

**UPPER CUMBERLAND BROADCAST  
COUNCIL, INC.**

**JUNE 30, 2024 and 2023**

**TAMARA L. BECKMAN  
CERTIFIED PUBLIC ACCOUNTANT**

**UPPER CUMBERLAND BROADCAST COUNCIL, INC.**  
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**UPPER CUMBERLAND BROADCAST COUNCIL, INC.  
ROSTER OF OFFICIALS  
JUNE 30, 2024 and 2023**

**Amy Hollars, Chair**

**Bryce McDonald, Vice Chair**

**Devin Baranowski, Secretary**

**Kelly Clarkson, Treasurer**

**Avery Hutchins, WCTE President/CEO (non-voting)**

**Dr. Michael Aikens, Trustee**

**Dr. Bonita Barger, Trustee**

**Hilton Conger, Trustee**

**Lillian Hartgrove, Trustee**

**Michael Holt, Trustee**

**Melaney Madewell, Trustee**

**Alma Mendez, Trustee**

**April Smith Patterson, Trustee**

**Rebecca Paul, Trustee**

**Tom Savage, Trustee**

**Speaker Cameron Sexton, Trustee**

**Kendall Smith Phillips, Trustee**

**Tim Tewalt, Trustee**

**Eric Walker, Trustee**

**Dr. Kathy Bertram, Emeritus Member**

**Mike Galligan, Emeritus Member**

**Nina Lunn, Emeritus Member**

# TAMARA L. BECKMAN, CPA

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To the Board of Directors of  
Upper Cumberland Broadcast Council, Inc.  
Cookeville, Tennessee

## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

I have audited the financial statements of Upper Cumberland Broadcast Council, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial positions of Upper Cumberland Broadcast Council, Inc., as of June 30, 2024 and 2023, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Emphasis of Matter**

As discussed in note 10 to the financial statements, a prior period adjustment was made to correct the understated balances in grants receivable and accounts payable in the amount of \$60,413.40. My opinion is not modified with respect to this matter.

#### **Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Upper Cumberland Broadcast Council, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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, which raises substantial doubt about Upper Cumberland Broadcast Council, Inc.'s

ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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 and *Government 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 and *Government Auditing Standards*, I:

- 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 Upper Cumberland Broadcast Council, Inc.'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 my judgment, there are conditions or events considered in the aggregate, which raise substantial doubt about Upper Cumberland Broadcast Council, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

### **Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards (as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) and State Financial Assistance, the Schedule of Changes in Long-Term Debt by Individual Issue, and the Schedule of Long-Term Debt, Principal and Interest Requirements to Maturity are presented for purposes of additional analysis and are not a required part of the basic 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplemental information presented is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Introduction Section but does not include the financial statements and my auditor's report thereon. My opinion on the basic financial statements does not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, I have also issued my report dated December 12, 2024 on my consideration of Upper Cumberland Broadcast Council, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Upper Cumberland Broadcast Council, Inc.'s internal control over financial reporting and compliance.

*Tamara L. Beckman, CPA*

December 12, 2024  
Smithville, Tennessee

**UPPER CUMBERLAND BROADCAST COUNCIL, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 and JUNE 30, 2023**

ASSETS

|                                | <u>JUNE 30, 2024</u> | <u>JUNE 30, 2023</u> |
|--------------------------------|----------------------|----------------------|
| <u>Current Assets</u>          |                      |                      |
| Cash                           | \$ 2,383,149         | \$ 1,442,038         |
| Accounts Receivable            | 35,845               | 221,220              |
| Grants Receivable              | -                    | -                    |
| Other Receivables              | -                    | -                    |
| Prepaid Expenses               | 13,404               | 16,812               |
| Investments                    | 700,486              | 581,318              |
| Total Current Assets           | <u>3,132,884</u>     | <u>2,261,388</u>     |
| <u>Fixed Assets</u>            |                      |                      |
| Land                           | 23,300               | 23,300               |
| Buildings                      | 94,950               | 94,950               |
| Leasehold Improvements         | 38,515               | 38,515               |
| Equipment                      | 6,747,491            | 6,730,269            |
| Vehicles                       | 68,526               | 68,526               |
| Total Fixed Assets             | 6,972,782            | 6,955,560            |
| Less: Accumulated Depreciation | <u>(6,059,483)</u>   | <u>(5,953,393)</u>   |
| Net Fixed Assets               | <u>913,299</u>       | <u>1,002,167</u>     |
| <u>Other Assets</u>            |                      |                      |
| Deposits                       | <u>12,600</u>        | <u>12,600</u>        |
| Total Other Assets             | <u>12,600</u>        | <u>12,600</u>        |
| Total Assets                   | <u>\$ 4,058,783</u>  | <u>\$ 3,276,155</u>  |

LIABILITIES AND NET ASSETS

|                                                                                                                   |                     |                     |
|-------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <u>Current Liabilities</u>                                                                                        |                     |                     |
| Accounts Payable                                                                                                  | \$ 21,362           | \$ 36,500           |
| Accrued Payroll                                                                                                   | 30,502              | 26,914              |
| Payroll Deductions Payable                                                                                        | -                   | 172                 |
| Payroll Taxes Payable                                                                                             | 2,108               | 1,936               |
| Accrued Compensated Absences                                                                                      | 47,784              | 41,217              |
| Accrued Interest                                                                                                  | 551                 | 599                 |
| Unearned Grant Revenue                                                                                            | 822,531             | 108,913             |
| Unearned Event Revenue                                                                                            | 31,980              | 30,042              |
| Unearned Rental Income - Current                                                                                  | 3,704               | 3,704               |
| Current Portion of Long-Term Debt                                                                                 | <u>25,114</u>       | <u>24,529</u>       |
| Total Current Liabilities                                                                                         | <u>985,636</u>      | <u>274,525</u>      |
| <u>Long-Term Liabilities</u>                                                                                      |                     |                     |
| SBA - EIDL Loan                                                                                                   | 146,460             | 149,741             |
| Noninterest Bearing Note - COMARK \$268,000<br>less unamortized discount of \$151,297<br>(net of current portion) | 95,200              | 116,702             |
| Unearned Rental Income - Deferred                                                                                 | <u>29,939</u>       | <u>33,642</u>       |
| Total Long-Term Liabilities                                                                                       | <u>271,599</u>      | <u>300,085</u>      |
| Total Liabilities                                                                                                 | 1,257,235           | 574,611             |
| <u>NET ASSETS</u>                                                                                                 |                     |                     |
| With Donor Restrictions                                                                                           | 517,659             | 406,651             |
| Without Donor Restrictions, Board Reserved                                                                        | 1,617               | 25,231              |
| Without Donor Restrictions                                                                                        | <u>2,282,272</u>    | <u>2,269,662</u>    |
| Total Net Assets                                                                                                  | <u>2,801,548</u>    | <u>2,701,544</u>    |
| Total Liabilities and Net Assets                                                                                  | <u>\$ 4,058,783</u> | <u>\$ 3,276,155</u> |

THE ACCOMPANYING NOTES ARE AN INTREGAL PART OF THE FINANCIAL STATEMENTS

**UPPER CUMBERLAND BROADCAST COUNCIL, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR YEAR ENDED JUNE 30, 2024 and JUNE 30, 2023**

|                                                                             | Without Donor<br>Restrictions | With Donor<br>Restrictions | June 30, 2024<br>Total | Without Donor<br>Restrictions | With Donor<br>Restrictions | June 30, 2023<br>Total |
|-----------------------------------------------------------------------------|-------------------------------|----------------------------|------------------------|-------------------------------|----------------------------|------------------------|
| <b><u>Revenues Gains and Other Support</u></b>                              |                               |                            |                        |                               |                            |                        |
| State of Tennessee - Appropriation Corp. for Public Broadcasting:           | \$ 464,126                    | \$ -                       | \$ 464,126             | \$ 430,793                    | \$ -                       | \$ 430,793             |
| Community Service Grant                                                     | 770,529                       | -                          | 770,529                | 740,692                       | -                          | 740,692                |
| Interconnection Grant                                                       | 12,670                        | -                          | 12,670                 | 13,327                        | -                          | 13,327                 |
| Universal Service Support Grant                                             | 156,485                       | -                          | 156,485                | 142,921                       | -                          | 142,921                |
| Federal Grants                                                              | 127,014                       | -                          | 127,014                | 49,896                        | -                          | 49,896                 |
| Other Grants                                                                | 271,917                       | -                          | 271,917                | 392,813                       | -                          | 392,813                |
| Local Government                                                            | 25,000                        | -                          | 25,000                 | 32,195                        | -                          | 32,195                 |
| In-Kind                                                                     | 19,910                        | -                          | 19,910                 | 26,890                        | -                          | 26,890                 |
| Fundraising Revenue                                                         | 130,565                       | -                          | 130,565                | 112,010                       | -                          | 112,010                |
| Royalties                                                                   | -                             | -                          | -                      | 7,889                         | -                          | 7,889                  |
| Membership Revenue                                                          | 291,776                       | -                          | 291,776                | 285,598                       | -                          | 285,598                |
| Membership Endowment Income                                                 | -                             | 22,397                     | 22,397                 | -                             | 38,793                     | 38,793                 |
| Contributions                                                               | 35,042                        | -                          | 35,042                 | 2,375                         | -                          | 2,375                  |
| Underwriting Revenue                                                        | 81,427                        | -                          | 81,427                 | 120,210                       | -                          | 120,210                |
| Academic Bowl                                                               | 7,490                         | -                          | 7,490                  | -                             | -                          | -                      |
| Broadcast Revenue                                                           | 44,961                        | -                          | 44,961                 | 45,161                        | -                          | 45,161                 |
| Engineering Services                                                        | -                             | -                          | -                      | -                             | -                          | -                      |
| Creative Services                                                           | 148,460                       | -                          | 148,460                | 109,662                       | -                          | 109,662                |
| Community Engagement                                                        | 4,000                         | -                          | 4,000                  | 3,955                         | -                          | 3,955                  |
| Rental Revenues                                                             | 3,704                         | -                          | 3,704                  | 3,704                         | -                          | 3,704                  |
| Interest Income                                                             | 20,867                        | 4,637                      | 25,504                 | 366                           | -                          | 366                    |
| Net Realized and Unrealized Gains/(Losses)<br>on Investments                | 4,323                         | 46,396                     | 50,719                 | 34,228                        | -                          | 34,228                 |
| Miscellaneous Income                                                        | 500                           | -                          | 500                    | 2,500                         | -                          | 2,500                  |
| Net Assets Released from Restrictions<br>or Reclassifications of Net Assets | (37,578)                      | 37,578                     | -                      | 3,575                         | (3,575)                    | -                      |
| <b>Total Revenues, Gains and Other Support</b>                              | <b>2,583,187</b>              | <b>111,008</b>             | <b>2,694,195</b>       | <b>2,560,761</b>              | <b>35,218</b>              | <b>2,595,979</b>       |
| <b><u>Expenses</u></b>                                                      |                               |                            |                        |                               |                            |                        |
| <b><u>Program Service</u></b>                                               |                               |                            |                        |                               |                            |                        |
| Production and Programming                                                  | 778,036                       | -                          | 778,036                | 764,690                       | -                          | 764,690                |
| Broadcast Engineering and Technical                                         | 728,743                       | -                          | 728,743                | 550,650                       | -                          | 550,650                |
| Education and Outreach                                                      | 287,181                       | -                          | 287,181                | 315,959                       | -                          | 315,959                |
| Membership and Engagement                                                   | 143,917                       | -                          | 143,917                | 164,204                       | -                          | 164,204                |
| <b>Total Program Expenses</b>                                               | <b>1,937,878</b>              | <b>-</b>                   | <b>1,937,878</b>       | <b>1,795,503</b>              | <b>-</b>                   | <b>1,795,503</b>       |
| <b><u>Support Expenses</u></b>                                              |                               |                            |                        |                               |                            |                        |
| Development and Fundraising                                                 | 139,317                       | -                          | 139,317                | 158,508                       | -                          | 158,508                |
| Management and General                                                      | 516,997                       | -                          | 516,997                | 523,257                       | -                          | 523,257                |
| <b>Total Support Expenses</b>                                               | <b>656,314</b>                | <b>-</b>                   | <b>656,314</b>         | <b>681,765</b>                | <b>-</b>                   | <b>681,765</b>         |
| <b>Total Expenses</b>                                                       | <b>2,594,191</b>              | <b>-</b>                   | <b>2,594,191</b>       | <b>2,477,268</b>              | <b>-</b>                   | <b>2,477,268</b>       |
| Increase/(Decrease) in Net Assets                                           | (11,004)                      | 111,008                    | 100,004                | 83,493                        | 35,218                     | 118,711                |
| Net Assets at Beginning of Year                                             | 2,294,893                     | 406,651                    | 2,701,544              | 2,211,400                     | 371,433                    | 2,582,833              |
| Net Assets at End of Year                                                   | <b>\$ 2,283,889</b>           | <b>\$ 517,659</b>          | <b>\$ 2,801,548</b>    | <b>\$ 2,294,893</b>           | <b>\$ 406,651</b>          | <b>\$ 2,701,544</b>    |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS



**UPPER CUMBERLAND BROADCAST COUNCIL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

|                                       | <b>PROGRAM SERVICES</b>             |                                            |                                 |                                    | <b>SUPPORTING SERVICES</b>    |                                      | <b>TOTALS</b>                   |                     |
|---------------------------------------|-------------------------------------|--------------------------------------------|---------------------------------|------------------------------------|-------------------------------|--------------------------------------|---------------------------------|---------------------|
|                                       | <b>Production &amp; Programming</b> | <b>Broadcast Engineering &amp; Digital</b> | <b>Education &amp; Outreach</b> | <b>Membership &amp; Engagement</b> | <b>Total Program Services</b> | <b>Development &amp; Fundraising</b> | <b>Management &amp; General</b> | <b>June 30 2024</b> |
| Compensation & Related Expenses       |                                     |                                            |                                 |                                    |                               |                                      |                                 |                     |
| Compensation                          | \$ 117,827                          | \$ 257,313                                 | \$ 97,065                       | \$ 37,461                          | \$ 509,667                    | \$ 64,686                            | \$ 143,636                      | \$ 717,989          |
| Employee Benefits                     | 16,714                              | 15,329                                     | 5,743                           | 4,478                              | 42,263                        | 9,096                                | 13,224                          | 64,584              |
| Payroll Taxes                         | 8,607                               | 18,315                                     | 6,607                           | 2,786                              | 36,314                        | 5,263                                | 10,685                          | 52,262              |
| Total Compensation & Related Expenses | 143,148                             | 290,957                                    | 109,415                         | 44,724                             | 588,245                       | 79,045                               | 167,545                         | 834,835             |
| Supplies                              | 1,409                               | 3,292                                      | 42,443                          | 452                                | 47,597                        | 6,663                                | 3,345                           | 57,604              |
| Minor Equipment                       | 9,328                               | 9,337                                      | 11                              | -                                  | 18,676                        | -                                    | 224                             | 18,900              |
| Gas & Auto Expenses                   | 463                                 | 745                                        | 1,386                           | -                                  | 2,593                         | 180                                  | 1,079                           | 3,853               |
| Purchased and Professional Services   | 51,838                              | 245,905                                    | 68,089                          | 78,818                             | 444,651                       | 20,402                               | 87,773                          | 552,826             |
| Printing & Publications               | 31,433                              | 135                                        | 636                             | 277                                | 32,480                        | 2,706                                | 918                             | 36,104              |
| Communications & Utilities            | 1,704                               | 128,435                                    | 817                             | -                                  | 130,956                       | 2,922                                | 9,425                           | 143,303             |
| Special Events                        | 1,010                               | 123                                        | 1,746                           | 8,644                              | 11,523                        | 10,102                               | 55                              | 21,680              |
| Programming                           | 440,299                             | -                                          | -                               | -                                  | 440,299                       | -                                    | -                               | 440,299             |
| Rent                                  | 9,411                               | 11,895                                     | 8,799                           | -                                  | 30,105                        | 10,727                               | 4,612                           | 45,443              |
| Maintenance                           | -                                   | 5,123                                      | -                               | -                                  | 5,123                         | -                                    | 439                             | 5,562               |
| Membership Fees & Dues                | 31,506                              | 12,323                                     | 100                             | -                                  | 43,928                        | 3,459                                | 61,122                          | 108,510             |
| Meetings, Conferences & Travel        | 6,237                               | 4,326                                      | 6,850                           | -                                  | 17,413                        | 338                                  | 13,204                          | 30,955              |
| Postage & Shipping                    | -                                   | 1,958                                      | 666                             | 874                                | 3,498                         | 110                                  | 20                              | 3,628               |
| Premium Expense                       | -                                   | -                                          | -                               | 10,116                             | 10,116                        | -                                    | -                               | 10,116              |
| Insurance                             | -                                   | -                                          | -                               | -                                  | -                             | 988                                  | 33,704                          | 34,692              |
| In-Kind Donations                     | -                                   | -                                          | -                               | -                                  | -                             | -                                    | 19,910                          | 19,910              |
| Advertising                           | -                                   | -                                          | -                               | -                                  | -                             | 1,361                                | -                               | 1,361               |
| Interest                              | -                                   | -                                          | -                               | -                                  | -                             | -                                    | 7,445                           | 7,445               |
| Depreciation Expense                  | -                                   | -                                          | -                               | -                                  | -                             | -                                    | 106,090                         | 106,090             |
| Passthrough Grant Expense             | -                                   | 14,189                                     | 46,125                          | -                                  | -                             | -                                    | -                               | 60,314              |
| Miscellaneous                         | 50,251                              | -                                          | 98                              | 11                                 | 50,361                        | 314                                  | 86                              | 50,761              |
| Total Expenses                        | <u>\$ 778,036</u>                   | <u>\$ 728,743</u>                          | <u>\$ 287,181</u>               | <u>\$ 143,917</u>                  | <u>\$ 1,877,564</u>           | <u>\$ 139,317</u>                    | <u>\$ 516,997</u>               | <u>\$ 2,594,191</u> |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**UPPER CUMBERLAND BROADCAST COUNCIL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

|                                       | PROGRAM SERVICES         |                                 |                      |            | SUPPORTING SERVICES    |                           | TOTALS               |              |
|---------------------------------------|--------------------------|---------------------------------|----------------------|------------|------------------------|---------------------------|----------------------|--------------|
|                                       | Production & Programming | Broadcast Engineering & Digital | Education & Outreach | Membership | Total Program Services | Development & Fundraising | Management & General | June 30 2023 |
| Compensation & Related Expenses       |                          |                                 |                      |            |                        |                           |                      |              |
| Compensation                          | \$ 132,770               | \$ 228,485                      | \$ 69,562            | \$ 37,655  | \$ 468,472             | \$ 86,188                 | \$ 119,791           | \$ 674,451   |
| Employee Benefits                     | 16,882                   | 19,920                          | 3,003                | 5,269      | 45,073                 | 9,713                     | 10,810               | 65,597       |
| Payroll Taxes                         | 10,019                   | 16,104                          | 5,180                | 2,668      | 33,972                 | 6,434                     | 9,388                | 49,794       |
| Total Compensation & Related Expenses | 159,672                  | 264,509                         | 77,745               | 45,592     | 547,517                | 102,335                   | 139,989              | 789,842      |
| Supplies                              | 1,309                    | 1,473                           | 30,636               | 1,184      | 34,601                 | 12,796                    | 3,964                | 51,361       |
| Minor Equipment                       | 8,415                    | 7,755                           | 6,123                | -          | 22,293                 | 548                       | 223                  | 23,064       |
| Gas & Auto Expenses                   | 1,199                    | 1,101                           | 504                  | 42         | 2,845                  | 12                        | 953                  | 3,810        |
| Purchased and Professional Services   | 63,761                   | 116,170                         | 179,789              | 93,933     | 453,654                | 16,589                    | 71,317               | 541,559      |
| Printing & Publications               | 32,839                   | -                               | 1,108                | 716        | 34,663                 | 935                       | 70                   | 35,668       |
| Communications & Utilities            | 2,476                    | 125,912                         | 801                  | -          | 129,188                | 3,072                     | 9,829                | 142,089      |
| Special Events                        | 173                      | 71                              | 830                  | 2,310      | 3,385                  | 3,756                     | 375                  | 7,515        |
| Programming                           | 478,714                  | -                               | -                    | -          | 478,714                | -                         | -                    | 478,714      |
| Rent                                  | 13,266                   | 11,886                          | 10,123               | -          | 35,275                 | 13,735                    | 5,795                | 54,805       |
| Maintenance                           | 361                      | 12,540                          | -                    | -          | 12,901                 | -                         | 1,360                | 14,261       |
| Membership Fees & Dues                | 1,564                    | 4,730                           | 34                   | 383        | 6,710                  | 1,783                     | 58,838               | 67,331       |
| Meetings, Conferences & Travel        | 888                      | 4,013                           | 2,282                | 7,011      | 14,194                 | 260                       | 11,258               | 25,712       |
| Postage & Shipping                    | 35                       | 490                             | 184                  | 1,599      | 2,308                  | 417                       | 382                  | 3,107        |
| Premium Expense                       | -                        | -                               | -                    | 11,435     | 11,435                 | -                         | -                    | 11,435       |
| Insurance                             | -                        | -                               | -                    | -          | -                      | -                         | 53,248               | 53,248       |
| In-Kind Donations                     | -                        | -                               | -                    | -          | -                      | -                         | 26,890               | 26,890       |
| Advertising                           | -                        | -                               | 5,800                | -          | 5,800                  | 2,269                     | 490                  | 8,559        |
| Interest                              | -                        | -                               | -                    | -          | -                      | -                         | 8,055                | 8,055        |
| Depreciation Expense                  | -                        | -                               | -                    | -          | -                      | -                         | 130,223              | 130,223      |
| Miscellaneous                         | 19                       | -                               | -                    | -          | 19                     | -                         | -                    | 19           |
| Total Expenses                        | \$ 764,690               | \$ 550,650                      | \$ 315,959           | \$ 164,204 | \$ 1,795,503           | \$ 158,508                | \$ 523,257           | \$ 2,477,268 |

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**UPPER CUMBERLAND BROADCAST COUNCIL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR YEAR ENDED JUNE 30, 2024 and JUNE 30, 2023**

|                                                                                                                              | <u>JUNE 30, 2024</u> | <u>JUNE 30, 2023</u> |
|------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b><u>Cash Flows From Operating Activities</u></b>                                                                           |                      |                      |
| Cash received for operating                                                                                                  | \$ 3,611,249         | \$ 2,519,321         |
| Cash paid to/for employees for operating                                                                                     | (853,813)            | (792,802)            |
| Cash paid to vendors for operating                                                                                           | <u>(1,706,457)</u>   | <u>(1,519,655)</u>   |
| Total Cash Flows Provided by/(Used by) Operating Activities                                                                  | <u>1,050,979</u>     | <u>206,864</u>       |
| <b><u>Cash Flows From Investing Activities</u></b>                                                                           |                      |                      |
| Purchase of Equipment                                                                                                        | (17,222)             | (36,333)             |
| Transfer to Investments                                                                                                      | <u>(68,448)</u>      | <u>(248,691)</u>     |
| Total Cash Flows Provided by/(Used by) Investing Activities                                                                  | <u>(85,671)</u>      | <u>(285,024)</u>     |
| <b><u>Cash Flows From Financing Activities</u></b>                                                                           |                      |                      |
| Payments on Long-term Debt                                                                                                   | <u>(24,197)</u>      | <u>(23,618)</u>      |
| Total Cash Flows Provided by/(Used by) Financing Activities                                                                  | <u>(24,197)</u>      | <u>(23,618)</u>      |
| Net Increase/(Decrease) in Cash Flows                                                                                        | 941,111              | (101,778)            |
| Cash and Cash equivalents - Beginning of Year                                                                                | <u>1,442,038</u>     | <u>1,543,816</u>     |
| Cash and Cash equivalents - End of Year                                                                                      | <u>\$ 2,383,149</u>  | <u>\$ 1,442,038</u>  |
| <b><u>Reconciliation of Net Increase (Decrease) in Net Assets to Net Cash Provided by (Used by) Operating Activities</u></b> |                      |                      |
| Increase (Decrease) in Net Assets                                                                                            | \$ 100,004           | \$ 118,711           |
| Depreciation Expense                                                                                                         | 106,090              | 130,223              |
| Net Investment (Gains)/Losses (net of fees)                                                                                  | (50,719)             | (34,228)             |
| Other Non-Cash Transactions                                                                                                  | -                    | -                    |
| (Increase) Decrease in Net Assets:                                                                                           |                      |                      |
| Receivables                                                                                                                  | 185,375              | (11,137)             |
| Prepaid Expenses                                                                                                             | 3,408                | 10,002               |
| Increase (Decrease) in Operating Liabilities:                                                                                |                      |                      |
| Accounts Payable                                                                                                             | (45,180)             | 5,195                |
| Accrued Compensated Absences                                                                                                 | 6,567                | (7,515)              |
| Accrued Payroll                                                                                                              | 3,588                | 5,874                |
| Accrued Payroll Taxes                                                                                                        | 172                  | -                    |
| Accrued Interest                                                                                                             | (47)                 | (45)                 |
| Unearned Revenues                                                                                                            | 741,894              | (8,897)              |
| Payroll Deductions Payable                                                                                                   | <u>(172)</u>         | <u>(1,319)</u>       |
| Net Cash Provided by (Used by) Operating Activities                                                                          | <u>\$ 1,050,979</u>  | <u>\$ 206,864</u>    |

**Supplemental Disclosure of Cash Flow Information:**

Cash paid during the year for interest was \$7,492 and \$8,100 respectively, none of which was capitalized.

**UPPER CUMBERLAND BROADCAST COUNCIL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 and 2023**

**Note 1 – Nature of Activities and Summary of Significant Accounting Policies**

**Nature of Activities**

The Upper Cumberland Broadcast Council, Inc. (the Council) (WCTE-TV) is a PBS affiliated television station serving the Upper Cumberland region. On January 16, 1986, the Tennessee State Board of Education transferred to the Council all its rights to the Federal Communication Broadcast License in accordance with Chapter 514 of the Tennessee Public Broadcast Act of 1983. No value was assigned by the Council. The Council serves the citizens of the Upper Cumberland region by providing diversified programming and quality instructional programs. The Council's support comes primarily from federal and state government grants and various corporate and individual donors and memberships.

**Program Services**

**Production & Programming** – Upper Cumberland Broadcast Council, Inc. has an advisory board which aids the production and programming departments in producing and selecting the programming that will be aired on Upper Cumberland Broadcast Council, Inc. and additional media platforms.

**Broadcast Engineering & Digital** – Deals with the technical side of broadcasting including keeping the equipment running and seeing that the programming is on schedule.

**Education & Outreach** – “Upper Cumberland Broadcast Council, Inc.’s educational mission is to make sure all children enter school, graduate and develop a love of learning so they can become life-long learners.”

**Development & Membership** – Upper Cumberland Broadcast Council, Inc. encourages viewers to become members. Anyone who contributes \$40 or more receives a bi-monthly program guide. At the \$60-dollar annual membership level or \$5 per month (sustainer) amount members receive Upper Cumberland Broadcast Council, Inc. PBS Passport. Passport is an on-demand library of content accessible through the PBS app or pbs.org localized to the Upper Cumberland Broadcast Council, Inc. website. Upper Cumberland Broadcast Council, Inc. also hosts special events for support. Companies can support Upper Cumberland Broadcast Council, Inc. through program sponsorships.

**Basis of Presentation**

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require Upper Cumberland Broadcast Council, Inc. to report information regarding its financial position and activities according to the following net asset classifications:

- **Net assets without donor restrictions**: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- **Net assets with donor restrictions**: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by action of Upper Cumberland Broadcast Council, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

### **Estimates**

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

### **Public Support and Revenues**

**Contributions** received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other restricted donor contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), 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.

### **Income Taxes**

The Organization is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code, though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Upper Cumberland Broadcast Council, Inc. has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has a nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

### **Cash and Cash Equivalents**

Upper Cumberland Broadcast Council, Inc.'s cash consists of cash on deposit with banks. For the purpose of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

### **Receivables and Uncollectible Accounts**

Receivables consist of amounts due currently from members and sponsors and grantors. Management uses the direct write-off method for bad debts in which the bad debt is written off when it is determined to be uncollectible.

### **Functional Expenses**

The costs of providing the program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management based on location and time spent.

### **Advertising**

Advertising is expensed as incurred. Advertising expenses as of June 30, 2024 and 2023 were \$1,361 and \$8,559, respectively.

### **Property and Equipment**

It is the Council's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. 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. Absent donor stipulations regarding how long those donated assets must be maintained, the Council report expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Council reclassified net assets with restrictions to net assets without restrictions at that time.

Depreciation is calculated using the straight-line method and half-year convention over the following estimated useful lives:

|                                   |            |
|-----------------------------------|------------|
| Buildings                         | 30 years   |
| Leasehold Improvements            | 10 years   |
| Vehicles                          | 5 years    |
| Furniture, Fixtures and Equipment | 3-30 years |

### **Compensated Absences**

Employees of the Organization are entitled to be paid for unused vacation days upon termination and retirement. The Organization accrues a liability for vacation at fiscal year-end.

### **Fair Value Measures**

The Organization reports its fair value measures using a fair value hierarchy defined by generally accepted accounting principles (GAAP) that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under GAAP are:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (that is, inputs supported by little or no market activity).

### **Investments**

Investments in marketable securities are stated at fair value in the statements of financial position. The fair value of equity securities is determined based upon quoted prices in active markets.

(Level 1 measurements). Realized and unrealized gains and losses are included in the change in net assets and are included in the statements of activities as net realized and unrealized gains (losses) on investments. Estimated fair value has not decreased substantially from the reported value as of the report date.

**Note 2 – Savings Incentive Match**

Upper Cumberland Broadcast Council, Inc. offers up to a 3% match of employee wage contribution for a simple IRA fund if the employee is eligible. To be eligible, the employee must have earned at least \$5,000 in the prior two years and must be expected to earn \$5,000 in the current year. The Council’s contributions for the year ended June 30, 2024 and 2023 were \$16,010 and \$13,211, respectively.

**Note 3 – Property & Equipment**

The following is a summary of property & equipment as of June 30, 2024 and 2023:

|                                   | <u>2024</u>        | <u>2023</u>        |
|-----------------------------------|--------------------|--------------------|
| Property and Equipment:           |                    |                    |
| Assets not being depreciated:     |                    |                    |
| Land                              | \$ 23,300          | \$ 23,300          |
| Assets being depreciated:         |                    |                    |
| Building & Leasehold Improvements | 133,465            | 133,465            |
| Broadcast Equipment               | 6,747,491          | 6,730,269          |
| Vehicles                          | <u>68,526</u>      | <u>68,526</u>      |
|                                   | 6,972,782          | 6,955,560          |
| Accumulated Depreciation          | <u>(6,059,483)</u> | <u>(5,953,393)</u> |
| Total Property & Equipment        | <u>\$ 913,299</u>  | <u>\$1,002,167</u> |

**Note 4 – Line of Credit**

The Council has a \$250,000 unsecured bank line of credit with First Horizon Bank National Association. Total interest paid and accrued on the loan during the year amounted to \$0.00. The line of credit bears interest at 1% above the lender’s base commercial rate index. No activity was recorded for the line of credit for this or the last fiscal year.

**Note 5 - Concentration of Credit Risk**

The Council receives approximately 70% of its revenues from grant funding sources. The Council must make an annual application for these funds and no guarantee exists that these funds will be received.

Financial instruments that potentially subject the Council to concentrations of credit risk consist principally of cash, marketable securities, and receivables.

The Council maintains its cash accounts in commercial banks located in Tennessee. Accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. Amounts on deposit at various times throughout the year in a single financial institution exceeded the \$250,000 federally insured limit. On June 30, 2024 and 2023, deposits at First Horizon Bank exceeded the FDIC limit in the amount of \$2,051,876 and \$1,341,474, respectively.

The Organization’s investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position. Management believes that the Council is not exposed to any significant credit risk related to the above accounts and therefore does not require any collateral or other security.

Accounts and other receivables are due from a variety of sources concentrated primarily within Tennessee.

### **Note 6 – Unearned Rental Income**

The Council entered into a couple of leases over the years in which the rent was paid with a lump-sum-up-front payment. The Council has shown these amounts as liabilities and has been recognizing the income ratably over the years. Rental income recognized for the fiscal year ending June 30, 2024 and 2023 were \$3,704 and \$3,704, respectively.

### **Note 7 – Donated Materials, Facilities and Services**

Contributions received are recorded as net assets with restrictions or net assets without restrictions depending on the existence or nature of any donor restrictions.

The Council utilizes facilities from The Arcade Building. These facilities consist of office and studio space. All rent and utilities are paid except \$500 per month which is donated to the Organization. In October 2020, Arcade Properties donated storage space in the amount of \$200/month.

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recorded \$19,910 and \$26,890 in donated services in the years ended June 30, 2024 and 2023, respectively, all of which was charged to management and general expenses. Additionally, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but those services did not meet the criteria for recognition and have not been recognized in these financial statements.

### **Note 8 – Long-Term Debt**

Long-term debt consists of the following on June 30, 2024:

Note payable to Hitachi Kokusai Electric Comark LLC, non-interest bearing note issued in connection with acquisition of equipment, due August 2029 (discount is based on imputed interest rate of 2.336%)

Maturities of the note payable are as follows:

| Years ending    | Unamortized     |                   | Total             |
|-----------------|-----------------|-------------------|-------------------|
| <u>June 30,</u> | <u>Discount</u> | <u>Principal</u>  | <u>Payment</u>    |
| 2025            | \$ 2,497        | \$ 21,503         | \$ 24,000         |
| 2026            | 1,989           | 22,011            | 24,000            |
| 2027            | 1,469           | 22,531            | 24,000            |
| 2028            | 937             | 23,063            | 24,000            |
| 2029            | 393             | 23,607            | 24,000            |
| Thereafter      | 12              | 3,988             | 4,000             |
| Totals          | <u>\$ 7,298</u> | <u>\$ 116,702</u> | <u>\$ 124,000</u> |



Note payable to the Small Business Administration, with an interest rate of 2.75%, beginning July 1, 2020. Interest only was accrued until the Council began making principal and interest payments on April 1, 2022. The term of the note payable is 360 months with monthly payments of \$641. The final maturity date of the loan is June 2052.

Maturities of the note payable are as follows:

| Years ending<br><u>June 30,</u> | <u>Interest</u>  | <u>Principal</u>  | <u>Total<br/>Payment</u> |
|---------------------------------|------------------|-------------------|--------------------------|
| 2025                            | \$ 4,081         | \$ 3,611          | \$ 7,692                 |
| 2026                            | 3,981            | 3,711             | 7,692                    |
| 2027                            | 3,878            | 3,814             | 7,692                    |
| 2028                            | 3,772            | 3,920             | 7,692                    |
| 2029                            | 3,662            | 4,030             | 7,692                    |
| Thereafter                      | 45,897           | 130,985           | 176,882                  |
| Totals                          | <u>\$ 65,271</u> | <u>\$ 150,071</u> | <u>\$ 215,342</u>        |

Changes to Long-Term Debt during the current fiscal year are summarized as follows:

|                       | <u>Beginning<br/>Balance<br/>6/30/2023</u> | <u>New<br/>Loans<br/>Issued</u> | <u>Principal<br/>Paid</u> | <u>Ending<br/>Balance<br/>6/30/2024</u> | <u>Current<br/>Portion</u> |
|-----------------------|--------------------------------------------|---------------------------------|---------------------------|-----------------------------------------|----------------------------|
| Comark - Note Payable | \$ 137,709                                 | \$ -                            | \$ 21,007                 | \$ 116,702                              | \$ 21,503                  |
| SBA Loan              | <u>153,262</u>                             | <u>-</u>                        | <u>3,191</u>              | <u>150,071</u>                          | <u>3,611</u>               |
|                       | <u>\$ 290,971</u>                          | <u>\$ -</u>                     | <u>\$ 24,198</u>          | <u>\$ 266,773</u>                       | <u>\$ 25,114</u>           |

Interest expense totaled \$7,445 and \$8,055 for the years ended June 30, 2024 and 2023, respectively.

### **Note 9 – Operating Lease Commitments**

The Council was obligated under a non-cancelable lease for office equipment from R.J. Young in approximate annual amounts.

Minimum lease expenses were \$4,064 and \$3,592 for the fiscal years ended June 30, 2024 and 2023, respectively. This lease expired in April 2023 and payments are being made month to month and the lease is classified as an operating lease.

### **Note 10 – Prior Period Adjustment**

A prior period adjustment was made to correct the prior year understated balance in Grants Receivable in the amount of \$60,413.40. A prior period adjustment was also made to correct the prior year understated balance in Accounts Payable for grant expenses in the amount of \$60,413.40. The net adjustment to Net Assets was \$0.

### **Note 11 – Other Commitments and Contingencies**

Certain contracts and grants received by the Organization are subject to audit or review by the grantor/payer agencies. Because of these audits or reviews, the Organization may be required to repay a portion of grant or contract funds received. Management does not believe any liability related to its grants and contracts would be material and thus is only recorded when it is deemed an amount must be paid back. Other commitments included unearned grant revenue related to the ESSER Grant for the fiscal year ending June 30, 2024 and 2023 were \$0 and \$95,913, respectively. Unearned grant revenue at June 30, 2024 includes \$800,000 received as a State of TN appropriation that remains unspent at June 30, 2024 and \$22,531 in unspent grant funds from the Corporation for Public Broadcasting for the “Over The Air” project.

### **Note 12 – Endowment Fund**

The Board of Directors established an Endowment Fund from the *Strategic Planning Fund* which is a “board reserve” account of net assets without restrictions. The endowment fund is permanently restricted, up to a fully funded amount of \$1,000,000. It is the goal of this endowment to meet annual inflation plus a minimum of 5% per year, over a complete market cycle (usually 5-8 years), the fund’s overall annualized total return (income plus appreciation) after deducting for advisory, money management, and custodial fees, as well as total transaction costs. The endowment will also accept donor-restricted gifts of \$25,000 or more. These gifts may be classified as temporarily restricted unless the gift is given to increase the endowment balance itself.

### **Note 13 – Tower Rental**

The Organization receives revenue for tower rental classified under ASC 842 as operating leases.

The future minimum rental income payments under operating leases for the next five years are as follows:

| <u>Fiscal Year</u> | <u>Air<br/>Methods</u> | <u>UCEMC</u>     | <u>Zimmer</u>     | <u>Wireless<br/>Solutions</u> | <u>MTNG</u>      | <u>Total<br/>Rental</u> |
|--------------------|------------------------|------------------|-------------------|-------------------------------|------------------|-------------------------|
| 2025               | \$ 3,600               | \$ 3,600         | \$ 26,061         | \$ 2,400                      | \$ 9,300         | \$ 44,961               |
| 2026               | 3,600                  | 3,600            | 26,061            | 2,400                         | 9,300            | 44,961                  |
| 2027               | 3,600                  | 3,600            | 26,061            | 2,400                         | 9,300            | 44,961                  |
| 2028               | 3,600                  | 3,600            | 26,061            | 2,400                         | 9,300            | 44,961                  |
| 2029               | <u>3,600</u>           | <u>3,600</u>     | <u>26,061</u>     | <u>2,400</u>                  | <u>9,300</u>     | <u>44,961</u>           |
| Total Rental       | <u>\$ 18,000</u>       | <u>\$ 18,000</u> | <u>\$ 130,306</u> | <u>\$ 12,000</u>              | <u>\$ 46,500</u> | <u>\$ 224,806</u>       |

**Note 14 – Fair Value Measurement**

The following table presents the assets and liabilities recognized in the accompanying statements of financial position that are measured at fair value on a recurring basis and the level within the fair value hierarchy in which those fair value measurements fall at June 30, 2024 and 2023:

|                             | <u>Level 1</u>    | <u>Level 2</u> | <u>Level 3</u> |
|-----------------------------|-------------------|----------------|----------------|
| <u>2024</u>                 |                   |                |                |
| U.S. Corporate Equities     | \$ 100,949        | \$ -           | \$ -           |
| Mutual Funds                | 22,763            | -              | -              |
| Exchange Traded Funds (ETF) | 312,167           | -              | -              |
| Bond Funds                  | 262,483           | -              | -              |
| Cash & Cash Alternatives    | <u>2,124</u>      | <u>-</u>       | <u>-</u>       |
| Total                       | <u>\$ 700,486</u> | <u>\$ -</u>    | <u>\$ -</u>    |
| <u>2023</u>                 |                   |                |                |
| U.S. Corporate Equities     | \$ 78,039         | \$ -           | \$ -           |
| Mutual Funds                | 20,275            | -              | -              |
| Exchange Traded Funds (ETF) | 210,607           | -              | -              |
| Bond Funds                  | 250,000           | -              | -              |
| Cash & Cash Alternatives    | <u>22,397</u>     | <u>-</u>       | <u>-</u>       |
| Total                       | <u>\$ 581,318</u> | <u>\$ -</u>    | <u>\$ -</u>    |

Determinations of transfers between levels are made on June 30 of each fiscal year. There were no transfers during either year.

Investments earned the following:

|                           | <u>2024</u>      | <u>2023</u>      |
|---------------------------|------------------|------------------|
| Interest and dividends    | \$ 25,504        | \$ 9,974         |
| Unrealized gains (losses) | 37,533           | 28,647           |
| Realized gains (losses)   | <u>13,186</u>    | <u>(4,027)</u>   |
|                           | <u>\$ 76,224</u> | <u>\$ 34,594</u> |

**Note 15 – Subsequent Events**

Subsequent events have been evaluated for accrual and/or disclosure through December 12, 2024, the date in which the financial statements were available to be issued.

**Note 16 – Consideration of Going Concern**

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, which raises substantial doubt about Upper Cumberland Broadcast Council, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued. No conditions or events were noted.

### **Note 17 – Liquidity**

The following represents Upper Cumberland Broadcast Council, Inc.'s financial assets at June 30, 2024:

|                                                                | <u>June 30, 2024</u> | <u>June 30, 2023</u> |
|----------------------------------------------------------------|----------------------|----------------------|
| <u>Financial assets at yearend:</u>                            |                      |                      |
| Cash and cash equivalents                                      | \$ 2,383,149         | \$ 1,442,038         |
| Investments                                                    | 700,486              | 581,318              |
| Receivables                                                    | 35,845               | 221,220              |
| Prepaid expenses                                               | 13,404               | 16,812               |
| Total financial assets                                         | <u>3,132,884</u>     | <u>2,261,388</u>     |
| <u>Less: Amounts not available to be used within one year:</u> |                      |                      |
| Cash (Board Reserve)                                           | 1,617                | 25,231               |
| Net assets with donor restrictions                             | 517,659              | 406,651              |
| Total Amounts not available                                    | <u>519,276</u>       | <u>431,882</u>       |
| <u>Financial assets available to meet general expenditures</u> |                      |                      |
| <u>over the next twelve months:</u>                            | <u>\$ 2,613,608</u>  | <u>\$ 1,829,506</u>  |

The Strategic Fund money market account in the amount of \$1,617 and \$25,231 for June 30, 2024 and 2023, respectively, is board reserve. The Schwab money market account consists of a restricted donation for education in the amount of \$79,656 and \$75,333. Investments include the rest of the endowment in the amount of \$410,092 and \$306,077 for June 30, 2024 and 2023, respectively, and temporarily restricted donations to a building fund in the amount of \$27,911 and \$25,241 for June 30, 2024 and 2023, respectively. The board reserve and other restricted amounts are not available to use for general operating expenditures. However, the board designated amounts may be made available, if necessary. As part of the Organization's liquidity management plan, it structures its financial assets to be available as its obligations come due.

### **Note 18 - Net Assets Classifications**

The following is the breakdown of Net Assets as of June 30, 2024 and 2023:

|                                                                           |                      |                      |
|---------------------------------------------------------------------------|----------------------|----------------------|
| <u>Permanently Restricted</u>                                             | <u>June 30, 2024</u> | <u>June 30, 2023</u> |
| Investments - Endowment for Education<br>(up to \$1M Fully Funded Amount) | \$ 410,092           | \$ 306,077           |
| <u>Temporarily Restricted</u>                                             |                      |                      |
| Schwab MM - Donation for Education                                        | 79,656               | 75,333               |
| Building Fund                                                             | <u>27,911</u>        | <u>25,242</u>        |
|                                                                           | <u>107,567</u>       | <u>100,575</u>       |
| Total Restricted Funds                                                    | 517,659              | 406,651              |
| <u>Unrestricted Board Reserved</u>                                        |                      |                      |
| Strategic Funds MM - Donations                                            | 1,617                | 25,231               |
| Other Unrestricted Funds                                                  | <u>2,277,861</u>     | <u>2,269,662</u>     |
| Total Net Assets                                                          | <u>\$ 2,797,137</u>  | <u>\$ 2,701,544</u>  |

**UPPER CUMBERLAND BROADCAST COUNCIL, INC.**

**SUPPLEMENTARY INFORMATION**

**JUNE 30, 2024 and 2023**

**UPPER CUMBERLAND BROADCAST COUNCIL, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| Federal Grantor/<br>Pass-Through Grantor                   | CFDA<br>Number | Program                                                                  | Contract<br>Number | Passed<br>Through to<br>Subrecipients | Expenditures  |
|------------------------------------------------------------|----------------|--------------------------------------------------------------------------|--------------------|---------------------------------------|---------------|
| <b><u>Federal Awards</u></b>                               |                |                                                                          |                    |                                       |               |
| <u>Passthrough State of TN:</u>                            |                |                                                                          |                    |                                       |               |
| CARES ACT                                                  | 84.425         | Education Stabilization Fund - ESSER<br>Statewide Broadcast Signal Study | (Note 4)           | \$ 46,125.00                          | \$ -          |
| CARES ACT                                                  | 84.425         |                                                                          | N/A                | -                                     | 142,857.03    |
| <u>Department of Health &amp; Human Services</u>           |                |                                                                          |                    |                                       |               |
| <u>Passthrough UCDD - UCHRA</u>                            |                |                                                                          |                    |                                       |               |
| Empower Upper Cumberland                                   | 93.558         | TANF - Temporary Assistance for Needy Families                           | N/A                | -                                     | 127,014.26    |
| <b>TOTAL FEDERAL AWARDS</b>                                |                |                                                                          |                    | 46,125.00                             | 269,871.29    |
| <b><u>State Financial Assistance</u></b>                   |                |                                                                          |                    |                                       |               |
| Tennessee General Assembly                                 |                | Appropriations - Education                                               | (Note 5)           | -                                     | 464,126.33    |
| <b>TOTAL STATE FINANCIAL ASSISTANCE</b>                    |                |                                                                          |                    | -                                     | 464,126.33    |
| <b>TOTAL FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE</b> |                |                                                                          |                    | \$ 46,125.00                          | \$ 733,997.62 |

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal award activity of Upper Cumberland Broadcast Council, Inc. under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Upper Cumberland Broadcast Council, Inc. and it is not intended to does not present the financial position, changes in net assets, or cash flows of Upper Cumberland Broadcast Council, Inc.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein reimbursement. certain types of expenditures are not allowable or are limited as far as reimbursement.

Note 3: Indirect Cost Rate

Upper Cumberland Broadcast Council, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: Residual Esser Grant

The residual amount of the Esser Grant was then received in the amount of \$188,982.03 from the State of Tennessee of which \$46,125 was passed through to other stations to be expended and the amount left was expended by Upper Cumberland Broadcast Council, Inc. on Phase I of a state-wide broadcasting signal study in the amount of \$142,857.03.

Note 5: Deferred Appropriations

Total appropriations received were \$1,264,126.33. Total amount expended was \$464,126.33 and \$800,000.00 is deferred.

**UPPER CUMBERLAND BROADCAST COUNCIL, INC.**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE**  
**JUNE 30, 2024 and JUNE 30, 2023**

Changes to Long-Term Debt during the current fiscal year are summarized as follows:

|             | Original<br>Amount of<br>Issue | Interest Rate | Date<br>of<br>Issuance | Final<br>Maturity<br>Date |
|-------------|--------------------------------|---------------|------------------------|---------------------------|
| Comark Loan | \$ 288,000                     | 2.336%        | 8/1/2017               | 8/1/2029                  |
| SBA Loan    | <u>150,000</u>                 | 2.75%         | 7/1/2020               | 6/1/2052                  |
| Total       | <u>\$ 438,000</u>              |               |                        |                           |

| <u>JUNE 30, 2024</u> | Beginning<br>Balance<br><u>7/1/2023</u> | Amount<br>Issued | Amounts<br>Paid/<br><u>Matured</u> | Ending<br>Balance<br><u>6/30/2024</u> |
|----------------------|-----------------------------------------|------------------|------------------------------------|---------------------------------------|
| Comark Loan          | \$ 137,709                              | \$ -             | \$ 21,007                          | \$ 116,703                            |
| SBA Loan             | <u>153,262</u>                          | <u>-</u>         | <u>3,191</u>                       | <u>150,071</u>                        |
| Total                | <u>\$ 290,972</u>                       | <u>\$ -</u>      | <u>\$ 24,197</u>                   | <u>\$ 266,774</u>                     |

Changes to Long-Term Debt during the prior fiscal year are summarized as follows:

| <u>JUNE 30, 2023</u> | Beginning<br>Balance<br><u>7/1/2022</u> | Amount<br>Issued | Amounts<br>Paid/<br><u>Matured</u> | Ending<br>Balance<br><u>6/30/2023</u> |
|----------------------|-----------------------------------------|------------------|------------------------------------|---------------------------------------|
| Comark Loan          | \$ 158,232                              | \$ -             | \$ 20,523                          | \$ 137,709                            |
| SBA Loan             | <u>156,358</u>                          | <u>-</u>         | <u>3,096</u>                       | <u>153,262</u>                        |
| Total                | <u>\$ 314,591</u>                       | <u>\$ -</u>      | <u>\$ 23,619</u>                   | <u>\$ 290,972</u>                     |

**UPPER CUMBERLAND BROADCAST COUNCIL, INC.**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF LONG-TERM DEBT, PRINCIPAL AND INTEREST PAYMENTS TO MATURITY**  
**JUNE 30, 2024**

| Years ending<br>June 30, | Comark Loan       |                 |                   | SBA Loan          |                  |                   | Total Loans       |                  |                   |
|--------------------------|-------------------|-----------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
|                          | Principal         | Interest        | Total             | Principal         | Interest         | Total             | Principal         | Interest         | Total             |
| 2025                     | \$ 21,503         | \$ 2,497        | \$ 24,000         | \$ 3,611          | \$ 4,081         | \$ 7,692          | \$ 25,114         | \$ 6,578         | \$ 31,692         |
| 2026                     | 22,011            | 1,989           | 24,000            | 3,711             | 3,981            | 7,692             | 25,722            | 5,970            | 31,692            |
| 2027                     | 22,531            | 1,469           | 24,000            | 3,814             | 3,878            | 7,692             | 26,345            | 5,347            | 31,692            |
| 2028                     | 23,063            | 937             | 24,000            | 3,920             | 3,772            | 7,692             | 26,983            | 4,709            | 31,692            |
| 2029                     | 23,607            | 393             | 24,000            | 4,030             | 3,662            | 7,692             | 27,637            | 4,055            | 31,692            |
| 2030                     | 3,988             | 12              | 4,000             | 4,142             | 3,550            | 7,692             | 8,130             | 3,562            | 11,692            |
| 2031                     | -                 | -               | -                 | 4,257             | 3,435            | 7,692             | 4,257             | 3,435            | 7,692             |
| 2032                     | -                 | -               | -                 | 4,376             | 3,316            | 7,692             | 4,376             | 3,316            | 7,692             |
| 2033                     | -                 | -               | -                 | 4,498             | 3,194            | 7,692             | 4,498             | 3,194            | 7,692             |
| 2034                     | -                 | -               | -                 | 4,623             | 3,069            | 7,692             | 4,623             | 3,069            | 7,692             |
| 2035                     | -                 | -               | -                 | 4,752             | 2,940            | 7,692             | 4,752             | 2,940            | 7,692             |
| 2036                     | -                 | -               | -                 | 4,884             | 2,808            | 7,692             | 4,884             | 2,808            | 7,692             |
| 2037                     | -                 | -               | -                 | 5,020             | 2,672            | 7,692             | 5,020             | 2,672            | 7,692             |
| 2038                     | -                 | -               | -                 | 5,160             | 2,532            | 7,692             | 5,160             | 2,532            | 7,692             |
| 2039                     | -                 | -               | -                 | 5,303             | 2,389            | 7,692             | 5,303             | 2,389            | 7,692             |
| 2040                     | -                 | -               | -                 | 5,451             | 2,241            | 7,692             | 5,451             | 2,241            | 7,692             |
| 2041                     | -                 | -               | -                 | 5,603             | 2,089            | 7,692             | 5,603             | 2,089            | 7,692             |
| 2042                     | -                 | -               | -                 | 5,759             | 1,933            | 7,692             | 5,759             | 1,933            | 7,692             |
| 2043                     | -                 | -               | -                 | 5,919             | 1,773            | 7,692             | 5,919             | 1,773            | 7,692             |
| 2044                     | -                 | -               | -                 | 6,084             | 1,608            | 7,692             | 6,084             | 1,608            | 7,692             |
| 2045                     | -                 | -               | -                 | 6,254             | 1,438            | 7,692             | 6,254             | 1,438            | 7,692             |
| 2046                     | -                 | -               | -                 | 6,428             | 1,264            | 7,692             | 6,428             | 1,264            | 7,692             |
| 2047                     | -                 | -               | -                 | 6,607             | 1,085            | 7,692             | 6,607             | 1,085            | 7,692             |
| 2048                     | -                 | -               | -                 | 6,791             | 901              | 7,692             | 6,791             | 901              | 7,692             |
| 2049                     | -                 | -               | -                 | 6,980             | 712              | 7,692             | 6,980             | 712              | 7,692             |
| 2050                     | -                 | -               | -                 | 7,174             | 518              | 7,692             | 7,174             | 518              | 7,692             |
| 2051                     | -                 | -               | -                 | 7,374             | 318              | 7,692             | 7,374             | 318              | 7,692             |
| 2052                     | -                 | -               | -                 | 7,546             | 112              | 7,658             | 7,546             | 112              | 7,658             |
| Total                    | <u>\$ 116,702</u> | <u>\$ 7,298</u> | <u>\$ 124,000</u> | <u>\$ 150,071</u> | <u>\$ 65,271</u> | <u>\$ 215,342</u> | <u>\$ 266,774</u> | <u>\$ 72,569</u> | <u>\$ 339,342</u> |



**UPPER CUMBERLAND BROADCAST COUNCIL, INC.**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF LONG-TERM DEBT, PRINCIPAL AND INTEREST PAYMENTS TO MATURITY**  
**JUNE 30, 2023**

| Years ending<br>June 30, | Comark Loan       |                  |                   | SBA Loan          |                  |                   | Total Loans       |                  |                   |
|--------------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
|                          | Principal         | Interest         | Total             | Principal         | Interest         | Total             | Principal         | Interest         | Total             |
| 2024                     | 21,007            | 2,993            | 24,000            | 3,096             | 4,596            | 7,692             | 24,103            | 7,589            | 31,692            |
| 2025                     | 21,503            | 2,497            | 24,000            | 3,611             | 4,081            | 7,692             | 25,114            | 6,578            | 31,692            |
| 2026                     | 22,011            | 1,989            | 24,000            | 3,711             | 3,981            | 7,692             | 25,722            | 5,970            | 31,692            |
| 2027                     | 22,531            | 1,469            | 24,000            | 3,814             | 3,878            | 7,692             | 26,345            | 5,347            | 31,692            |
| 2028                     | 23,063            | 937              | 24,000            | 3,920             | 3,772            | 7,692             | 26,983            | 4,709            | 31,692            |
| 2029                     | 23,607            | 393              | 24,000            | 4,030             | 3,662            | 7,692             | 27,637            | 4,055            | 31,692            |
| 2030                     | 3,988             | 12               | 4,000             | 4,142             | 3,550            | 7,692             | 8,130             | 3,562            | 11,692            |
| 2031                     | -                 | -                | -                 | 4,257             | 3,435            | 7,692             | 4,257             | 3,435            | 7,692             |
| 2032                     | -                 | -                | -                 | 4,376             | 3,316            | 7,692             | 4,376             | 3,316            | 7,692             |
| 2033                     | -                 | -                | -                 | 4,498             | 3,194            | 7,692             | 4,498             | 3,194            | 7,692             |
| 2034                     | -                 | -                | -                 | 4,623             | 3,069            | 7,692             | 4,623             | 3,069            | 7,692             |
| 2035                     | -                 | -                | -                 | 4,752             | 2,940            | 7,692             | 4,752             | 2,940            | 7,692             |
| 2036                     | -                 | -                | -                 | 4,884             | 2,808            | 7,692             | 4,884             | 2,808            | 7,692             |
| 2037                     | -                 | -                | -                 | 5,020             | 2,672            | 7,692             | 5,020             | 2,672            | 7,692             |
| 2038                     | -                 | -                | -                 | 5,160             | 2,532            | 7,692             | 5,160             | 2,532            | 7,692             |
| 2039                     | -                 | -                | -                 | 5,303             | 2,389            | 7,692             | 5,303             | 2,389            | 7,692             |
| 2040                     | -                 | -                | -                 | 5,451             | 2,241            | 7,692             | 5,451             | 2,241            | 7,692             |
| 2041                     | -                 | -                | -                 | 5,603             | 2,089            | 7,692             | 5,603             | 2,089            | 7,692             |
| 2042                     | -                 | -                | -                 | 5,759             | 1,933            | 7,692             | 5,759             | 1,933            | 7,692             |
| 2043                     | -                 | -                | -                 | 5,919             | 1,773            | 7,692             | 5,919             | 1,773            | 7,692             |
| 2044                     | -                 | -                | -                 | 6,084             | 1,608            | 7,692             | 6,084             | 1,608            | 7,692             |
| 2045                     | -                 | -                | -                 | 6,254             | 1,438            | 7,692             | 6,254             | 1,438            | 7,692             |
| 2046                     | -                 | -                | -                 | 6,428             | 1,264            | 7,692             | 6,428             | 1,264            | 7,692             |
| 2047                     | -                 | -                | -                 | 6,607             | 1,085            | 7,692             | 6,607             | 1,085            | 7,692             |
| 2048                     | -                 | -                | -                 | 6,791             | 901              | 7,692             | 6,791             | 901              | 7,692             |
| 2049                     | -                 | -                | -                 | 6,980             | 712              | 7,692             | 6,980             | 712              | 7,692             |
| 2050                     | -                 | -                | -                 | 7,174             | 518              | 7,692             | 7,174             | 518              | 7,692             |
| 2051                     | -                 | -                | -                 | 7,374             | 318              | 7,692             | 7,374             | 318              | 7,692             |
| 2052                     | -                 | -                | -                 | 7,546             | 112              | 7,658             | 7,546             | 112              | 7,658             |
| Total                    | <u>\$ 137,709</u> | <u>\$ 10,291</u> | <u>\$ 148,000</u> | <u>\$ 153,167</u> | <u>\$ 69,867</u> | <u>\$ 223,034</u> | <u>\$ 290,877</u> | <u>\$ 80,158</u> | <u>\$ 371,034</u> |

# TAMARA L. BECKMAN, CPA

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of the  
Upper Cumberland Broadcast Council, Inc.  
Cookeville, Tennessee

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Upper Cumberland Broadcast Council, Inc. as of and for the year ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Upper Cumberland Broadcast Council, Inc.'s basic financial statements, and have issued my report thereon dated December 12, 2024.

### **Report on Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Upper Cumberland Broadcast Council, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Upper Cumberland Broadcast Council, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of Upper Cumberland Broadcast Council, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Upper Cumberland Broadcast Council, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Tamara L. Beckman, CPA*

December 12, 2024  
Smithville, Tennessee

**UPPER CUMBERLAND BROADCAST COUNCIL, INC.  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| PRIOR YEAR<br>FINDING # | FINDING TITLE<br>& ORIGINAL FINDING #    | STATUS/ CURRENT<br>YEAR FINDING # |
|-------------------------|------------------------------------------|-----------------------------------|
|                         | <b>There were no prior year findings</b> |                                   |
|                         |                                          |                                   |
|                         |                                          |                                   |
|                         |                                          |                                   |
|                         |                                          |                                   |