

Public Radio, Inc.

Baton Rouge, Louisiana

Years Ended December 31, 2019 and 2018

Financial Statements

William D. Mercer, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

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WILLIAM D. MERCER, CPA

A PROFESSIONAL ACCOUNTING
CORPORATION

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of Public Radio, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Public Radio, Inc. as of December 31, 2019 and 2018, 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.

WILLIAM J. MERAZ, CPA (APR)

Baton Rouge, Louisiana

July 13, 2020

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

December 31,

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
CURRENT:		
Cash and cash equivalents	\$ 819,334	\$ 710,443
Grants receivable	36,569	38,354
Underwriting receivable	3,735	3,100
Unconditional promises to give	<u>37,957</u>	<u>96,180</u>
Total Current Assets	<u>897,595</u>	<u>848,077</u>
PROPERTY AND EQUIPMENT:		
Broadcast equipment	864,193	700,395
Buildings	142,698	142,698
Furniture and fixtures	16,786	16,786
Land	<u>129,470</u>	<u>129,470</u>
	1,153,147	989,349
Less accumulated depreciation	<u>819,341</u>	<u>792,499</u>
Net Property and Equipment	<u>333,806</u>	<u>196,850</u>
LONG-TERM:		
Deposits	<u>1,000</u>	<u>1,000</u>
TOTAL ASSETS	\$ <u><u>1,232,401</u></u>	\$ <u><u>1,045,927</u></u>

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

	<u>2019</u>	<u>2018</u>
<u>LIABILITIES</u>		
CURRENT:		
Accounts payable and accrued expenses	\$ 25,369	\$ 80,137
Payroll withholdings	569	-
Deferred revenues	<u>7,250</u>	<u>6,865</u>
 TOTAL LIABILITIES (all current)	 <u>33,188</u>	 <u>87,002</u>
 <u>NET ASSETS</u>		
With donor restrictions:		
Capital acquisition	-	45,000
Programming	<u>219,508</u>	<u>14,649</u>
Total net assets with donor restrictions	219,508	59,649
Without donor restrictions	<u>979,705</u>	<u>899,276</u>
 TOTAL NET ASSETS	 <u>1,199,213</u>	 <u>958,925</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u><u>1,232,401</u></u>	 \$ <u><u>1,045,927</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, 2019

	With Donor Restrictions	Without Donor Restrictions	Totals
REVENUES:			
Membership income	\$ -	\$ 406,698	\$ 406,698
Underwriting	-	613,253	613,253
Grants	241,517	90,381	331,898
Donations	-	36,761	36,761
Event income, net of expenses	-	37,578	37,578
Investment income	-	1,366	1,366
Miscellaneous income	-	50	50
Net assets released from restrictions	(81,658)	81,658	-
Total Revenues	<u>159,859</u>	<u>1,267,745</u>	<u>1,427,604</u>
EXPENSES:			
Program services	<u>-</u>	<u>591,542</u>	<u>591,542</u>
Supporting services:			
Membership development	-	73,462	73,462
Underwriting solicitation	-	291,460	291,460
Management and general	<u>-</u>	<u>230,852</u>	<u>230,852</u>
Total supporting services	<u>-</u>	<u>595,774</u>	<u>595,774</u>
Total Expenses	<u>-</u>	<u>1,187,316</u>	<u>1,187,316</u>
Change in net assets	159,859	80,429	240,288
NET ASSETS, beginning of year	<u>59,649</u>	<u>899,276</u>	<u>958,925</u>
NET ASSETS, end of year	\$ <u><u>219,508</u></u>	\$ <u><u>979,705</u></u>	\$ <u><u>1,199,213</u></u>

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

Year Ended December 31, 2018

	With Donor Restrictions	Without Donor Restrictions	Totals
REVENUES:			
Membership income	\$ -	\$ 475,142	\$ 475,142
Underwriting	-	521,864	521,864
Grants	94,009	82,172	176,181
Donations	-	188,232	188,232
Event income, net of expenses	-	39,000	39,000
Investment income	-	2,917	2,917
Miscellaneous income	-	6,668	6,668
Net assets released from restrictions	(48,569)	48,569	-
Total Revenues	45,440	1,364,564	1,410,004
EXPENSES:			
Program services	-	476,271	476,271
Supporting services:			
Membership development	-	94,914	94,914
Underwriting solicitation	-	269,379	269,379
Management and general	-	149,941	149,941
Total supporting services	-	514,234	514,234
Total Expenses	-	990,505	990,505
Change in net assets	45,440	374,059	419,499
NET ASSETS, beginning of year	14,209	525,217	539,426
NET ASSETS, end of year	\$ 59,649	\$ 899,276	\$ 958,925

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, 2019

	Program services			
	Programming and <u>Production</u>	<u>Broadcasting</u>	Program <u>Information</u>	<u>Totals</u>
Advertising	\$ -	\$ -	\$ -	\$ -
Bank charges	-	-	-	-
Commissions	-	-	-	-
Computer expense	-	12,978	-	12,978
Contract labor	-	-	-	-
Contract services	-	19,759	-	19,759
Depreciation	-	26,787	-	26,787
Dues and subscriptions	-	-	-	-
Insurance	-	14,596	-	14,596
Membership expense	-	-	-	-
Miscellaneous	-	-	550	550
Payroll expense	-	146,187	-	146,187
Postage	-	-	2,984	2,984
Printing	-	-	-	-
Professional services	-	56,316	-	56,316
Programming	294,685	-	-	294,685
Rent	-	-	1,036	1,036
Repairs and maintenance	-	1,239	-	1,239
Supplies	-	-	-	-
Telephone	-	4,775	78	4,853
Travel and entertainment	-	-	-	-
Utilities	<u>-</u>	<u>9,417</u>	<u>155</u>	<u>9,572</u>
Totals	\$ <u>294,685</u>	\$ <u>292,054</u>	\$ <u>4,803</u>	\$ <u>591,542</u>

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

	Supporting services			
	Membership <u>Development</u>	<u>Underwriting</u>	Management and <u>General</u>	<u>Totals</u>
Advertising	\$ 898	\$ -	\$ -	\$ 898
Bank charges	-	-	22,138	22,138
Commission	-	127,412	-	127,412
Computer expense	-	-	-	-
Contract labor	-	-	3,600	3,600
Contract services	-	-	28,855	28,855
Depreciation	-	-	55	55
Dues and subscriptions	-	-	8,537	8,537
Insurance	6,585	15,295	6,507	28,387
Membership expense	9,156	45,680	-	54,836
Miscellaneous	-	-	-	-
Payroll expense	47,419	88,910	46,964	183,297
Postage	2,984	-	1,492	4,476
Printing	1,813	-	-	1,813
Professional services	-	-	78,870	78,870
Programming	-	-	-	-
Rent	1,038	-	11,672	12,710
Repairs and maintenance	-	-	-	-
Supplies	-	-	4,858	4,858
Telephone	1,201	4,765	3,774	9,740
Travel and entertainment	-	-	6,086	6,086
Utilities	<u>2,368</u>	<u>9,398</u>	<u>7,444</u>	<u>19,210</u>
Totals	\$ <u>73,462</u>	\$ <u>291,460</u>	\$ <u>230,852</u>	\$ <u>595,774</u>

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

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES (continued)

Year Ended December 31, 2018

	Program services			<u>Totals</u>
	<u>Programming and Production</u>	<u>Broadcasting</u>	<u>Program Information</u>	
Advertising	\$ -	\$ -	\$ -	\$ -
Bank charges	-	-	-	-
Commissions	-	-	-	-
Computer expense	-	565	-	565
Contract labor	-	-	-	-
Contract services	-	7,788	-	7,788
Depreciation	-	22,786	-	22,786
Dues and subscriptions	-	-	-	-
Insurance	-	5,139	-	5,139
Membership expense	-	-	-	-
Miscellaneous	-	-	-	-
Payroll expense	-	106,977	-	106,977
Postage	-	-	2,077	2,077
Printing	-	-	-	-
Professional services	-	101,542	-	101,542
Programming	213,961	-	-	213,961
Rent	-	-	-	-
Repairs and maintenance	-	2,166	-	2,166
Supplies	-	-	-	-
Telephone	-	3,953	33	3,986
Travel and entertainment	-	-	-	-
Utilities	<u>-</u>	<u>9,207</u>	<u>77</u>	<u>9,284</u>
Totals	\$ <u>213,961</u>	\$ <u>260,123</u>	\$ <u>2,187</u>	\$ <u>476,271</u>

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

	Supporting services			
	Membership <u>Development</u>	<u>Underwriting</u>	Management and <u>General</u>	<u>Totals</u>
Advertising	\$ 6,605	\$ -	\$ -	\$ 6,605
Bank charges	-	-	21,774	21,774
Commission	-	107,561	-	107,561
Computer expense	-	-	-	-
Contract labor	-	-	3,775	3,775
Contract services	7,136	7,136	14,272	28,544
Depreciation	-	-	55	55
Dues and subscriptions	-	-	21,280	21,280
Insurance	2,575	5,980	9,882	18,437
Membership expense	7,672	9,831	-	17,503
Miscellaneous	-	-	5,777	5,777
Payroll expense	53,599	124,487	30,161	208,247
Postage	2,077	-	1,039	3,116
Printing	8,623	-	-	8,623
Professional services	1,826	758	14,288	16,872
Programming	-	-	-	-
Rent	-	-	7,741	7,741
Repairs and maintenance	-	-	-	-
Supplies	-	-	5,160	5,160
Telephone	1,442	4,093	2,278	7,813
Travel and entertainment	-	-	7,153	7,153
Utilities	<u>3,359</u>	<u>9,533</u>	<u>5,306</u>	<u>18,198</u>
Totals	\$ <u>94,914</u>	\$ <u>269,379</u>	\$ <u>149,941</u>	\$ <u>514,234</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,

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 240,288	\$ 419,499
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	26,842	22,841
(Increase) decrease in:		
Grants receivable	1,785	(5,648)
Underwriting receivable	(635)	(290)
Unconditional promises to give	58,223	(10,767)
Increase (decrease) in:		
Accounts payable and accrued expenses	(54,199)	(105,968)
Deferred revenues	<u>385</u>	<u>6,590</u>
Net cash provided (used) by operating activities	<u>272,689</u>	<u>326,257</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash payments for purchase of property	(<u>163,798</u>)	(<u>7,860</u>)
NET INCREASE IN CASH	108,891	318,397
CASH AND CASH EQUIVALENTS, beginning of year	<u>710,443</u>	<u>392,046</u>
CASH AND CASH EQUIVALENTS, end of year	\$ <u><u>819,334</u></u>	\$ <u><u>710,443</u></u>

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

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.

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.

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

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.

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation and amortization

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.

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, 2019 and 2018, the Organization had no advertising classified as assets, and all advertising was expensed as incurred.

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 costs of providing programs have been summarized on functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

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.

Recent accounting pronouncements

During 21018, the Organization adopted ASU 2016-14 – *Not for Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification.

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

In preparing the accompanying financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 13, 2020, the date the financial statements were available to be issued.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2019 and 2018, were as follows:

	<u>2019</u>	<u>2018</u>
Cash on hand	\$ -	\$ -
Cash in bank – checking / savings	743,895	627,133
Cash – money market	<u>75,439</u>	<u>83,310</u>
	\$ <u><u>819,334</u></u>	\$ <u><u>710,443</u></u>

NOTE C – LEASE COMMITMENTS

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 has continued on a month-to-month basis under the same terms through the year 2019. Rent expense for the year 2019 included additional payments as originally called for in the lease, but which were unpaid and not previously billed or collected by the lessor. 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. Rent expense under this lease for the years ended December 31, 2019 and 2018, totaled \$ 9,451 and \$ 6,330, respectively.

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. Rental expense under this lease totaled \$ 2,297 for the year ended December 31, 2019.

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE C – LEASE COMMITMENTS

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. No rent expense was recognized under this lease for the years ended December 31, 2019 and 2018.

Future minimum lease payments under the above operating leases, as adjusted for new leases entered into subsequent to December 31, 2019, are as follows:

Year ended
December 31,

2020	\$	27,036
2021		27,984
2022		28,784
2023		29,712
2024		28,680

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.

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE E – SUPPLEMENTARY CASH FLOW INFORMATION

Cash payments for interest and income taxes for the years ended December 31, 2019 and 2018, were as follows:

	<u>2019</u>	<u>2018</u>
Interest	\$ <u>-</u>	\$ <u>-</u>
Income taxes	\$ <u>-</u>	\$ <u>-</u>

The Organization had no noncash investing or financing activities for the years ended December 31, 2019 and 2018.

NOTE F – 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 a commercial bank 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. As of December 31, 2019 and 2018, the Organization had uninsured cash balances at this financial institution totaling \$ 493,895 and \$ 377,133, respectively. Cash balances held in money market funds are insured by Securities Investor Protection Corporation (SIPC) up to a maximum of \$ 250,000 per account. At December 31, 2019 and 2018, 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. At December 31, 2019 and 2018, grants totaling \$ 36,569 and \$ 38,354, respectively, were due from the Corporation for Public Broadcasting. 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. At December 31, 2019 and 2018, unconditional promises to give and underwriting receivable totaled \$ 41,692 and \$ 99,280, respectively.

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 G – AVAILABILITY OF FINANCIAL RESOURCES

The below represents the Organization's financial assets as of December 31, 2019 and 2018, 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.

	<u>2019</u>	<u>2018</u>
Financial assets, December 31		
Cash and equivalents	\$ 819,334	\$ 710,443
Grants and underwriting receivable	40,304	41,454
Unconditional promises to give	<u>37,957</u>	<u>96,180</u>
	897,575	848,077
Less those unavailable for general expenditures due within one year, due to:		
Restricted by donor with time or purpose restrictions	219,508	59,649
Board designations	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>678,087</u>	\$ <u>788,428</u>

NOTE H – SUBSEQUENT EVENTS

The Organization renewed a lease for its backup transmitter site in February 2020, and entered into a new lease for another transmitter site in January 2020. The details of those leases are discussed in Note C, above.

In March 2020, the state of Louisiana was placed under a quarantine order issued by government officials in response to the coronavirus (COVID-19) pandemic. The Organization continued its operations as an essential service, although subject to employee restrictions. Funding, in the form of loans through a local bank and guaranteed by the U.S. Small Business Administration, was obtained by the Organization to provide working capital to pay for payroll and other operating expenses. Management has not and cannot determine what impact this quarantine will have on future operations, including but not limited to donor and grantor revenues, due to the ongoing nature of the pandemic.