

Public Radio, Inc.

Baton Rouge, Louisiana

Years Ended December 31, 2022

Financial Statements

William D. Mercer, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

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William D. Mercer, APAC
CERTIFIED PUBLIC ACCOUNTANT

MEMBER OF:
AMERICAN INSTITUTE
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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Public Radio, Inc.
Baton Rouge, Louisiana

Opinion

We have audited the accompanying financial statements of Public Radio, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Public Radio, Inc. as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Public Radio, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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, that raise substantial doubt about Public Radio, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Public Radio, 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 our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Public Radio, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

William D. Mercer CPA (APAC)

Baton Rouge, Louisiana

August 11, 2023

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

December 31, 2022

ASSETS

CURRENT:

| | |
|---|------------------|
| Cash and cash equivalents | \$ 1,098,950 |
| Grants receivable | 83,218 |
| Underwriting receivable | 29,241 |
| Unconditional promises to give | 139,099 |
| Marketable securities, at fair market value | <u>40</u> |
| Total Current Assets | <u>1,350,548</u> |

PROPERTY AND EQUIPMENT:

| | |
|-------------------------------|----------------|
| Broadcast equipment | 1,001,809 |
| Buildings | 156,398 |
| Furniture and fixtures | 24,927 |
| Land | <u>129,470</u> |
| | 1,312,604 |
| Less accumulated depreciation | <u>924,859</u> |
| Net Property and Equipment | <u>387,745</u> |

LONG-TERM:

| | |
|--|---------------|
| Right of use assets, net of accumulated depreciation | 50,944 |
| Deposits | <u>1,000</u> |
| Total Long-Term Assets | <u>51,944</u> |

TOTAL ASSETS \$ 1,790,237

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

LIABILITIES

CURRENT:

| | |
|---------------------------------------|---------------|
| Accounts payable and accrued expenses | \$ 12,840 |
| Deferred revenues | 15,680 |
| Due to related party | 24,992 |
| Current portion of leases payable | 26,400 |
| Current portion of long-term debt | <u>3,250</u> |
| Total Current Liabilities | <u>83,162</u> |

LONG-TERM:

| | |
|--------------------------------------|----------------|
| Leases payable, less current portion | 25,667 |
| Notes payable, less current portion | <u>150,239</u> |
| Total Long-Term Liabilities | <u>175,906</u> |

| | |
|-------------------|----------------|
| TOTAL LIABILITIES | <u>259,068</u> |
|-------------------|----------------|

NET ASSETS

With donor restrictions:

| | |
|-------------|---------|
| Programming | 105,000 |
|-------------|---------|

| | |
|----------------------------|------------------|
| Without donor restrictions | <u>1,426,169</u> |
|----------------------------|------------------|

| | |
|------------------|------------------|
| TOTAL NET ASSETS | <u>1,531,169</u> |
|------------------|------------------|

| | |
|----------------------------------|----------------------------|
| TOTAL LIABILITIES AND NET ASSETS | \$ <u><u>1,790,237</u></u> |
|----------------------------------|----------------------------|

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

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

Year Ended December 31, 2022

| | With Donor <u>Restrictions</u> | Without Donor <u>Restrictions</u> | <u>Totals</u> |
|---------------------------------------|--------------------------------------|---|---------------|
| REVENUES: | | | |
| Membership income | \$ - | \$ 442,985 | \$ 442,985 |
| Underwriting | - | 642,286 | 642,286 |
| Grants | 181,512 | 73,728 | 255,240 |
| Donations | - | 45,985 | 45,985 |
| Event income, net of expenses | - | 59,122 | 59,122 |
| Investment income | - | 1,010 | 1,010 |
| Miscellaneous income | - | 150 | 150 |
| Net assets released from restrictions | (286,512) | 286,512 | - |
| Total Revenues | (105,000) | 1,551,778 | 1,446,778 |
| EXPENSES: | | | |
| Program services | - | 1,003,474 | 1,003,474 |
| Supporting services: | | | |
| Membership development | - | 128,377 | 128,377 |
| Underwriting solicitation | - | 200,481 | 200,481 |
| Management and general | - | 381,407 | 381,407 |
| Total supporting services | - | 710,265 | 710,265 |
| Total Expenses | - | 1,713,739 | 1,713,739 |
| Change in Net Assets | (105,000) | (161,961) | (266,961) |
| NET ASSETS, beginning of year | 210,000 | 1,588,130 | 1,798,130 |
| NET ASSETS, end of year | \$ 105,000 | \$ 1,426,169 | \$ 1,531,169 |

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

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

| | Programming And <u>Production</u> | <u>Broadcasting</u> | Program <u>Information</u> | <u>Totals</u> |
|--------------------------|---|---------------------|-------------------------------|---------------------|
| Advertising | \$ - | \$ - | \$ - | \$ - |
| Bank charges | - | - | - | - |
| Computer expense | - | 13,031 | - | 13,031 |
| Contract labor | - | 312 | - | 312 |
| Contract services | - | 37,697 | - | 37,697 |
| Depreciation | - | 35,801 | - | 35,801 |
| Dues and subscriptions | - | - | - | - |
| Engineering services | - | 21,299 | - | 21,299 |
| Insurance | - | 15,734 | - | 15,734 |
| Interest | - | - | - | - |
| Membership expense | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Payroll expense | - | 224,283 | - | 224,283 |
| Postage | - | - | 1,020 | 1,020 |
| Printing | - | - | - | - |
| Professional services | - | 312,134 | - | 312,134 |
| Programming | 315,163 | - | - | 315,163 |
| Rent | - | - | 113 | 113 |
| Repairs and maintenance | - | - | - | - |
| Supplies | - | - | - | - |
| Telephone | - | 9,791 | 17 | 9,808 |
| Travel and entertainment | - | - | - | - |
| Utilities | <u>-</u> | <u>17,050</u> | <u>29</u> | <u>17,079</u> |
| Totals | \$ <u>315,163</u> | \$ <u>687,132</u> | \$ <u>1,179</u> | \$ <u>1,003,474</u> |

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

| | <u>Membership Development</u> | <u>Underwriting</u> | <u>Management and General</u> | <u>Totals</u> |
|-----------------------------|-----------------------------------|---------------------|---------------------------------------|-------------------|
| Advertising | \$ 1,332 | \$ - | \$ - | \$ 1,332 |
| Bank charges | - | - | 16,943 | 16,943 |
| Computer expense | - | - | - | - |
| Contract labor | - | - | 3,600 | 3,600 |
| Contract services | - | - | - | - |
| Depreciation | - | - | 27,026 | 27,026 |
| Dues and subscriptions | - | - | 12,308 | 12,308 |
| Engineering services | - | - | - | - |
| Insurance | 7,071 | 16,422 | 10,104 | 33,597 |
| Interest | - | - | 3,053 | 3,053 |
| Membership and underwriting | 10,404 | 11,843 | - | 22,247 |
| Miscellaneous | - | - | 438 | 438 |
| Payroll expense | 93,664 | 164,384 | 94,267 | 352,315 |
| Postage | 1,020 | - | 510 | 1,530 |
| Printing | 6,291 | - | - | 6,291 |
| Professional services | 3,468 | - | 156,041 | 159,509 |
| Programming | - | - | - | - |
| Rent | 113 | - | 12,320 | 12,433 |
| Repairs and maintenance | - | - | 1,434 | 1,434 |
| Supplies | - | - | 18,141 | 18,141 |
| Telephone | 1,829 | 2,857 | 5,435 | 10,121 |
| Travel and entertainment | - | - | 10,323 | 10,323 |
| Utilities | <u>3,185</u> | <u>4,975</u> | <u>9,464</u> | <u>17,624</u> |
| Totals | \$ <u>128,377</u> | \$ <u>200,481</u> | \$ <u>381,407</u> | \$ <u>710,265</u> |

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

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS

Years Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Reconciliation of change in net assets to net cash
provided by operating activities:

Change in net assets \$(266,961)

Adjustments to reconcile change in net assets to net
cash provided by operating activities:

Depreciation 62,827

(Increase) decrease in:

Grants receivable (45,256)

Underwriting receivable (23,594)

Unconditional promises to give 26,731

Increase (decrease) in:

Accounts payable and accrued expenses 11,737

Accrued interest payable 129

Deferred revenues 15,230

Net cash used by operating activities (219,157)

CASH FLOWS FROM INVESTING ACTIVITIES:

Cash payments for purchase of property (36,122)

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments on long-term debt (25,822)

NET DECREASE IN CASH (281,101)

CASH AND CASH EQUIVALENTS, beginning of year 1,380,051

CASH AND CASH EQUIVALENTS, end of year \$ 1,098,950

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

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS (continued)

Years Ended December 31, 2022

Cash payments for interest and income taxes for the year ended December 31, 2022, were as follows:

| | |
|--------------|-----------------|
| Interest | \$ <u>2,924</u> |
| Income taxes | \$ <u>-</u> |

Noncash investing and financing activities for the year ended December 31, 2022, consisted of the following:

Capitalization of long-term leases, resulting in recognition of right of use assets and long-term lease liabilities totaling \$ 77,356

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

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies for Public Radio, Inc. (the Organization) is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

Nature of Operations

Public Radio, Inc. (the Organization) is a nonprofit Louisiana corporation, which operates a noncommercial public radio station under the call letters WRKF.

Method of accounting

The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification 958, dated August 2016, and the provisions of the American Institute of Certified Public Accountants *Audit and Accounting Guide for Not-for-Profit Organizations*.

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 the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Organization regularly assesses these estimates and, while actual results could differ, management believes that the estimates are reasonable.

Significant estimates included in or affecting the presentation of the accompanying financial statements include estimated useful lives of property and equipment.

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation

Net assets of the Organization and changes therein are classified and reported as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations. This also includes previously restricted gifts and grants for building and equipment that have been placed into service.

With donor restrictions – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt, including gifts and pledges for buildings and equipment not yet placed in service. Also included in this net asset category are net assets subject to donor-imposed restrictions to be maintained permanently by the Organization, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity and that only income be made available for program operations.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed stipulations. Expenses are recorded as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated passage of time has elapsed) are reported as net assets released from restrictions.

Fair value of financial instruments

The carrying value of cash and cash equivalents reported in the accompanying statement of financial position approximate fair value due to the short maturities and liquidity of those instruments.

Cash and cash equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unconditional promises to give

The Organization engages in annual fundraising campaigns, offering some special radio programs and on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Organization for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by unconditional promises to give received from responding listeners. Contributions and unconditional promises to give are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of the Organization. This usage is consistent with appeals for contributions and unconditional promises to give. Uncollected promises to give that are not enforceable against contributors are not shown as assets on the statement of financial position.

Property and equipment

All property and equipment is stated at cost. Expenditures for maintenance, repairs, and minor renewals are expensed as incurred. Major expenditures for renewals and betterments are capitalized.

As a general rule, when items are retired or otherwise disposed, accumulated depreciation is reduced by the accumulated amount of depreciation applicable thereto. Any gain or loss from such retirement or disposal is credited or charged to income in the year of the disposal.

It is the Organization's policy to capital all property, equipment, and furniture purchased with non-grant funds having an acquisition cost of \$ 500 or more.

Depreciation

Depreciation is computed on the straight-line method over the following estimated useful lives of the various classes of depreciable assets:

| | |
|------------------------|---------------|
| Broadcast equipment | 5 – 15 years |
| Buildings | 10 – 30 years |
| Furniture and fixtures | 5 – 10 years |

The useful lives are estimated based on historical experience with similar assets, taking into account anticipated technological or other changes. The Organization periodically reviews these lives relative to physical factors, economic factors, and industry trends. If there are changes in the planned use of property and equipment or if technological changes occur more rapidly than anticipated, the useful lives assigned to those assets may be shortened, resulting in the recognition of increased depreciation and amortization expense in future periods.

Depreciation of right of use assets is recognized on the straight-line method over the term of the related lease liability.

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Organization reports contributions as support with donor restrictions if they are received with donor or grantor restrictions that limit the use of the contributions. When a restriction expires (i.e., when a stipulated time restriction ends or a purpose 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. Contributions are considered to be available for unrestricted use and recorded as such, unless specifically restricted by the donor.

Advertising

The Organization expenses the production costs of advertising the first time the advertising takes place, except for direct response advertising, which is capitalized and amortized over its expected period of future benefits. As of December 31, 2022, the Organization had no advertising classified as assets, and all advertising was expensed as incurred.

Income taxes

The Organization is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income tax under Section 121(5) of Title 47 of the Louisiana Revised Statutes. Accordingly, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

The Organization's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

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 compensation and benefits, which are allocated on estimates of time and effort, and occupancy, which is allocated on a square footage basis.

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent accounting pronouncements

In February 2016, the Financial Accounting Standards Board released an amendment to ASC Topic 842, *Leases*. This amended standard is expected to increase transparency and comparability between reporting entities by recognizing lease assets and lease liabilities, while also disclosing key information about leasing arrangements. The effective date of this revised standard has been extended previously and currently has an effective date for fiscal periods beginning on or after December 15, 2021, with early application permitted. During 2022, the Organization has applied the provisions of this new standard on a prospective basis and has elected to forego presentation of comparative financial statements.

Management of liquid resources

The Organization is funded primarily by contributions and grants that frequently contain restrictions. Those restrictions require that resources be used in a certain manner or in a future period. Therefore, the Organization must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, the Organization generally structures its financial assets to be available as general expenditures, liabilities, and other obligations become due. The Board of Directors may occasionally designate amounts to a liquidity reserve that could be utilized in the event of an unanticipated liquidity need.

Subsequent events

In preparing the accompanying financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 11, 2023, the date the financial statements were available to be issued.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2022, were as follows:

| | |
|-----------------------------------|---------------------|
| Cash on hand | \$ - |
| Cash in bank – checking / savings | 1,013,024 |
| Cash – money market | <u>85,926</u> |
| | <u>\$ 1,098,950</u> |

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE C – LEASE COMMITMENTS

Lease commitments outstanding as of December 31, 2022, consisted of the following:

In 2014, the Organization entered into a three-year agreement with another nonprofit organization located in Baton Rouge, Louisiana, for the lease of offsite antenna space for its radio tower. This lease expired in December 2016, and the Organization continued on a month-to-month basis under the same terms through January 2020. In February 2020, the Organization renewed the lease for this property for an additional 60 months. This lease is payable in monthly installments of \$ 671 for the year 2020, with 5% anticipated increases for each subsequent year, and is due to expire in December 2024.

In July 2019, the Organization entered into a 60-month agreement for the lease of office equipment. This lease requires monthly payments of \$ 332 plus applicable taxes and is due to expire in June 2024.

In January 2020, the Organization entered into a lease with another nonprofit organization located in Baton Rouge, Louisiana, for the lease of its main tower site. This lease is payable in monthly installments of \$ 1,250 per month for the year 2020, with 3% anticipated increases for each subsequent year, and is due to mature in December 2024.

Assets and liabilities in the accompanying financial statements arising from the capitalization of these leases, include the following:

Right of use assets:

| | | |
|--|----|----------------------|
| Radio tower antenna lease | \$ | 26,010 |
| Main tower site lease | | 41,950 |
| Office equipment lease | | <u>9,396</u> |
| | | 77,356 |
| Less accumulated depreciation | | <u>26,412</u> |
| Right of use assets, net of accumulated depreciation | \$ | <u><u>50,944</u></u> |

Lease liabilities:

| | | |
|---------------------------|----|----------------------|
| Radio tower antenna lease | \$ | 17,650 |
| Main tower site lease | | 28,642 |
| Office equipment lease | | <u>5,775</u> |
| | | 52,067 |
| Less current portion | | <u>26,400</u> |
| Noncurrent portion | \$ | <u><u>25,667</u></u> |

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE C – LEASE COMMITMENTS (continued)

Depreciation expense on right of use assets totaled \$ 26,412 for the year ended December 31, 2022. Interest expense recognized under these leases totaled \$ 2,160 for the year ended December 31, 2022.

Future minimum lease payments under the above operating leases as of December 31, 2022, are as follows:

| Year ended <u>December 31,</u> | |
|-----------------------------------|-----------|
| 2023 | \$ 28,296 |
| 2024 | 26,765 |
| 2025 | - |
| 2026 | - |
| 2027 | - |

NOTE D – TAX DEFERRED ANNUITY PLAN

In December 2008, the Organization established a deferred compensation plan qualified under Section 401(k) of the Internal Revenue Code. The plan covers full-time employees of the Organization. The Organization does not make contributions to the plan. Employees may elect to make deferrals into the plan up to the maximum amount allowed by the Internal Revenue Code.

NOTE E – RELATED PARTY TRANSACTIONS

As of December 31, 2022, the Organization recognized a liability to the Organization's Executive Director totaling \$ 24,992, which represents contractual expenses incurred but not yet paid. Management anticipates this liability will be liquidated in the current year.

NOTE F – LONG TERM DEBT

Long-term debt as of December 31, 2021, consisted of a 2.25% SBA Economic Injury Disaster Loan (EIDL), payable in monthly installments of principal and interest totaling \$641 beginning in November 2022 and due to mature in April 2052. This loan is collateralized by tangible and intangible personal property including but not limited to equipment, documents, accounts receivable, deposit accounts, and general intangibles. The outstanding balance under this loan as of December 31, 2021, was \$ 153,489.

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE F – LONG TERM DEBT (continued)

Future maturities of all long-term debt as of December 31, 2022, were as follows:

| Year ended <u>December 31,</u> | |
|-----------------------------------|-------------------|
| 2023 | \$ 3,250 |
| 2024 | 3,338 |
| 2025 | 3,431 |
| 2026 | 3,527 |
| 2027 | 3,625 |
| 2026 and later | <u>136,318</u> |
| | \$ <u>153,489</u> |

NOTE G – SIGNIFICANT CONCENTRATIONS OF RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and receivables.

The Organization maintains its cash account in a checking account at commercial banks located in Louisiana. Accounts at this bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$ 250,000. Amounts on deposit at various times throughout the year may exceed the federally insured limit. Uninsured cash balances totaled \$ 678,595 as of December 31, 2022. Cash balances held in money market funds are insured by Securities Investor Protection Corporation (SIPC) up to a maximum of \$250,000 per account. As of December 31, 2022, the Organization had no uninsured cash balances in money market funds.

The Organization's largest single receivables are for grants due from corporations, foundations, and quasi-governmental agencies. As of December 31, 2022, grants totaling \$ 83,218 were due from the Corporation for Public Broadcasting and University of New Orleans. Unconditional promises to give and underwriting receivables are due from entities and individuals located in the geographic area served by the Organization's broadcast signal. As of December 31, 2022, unconditional promises to give and underwriting receivable totaled \$ 168,340.

The Organization's investment policy objectives are to provide sufficient liquidity to meet its cash needs, to maximize the return on available capital, and to assure the safety of the funds by investing only in high quality instruments with a diversification of issues.

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE H – AVAILABILITY OF FINANCIAL RESOURCES

The following represents the Organization's financial assets as of December 31, 2022, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are not available also include board designated amounts that could be utilized if the Board of Directors approved the use.

Financial assets, December 31, 2022:

| | |
|------------------------------------|------------------|
| Cash and equivalents | \$ 1,098,950 |
| Grants and underwriting receivable | 83,218 |
| Unconditional promises to give | <u>139,099</u> |
| | <u>1,321,267</u> |

Less those unavailable for general expenditures

due within one year, due to:

| | |
|---|----------------|
| Restricted by donor with time or purpose restrictions | 105,000 |
| Board designations | <u>-</u> |
| | <u>105,000</u> |

Financial assets available to meet cash needs for general expenditures
within one year

\$ 1,216,267