Financial Statements

Northeast Indiana Public Radio, Inc.

June 30, 2020 and September 30, 2019
## INDEX

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITORS' REPORT</td>
<td>1 - 2</td>
</tr>
<tr>
<td>FINANCIAL STATEMENTS</td>
<td></td>
</tr>
<tr>
<td>Statements of Financial Position</td>
<td>3 - 4</td>
</tr>
<tr>
<td>Statement of Activities - Nine Month Period Ended June 30, 2020</td>
<td>5</td>
</tr>
<tr>
<td>Statement of Activities - Year Ended September 30, 2019</td>
<td>6</td>
</tr>
<tr>
<td>Statements of Cash Flows</td>
<td>7</td>
</tr>
<tr>
<td>Statement of Functional Expenses - Nine Month Period Ended June 30, 2020</td>
<td>8</td>
</tr>
<tr>
<td>Statement of Functional Expenses - Year Ended September 30, 2019</td>
<td>9</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>10 - 21</td>
</tr>
</tbody>
</table>
Independent Auditors’ Report

Board of Trustees
Northeast Indiana Public Radio, Inc.
Fort Wayne, Indiana

We have audited the accompanying financial statements of Northeast Indiana Public Radio, Inc. (a not-for-profit corporation), which comprise the statements of financial position as of June 30, 2020 and September 30, 2019, and the related statements of activities, cash flows, and functional expenses for the nine month period ended June 30, 2020 and the year ended September 30, 2019, 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain 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 qualified audit opinion.

Basis for Qualified Opinion

Generally accepted accounting principles require that the radio station license be tested at least annually for impairment, and if the carrying value of the license exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. During the nine month period ended June 30, 2020 and the year ended September 30, 2019, management has not tested the radio station license for impairment.
Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Indiana Public Radio, Inc., as of June 30, 2020 and September 30, 2019, and the changes in its net assets and its cash flows for the nine month period ended June 30, 2020 and the year ended September 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

Fort Wayne, Indiana
October 26, 2020
## Statements of Financial Position

**June 30, 2020 and September 30, 2019**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$386,372</td>
<td>$267,027</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership - net of allowance for uncollectible accounts of $18,890 in 2020 and $17,913 in 2019</td>
<td>131,283</td>
<td>188,054</td>
</tr>
<tr>
<td>Underwriting - net of allowance for uncollectible accounts of $1,145 in 2020 and 2019</td>
<td>35,272</td>
<td>37,258</td>
</tr>
<tr>
<td>Contributions - net of allowance for uncollectible accounts of $3,164 in 2020 and 2019</td>
<td>69,694</td>
<td>75,866</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>1,198</td>
<td>-</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>623,819</td>
<td>568,205</td>
</tr>
<tr>
<td><strong>PROPERTY AND EQUIPMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,474,214</td>
<td>1,422,851</td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>712,964</td>
<td>686,370</td>
</tr>
<tr>
<td>Net Property and Equipment</td>
<td>761,250</td>
<td>736,481</td>
</tr>
<tr>
<td><strong>OTHER ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions receivable - noncurrent</td>
<td>9,558</td>
<td>34,768</td>
</tr>
<tr>
<td>Beneficial interest in trust</td>
<td>45,199</td>
<td>50,313</td>
</tr>
<tr>
<td>Broadcasting licenses</td>
<td>625,000</td>
<td>625,000</td>
</tr>
<tr>
<td>Total Other Assets</td>
<td>679,757</td>
<td>710,081</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$2,064,826</td>
<td>$2,014,767</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
## LIABILITIES AND NET ASSETS

### CURRENT LIABILITIES
- Accounts payable $9,927 $76,037
- Accrued payroll and related taxes 11,740 12,816
- Current maturities of collateralized loans payable 21,758 354,614
- Deferred revenue 14,801 -

Total Current Liabilities 58,226 443,467

### NONCURRENT LIABILITIES
- Collateralized loans payable, net of current maturities 317,463 -

Total Liabilities 375,689 443,467

### NET ASSETS
- Net assets without donor restrictions 952,012 727,944
- Net assets with donor restrictions 737,125 843,356

Total Net Assets 1,689,137 1,571,300

### TOTAL LIABILITIES AND NET ASSETS
$2,064,826 $2,014,767
# Statement of Activities

Nine Month Period Ended June 30, 2020

## SUPPORT AND REVENUE

<table>
<thead>
<tr>
<th>Source of Revenue</th>
<th>Net Assets without Donor Restrictions</th>
<th>Net Assets with Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memberships</td>
<td>$ 449,620</td>
<td>$ -</td>
<td>$ 449,620</td>
</tr>
<tr>
<td>Underwriting revenue</td>
<td>179,540</td>
<td>-</td>
<td>179,540</td>
</tr>
<tr>
<td>Contributions</td>
<td>-</td>
<td>8,947</td>
<td>8,947</td>
</tr>
<tr>
<td>Grants:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporation for Public Broadcasting</td>
<td>198,930</td>
<td>-</td>
<td>198,930</td>
</tr>
<tr>
<td>Corporations and foundations</td>
<td>123,413</td>
<td>52,433</td>
<td>175,846</td>
</tr>
<tr>
<td>Matching grants</td>
<td>1,180</td>
<td>-</td>
<td>1,180</td>
</tr>
<tr>
<td>Bequests and legacies</td>
<td>10,000</td>
<td>-</td>
<td>10,000</td>
</tr>
<tr>
<td>In-kind services and materials</td>
<td>25,913</td>
<td>-</td>
<td>25,913</td>
</tr>
<tr>
<td>Special events:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds</td>
<td>10,064</td>
<td>-</td>
<td>10,064</td>
</tr>
<tr>
<td>Nonprofit announcements</td>
<td>1,500</td>
<td>-</td>
<td>1,500</td>
</tr>
<tr>
<td>Investment income (loss)</td>
<td>4,275</td>
<td>(5,114)</td>
<td>(839)</td>
</tr>
<tr>
<td>Paycheck Protection Program proceeds</td>
<td>119,500</td>
<td>-</td>
<td>119,500</td>
</tr>
<tr>
<td>Other revenue</td>
<td>8,490</td>
<td>-</td>
<td>8,490</td>
</tr>
</tbody>
</table>

## NET ASSETS RELEASED FROM RESTRICTIONS

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Released</th>
<th>Released (in parentheses)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction of time and purpose restrictions</td>
<td>162,497</td>
<td>(162,497)</td>
<td>-</td>
</tr>
</tbody>
</table>

## TOTAL SUPPORT AND REVENUE

$1,294,922  (106,231)  $1,188,691

## EXPENSES

### Program services

<table>
<thead>
<tr>
<th>Service</th>
<th>Cost</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production and programming</td>
<td>619,639</td>
<td>-</td>
<td>619,639</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>32,043</td>
<td>-</td>
<td>32,043</td>
</tr>
<tr>
<td>Program information and promotion</td>
<td>50,867</td>
<td>-</td>
<td>50,867</td>
</tr>
<tr>
<td>Total program services</td>
<td>702,549</td>
<td>-</td>
<td>702,549</td>
</tr>
</tbody>
</table>

### Supporting activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Cost</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management and general</td>
<td>156,187</td>
<td>-</td>
<td>156,187</td>
</tr>
<tr>
<td>Fundraising</td>
<td>212,118</td>
<td>-</td>
<td>212,118</td>
</tr>
<tr>
<td>Total supporting activities</td>
<td>368,305</td>
<td>-</td>
<td>368,305</td>
</tr>
</tbody>
</table>

## TOTAL EXPENSES

$1,070,854  -  $1,070,854

## CHANGE IN NET ASSETS

$224,068  (106,231)  $117,837

## NET ASSETS, BEGINNING OF PERIOD

$727,944  843,356  $1,571,300

## NET ASSETS, END OF PERIOD

$952,012  $737,125  $1,689,137

See Notes to Financial Statements.
### SUPPORT AND REVENUE

<table>
<thead>
<tr>
<th>Description</th>
<th>Net Assets without Donor Restrictions</th>
<th>Net Assets with Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memberships</td>
<td>$697,533</td>
<td>$-</td>
<td>$697,533</td>
</tr>
<tr>
<td>Underwriting revenue</td>
<td>267,780</td>
<td>-</td>
<td>267,780</td>
</tr>
<tr>
<td>Contributions</td>
<td>50,000</td>
<td>6,822</td>
<td>56,822</td>
</tr>
<tr>
<td>Grants:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporation for Public Broadcasting</td>
<td>136,870</td>
<td>-</td>
<td>136,870</td>
</tr>
<tr>
<td>Corporations and foundations</td>
<td>169,295</td>
<td>111,500</td>
<td>280,795</td>
</tr>
<tr>
<td>Matching grants</td>
<td>2,958</td>
<td>-</td>
<td>2,958</td>
</tr>
<tr>
<td>Bequests and legacies</td>
<td>70,000</td>
<td>-</td>
<td>70,000</td>
</tr>
<tr>
<td>In-kind services and materials</td>
<td>55,077</td>
<td>-</td>
<td>55,077</td>
</tr>
<tr>
<td>Special events:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds</td>
<td>94,337</td>
<td>-</td>
<td>94,337</td>
</tr>
<tr>
<td>Less cost of direct benefits to donors</td>
<td>(5,130)</td>
<td>-</td>
<td>(5,130)</td>
</tr>
<tr>
<td>Nonprofit announcements</td>
<td>6,750</td>
<td>-</td>
<td>6,750</td>
</tr>
<tr>
<td>Investment income</td>
<td>3,275</td>
<td>(2,859)</td>
<td>416</td>
</tr>
<tr>
<td>Other revenue</td>
<td>808</td>
<td>-</td>
<td>808</td>
</tr>
</tbody>
</table>

| NET ASSETS RELEASED FROM RESTRICTIONS            |                                      |                                   |           |
| Satisfaction of time and purpose restrictions    | 121,784                              | (121,784)                         | -         |

### TOTAL SUPPORT AND REVENUE

- Total Support and Revenue: **$1,665,016**

### EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Net Assets without Donor Restrictions</th>
<th>Net Assets with Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production and programming</td>
<td>791,399</td>
<td>-</td>
<td>791,399</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>51,982</td>
<td>-</td>
<td>51,982</td>
</tr>
<tr>
<td>Program information and promotion</td>
<td>66,221</td>
<td>-</td>
<td>66,221</td>
</tr>
<tr>
<td>Total program services</td>
<td>909,602</td>
<td>-</td>
<td>909,602</td>
</tr>
<tr>
<td>Supporting activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>221,267</td>
<td>-</td>
<td>221,267</td>
</tr>
<tr>
<td>Fundraising</td>
<td>332,273</td>
<td>-</td>
<td>332,273</td>
</tr>
<tr>
<td>Total supporting activities</td>
<td>553,540</td>
<td>-</td>
<td>553,540</td>
</tr>
</tbody>
</table>

### TOTAL EXPENSES

- Total Expenses: **$1,463,142**

### CHANGE IN NET ASSETS

- Change in Net Assets: **$201,874**

### NET ASSETS, BEGINNING OF YEAR

- Net Assets, Beginning of Year: **$1,369,426**

### NET ASSETS, END OF YEAR

- Net Assets, End of Year: **$1,571,300**

See Notes to Financial Statements.
# CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$117,837</td>
<td>$201,874</td>
</tr>
<tr>
<td>Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$26,594</td>
<td>$28,724</td>
</tr>
<tr>
<td>Amortization of loan fees</td>
<td>$2,252</td>
<td>$3,003</td>
</tr>
<tr>
<td>Change in beneficial interest in trust</td>
<td>$5,114</td>
<td>$2,859</td>
</tr>
<tr>
<td>Contributions received for long-term purposes</td>
<td>($8,946)</td>
<td>($56,822)</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>$48,160</td>
<td>$54,495</td>
</tr>
<tr>
<td>(Increase) Decrease in Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership receivables</td>
<td>$8,611</td>
<td>($89,843)</td>
</tr>
<tr>
<td>Underwriting receivables</td>
<td>$1,986</td>
<td>$6,210</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>$10,533</td>
<td>$19,050</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>($1,198)</td>
<td>-</td>
</tr>
<tr>
<td>Increase (Decrease) in Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>($66,110)</td>
<td>($65,530)</td>
</tr>
<tr>
<td>Accrued payroll and related taxes</td>
<td>($1,076)</td>
<td>$1,804</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>$14,801</td>
<td>-</td>
</tr>
<tr>
<td>Net Cash Provided By Operating Activities</td>
<td>$158,558</td>
<td>$105,824</td>
</tr>
</tbody>
</table>

# CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of property and equipment</td>
<td>($51,363)</td>
<td>($52,011)</td>
</tr>
</tbody>
</table>

# CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments on collateralized loans payable</td>
<td>($17,645)</td>
<td>($40,785)</td>
</tr>
<tr>
<td>Collection of contributions restricted to long-term purposes</td>
<td>$29,795</td>
<td>$108,221</td>
</tr>
<tr>
<td>Net Cash Provided By Financing Activities</td>
<td>$12,150</td>
<td>$67,436</td>
</tr>
</tbody>
</table>

# NET INCREASE IN CASH

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Increase in Cash</td>
<td>$119,345</td>
<td>$121,249</td>
</tr>
</tbody>
</table>

# CASH, BEGINNING OF PERIOD/YEAR

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, Beginning of Period/Year</td>
<td>$267,027</td>
<td>$145,778</td>
</tr>
</tbody>
</table>

# CASH, END OF PERIOD/YEAR

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, End of Period/Year</td>
<td>$386,372</td>
<td>$267,027</td>
</tr>
</tbody>
</table>

# SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid during the year for interest</td>
<td>$17,822</td>
<td>$27,080</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
## Statement of Functional Expenses
Nine Month Period Ended June 30, 2020

<table>
<thead>
<tr>
<th></th>
<th>Production and Programming</th>
<th>Program Information and Promotion</th>
<th>Total Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and related expense</td>
<td>$244,712</td>
<td>$-</td>
<td>$49,445</td>
<td>$294,157</td>
<td>$103,814</td>
<td>$73,737</td>
</tr>
<tr>
<td>Programming expense</td>
<td>234,924</td>
<td>-</td>
<td>-</td>
<td>234,924</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>17,822</td>
<td>-</td>
<td>-</td>
<td>17,822</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Professional services</td>
<td>2,424</td>
<td>-</td>
<td>-</td>
<td>2,424</td>
<td>21,406</td>
<td>38,311</td>
</tr>
<tr>
<td>Donated volunteer services</td>
<td>-</td>
<td>22,620</td>
<td>-</td>
<td>22,620</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>4,684</td>
<td>-</td>
<td>1,120</td>
<td>5,804</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Utilities</td>
<td>24,174</td>
<td>-</td>
<td>-</td>
<td>24,174</td>
<td>7,591</td>
<td>-</td>
</tr>
<tr>
<td>Special events</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,173</td>
<td>5,173</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>5,110</td>
<td>-</td>
<td>-</td>
<td>5,110</td>
<td>1,900</td>
<td>7,232</td>
</tr>
<tr>
<td>Insurance</td>
<td>11,648</td>
<td>-</td>
<td>-</td>
<td>11,648</td>
<td>3,883</td>
<td>-</td>
</tr>
<tr>
<td>Rent - equipment</td>
<td>28,045</td>
<td>-</td>
<td>-</td>
<td>28,045</td>
<td>4,684</td>
<td>-</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>10,889</td>
<td>-</td>
<td>-</td>
<td>10,889</td>
<td>3,698</td>
<td>-</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>86</td>
<td>-</td>
<td>86</td>
<td>172</td>
<td>812</td>
<td>3,585</td>
</tr>
<tr>
<td>Service agreement</td>
<td>3,564</td>
<td>-</td>
<td>-</td>
<td>3,564</td>
<td>484</td>
<td>1,492</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>407</td>
<td>-</td>
<td>-</td>
<td>407</td>
<td>312</td>
<td>1,511</td>
</tr>
<tr>
<td>Telephone</td>
<td>7,043</td>
<td>-</td>
<td>115</td>
<td>7,158</td>
<td>1,673</td>
<td>461</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>48,160</td>
</tr>
<tr>
<td>Supplies</td>
<td>3,336</td>
<td>-</td>
<td>15</td>
<td>3,351</td>
<td>4,097</td>
<td>14,162</td>
</tr>
<tr>
<td>Licenses and fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17,030</td>
</tr>
<tr>
<td>Travel</td>
<td>348</td>
<td>-</td>
<td>86</td>
<td>434</td>
<td>25</td>
<td>499</td>
</tr>
<tr>
<td>Audience research</td>
<td>4,933</td>
<td>-</td>
<td>-</td>
<td>4,933</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Meetings and conferences</td>
<td>102</td>
<td>-</td>
<td>-</td>
<td>102</td>
<td>25</td>
<td>765</td>
</tr>
</tbody>
</table>

Expenses before depreciation and amortization  

<table>
<thead>
<tr>
<th></th>
<th>Production and Programming</th>
<th>Program Information and Promotion</th>
<th>Total Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>604,251</td>
<td>22,620</td>
<td>50,867</td>
<td>677,738</td>
<td>154,404</td>
<td>212,118</td>
</tr>
</tbody>
</table>

Depreciation and amortization  

<table>
<thead>
<tr>
<th></th>
<th>Production and Programming</th>
<th>Program Information and Promotion</th>
<th>Total Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15,388</td>
<td>9,423</td>
<td>-</td>
<td>24,811</td>
<td>1,783</td>
<td>-</td>
</tr>
</tbody>
</table>

**TOTAL EXPENSES**  

<table>
<thead>
<tr>
<th></th>
<th>Production and Programming</th>
<th>Program Information and Promotion</th>
<th>Total Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$619,639</td>
<td>$32,043</td>
<td>$50,867</td>
<td>$702,549</td>
<td>$156,187</td>
<td>$212,118</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
Statement of Functional Expenses
Year Ended September 30, 2019

<table>
<thead>
<tr>
<th>Production and Programming</th>
<th>Total Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and related expense</td>
<td>$328,621</td>
<td>$ -</td>
<td>$64,418</td>
<td>$393,039</td>
</tr>
<tr>
<td>Programming expense</td>
<td>281,657</td>
<td>-</td>
<td>-</td>
<td>281,657</td>
</tr>
<tr>
<td>Interest</td>
<td>27,080</td>
<td>-</td>
<td>-</td>
<td>27,080</td>
</tr>
<tr>
<td>Professional services</td>
<td>17,143</td>
<td>-</td>
<td>-</td>
<td>17,143</td>
</tr>
<tr>
<td>Donated volunteer services</td>
<td>-</td>
<td>29,003</td>
<td>-</td>
<td>29,003</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>2,279</td>
<td>-</td>
<td>1,044</td>
<td>3,323</td>
</tr>
<tr>
<td>Utilities</td>
<td>32,693</td>
<td>-</td>
<td>-</td>
<td>32,693</td>
</tr>
<tr>
<td>Special events</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>10,082</td>
<td>-</td>
<td>-</td>
<td>10,082</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rent - equipment</td>
<td>36,907</td>
<td>-</td>
<td>-</td>
<td>36,907</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>20,050</td>
<td>-</td>
<td>-</td>
<td>20,050</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>482</td>
<td>-</td>
<td>116</td>
<td>598</td>
</tr>
<tr>
<td>Service agreement</td>
<td>4,274</td>
<td>-</td>
<td>-</td>
<td>4,274</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,063</td>
<td>-</td>
<td>26</td>
<td>1,089</td>
</tr>
<tr>
<td>Telephone</td>
<td>8,619</td>
<td>-</td>
<td>104</td>
<td>8,723</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Supplies</td>
<td>6,831</td>
<td>-</td>
<td>126</td>
<td>6,957</td>
</tr>
<tr>
<td>Licenses and fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Travel</td>
<td>4,411</td>
<td>-</td>
<td>387</td>
<td>4,798</td>
</tr>
<tr>
<td>Audience research</td>
<td>5,420</td>
<td>-</td>
<td>-</td>
<td>5,420</td>
</tr>
<tr>
<td>Meetings and conferences</td>
<td>914</td>
<td>-</td>
<td>-</td>
<td>914</td>
</tr>
</tbody>
</table>

Expenses before depreciation and amortization

<table>
<thead>
<tr>
<th>Production and Programming</th>
<th>Total Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>788,526</td>
<td>29,003</td>
<td>66,221</td>
<td>883,750</td>
<td>218,395</td>
</tr>
</tbody>
</table>

Depreciation and amortization

<table>
<thead>
<tr>
<th>Production and Programming</th>
<th>Total Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,873</td>
<td>22,979</td>
<td>-</td>
<td>25,852</td>
<td>2,872</td>
</tr>
</tbody>
</table>

TOTAL EXPENSES

<table>
<thead>
<tr>
<th>Production and Programming</th>
<th>Total Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$791,399</td>
<td>$51,982</td>
<td>$66,221</td>
<td>$909,602</td>
<td>$221,267</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
Notes to Financial Statements
June 30, 2020 and September 30, 2019

Note 1. Organization and Summary of Significant Accounting Policies

Nature of Activities:

Northeast Indiana Public Radio, Inc. (the Organization) is a not-for-profit corporation, which operates two noncommercial public radio stations whose primary listening area is Northeast Indiana. The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the 50% charitable contributions deduction limitation. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

To continue and expand the high quality programming the growing community needs, the Organization has launched the Building a Sound Future campaign to secure $5,500,000 for significant upgrades to its service.

The goals of the campaign include: renovation of the Organization’s new building in a central location in downtown Fort Wayne; upgrading outdated analog equipment to increase quality and reliability in the digital and mobile communications age; develop resources to offer comprehensive coverage of the important news, issues, events, and people of Northeast Indiana on all media platforms; provide a greater voice to the community through innovations such as its Podcast Lab, and new programs which include audience participation and increased partnerships with other community organizations.

Broadcasting License:

The Organization is licensed to broadcast by the Federal Communications Commission (FCC). This license is subject to periodic review and renewal by the Commission.

Basis of Preparation:

The financial statements are prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of assets, net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions: Includes general assets and liabilities of the Organization. The net assets without donor restrictions of the Organization may be used at the discretion of management to support the Organization’s purposes and operations.

Net Assets with Donor Restrictions: Includes assets of the Organization related to gifts with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. Unconditional promises to give, that are restricted to use in future periods are classified as net assets with donor restrictions. Also includes assets that the donor stipulates must be maintained by the Organization in perpetuity.

Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.
Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Cash:

The Organization maintains its cash in deposit accounts which, at times, may exceed federally insured limits.

Receivables, Support and Revenue:

Underwriting revenue is recognized under Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers (Topic 606), when performance obligations under the terms of a contract with the customer have been satisfied and control has transferred to the customer. Revenue is measured based on the consideration specified in each contract. Performance obligations are considered complete at a point in time, generally after the spot airs or the event has taken place. Generally, contracts require payment within 30 to 60 days. The Organization does not have any significant financing components as payment is received at or shortly after the sale. There is no variable consideration.

The Organization follows ASU 2018-08, Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605) in determining whether transactions should be recorded as a contribution or as an exchange transaction. The Organization recognizes contributions and grants, including membership and subscriptions, when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance barrier and a right of return, are not recognized until the conditions on which they depend have been met. There were no conditional contributions as of June 30, 2020 and September 30, 2019.

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose of the 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.

All grants, contributions and other support, which are expected to be received beyond one year, are discounted to their net present value. Receivables from both contributions and exchange transactions are reduced for any estimated uncollectible amounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, contract terms, and other circumstances which may affect the ability of donors or customers to meet their obligations. It is the Organization’s policy to charge off uncollectible receivables when management determines the receivable will not be collected.
Note 1. **Organization and Summary of Significant Accounting Policies (Continued)**

**Property and Equipment:**

Property and equipment is recorded at cost or, if received by donation, at fair value at the date of the gift. Items with a cost or value of $1,000 or more and a useful life of one year or more are capitalized. Additions and improvements that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Depreciation is computed using the straight-line method for financial reporting purposes based on estimated useful lives of the related assets. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions.

**Loan Fees:**

Loan fees are amortized using the effective interest method, over the term of the related debt, and are netted from collateralized loans payable. Loan fee amortization is reflected as a component of interest expense.

**In-Kind Services and Materials:**

In-kind contributions are donations of materials, supplies, equipment, and services, and are recognized as support and expenses in the statements of activities. In-kind contributions are recorded at their estimated fair market value at the date of receipt. Contributions of services are recognized in the financial statements only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

In-kind trade results from an exchange of underwriting for services, advertising and promotion, materials, etc. In-kind trade revenue is recorded when the spot airs. In-kind trade expense is recorded when the traded item is received or the traded service is performed.

**Advertising and Promotion:**

Advertising and promotion costs are charged to operations when incurred, and totaled $5,804 and $3,323 for the nine month period ended June 30, 2020 and the year ended September 30, 2019, respectively.
Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Standards:

Adopted Pronouncements:

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers. The objective of issuing this standard was to provide one common method for recognizing revenue among all industries and transaction types. The standard's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements related to the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. This standard is in effect for the fiscal year ending June 30, 2020. The standard did not have a significant effect on the Organization's results of operations or financial position.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605). The standard assists entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and determining whether a contribution is conditional. The Organization adopted this standard on October 1, 2019, using the modified prospective method of adoption applied to all agreements not completed or entered into as of the effective date. The standard did not have a significant effect on the Organization's results of operations or financial position in 2020.

Income Taxes:

The accounting standard related to accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed, or expected to be claimed, on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of income subject to unrelated business income tax (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities as of June 30, 2020 and September 30, 2019.

The Organization files form 990 in the U.S. federal jurisdiction and form NP-20 for the State of Indiana. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2017.

Reclassification:

Certain amounts in the 2019 financial statements have been reclassified to conform to the 2020 presentation.
Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Subsequent Events:

Management of the Organization has evaluated events and transactions for possible recognition or disclosure through October 26, 2020, the date the financial statements were available to be issued.

Note 2. Fiscal Year Change

Effective with the fiscal year beginning October 1, 2019, the Organization changed from a fiscal year end of September 30 to June 30. A nine-month fiscal transition period from October 1, 2019 through June 30, 2020, precedes the start of the new June year end cycle. As such, the amounts presented in these financial statements for the nine months to June 30, 2020 are not entirely comparable with the figures reported for the year ended September 30, 2019.

Note 3. Contributions Receivable

At June 30, 2020 and September 30, 2019, the Organization has contributions receivable that have donor restrictions for time and purpose related to the following:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions receivable for capital campaign</td>
<td>$49,965</td>
<td>$75,640</td>
</tr>
<tr>
<td>Contributions receivable for general operations</td>
<td>$35,417</td>
<td>$45,950</td>
</tr>
<tr>
<td>Less: Allowance for uncollectible accounts</td>
<td>3,164</td>
<td>3,164</td>
</tr>
<tr>
<td>Less: Discount (at 5.25% in 2020 and 2019) to net present value</td>
<td>2,966</td>
<td>7,793</td>
</tr>
<tr>
<td>Net contributions receivable</td>
<td>$79,252</td>
<td>$110,633</td>
</tr>
</tbody>
</table>

Amounts due in:

<table>
<thead>
<tr>
<th>Time Period</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>$69,694</td>
<td>$75,866</td>
</tr>
<tr>
<td>One to five years</td>
<td>9,558</td>
<td>34,768</td>
</tr>
<tr>
<td></td>
<td>$79,252</td>
<td>$110,634</td>
</tr>
</tbody>
</table>

Note 4. Beneficial Interest in Trust

The beneficial interest consists of funds held by the Community Foundation of Greater Fort Wayne, Inc. (Foundation), which are the result of an agreement whereby the Organization transferred assets to the Foundation and specified itself as the beneficiary of the assets. The Organization may draw up to a certain percent of the value of the assets each year, but may only obtain a return of the full value of the assets upon consent of the Foundation.

Additionally, the Foundation holds investment assets, with a value of $24,869 and $27,554 as of June 30, 2020 and September 30, 2019, respectively, for the benefit of the Organization for which the Foundation has retained variance power. These assets are not recorded as assets of the Organization.
Note 5. Property and Equipment

Property and equipment consisted of the following at June 30, 2020 and September 30, 2019:

<table>
<thead>
<tr>
<th>Estimated Useful Life</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 129,000</td>
<td>$ 129,000</td>
</tr>
<tr>
<td>Building and improvements</td>
<td>3 - 39 years</td>
<td>463,043</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>3 - 7 years</td>
<td>68,381</td>
</tr>
<tr>
<td>Technical equipment</td>
<td>5 - 15 years</td>
<td>404,072</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>409,718</td>
<td>405,300</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,474,214</td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>712,964</td>
<td>686,370</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 761,250</td>
</tr>
</tbody>
</table>

Depreciation expense was $26,594 and $28,724 for the nine months ended June 30, 2020 and year ended September 30, 2019, respectively.

Note 6. Broadcasting Licenses

The Organization owns two Federal Communications Commission broadcasting licenses for radio stations, WBOI-FM and WBNI-FM. WBN1-FM has a carrying value of $625,000 as of June 30, 2020 and September 30, 2019. The license has an indefinite useful life and is not amortized. The Organization received WBOI-FM through a donation in January 1982. The license has a carrying value of $0 as of June 30, 2020 and September 30, 2019.

During the nine month period ended June 30, 2020 and year ended September 30, 2019, due to the cost of a qualified assessment, management did not test the radio station license WBNI-FM for impairment; therefore, the current value is based on management’s estimate, which does not necessarily reflect fair value.

Note 7. Fair Value Measurements

Fair value measurements are based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, and are determined by either the principal market or the most advantageous market.

Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy to prioritize the inputs used in the valuation techniques to derive fair values. The basis for fair value measurements for each level within the hierarchy is described below with Level 1 measurements having the highest priority and Level 3 measurements having the lowest priority.

Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market that the organization has the ability to access at the measurement date.

Level 2: Fair value is based on quoted prices in markets that are not active, quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
Note 7. Fair Value Measurements (Continued)

Level 3: Fair value is based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

The asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and September 30, 2019.

Beneficial interest in trust: Valued based on the underlying investments held by and reported to the Organization by the Community Foundation of Greater Fort Wayne, Inc.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth, by level within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of June 30, 2020 and September 30, 2019.

<table>
<thead>
<tr>
<th>Fair Value Measurements Using</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>As of June 30, 2020:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beneficial interest in trust</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 45,199</td>
<td>$ 45,199</td>
</tr>
<tr>
<td>As of September 30, 2019:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beneficial interest in trust</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 50,313</td>
<td>$ 50,313</td>
</tr>
</tbody>
</table>

A reconciliation of the beginning and ending balance of the beneficial interest in trust, measured at fair value using significant unobservable inputs (Level 3) is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance</td>
<td>$ 50,313</td>
<td>$ 53,172</td>
</tr>
<tr>
<td>Realized and unrealized losses</td>
<td>(3,049)</td>
<td>(1,703)</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>1,325</td>
<td>1,939</td>
</tr>
<tr>
<td>Grants</td>
<td>(3,205)</td>
<td>(2,853)</td>
</tr>
<tr>
<td>Fees</td>
<td>(185)</td>
<td>(242)</td>
</tr>
<tr>
<td>Ending balance</td>
<td>$ 45,199</td>
<td>$ 50,313</td>
</tr>
</tbody>
</table>

Realized and unrealized losses, interest and dividends, grants and fees are included in investment income (loss) in the statements of activities.
Note 8. Line of Credit

The Organization has a line of credit agreement with First Federal Bank, maturing March 1, 2021. The agreement provides for a maximum borrowing of $50,000, with a variable interest rate (4.5% at June 30, 2020). The line of credit is secured by all of the Organization’s business assets. As of June 30, 2020 and September 30, 2019, there was no outstanding balance on the line of credit.

Note 9. Collateralized Loans Payable

Collateralized loans payable consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collateralized loan payable to First Federal Bank, due in monthly installments of $3,041 with interest payable at a fixed rate of 5% due August 2020, with a balloon payment of $71,995, secured by all of the Organization's business assets.</td>
<td>$82,772</td>
<td>$96,072</td>
</tr>
<tr>
<td>Collateralized loan payable to First Federal Bank, due in monthly installments of $2,073 with interest payable at a fixed rate of 5.5% due August 2020, with a balloon payment of $253,313, secured by a building.</td>
<td>256,825</td>
<td>261,170</td>
</tr>
<tr>
<td>Less: Unamortized loan costs</td>
<td>376</td>
<td>2,628</td>
</tr>
<tr>
<td>Less: Current maturities</td>
<td>21,758</td>
<td>354,614</td>
</tr>
<tr>
<td>Total Collateralized Loans Payable</td>
<td>$317,463</td>
<td>$317,463</td>
</tr>
</tbody>
</table>

In August 2020, the Organization entered into two new loan agreements with First Federal Bank. The first new agreement is for $300,000 and requires payments of $2,270 for the first 5 years with interest payable at a rate of 4.25%. After 5 years, payments decrease to $2,216 and the interest rate is the weekly average yield of the U.S. Treasury plus 3.25%. This agreement is secured by a building. The second agreement is for $39,597 and requires payments of $1,397 with interest payable at a rate of 4.25% and matures on March 1, 2023. Accordingly, the Organization classified its collateralized notes payable as long-term on the statement of financial position.

Maturities of the collateralized loans payable for the years ending after June 30, 2020, and in the aggregate, are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$21,758</td>
</tr>
<tr>
<td>2022</td>
<td>30,913</td>
</tr>
<tr>
<td>2023</td>
<td>28,066</td>
</tr>
<tr>
<td>2024</td>
<td>16,377</td>
</tr>
<tr>
<td>2025</td>
<td>17,127</td>
</tr>
<tr>
<td>Thereafter</td>
<td>225,356</td>
</tr>
<tr>
<td>Total</td>
<td>$339,597</td>
</tr>
</tbody>
</table>
Note 10. Net Assets

The Board of Trustees has designated $70,000 of current net assets without donor restrictions at June 30, 2020 and September 30, 2019, for the Building a Sound Future Campaign.

Net assets with donor restrictions as of June 30, 2020 and September 30, 2019, consisted of the following:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations (time restriction)</td>
<td>$30,000</td>
<td>$73,750</td>
</tr>
<tr>
<td>Asset improvement - equipment (purpose restriction)</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>New Generation Media Project (time and purpose restriction)</td>
<td>-</td>
<td>7,650</td>
</tr>
<tr>
<td>Building a Sound Future (time and purpose restriction)</td>
<td>614,493</td>
<td>656,643</td>
</tr>
<tr>
<td>Building a Sound Future - equipment (purpose restriction)</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td>Internship program and news personnel payroll</td>
<td>22,433</td>
<td>-</td>
</tr>
<tr>
<td>Beneficial interest held in trust in perpetuity</td>
<td>45,199</td>
<td>50,313</td>
</tr>
<tr>
<td></td>
<td>$737,125</td>
<td>$843,356</td>
</tr>
</tbody>
</table>

Net assets with donor restrictions in perpetuity consist of contributions made to the Organization that have been designated by the donor, and are held by the Community Foundation of Greater Fort Wayne, Inc. Income from net assets with donor restrictions is available for unrestricted purposes.

Net assets were released by satisfying donors' restrictions as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>73,750</td>
<td>95,229</td>
</tr>
<tr>
<td>New Generation Media Project</td>
<td>7,650</td>
<td>5,100</td>
</tr>
<tr>
<td>Building a Sound Future</td>
<td>81,097</td>
<td>21,455</td>
</tr>
<tr>
<td></td>
<td>$162,497</td>
<td>$121,784</td>
</tr>
</tbody>
</table>
Note 11. Liquidity and Availability of Resources

The Organization’s financial assets available for general expenditures, that is, without donor or other restrictions limiting use, within one year of the statements of financial position date, are comprised of the following:

<table>
<thead>
<tr>
<th>Financial assets at June 30 and September 30:</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$386,372</td>
<td>$267,027</td>
</tr>
<tr>
<td>Membership receivables</td>
<td>131,283</td>
<td>188,054</td>
</tr>
<tr>
<td>Underwriting receivables</td>
<td>35,272</td>
<td>37,258</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>79,252</td>
<td>110,634</td>
</tr>
<tr>
<td>Beneficial interest in assets held by third party</td>
<td>45,199</td>
<td>50,313</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td><strong>677,378</strong></td>
<td><strong>653,286</strong></td>
</tr>
</tbody>
</table>

Less: Financial assets not available to be used within one year:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions receivable not due within one year</td>
<td>9,558</td>
<td>34,768</td>
</tr>
<tr>
<td>Board designated net assets</td>
<td>70,000</td>
<td>70,000</td>
</tr>
<tr>
<td>Net assets with donor restrictions for purpose less amount spent but not released on capital project in process</td>
<td>277,094</td>
<td>384,884</td>
</tr>
<tr>
<td>Net assets with donor restrictions in perpetuity</td>
<td>45,199</td>
<td>50,313</td>
</tr>
<tr>
<td><strong>Total financial assets not available for general expenditures within one year</strong></td>
<td><strong>401,851</strong></td>
<td><strong>539,965</strong></td>
</tr>
</tbody>
</table>

**Total financial assets available for general expenditures within one year** $275,527 $113,321

The Organization’s goal is generally to maintain financial assets to meet current operating needs. The Organization has a $50,000 line of credit available to meet cash flow needs.

Note 12. Underwriting Revenue

The components of underwriting revenue are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$184,485</td>
<td>$289,395</td>
</tr>
<tr>
<td>Less: in-kind trade</td>
<td>4,945</td>
<td>21,615</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>$179,540</strong></td>
<td><strong>$267,780</strong></td>
</tr>
</tbody>
</table>
Note 13. In-Kind Contributions and Donated Services

Contributed revenue for services was measured based on fair value of those items and the amounts recognized were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production and broadcast volunteer services</td>
<td>$22,620</td>
<td>$29,003</td>
</tr>
<tr>
<td>Broadcast material</td>
<td>-</td>
<td>932</td>
</tr>
<tr>
<td>Goods and services for special events</td>
<td>-</td>
<td>8,500</td>
</tr>
<tr>
<td>Total in-kind contributions</td>
<td>$22,620</td>
<td>$38,435</td>
</tr>
</tbody>
</table>

The Organization traded underwriting spots for the following:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and promotion</td>
<td>$4,684</td>
<td>$2,279</td>
</tr>
<tr>
<td>Special events</td>
<td>261</td>
<td>9,365</td>
</tr>
<tr>
<td>Repairs</td>
<td>-</td>
<td>2,810</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>2,210</td>
</tr>
<tr>
<td>Professional service</td>
<td>-</td>
<td>3,600</td>
</tr>
<tr>
<td>Office supplies</td>
<td>-</td>
<td>1,351</td>
</tr>
<tr>
<td>Total in-kind trade</td>
<td>$4,945</td>
<td>$21,615</td>
</tr>
</tbody>
</table>

Note 14. Functional Allocation of Expense

The costs of providing the Organization’s programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. The expenses that are allocated include rent, utilities, telephone, repairs and maintenance, and miscellaneous expenses which are allocated on a square footage basis. Salaries and related expenses are allocated on the basis of estimates of time and effort. Depreciation and amortization is allocated based on the percentage of total cost of the fixed assets that related to production and programming. The following programs and supporting activities are included in the accompanying financial statements:

Production and Programming - Includes program acquisition costs and the expenses related to the production of non-commercial, educational radio programming.

Broadcasting - Includes radio tower rental, broadcasting equipment costs and other expenses related to the dissemination of non-commercial, educational radio programming.

Program Information and Promotion - Includes expenses related to the dissemination of information about non-commercial, educational radio programming.

Management and General - Includes accounting and production of financial reports, development of the annual budget, supervision of all departments and maintenance of personnel records.

Fundraising - Includes the cultivation of new donor-members, fundraising events, mailings, and the costs associated with grant writing and solicitation of underwriters.
Note 15. Operating Leases

The Organization leases office equipment and broadcast tower space under various operating leases which expire through September 2025. These leases are subject to various renewal terms. The Organization also incurred rent expense under various month-to-month operating leases for certain facilities and equipment. Total lease expense was $32,729 and $43,450, respectively, for the nine month period ended June 30, 2020 and year ended September 30, 2019.

Minimum future rental payments under existing noncancellable operating leases, having initial or remaining terms in excess of one year as of June 30, 2020, are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$39,841</td>
</tr>
<tr>
<td>2022</td>
<td>38,502</td>
</tr>
<tr>
<td>2023</td>
<td>15,242</td>
</tr>
<tr>
<td>2024</td>
<td>14,092</td>
</tr>
<tr>
<td>2025</td>
<td>3,629</td>
</tr>
</tbody>
</table>

$111,306

Note 16. Employee Benefit Plan

The Organization sponsors a tax-deferred annuity plan under Section 403(b) of the Internal Revenue Code. Under the plan, full-time employees, who are 21 years of age and have six months of service, are eligible to participate in the plan. The Organization incurred no expenses for the for the nine month period ended June 30, 2020 and year ended September 30, 2019, as the Organization did not make discretionary matching contributions.

Note 17. Small Business Administration – Paycheck Protection Program

In April 2020, the Organization obtained $119,500 under the Small Business Administration ("SBA") Paycheck Protection Program ("PPP"). This was accounted for as a conditional grant as is reflected in support and revenue.

The SBA has continued to issue guidance on the PPP program and the Organization has determined that it has substantially met the conditions of the grant based on current guidance.

Note 18. Risk and Uncertainties

The Organization is monitoring the COVID-19 outbreak in the United States and throughout the world for impacts to its operations. Public health organizations are providing daily updates on changes to be made, including closures in certain industries. The length of the outbreak is uncertain at this time and therefore, the impact on the Organization's financial position and its change in net assets is unknown.