

**HAWAII PUBLIC TELEVISION FOUNDATION
dba PBS HAWAII**

**FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

(With Independent Auditor's Report)

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hawaii Public Television Foundation
dba PBS Hawaii
Honolulu, Hawaii

We have audited the accompanying financial statements of Hawaii Public Television Foundation dba PBS Hawaii (a nonprofit corporation) which comprise the statements of financial position as of June 30, 2021, and the related statements of activities, functional expense and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hawaii Public Television Foundation dba PBS Hawaii as of June 30, 2021, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Hawaii Public Television Foundation dba PBS Hawaii's 2020 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated December 31, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Choo, Osada & Lu, CPAs, Inc.

Honolulu, Hawaii
January 6, 2022

HAWAII PUBLIC TELEVISION FOUNDATION
dba PBS HAWAII
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Change in net assets without donor restrictions		
Support and revenues		
Contributions	\$ 2,472,477	2,334,171
Telecasting and underwriting revenues	406,269	290,028
Community service grants from		
Corporation for Public Broadcasting	1,419,564	1,354,887
Franchise fee revenue	3,552,902	3,469,997
Noncash contributions	17,599	-
Investment income	1,302,558	188,929
Total support and revenues	<u>9,171,369</u>	<u>7,638,012</u>
Net assets released from restrictions	992,685	1,332,368
	<u>10,164,054</u>	<u>8,970,380</u>
Expenses and losses		
Program services		
Programming and production	3,542,621	3,771,698
Broadcasting	1,649,136	1,676,714
Program information	434,740	644,195
Supporting services		
Management and general	980,541	1,206,423
Underwriting, grant solicitation, and fund raising	626,955	736,859
Loss on disposition of equipment	84,837	2,984
Total expenses and losses	<u>7,318,830</u>	<u>8,038,873</u>
Increase in net assets without donor restrictions	<u>2,845,224</u>	<u>931,507</u>
Change in net assets with donor restrictions		
Capital campaign contributions	55,890	150,917
Government grants- ARPA/CARES	502,380	200,000
Telecasting and underwriting contributions	546,634	563,272
Net assets released from restrictions	<u>(992,685)</u>	<u>(1,332,368)</u>
Increase (decrease) in net assets with donor restrictions	<u>112,219</u>	<u>(418,179)</u>
Increase in net assets	2,957,443	513,328
Nets assets		
At beginning of year	<u>43,674,391</u>	<u>43,161,063</u>
At end of year	<u>\$ 46,631,834</u>	<u>43,674,391</u>

See accompanying notes.

**HAWAII PUBLIC TELEVISION FOUNDATION
dba PBS HAWAII**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021 (With Summarized Financial Information For Year Ended June 30, 2020)

	Program Services			Supporting Services		2021 Total	2020 Total
	Programming and Production	Broadcasting	Program Information	Management and General	Underwriting, Grant Solicitation, and Fundraising		
Salaries, payroll taxes and employee benefits	\$ 1,151,621	243,592	162,542	519,342	216,374	2,293,471	2,809,411
Personal services	320,155	15,129	18,948	152,707	262	507,201	562,042
Advertising and printing	10,216	-	135,418	7,688	7,094	160,416	319,749
Office and other supplies	14,538	20,477	14,864	66,042	114,107	230,028	227,236
Information technology	24,927	272,982	24,525	15,338	40,505	378,277	364,244
Program acquisition	1,307,094	-	-	-	-	1,307,094	1,311,826
Occupancy	184,888	540,505	28,616	43,118	45,440	842,567	846,256
Transportation, travel and training	233	-	-	1,620	-	1,853	35,933
Interest	-	-	-	57	-	57	43
Depreciation	467,706	533,458	49,067	91,068	69,747	1,211,046	1,256,128
Insurance	50,021	22,992	760	72,244	1,736	147,753	149,507
Taxes, other than income	7	-	-	931	9,903	10,841	10,527
Premiums	-	-	-	-	85,298	85,298	72,266
Other	11,215	1	-	10,386	36,489	58,091	70,721
	<u>\$ 3,542,621</u>	<u>1,649,136</u>	<u>434,740</u>	<u>980,541</u>	<u>626,955</u>	<u>7,233,993</u>	<u>8,035,889</u>

See accompanying notes

HAWAII PUBLIC TELEVISION FOUNDATION
dba PBS HAWAII
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Increase in net assets	\$ 2,957,443	513,328
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,211,046	1,256,128
Net realized and unrealized gain on investments	(1,184,093)	(29,930)
Decrease (increase) in beneficial interest in assets held by others	(27,999)	1,365
Loss on disposition of equipment	84,837	2,984
Loss (income) in limited liability company	70,954	(6,587)
Decrease (increase) in		
Receivables	427,818	457,687
Deposits - equipment and other	(179)	(65,760)
Increase (decrease) in		
Accounts payable and accrued liabilities	(60,941)	9,762
Deferred revenue	40,000	-
	<u>3,518,886</u>	<u>2,138,977</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Purchases of marketable securities	(4,052,354)	(658,854)
Sales of marketable securities	3,769,113	72,994
Purchases of property and equipment	(393,628)	(267,910)
	<u>(676,869)</u>	<u>(853,770)</u>
Net cash used by investing activities		
Cash flows from financing activities		
Proceeds from note payable	-	536,294
	<u>-</u>	<u>536,294</u>
Net cash provided by financing activities		
Net increase in cash and cash equivalents	2,842,017	1,821,501
Cash and cash equivalents at beginning of year	<u>12,835,434</u>	<u>11,013,933</u>
Cash and cash equivalents at end of year	<u>\$ 15,677,451</u>	<u>12,835,434</u>
Supplement disclosure of cash flow information		
Cash paid during the year for interest	<u>\$ 57</u>	<u>43</u>

See accompanying notes.

HAWAII PUBLIC TELEVISION FOUNDATION
dba PBS HAWAII
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – NATURE OF ORGANIZATION, SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, AND USE OF ESTIMATES

Nature of organization

Hawaii Public Television Foundation dba PBS Hawaii (Foundation) is a nonprofit corporation organized under the laws of the State of Hawaii. The Foundation operates a non-commercial public television network with two transmitters (KHET in Honolulu and KMEB on Maui) and a series of translators on Hawaii and Kauai. It is funded primarily by franchise fees, community service grants from the Corporation for Public Broadcasting, and contributions from individuals and organizations in Hawaii.

Basis of accounting and financial statement presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Cash and cash equivalents

For the purposes of the statement of cash flows, the Foundation considers all highly liquid debt securities purchased with maturities of three months or less to be cash equivalents.

Investments in marketable securities

Investments in marketable securities are stated at fair value.

Accounts receivable

Accounts receivable are recorded when invoices are issued and are presented in the statements of financial position net of the allowance for doubtful accounts. Accounts receivable are written off when they are deemed uncollectible. An allowance for doubtful accounts is established when necessary and is based on historical trends.

Beneficial interest in assets held for others

The Foundation's beneficial interest in assets held by others is valued at the net asset value of those assets. The net asset value is used as a practical expedient to estimate fair value.

Investment in limited liability company

Investment in limited liability company (LLC) is recorded under the equity method of accounting. Under the equity method, the Foundation's investment is increased for capital contributions and a proportionate share of the LLC's earnings, and is decreased for distributions from the LLC and a proportionate share of the LLC's losses.

Property and equipment

Property and equipment are recorded at cost or estimated fair value at the date of donation and depreciated under the straight-line method over the estimated useful lives of the assets. Renewals and improvements that extend the useful lives of assets are capitalized; maintenance and repairs are included as expenses in the statements of activities.

The Foundation's policy is to capitalize property and equipment over \$250.

**HAWAII PUBLIC TELEVISION FOUNDATION
dba PBS HAWAII
NOTES TO FINANCIAL STATEMENTS – continued
JUNE 30, 2021 AND 2020**

NOTE 1 – NATURE OF ORGANIZATION, SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, AND USE OF ESTIMATES – continued

Contributions

Contributions are recorded as support with restrictions and without restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions.

Advertising costs

Advertising costs are expensed in the period they are incurred.

Contributed services

Contributed services are reflected in the financial statements at the fair value of the services received if the services create or enhance a nonfinancial asset, or require specialized skills and would typically be purchased by the Foundation if not donated.

General excise tax

General excise taxes, and the related amounts billed to customers for general excise taxes, are presented in the accompanying statements of activities at the gross amounts.

Income taxes

The Foundation is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation by the Internal Revenue Service. The Foundation is also exempt from Hawaii income taxes under Section 235 of the Hawaii Revised Statutes.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist primarily of deposits with three financial institutions in the State of Hawaii. At June 30, 2021 and 2020, deposits in excess of federally insured limits amounted to approximately \$15,008,000 and \$12,133,000, respectively.

HAWAII PUBLIC TELEVISION FOUNDATION
dba PBS HAWAII
NOTES TO FINANCIAL STATEMENTS – continued
JUNE 30, 2021 AND 2020

NOTE 3 – INVESTMENTS IN MARKETABLE SECURITIES

At June 30, 2021 and 2020, the aggregate cost and fair value of investments in marketable securities were as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Equity security mutual funds	\$ 2,630,322	3,966,083	2,942,145	3,270,833
Government bond mutual funds	2,363,218	2,331,738	1,929,393	2,044,141
Other	446,349	484,487	-	-
	<u>\$ 5,439,889</u>	<u>6,782,308</u>	<u>4,871,538</u>	<u>5,314,974</u>

Investment income for the years ended June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 115,564	182,362
Net realized gains	285,109	22,124
Net unrealized gains	898,984	7,805
Increase (decrease) in beneficial interest in assets held by others	27,999	(1,364)
Custodial and investment advisory fees	(25,098)	(21,998)
	<u>\$ 1,302,558</u>	<u>188,929</u>

NOTE 4 - CONTRIBUTIONS RECEIVABLE

At June 30, 2021 and 2020, contributions receivable consisted of the following:

	<u>2021</u>	<u>2020</u>
Receivable in		
Less than one year	\$ 500,000	500,000
One to five years	2,000,000	2,500,000
Five to ten years	-	-
	<u>2,500,000</u>	<u>3,000,000</u>
Less discounts to net present value at 2.17%	<u>393,541</u>	<u>444,431</u>
	<u>\$ 2,106,459</u>	<u>2,555,569</u>

HAWAII PUBLIC TELEVISION FOUNDATION
dba PBS HAWAII
NOTES TO FINANCIAL STATEMENTS – continued
JUNE 30, 2021 AND 2020

NOTE 5 – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Prior to 2000, approximately \$101,000 was transferred to the Hawaii Community Foundation (HCF). HCF has been granted variance power for these assets; in the event that the Foundation ceases to exist, or if the Foundation is no longer necessary, HCF will have the power to redirect the funds to another beneficiary. Under terms of the transfer, the Foundation has specified itself as the beneficiary and receives the investment income earned on these funds on a quarterly basis. At June 30, 2021 and 2020, the fair value of the assets was \$143,052 and \$115,053, respectively and was included in the statements of financial position under the caption “Beneficial interest in assets held by others.” Investment income from these assets for each of the years ended June 30, 2021 and 2020 was approximately \$4,000.

The increase in the beneficial interest in assets held by others for the year ended June 30, 2021 was \$27,999. The decrease in the beneficial interest in assets held by others for the year ended June 30, 2020 was \$1,364. These amounts were included in investment income in the statements of activities.

NOTE 6 – FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board (FASB) has established a framework for measuring fair value in conformity with generally accepted accounting principles and for disclosures about fair value measurements. As a part of this framework, the FASB has established a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Observable inputs such as quoted prices in active markets. Such inputs have the highest priority.
- Level 2 – Inputs, other than quoted market prices in active markets, that are observable either directly or indirectly.
- Level 3 – Unobservable inputs in which there is little or no market data, and which require significant management judgment or estimation.

The Organization uses appropriate valuation techniques based on available inputs to measure fair value. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

There have been no changes in the methodology used for the years ended June 30, 2021 and June 30, 2020.

HAWAII PUBLIC TELEVISION FOUNDATION
dba PBS HAWAII
NOTES TO FINANCIAL STATEMENTS – continued
JUNE 30, 2021 AND 2020

NOTE 6 – FAIR VALUE MEASUREMENTS - continued

The following table summarizes the fair values of the Foundation’s financial assets and liabilities that are measured on a recurring basis as of June 30, 2021 and 2020:

	<u>Level 1</u>	<u>Total</u>
<u>2021</u>		
Equity security mutual funds	3,966,083	3,966,083
Government bond mutual funds	2,331,738	2,331,738
Other	<u>484,487</u>	<u>484,487</u>
	<u>\$ 6,782,308</u>	6,782,308
Investment measured at net asset value not classified in the hierarchy - beneficial interest in assets held by others		<u>143,052</u>
		<u>\$ 6,925,360</u>
	<u>Level 1</u>	<u>Total</u>
<u>2020</u>		
Equity security mutual funds	3,270,833	3,270,833
Government bond mutual funds	<u>2,044,141</u>	<u>2,044,141</u>
	<u>\$ 5,314,974</u>	5,314,974
Investment measured at net asset value not classified in the hierarchy - beneficial interest in assets held by others		<u>115,053</u>
		<u>\$ 5,430,027</u>

NOTE 7 – INVESTMENT IN LIMITED LIABILITY COMPANY

The Foundation has a 20% interest in a Hawaii limited liability company (LLC) which was formed in September 2004; its members consist of the Foundation and four commercial television stations. The primary purpose of the LLC is to develop, operate and maintain a tower site on the island of Maui, Hawaii. The LLC is not expected to earn revenue; LLC expenditures are to be funded through the capital contributions of its members. For the years ended June 30, 2021 and 2020, the Foundation recorded losses from the LLC of \$128,745 and \$112,490, respectively.

HAWAII PUBLIC TELEVISION FOUNDATION
dba PBS HAWAII
NOTES TO FINANCIAL STATEMENTS – continued
JUNE 30, 2021 AND 2020

NOTE 8 – PROPERTY AND EQUIPMENT

At June 30, 2021 and 2020, property and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Buildings	\$ 18,733,816	18,733,816
Furniture, fixtures, and equipment	<u>10,196,418</u>	<u>10,014,129</u>
	28,930,234	28,747,945
Less accumulated depreciation	<u>10,182,511</u>	<u>9,097,967</u>
	18,747,723	19,649,978
Land	<u>3,744,018</u>	<u>3,744,018</u>
	<u>\$ 22,491,741</u>	<u>23,393,996</u>

At June 30, 2021 and 2020, property and equipment included assets contributed by the State of Hawaii as follows:

	<u>2021</u>	<u>2020</u>
Furniture, fixtures, and equipment	\$ 55,318	55,318
Less accumulated depreciation	<u>55,318</u>	<u>55,318</u>
	<u>\$ -</u>	<u>-</u>

In the event that furniture, fixtures and equipment contributed by the State of Hawaii is no longer useful to the Foundation, or if the Foundation is dissolved or discontinues public broadcasting in Hawaii, the State of Hawaii has the first right to acquire these assets at no cost.

NOTE 9 – BOARD DESIGNATED ENDOWMENT

In 2017, the Foundation’s Board of Directors designated the balance of an investment account as a general endowment fund. Since that amount resulted from an internal designation and not from a donor restriction, it is included in unrestricted net assets. Proceeds from donations of automobiles, and additional amounts determined at the discretion of the Board of Directors, are added to the endowment fund. Appropriations from the endowment fund for expenditure are made at the discretion of the Board of Directors.

The Foundation has adopted an investment policy that attempts to optimize results and provide a hedge against anticipated inflation and structured primarily to protect the fund against the long-term erosion of capital. Endowment assets are selected in order to have a readily ascertainable market value, are readily marketable in a diversified asset mix that includes equity and debt securities, and intended to achieve an average annual return greater than a composite index on a trailing three-year basis.

HAWAII PUBLIC TELEVISION FOUNDATION
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NOTES TO FINANCIAL STATEMENTS – continued
JUNE 30, 2021 AND 2020

NOTE 9 – BOARD DESIGNATED ENDOWMENT-continued

The following is a reconciliation of the changes in the endowment for the years ended June 30, 2021 and 2020:

Balance at June 30, 2019	\$ 5,145,707
Contributions	
Investment income	317,462
Net realized and unrealized appreciation (depreciation)	135,260
Investment fees	29,922
Appropriation for expenditure	<u>(21,823)</u>
Balance at June 30, 2020	\$ 5,606,528
Contributions	42,671
Investment income	110,387
Net realized and unrealized appreciation (depreciation)	1,184,102
Investment fees	(24,923)
Appropriation for expenditure	<u>(992,685)</u>
Balance at June 30, 2021	<u>\$ 5,926,080</u>

NOTE 10 – NOTE PAYABLE

At June 30, 2021 and 2020, note payable consisted of loan proceeds received under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), the PPP provides for loans to qualifying organizations for amounts up to 2.5 times the organization's average monthly payroll expenses. Loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes. These purposes include payroll and related benefits, rent, and utilities. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the forgiveness period.

Subsequent to June 30, 2021, the loan was forgiven.

HAWAII PUBLIC TELEVISION FOUNDATION
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NOTES TO FINANCIAL STATEMENTS – continued
JUNE 30, 2021 AND 2020

NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation’s financial assets available within one year of the balance sheet date for general expenditures. The assets have been reduced by amounts not available for general use because of donor-imposed restrictions. Amounts available include Board-approved appropriations from the endowment fund for the following year as well as donor-restricted amounts that are available for expenditure in the following year.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 15,677,451	12,835,434
Investments in marketable securities	6,782,308	5,314,974
Accounts receivable	28,294	7,002
Contributions receivable	<u>2,106,459</u>	<u>2,555,569</u>
 Total financial assets	 24,594,512	 20,712,979
 Donor and Board imposed restrictions		
Cash and cash equivalents	(616,581)	(651,554)
Endowment fund investments	(6,782,308)	(5,314,974)
Contributions to be collected in more than one year	<u>(1,666,887)</u>	<u>(2,106,459)</u>
	 <u>\$ 15,528,736</u>	 <u>12,639,992</u>

NOTE 12 – RESTRICTIONS ON NET ASSETS

At June 30, 2021 and 2020, net assets with restrictions were as follows:

	<u>2021</u>	<u>2020</u>
For Hiki No program	\$ 429,429	459,543
For future periods/capital campaign	2,106,459	2,555,569
For programming and services	502,380	-
For facilities maintenance	480,000	360,000
Beneficial interest in assets held by others	100,985	100,985
Other	<u>78,115</u>	<u>109,052</u>
	 <u>\$ 3,697,368</u>	 <u>3,585,149</u>

**HAWAII PUBLIC TELEVISION FOUNDATION
dba PBS HAWAII
NOTES TO FINANCIAL STATEMENTS – continued
JUNE 30, 2021 AND 2020**

NOTE 13 – FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and office and occupancy, which are allocated on a square-footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

NOTE 14 – PROFIT-SHARING PLAN

The Foundation's profit-sharing plan is a safe harbor 401(k) plan covering all employees who meet the age requirements specified in the plan. An employee who is a member of the plan may elect to contribute a portion of his or her salary to the plan. Under terms of the plan, on an annual basis, the employer will elect to make one of two types of contributions for the following year, either a non-elective contribution based on a minimum of 3% of compensation to all eligible participants or a matching 100% contribution of up to the first 3% of participant compensation and a matching 50% of the next 2% of participant compensation that is contributed by the participant. Contributions for the years ended June 30, 2021 and 2020 were approximately \$70,000 and \$92,000, respectively.

NOTE 15 – ADVERTISING AND PRINTING

Advertising and printing costs for the years ended June 30, 2021 and 2020 were approximately \$160,000 and \$324,000, respectively.

NOTE 16 – INCOME TAXES

Tax years that remain subject to examination are the years ended June 30, 2018 and forward.

NOTE 17 – SUBSEQUENT EVENTS

Hawaii's state and county governments instituted measures, including travel restrictions and stay-at-home orders, in response to the Coronavirus Disease 2019 ("COVID-19"), which was declared a pandemic by the World Health Organization in March 2020. The resulting economic uncertainties make potential financial impacts unknown; however, they may result in a material adverse impact on the Organization's financial position, operations, and cash flows. Possible effects may include, but are not limited to, the donors' unwillingness to support and/or underwrite local programs because the production of new original content by the Foundation has been curtailed, and the donors' financial inability to commit to future donations or to timely satisfy prior pledges.

NOTE 18 – DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated through January 6, 2022, the date the financial statements were available to be issued.