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, as well as gifts of cash or other assets that must be used to acquire long-lived assets, are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

All non-cash gifts are recorded at their estimated fair value at date of receipt. Donated services are recognized at fair value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In addition, a substantial number of volunteers have donated significant amounts of their time to the Organization's program and supporting services. No amounts have been recognized in the financial statements for general volunteer services, since these services do not meet the criteria.

Investments

All investments in equity securities with a readily determinable market value and all investments in debt securities are reported at fair market value with gains and losses included in the statements of activities.

Property and Equipment

It is the policy of the Organization to capitalize property and equipment in excess of \$1,500. The cost of the property, or fair market value as of the date of receipt if donated, is depreciated over the estimated useful lives of the related assets using the straight-line method. Organization property is depreciated over lives ranging from 3 to 7 years.

Advertising Expenses

It is the policy of the Organization to expense advertising costs as incurred.

GEORGIA RADIO READING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. Nature of Organization and Significant Accounting Policies – Continued

Functional Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the various program 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 rent, utilities, equipment maintenance, and depreciation which are allocated on a square footage basis, as well as salaries and wages, benefits, office expenses, insurance, and other which are allocated on the basis of estimates of time and effort.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax Exempt Status

The Organization is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended June 30, 2021 and 2020, the Organization did not have any unrelated business income, and accordingly, no unrelated business income tax. The Organization believes it has appropriate support for any tax positions taken, that are material to the financial statements. The applicable federal and state tax forms are subject to examination by the appropriate regulatory authorities, and the returns are typically open for the last three years.

2. Liquidity and Availability of Financial Assets

The Organization is substantially supported by contributions without donor restrictions. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers cash that is not donor-restricted, or board designated for long term purposes available for general expenditures. General expenditures may be incurred for program, fundraising, or administrative purposes.

GEORGIA RADIO READING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. Liquidity and Availability of Financial Assets – Continued

The Organization’s financial assets available within one year after June 30, 2021 (less amounts donor-restricted or board-designated for long term purposes) to satisfy liabilities as of June 30, 2021 and for general expenditure are as follows:

	2021	2020
Cash and cash equivalents	\$ 343,555	\$ 225,671
Grants receivable	50,475	20,320
Investments	49,600	49,562
Total financial assets	443,630	295,553
Less Endowment Fund:		
Board designated for endowment	(114,113)	(109,610)
Donor-restricted in perpetuity	(128,029)	(10,400)
Financial assets available for general expenditure within one year	\$ 201,488	\$ 175,543

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

During the year ended June 30, 2021, the global coronavirus pandemic threatened to deeply harm global growth. This has affected the U.S. and global equity markets, as well as consumer confidence, and the broad U.S. and global stocks market have experienced volatility. It is uncertain how this volatility in the financial markets and consumer confidence may affect the operations, investments, funding and contribution income of nonprofit organizations in the near future.

While the Organization believes it has the resources to continue its programs, its ability to do so, and the extent to which it continues, may be dependent on many interdependent factors. The Organization depends heavily on state funding and contributions to support its operations. The ability of the state to continue to fund and for contributors to continue giving may be dependent on current and future overall economic conditions. The volatility in the U.S. and global stock markets could result in a decrease in investment income available for drawdown from the Organization’s investments.

Although it is not possible to reliably estimate the length or severity of the coronavirus outbreak and hence its financial impact, the Organization believes it has appropriate financial resources to operate as a going concern over the next twelve-month period.

GEORGIA RADIO READING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. Cash and Cash Equivalents and Concentration of Credit Risk

For purposes of the statements of cash flows, cash and cash equivalents consist of all short-term deposits of three months or less as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents:		
Without donor restrictions	\$ 215,526	\$ 215,271
Endowment Fund money market funds	<u>128,029</u>	<u>10,400</u>
Total cash and cash equivalents for purposes of the statements of cash flows	<u>\$ 343,555</u>	<u>\$ 225,671</u>

Cash and cash equivalents consist primarily of demand deposits and money market investments with financial institutions. The credit risk is the amount on deposit at the banking institution in excess of federally insured limits of \$250,000. Uninsured money market balances as of June 30, 2021 and 2020 totaled \$340,219 and \$106,151, respectively.

Management believes that cash, money market funds and investments are maintained at banking and financial institutions with high credit ratings that would, accordingly, carry a low risk of potential loss.

4. Investments

The Organization classifies its investment assets using a hierarchy of inputs to fair value measurements in accordance with professional standards, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology that are derived principally from or corroborated by observable market data:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liabilities;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs that are unobservable and significant to the overall fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

GEORGIA RADIO READING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

4. Investments – Continued

As of June 30, 2021 and 2020, investments of \$49,600 and \$49,563, respectively, are invested in a large value mutual fund. The Organization's direct investments in the mutual fund consists of equity and fixed income components and are exchange-traded mutual funds. Accordingly, the Organization's direct investments in equity security investments are Level 1 investments.

Any investment income or loss (including realized and unrealized gains and/or losses, interest, and dividends) is included in the statements of activities as increases or decreases in net assets without donor restrictions unless restricted by donor or law. Expenses relating to investment revenues, including custodial fees and investment advisory fees have been netted with investment return in the accompanying statements of activities.

Investment Policy

The Organization has adopted investment and spending policies for the prudent investment of its investment assets. The Organization's Board has fiduciary responsibility for directing and monitoring the investment management of the assets. This policy governs asset allocation, diversification (with a view to minimizing risk), and other matters relevant to the prudent investment of assets while considering long-term capital market risk and return. The investment plan is reviewed at least annually to determine whether it is still appropriate.

5. Property and Equipment, Net

Property and equipment consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Broadcast equipment	\$ 43,974	\$ 43,974
Computer software	19,500	19,500
Furniture and equipment	<u>5,440</u>	<u>5,440</u>
	68,914	68,914
Less accumulated depreciation	<u>(56,561)</u>	<u>(42,528)</u>
Total property and equipment, net	\$ <u><u>12,353</u></u>	\$ <u><u>26,386</u></u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$14,033 and \$15,848, respectively.

GEORGIA RADIO READING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. Donated Services and Equipment

A public broadcasting organization donates the use of space, equipment, and audio cable channels to the Organization at below-market rental rate. The difference between the fair rental rate and the rate charged for the use of these resources is recorded as donated use of facilities. The Organization also records the estimated fair market rental value for this space as donated use of facilities. For the years ended June 30, 2021 and 2020, \$86,995 and \$79,682, respectively is recorded for donated use of facilities.

In each of the years ended June 30, 2021 and 2020, volunteers donated approximately 12,000 volunteer hours, respectively, to the Organization. These hours are not recorded in the financial statements because they do not meet the criteria for recognition under generally accepted accounting principles. However, the Organization considers these hours as a valuable contribution, as the work could not be accomplished without the volunteers.

7. Endowment Funds

The Organization follows the requirements of Georgia's Uniform Prudent Management of Institutional Funds Act (the "Act"). The Organization is required to evaluate the gift instrument and related information to determine the directions and intentions of the donor. The Organization classifies gifts that are not immediately expendable as net assets with donor restrictions, depending on the restrictions that the donor has imposed. As a result, the Organization classifies amounts to be maintained in perpetuity net assets for which the (a) the original value of gifts donated to a permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. Unless otherwise stated in the donor agreement, earnings on these amounts are classified as accumulated investment gains and restricted for the purpose specified by the donor until those funds are approved to be spent.

Funds held by the Organization's Endowment Fund were established by Board-designated amounts or donor-restricted gifts to provide a source of future income generally for specific purposes. Amounts designated by the Board to be held in the endowment fund are considered endowment funds for financial reporting purposes. From time to time, the fair value of invested assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. As of June 30, 2021 and 2020, there were no deficiencies of this nature.

GEORGIA RADIO READING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

7. Endowment Funds – Continued

The Endowment fund was established during the year ended June 30, 2020, with an initial board designation of \$25,000. As of June 30, 2021 and 2020, the Endowment funds were comprised of money market funds and short term Treasury exchange traded funds held at Vanguard. Endowment funds by net asset category consisted of the following as of June 30:

	Without Donor Restrictions	With Donor Restrictions Perpetual In Nature	Total
<u>2021</u>			
Endowment funds, beginning of year	\$ 109,610	\$ 10,400	\$ 120,010
Contributions	2,478	117,629	120,107
Investment income	<u>25</u>	<u>-</u>	<u>25</u>
Endowment funds, end of year	\$ <u>112,113</u>	\$ <u>128,029</u>	\$ <u>240,142</u>
<u>2020</u>			
Endowment funds, beginning of year	\$ 25,000	\$ 7,000	\$ 32,000
Contributions	77,811	3,400	81,211
Investment income	<u>6,799</u>	<u>-</u>	<u>6,799</u>
Endowment funds, end of year	\$ <u>109,610</u>	\$ <u>10,400</u>	\$ <u>120,010</u>

8. Operating Lease Commitments

The Organization leases its facilities under a five-year rent agreement terminating June 2023. The operating lease expense for the Atlanta facility was \$12,226 and \$15,383 for the years ended June 30, 2021 and 2020, respectively. Future minimum lease payments related to the operating lease for the Atlanta facility are as follows:

<u>For the year ending June 30:</u>	
2022	\$ 11,100
2023	<u>11,100</u>
Total minimum future payments	\$ <u>22,200</u>

GEORGIA RADIO READING SERVICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

9. Net Assets With Donor Restrictions

As of June 30, 2021, net assets with donor restrictions consist of \$128,029 of cash restricted for the endowment fund in perpetuity and \$2,999 of cash restricted for program purposes. As of June 30, 2020, net assets with donor restrictions consisted of \$10,400 in cash restricted for the endowment fund in perpetuity.

The following net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors for the years ended June 30:

	2021	2020
Program restriction accomplished:		
Production costs	\$ 10,501	\$ 12,500
Total net assets released from restrictions	\$ 10,501	\$ 12,500

10. Concentration of Support

The Organization receives a significant portion of its support from the Georgia Vocational Rehabilitation Agency (the Agency). Revenue received from this provider was approximately fifty-seven (57%) and seventy-four percent (74%) of total revenue and support for the years ended June 30, 2021 and 2020, respectively. This revenue is recognized as without donor restrictions; however, the Organization must report to the Agency how it uses the funds according to an approved budget.

11. Subsequent Events

Subsequent to June 30, 2021, the Payroll Protection Program loan was formally forgiven and legal release was obtained.

Subsequent events have been evaluated through November 30, 2021, which is the date the financial statements were available to be issued. With the exception above, there were no significant subsequent events requiring recognition or disclosure in the financial statements.

GEORGIA RADIO READING SERVICE, INC.

SUPPLEMENTAL INFORMATION

JUNE 30, 2021



INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTAL INFORMATION

To the Board of Directors
Georgia Radio Reading Services, Inc.:

We have audited the accompanying financial statements of Georgia Radio Reading Service, Inc. (a nonprofit organization) as of and for the year ended June 30, 2021, and have issued our report thereon dated November 30, 2021 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The Supplemental Schedule of State Awards Expended for the year ended June 30, 2021 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material aspects in relation to the financial statements as a whole.

Brooks, McGinnis & Company, LLC

Atlanta, Georgia
November 30, 2021

GEORGIA RADIO READING SERVICE, INC.
SCHEDULE OF STATE AWARDS EXPENDED
FOR THE YEAR ENDED JUNE 30, 2021

<u>Grantor/Program</u>	<u>Contract Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenses</u>	<u>Revenue Receivable at June 30, 2021</u>
Georgia Vocational Rehabilitation Agency						
Vocational Rehabilitation Program	42700-610-0000023754	7/1/20-6/30/21	\$ <u>246,000</u>	\$ <u>246,000</u>	\$ <u>246,000</u>	\$ <u>50,475</u>

The amount receivable as of June 30, 2021 was fully reimbursed/collected as of July 31, 2021.