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UNIVERSITY RADIO FOUNDATION, INC.

Financial Statements for the Years
Ended June 30, 2018 and 2017 and
Independent Auditors' Report



GreerWalker



GreerWalker

INDEPENDENT AUDITORS' REPORT

The Board of Directors of University Radio Foundation, Inc.:

We have audited the accompanying financial statements of University Radio Foundation, Inc. (the "Organization") which comprise the statements of financial position as of June 30, 2018 and 2017, 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 generally accepted accounting principles 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 generally accepted auditing standards 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 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 auditors' judgment, including 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University Radio Foundation, Inc. as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with generally accepted accounting principles in the United States of America.

Greer Walker LLP

Certified Public Accountants
October 25, 2018
Charlotte, NC

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UNIVERSITY RADIO FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2018 AND 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 465,049	\$ 945,526
Restricted cash and cash equivalents	26,470	34,569
Pledges receivable, net	900,041	882,793
Accounts receivable, net	278,160	281,473
Prepaid expenses and other current assets	150,322	94,412
Total current assets	<u>1,820,042</u>	<u>2,238,773</u>
PROPERTY AND EQUIPMENT, NET	<u>390,491</u>	<u>286,313</u>
OTHER ASSETS:		
Pledges receivable, net	-	23,000
Note receivable, net	202,303	-
Investments	3,981,553	3,682,494
Total other assets	<u>4,183,856</u>	<u>3,705,494</u>
TOTAL	<u>\$ 6,394,389</u>	<u>\$ 6,230,580</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 192,981	\$ 129,535
Accrued expenses	218,971	172,962
Deferred revenue	66,653	65,784
Total current liabilities	<u>478,605</u>	<u>368,281</u>
ACCRUED RENT	<u>23,552</u>	<u>39,276</u>
NET ASSETS:		
Unrestricted	4,763,418	4,852,661
Temporarily restricted	1,128,814	970,362
Total net assets	<u>5,892,232</u>	<u>5,823,023</u>
TOTAL	<u>\$ 6,394,389</u>	<u>\$ 6,230,580</u>

See notes to financial statements.

UNIVERSITY RADIO FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	Year Ended June 30, 2018			Year Ended June 30, 2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE, SUPPORT, AND RECLASSIFICATIONS:						
Contributions	\$ 3,152,182	\$ 885,511	\$ 4,037,693	\$ 2,855,016	\$ 837,621	\$ 3,692,637
Corporation for Public Broadcasting	303,816	-	303,816	308,768	-	308,768
Underwriting fees	2,339,851	-	2,339,851	2,084,899	-	2,084,899
Return on investments, net	312,430	-	312,430	418,506	-	418,506
Other income	47,509	-	47,509	41,204	-	41,204
Reclassifications:						
Contributions and grants released from time or purpose restrictions	727,059	(727,059)	-	700,409	(700,409)	-
Total revenue, support and reclassifications	<u>6,882,847</u>	<u>158,452</u>	<u>7,041,299</u>	<u>6,408,802</u>	<u>137,212</u>	<u>6,546,014</u>
EXPENSES:						
Program services:						
Programming and production	2,796,361	-	2,796,361	2,446,748	-	2,446,748
Broadcast engineering	429,537	-	429,537	448,304	-	448,304
Program information	391,464	-	391,464	282,406	-	282,406
Total program services	<u>3,617,362</u>	<u>-</u>	<u>3,617,362</u>	<u>3,177,458</u>	<u>-</u>	<u>3,177,458</u>
Supporting services:						
General and administrative	950,170	-	950,170	733,367	-	733,367
Fundraising	1,525,038	-	1,525,038	1,170,266	-	1,170,266
Underwriting and grants	879,520	-	879,520	847,817	-	847,817
Total support services	<u>3,354,728</u>	<u>-</u>	<u>3,354,728</u>	<u>2,751,450</u>	<u>-</u>	<u>2,751,450</u>
Total expenses	<u>6,972,090</u>	<u>-</u>	<u>6,972,090</u>	<u>5,928,908</u>	<u>-</u>	<u>5,928,908</u>
CHANGE IN NET ASSETS	(89,243)	158,452	69,209	479,894	137,212	617,106
NET ASSETS, BEGINNING OF YEAR	<u>4,852,661</u>	<u>970,362</u>	<u>5,823,023</u>	<u>4,372,767</u>	<u>833,150</u>	<u>5,205,917</u>
NET ASSETS, END OF YEAR	<u>\$ 4,763,418</u>	<u>\$ 1,128,814</u>	<u>\$ 5,892,232</u>	<u>\$ 4,852,661</u>	<u>\$ 970,362</u>	<u>\$ 5,823,023</u>

See notes to financial statements.

UNIVERSITY RADIO FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2018

	Year Ended June 30, 2018						Total
	Program			Supporting			
	Program and Production	Broadcast Engineering	Program Information	General and Administrative	Fundraising	Underwriting and Grants	
Salaries and wages	\$ 1,296,356	\$ 119,350	\$ 167,149	\$ 556,537	\$ 392,921	\$ 59,582	\$ 2,591,895
Payroll taxes	91,308	8,849	7,897	43,566	22,526	4,164	178,310
Employee benefits	96,751	7,224	9,590	25,961	22,395	5,935	167,856
Retirement plan contributions	54,624	5,868	9,053	17,372	9,687	1,792	98,396
Professional fees	30,535	5,793	18,629	89,366	47,472	766,259	958,054
Program fees	859,583	844	-	-	-	-	860,427
Outreach and promotion	4,570	-	28,605	1,322	85,502	62	120,061
Office expenses	7,375	449	1,020	14,648	3,298	1,178	27,968
Computer and IT	9,840	45,903	1,240	5,273	346,252	5,262	413,770
Occupancy	146,295	136,150	15,753	48,671	29,458	9,048	385,375
Postage and printing	2,557	316	9,802	2,435	112,105	273	127,488
Travel and entertainment	38,867	2,009	24,512	35,677	34,419	1,626	137,110
Conferences and meetings	4,537	860	50	30,809	653	860	37,769
Depreciation and amortization	19,844	60,528	5,198	4,666	1,865	1,667	93,768
Insurance	14,068	6,259	1,017	11,163	2,856	780	36,143
Dues and subscriptions	97,690	475	310	15,232	22	8,844	122,573
Bad debt expense	-	-	-	-	263,006	-	263,006
Miscellaneous	21,561	28,660	91,639	47,472	150,601	12,188	352,121
Total expenses	\$ 2,796,361	\$ 429,537	\$ 391,464	\$ 950,170	\$ 1,525,038	\$ 879,520	\$ 6,972,090

See notes to financial statements.

UNIVERSITY RADIO FOUNDATION, INC.STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	Year Ended June 30, 2017						Total
	Program			Supporting			
	Program and Production	Broadcast Engineering	Program Information	General and Administrative	Fundraising	Underwriting and Grants	
Salaries and wages	\$ 1,098,231	\$ 102,776	\$ 129,242	\$ 425,899	\$ 284,522	\$ 33,950	\$ 2,074,620
Payroll taxes	75,773	6,984	9,020	39,268	17,536	2,131	150,712
Employee benefits	103,305	11,053	9,380	17,981	25,289	2,893	169,901
Retirement plan contributions	56,613	5,963	6,086	9,736	14,218	263	92,879
Professional fees	13,844	6,259	3,000	28,741	32,436	715,871	800,151
Program fees	828,017	43,161	-	-	4,905	-	876,083
Outreach and promotion	4,858	-	24,327	6,088	95,357	-	130,630
Office expenses	1,829	428	476	13,747	1,403	948	18,831
Computer and IT	10,273	23,660	452	4,591	105,708	4,371	149,055
Occupancy	113,908	136,535	11,134	33,693	34,498	35,718	365,486
Postage and printing	1,119	120	-	2,575	154,493	662	158,969
Travel and entertainment	17,201	2,060	520	29,590	14,029	64	63,464
Conferences and meetings	2,540	1,362	-	6,405	5,240	65	15,612
Depreciation and amortization	26,328	68,661	7,053	6,224	2,637	2,261	113,164
Insurance	12,556	13,865	1,669	8,908	4,582	3,291	44,871
Dues and subscriptions	71,265	463	432	13,505	4,850	4,147	94,662
Bad debt expense	-	-	-	-	219,795	-	219,795
Miscellaneous	9,088	24,954	79,615	86,416	148,768	41,182	390,023
Total expenses	<u>\$ 2,446,748</u>	<u>\$ 448,304</u>	<u>\$ 282,406</u>	<u>\$ 733,367</u>	<u>\$ 1,170,266</u>	<u>\$ 847,817</u>	<u>\$ 5,928,908</u>

See notes to financial statements.

UNIVERSITY RADIO FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 69,209	\$ 617,106
Adjustments to reconcile change in net assets to net cash from operating activities:		
Change in allowance for pledges and accounts receivable	(7,639)	33,825
Depreciation and amortization	93,768	113,164
Realized gain on investments	(138,493)	(15,431)
Unrealized gain on investments	(48,950)	(301,405)
Changes in operating assets and liabilities:		
Pledges receivable	9,582	(148,991)
Accounts receivable	7,122	(63,364)
Promissory note receivable	(202,303)	-
Prepaid expenses and other current assets	(55,910)	67,182
Accounts payable	63,446	199
Accrued expenses	46,009	43,095
Deferred revenue	869	17,669
Accrued rent	(15,724)	(10,053)
Net cash provided by (applied to) operating activities	<u>(179,014)</u>	<u>352,996</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net change in investments	(111,616)	(89,630)
Purchases of property and equipment	(197,946)	(48,682)
Net cash applied to investing activities	<u>(309,562)</u>	<u>(138,312)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(488,576)	214,684
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>980,095</u>	<u>765,411</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 491,519</u>	<u>\$ 980,095</u>

See notes to financial statements.

UNIVERSITY RADIO FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Operations - University Radio Foundation, Inc. ("WFAE" or the "Organization") operates independent public radio stations located in Charlotte (WFAE-FM) and Hickory (WFHE-FM), North Carolina.

Financial Statement Presentation - The net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not restricted by donors or for which donor-imposed restrictions have expired

Temporarily restricted net assets - Net assets that contain donor-imposed time or purpose restrictions that have not currently been met.

Permanently restricted net assets - Net assets that contain donor-imposed restrictions stipulating that the amounts be maintained by the Organization in perpetuity. As of June 30, 2018 and 2017, the Organization had no permanently restricted net assets.

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains cash deposits with financial institutions that, at times, may exceed federally insured limits.

Restricted Cash and Cash Equivalents - The Organization receives donations that are restricted for the compensation of its interns and are included in the Sarrow Fund in the temporarily restricted net assets.

Pledges Receivable - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if restrictions expire in the same fiscal year. All other donor-restricted net assets are reported as temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions receivable are recorded at their net realizable value. An allowance for uncollectible pledges receivable is provided based on management's review of outstanding receivables and prior collection history.

Accounts Receivable - The Organization extends credit to its underwriters. By their nature, accounts receivable involve risk, including the credit risk of nonpayment by the underwriter. Accounts receivable are considered past due based on contractual and invoice terms. The Organization maintains allowances (\$16,424 and \$20,233 as of June 30, 2018 and 2017, respectively) which management believes are adequate to absorb estimated losses to be incurred in realizing the recorded amounts of its accounts receivable. These allowances are determined by management through review of outstanding receivables and prior collection history. Accounts deemed uncollectible are charged against the allowance for doubtful accounts.

Note Receivable - The Organization was assigned a promissory note by a donor with a principal amount of \$400,000 during the year ended June 30, 2018. The note bears interest at 7% and payments on the note will begin December 1, 2019 with a final payment due November 1, 2027. The Organization recorded the note at a net realizable value of \$202,302.

Property and Equipment - Property and equipment that is purchased is recorded at cost. Property and equipment that is contributed is recorded at approximate fair value at the time of donation. Depreciation and amortization are computed using straight-line methods based on the estimated useful lives of the respective assets. The Organization has determined that items purchased with a value exceeding \$1,000 are to be treated as capitalized assets.

Investments - Investments are recorded at fair value with realized and unrealized gains and losses included in the statement of activities as increases or decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by explicit donor stipulations. The fair value of investment securities is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investment securities.

Deferred Revenue - Underwriting and marketing fees received for the next fiscal year are deferred and will be recognized when earned in that year.

Accrued Rent - The Organization recognizes lease expense on a straight-line basis over the term of the respective lease. Accrued rent arises from leases that provide for lease payments that differ from a straight-line basis.

Revenue Recognition - The Organization recognizes contributions that are given unconditionally in the period the contributions are received or promised, whichever is earlier. Pledges receivable are recorded net of estimated uncollectible amounts and discounted to net present value when applicable.

The Organization may receive contributions of cash or other assets which it reports as temporarily restricted support if such contributions are received with donor restrictions that limit the use of the donated assets. When a donor restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions of assets other than cash are recorded at their estimated fair value.

Underwriting revenue is recognized as services are performed.

Donated Services and Goods - The Organization receives donated services and goods and engages in trade transactions, in the ordinary course of business. Such transactions involve donation of goods or services or the exchange of underwriting time for certain goods or services. These goods and services are recorded at the estimated market value of the related goods or services received on the date that they are received. These goods and services are recorded as support in the accompanying statements of activities and in the corresponding functional expense category on the accompanying statement of functional expenses and totaled approximately \$208,000 and \$235,000 for the years ended June 30, 2018 and 2017, respectively.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with program services, management and general, and fundraising efforts. The value of this contributed time does not meet the criteria for recognition of donated services and, accordingly, is not reflected as support in the accompanying financial statements.

Income Taxes - The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for income taxes has been recognized in the accompanying financial statements.

The Organization records liabilities for income tax positions taken or expected to be taken when those positions are deemed uncertain to be upheld in an examination by taxing authorities. No liabilities for uncertain income tax positions were recorded as of June 30, 2018 and 2017.

Advertising Expense - The Organization expenses the cost of advertising as incurred. The accompanying statements of activities include advertising expense in the amount of approximately \$26,000 and \$5,000 for the years ended June 30, 2018 and 2017, respectively.

Functional Expense Classification - The Organization's functional expense classification and allocation policy is based on a review of the current organizational structure, and the identification, reclassification and allocation of certain employee, facility, and departmental expenses, which serve multiple functional areas.

Subsequent Events - In preparing its financial statements, the Organization has evaluated subsequent events through October 25, 2018, which is the date the financial statements were available to be issued.

2. PLEDGES RECEIVABLE

Pledges outstanding consisted of the following as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Due in less than one year	\$ 998,678	\$ 985,260
Due in 1 to 5 years	-	23,000
Subtotal	<u>998,678</u>	<u>1,008,260</u>
Less allowance for uncollectible pledges	<u>98,637</u>	<u>102,467</u>
Pledges receivable, net	900,041	905,793
Current portion, net	<u>900,041</u>	<u>882,793</u>
Long-term, net	<u>\$ -</u>	<u>\$ 23,000</u>

3. INVESTMENTS

Investments consisted of the following funds as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Money Market Funds	\$ 53,120	\$ 37,189
Fixed-Income Funds	1,689,428	1,253,692
Equity Funds	1,890,105	2,052,012
Exchange-Traded Products	<u>348,900</u>	<u>339,601</u>
Total	<u>\$ 3,981,553</u>	<u>\$ 3,682,494</u>

Generally accepted accounting principles in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

The inputs used for valuing investments are summarized in the three broad levels listed below:

- Level 1 - quoted prices in active markets for identical assets
- Level 2 - other significant observable inputs either directly or indirectly (including quoted prices for similar securities, interest rates, yield curves, credit risk, etc.)
- Level 3 - significant unobservable inputs

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2018.

- Money Market Funds: Valued at the net asset value ("NAV") per share which is \$1 per share.
- Mutual Funds (Fixed-Income and Equity Funds): Valued at the NAV of the shares held by the Organization at year end, as listed on publicly traded exchanges.
- Exchange-Traded Products: Valued at an index, a commodity or a basket of assets like an index fund that is listed on publicly traded exchanges.

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. The following is a summary of the valuations as of June 30, 2018 and 2017 for the Organization's investments based upon the three levels defined above.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Funds	\$ 53,120	\$ -	\$ -	\$ 53,120
Fixed-Income Funds	1,689,428	-	-	1,689,428
Equity Funds	1,890,105	-	-	1,890,105
Exchange-Traded Products	<u>348,900</u>	<u>-</u>	<u>-</u>	<u>348,900</u>
Total	<u>\$ 3,981,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,981,553</u>

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Funds	\$ 37,189	\$ -	\$ -	\$ 37,189
Fixed-Income Funds	1,253,692	-	-	1,253,692
Equity Funds	2,052,012	-	-	2,052,012
Exchange-Traded Products	<u>339,601</u>	<u>-</u>	<u>-</u>	<u>339,601</u>
Total	<u>\$ 3,682,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,682,494</u>

Return on investments in the accompanying statement of activities is comprised of the following for the years ended June 30, 2018 and 2017, respectively:

	<u>2018</u>	<u>2017</u>
Realized gains	\$ 138,493	\$ 15,431
Unrealized gains	48,872	301,405
Interest	-	5
Dividends	<u>125,065</u>	<u>101,665</u>
Total	<u>\$ 312,430</u>	<u>\$ 418,506</u>

4. PROPERTY

Property consisted of the following as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Land	\$ 28,432	\$ 28,432
Transmitters, antenna, and tower	1,348,960	1,203,941
Equipment- studio and broadcast	714,585	674,188
Furniture and fixtures	318,044	310,327
Leasehold improvements	<u>95,781</u>	<u>95,781</u>
Subtotal	2,505,802	2,312,669
Less accumulated depreciation and amortization	<u>2,115,311</u>	<u>2,026,356</u>
Total, net	<u>\$ 390,491</u>	<u>\$ 286,313</u>

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets available for future periods or purposes consisted of the following as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Subscription, memberships, and other pledges	\$ 1,102,344	\$ 905,793
Grants	-	30,000
Sarrow Fund	<u>26,470</u>	<u>34,569</u>
Total	<u>\$ 1,128,814</u>	<u>\$ 970,362</u>

Net assets are released from donor restrictions by satisfaction of time and purpose. Restrictions released during the years ended June 30, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
Subscription, memberships, and other pledges	\$ 688,960	\$ 692,975
Grants	30,000	-
Sarrow Fund	<u>8,099</u>	<u>7,434</u>
Total	<u>\$ 727,059</u>	<u>\$ 700,409</u>

6. LINE OF CREDIT

The Organization has a line of credit agreement with a bank for an amount up to \$500,000. The line of credit is secured by substantially all assets, is payable in full on demand and renews annually. Interest is payable monthly at the bank's prime rate (5.0% as of June 30, 2018) plus 1%, subject to a floor of 5.00%. The line of credit expires on April 17, 2019. There were no outstanding borrowings under this agreement as of June 30, 2018 and 2017.

7. LEASE COMMITMENTS

The Organization leases building space and a transmitter from unrelated third parties under agreements classified as operating leases. Rent expense under these agreements totaled approximately \$266,000 and \$248,000 for the years ended June 30, 2018 and 2017, respectively.

Approximate future minimum lease payments under the operating leases as of June 30, 2018 are as follows:

Year ending June 30:	
2019	\$ 287,000
2020	42,000
2021	<u>3,000</u>
Total minimum lease payments	<u>\$ 332,000</u>

8. RETIREMENT PLAN

The Organization maintains a 403(b) retirement plan (the "Plan"), which covers full time employees of the Organization that have been employed for at least one year. The Plan requires employees to contribute 6% of salary following the completion of one year of service. The Organization makes discretionary contributions. Discretionary contributions were made by the Organization for the years ended June 30, 2018 and 2017 totaling approximately \$98,000 and \$93,000, respectively.

9. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2018 and 2017, the Organization received contributions from the Board of Directors and employees totaling approximately \$74,000 and \$90,000, respectively.