

# **Golden Valley Community Broadcasters**

**Chico, California**

FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITORS' REPORT

**June 30, 2020 and 2019**

# Golden Valley Community Broadcasters

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Golden Valley Community Broadcasters  
Chico, California

We have audited the accompanying financial statements of Golden Valley Community Broadcasters (the Organization), a nonprofit corporation, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 Organization'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 Organization'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.

## **INDEPENDENT AUDITORS' REPORT**

(Continued)

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

DATE

Chico, California

## **FINANCIAL SECTION**

# Golden Valley Community Broadcasters

## STATEMENTS OF FINANCIAL POSITION

June 30	2020		2019	
<b>CURRENT ASSETS</b>				
Cash	\$	366,357	\$	205,269
Accounts receivable		4,476		2,839
Employee advances		1,935		439
Prepaid insurance		7,876		8,292
<b>Total Current Assets</b>		<b>380,644</b>		<b>216,839</b>
<b>Fixed Assets - Net</b>		<b>10,352</b>		<b>7,569</b>
<b>Other Assets</b>				
Deposits		520		370
North Valley Community Foundation Fund		10,603		10,556
<b>Total Other Assets</b>		<b>11,123</b>		<b>10,926</b>
<b>TOTAL ASSETS</b>	\$	<b>402,119</b>	\$	<b>235,334</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Accounts payable	\$	2,596	\$	968
Accrued payroll taxes		548		703
Accrued wages, vacations, and benefits		12,875		6,833
Deferred revenue		23,304		18,819
<b>Total Current Liabilities</b>		<b>39,323</b>		<b>27,323</b>
<b>Net Assets</b>				
Without donor restrictions		362,796		208,011
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$	<b>402,119</b>	\$	<b>235,334</b>

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

# Golden Valley Community Broadcasters

## STATEMENTS OF ACTIVITIES

Years Ended June 30	2020		2019	
<b>Revenues, Support, and Other</b>				
Underwriting, net of discounts	\$	106,089	\$	108,380
Pledge drives		93,598		111,345
Grants		179,464		74,573
Donations		59,162		34,922
Investment income		315		643
Paycheck Protection Program		23,400		-
Other income		115		-
<b>Subtotal</b>		462,143		329,863
Special events and fundraisers:				
Revenues		84,759		126,905
Less: Direct expenses		71,248		75,486
<b>Total Special Events and Fundraisers - Net</b>		13,511		51,419
<b>Total Revenues, Support, and Other</b>		475,654		381,282
<b>Expenses</b>				
Program services		150,427		138,901
Management		119,973		116,535
Fundraising		50,469		71,155
<b>Total Expenses</b>		320,869		326,591
<b>Change in Net Assets</b>		154,785		54,691
<b>Net Assets - Beginning of Year</b>		208,011		153,320
<b>Net Assets - End of Year</b>	\$	362,796	\$	208,011

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

# Golden Valley Community Broadcasters

## STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2020	Program		Supporting Services		Total
	Services	Management	Fundraising		
<b>Compensation</b>					
Salaries and benefits	\$ 26,917	\$ 67,293	\$ 28,141	\$	122,351
Payroll taxes	2,624	6,560	2,743		11,927
Workers' compensation	54	136	57		247
<b>Total Compensation</b>	<b>29,595</b>	<b>73,989</b>	<b>30,941</b>		<b>134,525</b>
<b>Other Expenses</b>					
Accounting	-	5,700	-		5,700
Advertising and marketing	27,439	-	-		27,439
Bank and credit card fees	3,410	853	-		4,263
Broadcast expenses	21,827	-	-		21,827
Computer expenses	598	1,494	625		2,717
Depreciation	3,496	-	-		3,496
Donations	-	2,923	-		2,923
Dues and subscriptions	-	1,704	-		1,704
Insurance - liability	2,280	5,700	2,383		10,363
Interest	-	143	-		143
Investment fees	-	251	-		251
Licensing and permits	625	-	-		625
Meals and entertainment	-	10	-		10
Miscellaneous expenses	406	1,015	424		1,845
Office supplies	793	1,983	829		3,605
Outside services	14,382	6,164	-		20,546
Pledge drive	-	-	7,611		7,611
Postage	67	167	70		304
Programming	14,344	-	-		14,344
Rents	16,031	9,327	3,789		29,147
Repairs and maintenance	439	1,097	459		1,995
Taxes - property	1,925	-	-		1,925
Telephone	1,899	4,747	1,985		8,631
Utilities	9,472	2,706	1,353		13,531
Volunteer expenses	1,399	-	-		1,399
<b>Total Expenses</b>	<b>\$ 150,427</b>	<b>\$ 119,973</b>	<b>\$ 50,469</b>	<b>\$</b>	<b>320,869</b>

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



# Golden Valley Community Broadcasters

## STATEMENTS OF FUNCTIONAL EXPENSES

(Continued)

Year Ended June 30, 2019	Program		Supporting Services		Total
	Services	Management	Fundraising		
<b>Compensation</b>					
Salaries and benefits	\$ 23,277	\$ 58,192	\$ 24,335	\$	105,804
Payroll taxes	2,006	5,015	2,097		9,118
Workers' compensation	390	975	408		1,773
<b>Total Compensation</b>	<b>25,673</b>	<b>64,182</b>	<b>26,840</b>		<b>116,695</b>
<b>Other Expenses</b>					
Accounting	-	7,766	-		7,766
Advertising and marketing	24,125	-	-		24,125
Bank and credit card fees	4,448	1,112	-		5,560
Broadcast expenses	12,291	-	-		12,291
Camp Fire gift cards	-	-	26,015		26,015
Computer expenses	355	888	371		1,614
Depreciation	5,768	-	-		5,768
Donations	-	5,170	-		5,170
Dues and subscriptions	-	2,104	-		2,104
Insurance - liability	1,987	4,967	2,077		9,031
Interest	-	14	-		14
Investment fees	-	240	-		240
Licensing and permits	705	-	-		705
Miscellaneous expenses	-	459	-		459
Office supplies	821	2,053	859		3,733
Outside services	24,983	10,707	-		35,690
Pledge drive expenses	-	-	7,814		7,814
Postage	28	71	30		129
Programming	6,315	-	-		6,315
Rents	16,928	9,849	4,001		30,778
Repairs and maintenance	108	271	113		492
Taxes - property	926	-	-		926
Telephone	1,494	3,734	1,561		6,789
Utilities	10,317	2,948	1,474		14,739
Volunteer expenses	1,629	-	-		1,629
<b>Total Expenses</b>	<b>\$ 138,901</b>	<b>\$ 116,535</b>	<b>\$ 71,155</b>	<b>\$</b>	<b>326,591</b>

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

# Golden Valley Community Broadcasters

## STATEMENTS OF CASH FLOWS

Years Ended June 30	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 154,785	\$ 54,691
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,496	5,768
Unrealized market (gain)/loss	181	(106)
Changes in:		
Accounts receivable	(1,637)	2,380
Prepaid insurance	416	(970)
Deposits	(150)	48
Accounts payable	1,628	(3,139)
Accrued payroll taxes	(155)	(1,751)
Accrued wages, vacations, and benefits	6,042	(2,732)
Deferred revenue	4,485	2,587
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>169,091</b>	<b>56,776</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in investments	(228)	(184)
Acquisition of fixed assets	(6,279)	-
Change in employee advances	(1,496)	(376)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(8,003)</b>	<b>(560)</b>
<b>Net Change in Cash</b>	<b>161,088</b>	<b>56,216</b>
<b>Cash - Beginning of Year</b>	<b>205,269</b>	<b>149,053</b>
<b>Cash - End of Year</b>	<b>\$ 366,357</b>	<b>\$ 205,269</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 143	\$ 14

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

# Golden Valley Community Broadcasters

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS

**Organization and Nature of Operations** Golden Valley Community Broadcasters (the Organization) is a nonprofit corporation, operating a radio broadcasting facility located in Chico, California, organized in November 1985 for the following purposes:

- a. To establish a corporation organized and operated exclusively for educational purposes, no part of the net earnings of which inures to the benefit of any director of the corporation.
- b. To establish and operate for educational purposes, one or more radio broadcasting stations licensed by the Federal Communications Commission in such manner that the facilities involved shall be as nearly self-sufficient as possible.
- c. To promote the cultural welfare of the community by providing outlets and training for creative skills and activities through radio broadcasting operations.
- d. To engage in radio broadcasting operations and any other activities that shall contribute to the lasting understanding between nations and between the individuals of all nations, races, creeds, colors, abilities, genders, and sexual orientations; to gather and disseminate information on the causes of conflict between any and all of such groups; and through any and all means compatible with the purposes of this corporation, to promote the study of political and economic problems and of the causes of religious, philosophical and racial antagonisms.
- e. To promote through radio broadcasting operations, the full distribution of public information from sources of news not commonly brought together in the same medium; and to present news and information on matters vitally affecting the community.
- f. To engage in any and all other activities permitted of a California Nonprofit Public Benefit Corporation, and of an organization exempt from taxation under subsection 501(c)(3) of Title 26, Subtitle A, Chapter 1, Subchapter F, Part 1 of the U.S. Code.

**Implementation of New Accounting Standards** The Organization adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, for the fiscal year ended June 30, 2019. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment returns. Accordingly, the Organization's financial statements have been presented in accordance with the guidance from this update. The update has been applied retrospectively to all periods presented.

# Golden Valley Community Broadcasters

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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The Organization early adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, for the fiscal year ended June 30, 2019. The update assists entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, Not-for-Profit Entities, or as exchange transactions subject to other guidance; and determining whether a contribution is conditional. Accordingly, the Organization's financial statements have been presented in accordance with the guidance from this update. The update has been applied on a modified prospective basis. Under the modified prospective basis, in the first set of financial statements following the effective date, the guidance is applied to agreements that are either not completed as of the effective date or entered into after the effective date. Due to the nature of the Organization's grants, the implementation of this update did not have a material effect on the Organization's revenue recognition.

***Basis of Accounting and Presentation*** The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, and expenses are classified based on the existence or absence of stipulations imposed by donors or grantors. Accordingly, net assets of the Organization, and changes therein, are classified and reported as follows:

*Net Assets Without Donor Restrictions:* Net assets that are not subject to stipulations imposed by donors or grantors 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 actions of the Organization 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 statements of activities.

The Organization had no assets with donor restrictions at June 30, 2020 and 2019.

***Cash*** All highly liquid investments, with a maturity of three months or less when purchased, are considered to be cash equivalents. There were no cash equivalents at June 30, 2020 and 2019. The carrying amount of cash accounts represent fair value as all accounts are demand deposits.

***Accounts Receivable*** Accounts receivable represents amounts due from private persons, firms, or corporations based on contractual agreements or amounts billed but not received as of June 30, 2020 and 2019. The Organization's management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has reasonable collection efforts are written off through a change to the valuation allowance and a credit to accounts receivable. Changes to the valuation allowance have not been material to the financial statements. At June 30, 2020 and 2019, management considered all accounts fully collectible.

# Golden Valley Community Broadcasters

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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**Fixed Assets** Fixed assets are stated at cost. Depreciation of equipment is provided on the estimated useful lives of the assets using the straight-line method, generally over a period of 5 to 15 years. Depreciation of leasehold Improvements is provided on the straight-line method, generally over a 7 year period.

The Organization has not established a dollar threshold for capitalization of fixed assets. The cost of maintenance and repairs are charged to expense as incurred. At the time fixed assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are adjusted, and any gain or loss on disposal is included in the statement of activities.

**Deferred Revenue** Underwriting contracts are generally entered into for periods ranging from three to twelve months, with payment due at the beginning of the contract. Deferred revenue consists of the unexpired portion of contract revenue received as of the fiscal year end.

**Income Taxes** The Organization is exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code* and Section 23701(d) of the *California Revenue and Taxation Code*. The Organization has been classified as an organization that is not a private foundation under Section 509(a)(2).

**Use of Estimates** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimated.

**Concentrations of Credit Risk** Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash accounts. The Organization maintains its cash accounts in depositories that are insured by the Federal Deposit Insurance Corporation up to \$250,000. It is customary for bank balances to temporarily exceed insurance limits.

**Functional Expense Allocations** The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates of time, effort, and usage.

**Restricted and Unrestricted Revenue and Support** Contributions are recognized in the period received or unconditionally promised, whichever is earlier. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

## Golden Valley Community Broadcasters

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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**Donated Services** Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the years ended June 30, 2020 and 2019, the Organization recorded \$20,500 and \$4,000, respectively, as broadcasting expenses for professional disk jockey services. The Organization also receives broadcast services from a number of volunteers each year that are not recognized as contributions in the financial statement since the recognition criteria were not met.

**Advertising** The Organization expenses advertising production costs as they are incurred and advertising communication costs the first time advertising takes place.

**Date of Management Evaluation** Management has evaluated subsequent events through **DATE**, the date on which the financial statements were available to be issued.

# Golden Valley Community Broadcasters

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### 2. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available to meet general expenditures, liabilities, and other obligations over the next twelve months:

June 30,		2020		2019
Cash	\$	366,357	\$	205,269
Accounts receivable		4,476		2,839
<b>Total Financial Assets</b>	\$	<b>370,833</b>	\$	<b>208,108</b>

As part of the Organization's liquidity management, the Organization's policy is to structure financial assets to be available as general expenditures, liabilities, and other obligations come due. As part of its liquidity plan, excess cash is evaluated annually and retained in savings accounts.

### 3. FAIR VALUE MEASUREMENTS

The Organization accounts for certain assets and liabilities in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, which establishes a framework for measuring fair value under accounting principles generally accepted in the United States of America.

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level.

Valuations within the hierarchy levels are based upon the following:

- Level 1:* Quoted market prices for identical instruments traded in active exchange markets.
- Level 2:* Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.
- Level 3:* Model-based techniques use at least one significant assumption not observable in the market. These unobservable assumptions reflect the Organization's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management judgement and estimation, which may be significant.

The specific techniques used to measure fair value for financial statement elements are described in the notes below that relate to each element.

# Golden Valley Community Broadcasters

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

### 4. FIXED ASSETS

Fixed assets are summarized by major category as follows:

June 30		2020		2019
Equipment - broadcasting	\$	131,253	\$	128,412
Equipment - office		6,204		6,204
Leasehold improvements		22,675		22,675
<b>Subtotal</b>		160,132		157,291
Less: Accumulated depreciation		149,780		149,722
<b>Fixed Assets - Net</b>	\$	10,352	\$	7,569

### 5. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

#### North Valley Community Foundation Fund

North Valley Community Foundation - represents monies transferred by the Organization or received from third-party donors and held and invested by the North Valley Community Foundation. The purpose of the fund is to provide ongoing and growing source of funds for support of the programs and operations of the Organization. Distributions from the Foundation to the Organization are made at the discretion of the Foundation in accordance with the distribution policy adopted by the Foundation board. The agreement may be terminated by the Organization board of directors with revision of all remaining fund assets.

The fair value has been measured on a recurring basis using quoted prices in active markets for identical assets or similar assets (Level 1 inputs).

### 6. CONCENTRATIONS

The Organization reported annual grants from the Corporation for Public Broadcasting (CPB), of \$67,328 and \$74,573 for the years ended June 30, 2020 and 2019, respectively, which represents approximately 15% and 23% of total revenue, respectively. The Community Service Grant (CSG) is conditioned upon maintaining minimum revenue levels which have not been met for the 2020 grant fiscal year. CPB has notified the Organization that an additional one-year extension for participation in the program has been granted and that the Organization is eligible to receive grant funding for the 2021 grant fiscal year. The Organization was notified in November 2020 that the CPB will assess the Organization's fiscal year 2022 CSG eligibility over the next few months.

For the year ended June 30, 2020, the CPB awarded the Organization \$112,136 in one-time Cares Act Emergency Funding to assist the Organization in providing vital health and safety information to communities impacted by COVID-19. This revenue represents 24% of total revenue.



# Golden Valley Community Broadcasters

## NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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### 7. COMMITMENTS AND CONTINGENCIES

#### COVID-19

The novel coronavirus, COVID-19, was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The ongoing pandemic has caused an economic downturn on a global scale, disrupted global supply chains, and created significant uncertainty, volatility, and disruption across economies and financial markets. The COVID-19 pandemic remains a rapidly-evolving situation. The impact of the pandemic on the Organization's operations and financial performance will depend on future developments, including government mandates and duration of the pandemic, all of which are uncertain and difficult to predict. As a result, it is not currently possible to assess the overall impact of COVID-19 on the Organization's future. However, if the pandemic continues, the disease could have a material adverse effect on the Organization's results of operations, financial condition, and cash flows. Management is monitoring the situation on a daily basis in order to mitigate the potential impact of COVID-19 on the Organization's operations and financial performance.

#### PAYCHECK PROTECTION PROGRAM

The Organization received a Paycheck Protection Program (PPP) loan of \$23,400 granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). PPP loans are considered conditional contributions, with a right-of return in the form of an obligation to be repaid if a barrier to entitlement is not met. The barrier is that PPP loan funds must be used to maintain compensation costs and employee headcount, and other qualifying expenses (mortgage interest, rent, and utilities) incurred following receipt of the funds. The Organization recognized the amount received as grant revenue as qualified expenses were incurred and barriers to entitlement were met. Qualifying expenditures incurred during the year ended June 30, 2020, amounted to \$23,400. Application for forgiveness of the loan was made on December 29, 2020, with inclusion of compliance substantiation and certification therein. All documentation supporting program compliance has been made available for the financial statement audit. On January 5, 2021, the bank confirmed that the SBA granted full forgiveness, although SBA retains the right of review of the loan.

### 8. RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU intends to enhance comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets. The ASU provides a framework for addressing revenue recognition issues comprehensively and is intended to be less complex than current guidance. The core principle is that entities should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Previous to this ASU, entities were to recognize revenue only when realized, or realized and earned, with industry and transaction specific guidance provided by accounting principles generally accepted in the United States of America. The Organization's management has not yet determined the impact that implementation of this update will have on the Organization's financial statements. The ASU is effective for the period ending June 30, 2021, and will be applied retrospectively.