

Public Radio, Inc.

Baton Rouge, Louisiana

Years Ended December 31, 2020 and 2019

Financial Statements

William D. Mercer, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

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William D. Mercer, APAC
CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM D. MERCER, CPA (P.C.)

MEMBERS OF:
AMERICAN INSTITUTE
AND SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Public Radio, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's 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 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, we 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.

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 Public Radio, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

William D Mercer CPA (APAC)

Baton Rouge, Louisiana
August 13, 2021

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

December 31,

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
CURRENT:		
Cash and cash equivalents	\$ 1,138,856	\$ 819,334
Grants receivable	36,114	36,569
Underwriting receivable	12,322	3,735
Unconditional promises to give	157,654	37,957
Marketable securities, at fair market value	<u>123</u>	<u>-</u>
Total Current Assets	<u>1,345,069</u>	<u>897,595</u>
PROPERTY AND EQUIPMENT:		
Broadcast equipment	885,257	864,193
Buildings	142,698	142,698
Furniture and fixtures	16,786	16,786
Land	<u>129,470</u>	<u>129,470</u>
	1,174,211	1,153,147
Less accumulated depreciation	<u>850,627</u>	<u>819,341</u>
Net Property and Equipment	<u>323,584</u>	<u>333,806</u>
LONG-TERM:		
Deposits	<u>1,000</u>	<u>1,000</u>
 TOTAL ASSETS	 \$ <u>1,669,653</u>	 \$ <u>1,232,401</u>

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

	<u>2020</u>	<u>2019</u>
<u>LIABILITIES</u>		
CURRENT:		
Accounts payable and accrued expenses	\$ 149,923	\$ 25,369
Payroll withholdings	4,648	569
Deferred revenues	7,660	7,250
Current portion of long-term debt	<u>87,470</u>	<u>-</u>
Total Current Liabilities	<u>249,701</u>	<u>37,188</u>
LONG-TERM:		
Notes payable, less current portion	<u>147,000</u>	<u>-</u>
TOTAL LIABILITIES	<u>396,701</u>	<u>37,188</u>
<u>NET ASSETS</u>		
With donor restrictions:		
Programming	197,499	219,508
Without donor restrictions	<u>1,075,453</u>	<u>979,705</u>
TOTAL NET ASSETS	<u>1,272,952</u>	<u>1,199,213</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>1,669,653</u></u>	\$ <u><u>1,232,401</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, 2020

	With Donor Restrictions	Without Donor Restrictions	Totals
REVENUES:			
Membership income	\$ -	\$ 592,703	\$ 592,703
Underwriting	-	481,945	481,945
Grants	121,404	220,162	341,566
Donations	-	28,013	28,013
Event income, net of expenses	-	33,839	33,839
Investment income	-	363	363
Miscellaneous income	-	300	300
Net assets released from restrictions	(143,413)	143,413	-
Total Revenues	(22,009)	1,500,738	1,478,729
EXPENSES:			
Program services	-	835,283	835,283
Supporting services:			
Membership development	-	143,396	143,396
Underwriting solicitation	-	205,231	205,231
Management and general	-	221,080	221,080
Total supporting services	-	569,707	569,707
Total Expenses	-	1,404,990	1,404,990
Change in net assets	(22,009)	95,748	73,739
NET ASSETS, beginning of year	219,508	979,705	1,199,213
NET ASSETS, end of year	\$ 197,499	\$ 1,075,453	\$ 1,272,952

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

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>219,508</u>	 \$ <u>979,705</u>	 \$ <u>1,199,213</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, 2020

	Program services			
	Programming and <u>Production</u>	<u>Broadcasting</u>	Program <u>Information</u>	<u>Totals</u>
Advertising	\$ -	\$ -	\$ -	\$ -
Bank charges	-	-	-	-
Commissions	-	-	-	-
Computer expense	-	2,944	-	2,944
Contract labor	-	-	-	-
Contract services	-	45,916	-	45,916
Depreciation	-	31,231	-	31,231
Dues and subscriptions	-	-	-	-
Insurance	-	8,284	-	8,284
Membership expense	-	-	-	-
Miscellaneous	-	-	-	-
Payroll expense	-	140,477	-	140,477
Postage	-	-	3,260	3,260
Printing	-	-	-	-
Professional services	-	261,782	-	261,782
Programming	291,555	-	-	291,555
Rent	-	23,724	-	23,724
Repairs and maintenance	-	9,386	-	9,386
Supplies	-	-	-	-
Telephone	-	6,196	39	6,235
Travel and entertainment	-	-	-	-
Utilities	<u>-</u>	<u>10,424</u>	<u>65</u>	<u>10,489</u>
Totals	\$ <u>291,555</u>	\$ <u>540,364</u>	\$ <u>3,364</u>	\$ <u>835,283</u>

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

Year Ended December 31, 2020

	Supporting services			Totals
	Membership Development	Underwriting	Management and General	
Advertising	\$ 298	\$ -	\$ -	\$ 298
Bank charges	-	-	31,199	31,199
Commission	-	1,232	-	1,232
Computer expense	-	-	-	-
Contract labor	-	-	3,600	3,600
Contract services	262	608	146	1,016
Depreciation	-	-	55	55
Dues and subscriptions	-	-	6,275	6,275
Insurance	6,656	15,458	5,399	27,513
Membership expense	6,237	17,883	-	24,120
Miscellaneous	-	-	-	-
Payroll expense	114,128	163,737	3,285	281,150
Postage	3,260	-	1,630	4,890
Printing	7,717	-	-	7,717
Professional services	428	-	149,831	150,259
Programming	-	-	-	-
Rent	-	-	6,590	6,590
Repairs and maintenance	-	-	-	-
Supplies	-	-	5,531	5,531
Telephone	1,644	2,354	2,494	6,492
Travel and entertainment	-	-	850	850
Utilities	<u>2,766</u>	<u>3,959</u>	<u>4,195</u>	<u>10,920</u>
Totals	\$ <u>143,396</u>	\$ <u>205,231</u>	\$ <u>221,080</u>	\$ <u>569,707</u>

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.

Year Ended December 31, 2019

	Supporting services			Totals
	Membership Development	Underwriting	Management and General	
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 CASH FLOWS

Years Ended December 31,

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 73,739	\$ 240,288
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	31,286	26,842
Unrealized (gain) loss on marketable securities	(43)	-
(Increase) decrease in:		
Grants receivable	455	1,785
Underwriting receivable	(8,587)	(635)
Unconditional promises to give	(119,697)	58,223
Increase (decrease) in:		
Accounts payable and accrued expenses	128,633	(54,199)
Deferred revenues	<u>410</u>	<u>385</u>
Net cash provided (used) by operating activities	<u>106,196</u>	<u>272,689</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash payments for purchase of property	(21,064)	(163,798)
Cash payments for purchase of marketable securities	<u>(80)</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>(21,144)</u>	<u>(163,798)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of notes payable	<u>234,470</u>	<u>-</u>
NET INCREASE IN CASH	319,522	108,891
CASH AND CASH EQUIVALENTS, beginning of year	<u>819,334</u>	<u>710,443</u>
CASH AND CASH EQUIVALENTS, end of year	\$ <u><u>1,138,856</u></u>	\$ <u><u>819,334</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, 2020 and 2019, 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.

Recent accounting pronouncements

In February 2016, the Financial Accounting Standards Board released an amendment to ASC Topic 842, Leases. This amended standard is expected to increase transparency and comparability between reporting entities by recognizing lease assets and lease liabilities, while also disclosing key information about leasing arrangements. The effective date of this revised standard has been extended previously and currently has an effective date for fiscal periods beginning on or after December 15, 2021, with early application permitted. As of the issuance of these financial statements, the Organization has not applied the provisions of this new standard.

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.

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 August 13, 2021, the date the financial statements were available to be issued.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2020 and 2019, were as follows:

	<u>2020</u>	<u>2019</u>
Cash on hand	\$ -	\$ -
Cash in bank – checking / savings	1,053,945	743,895
Cash – money market	<u>84,911</u>	<u>75,439</u>
	\$ <u>1,138,856</u>	\$ <u>819,334</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, 2020 and 2019, totaled \$ 7,862 and \$ 9,451, 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 \$ 4,726 and \$ 2,297 for the years ended December 31, 2020 and 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. Rent expense under this lease for the year ended December 31, 2020, totaled \$15,000, and no rent expense was recognized under this lease for the year ended December 31, 2019.

Future minimum lease payments under the above operating leases, as adjusted for new leases entered into subsequent to December 31, 2020, are as follows:

Year ended <u>December 31,</u>	
2021	\$ 27,984
2022	28,784
2023	29,712
2024	28,680
2025	-

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 – LONG TERM DEBT

Long-term debt as of December 31, 2020, consisted of the following:

2.25% SBA Economic Injury Disaster Loan (EIDL), payable in monthly installments of principal and interest of \$641 beginning in May 2021; due to mature in April 2051; collateralized by tangible and intangible personal property including but not limited to equipment, documents, accounts receivable deposit accounts, and general intangibles	\$ 149,900
1% Paycheck Protection Program (PPP) loan, payable in monthly installments of principal and interest; due to mature in May 2022; eligible for forgiveness under terms of the PPP program	<u>84,570</u>
	234,470
Less current portion	<u>87,470</u>
Noncurrent portion	\$ <u><u>147,000</u></u>

Future maturities of all long-term debt as of December 31, 2020, were as follows:

Year ended <u>December 31,</u>	
2022	\$ 4,430
2023	4,531
2024	4,634
2025	4,739
2026	4,847
2027 and later	<u>123,819</u>
	\$ <u><u>147,000</u></u>

The Organization had no long-term debt outstanding at December 31, 2019.

In June 2021, the PPP loan was forgiven in total in accordance with the terms of that agreement (see Note J).

PUBLIC RADIO, INC.
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE F – SUPPLEMENTARY CASH FLOW INFORMATION

The Organization had no cash payments for interest and income taxes for the years ended December 31, 2020 and 2019. Additionally, the Organization had no noncash investing or financing activities for the years ended December 31, 2020 and 2019.

NOTE G – SIGNIFICANT CONCENTRATIONS OF RISK

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

The Organization maintains its cash account in a checking account at commercial banks located in Louisiana. Accounts at this bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$ 250,000. Amounts on deposit at various times throughout the year may exceed the federally insured limit. Uninsured cash balances totaled \$ 719,375 as of December 31, 2020. Cash balances held in money market funds are insured by Securities Investor Protection Corporation (SIPC) up to a maximum of \$250,000 per account. As of December 31, 2020, the Organization had no uninsured cash balances in money market funds.

The Organization's largest single receivables are for grants due from corporations, foundations, and quasi-governmental agencies. As of December 31, 2020 and 2019, grants totaling \$ 36,114 and \$ 36,569, 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. As of December 31, 2020 and 2019, unconditional promises to give and underwriting receivable totaled \$ 169,976 and \$ 41,692, 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.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE H – AVAILABILITY OF FINANCIAL RESOURCES

The below represents the Organization's financial assets as of December 31, 2020 and 2019, 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>2020</u>	<u>2019</u>
Financial assets, December 31,		
Cash and equivalents	\$ 1,138,856	\$ 819,334
Grants and underwriting receivable	48,436	40,304
Unconditional promises to give	<u>157,654</u>	<u>37,957</u>
	1,344,946	897,595
Less those unavailable for general expenditures due within one year, due to:		
Restricted by donor with time or purpose restrictions	197,499	219,508
Board designations	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>1,147,447</u>	\$ <u>678,087</u>

NOTE I – SIGNIFICANT EVENT

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 continues 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.

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NOTE J- SUBSEQUENT EVENTS

In April 2021, the Organization received grant funds totaling \$ 148,493 from the Corporation for Public Broadcasting, representing funds authorized under the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, to assist in maintaining its operations in the face of the ongoing coronavirus pandemic. Additionally, the Organization received additional funding totaling \$ 92,965 under the Paycheck Protection Program (PPP) loan program in February 2021. The Organization's first draw under the PPP program totaling \$ 87,470 was forgiven in June 2021. Management anticipates the second draw of PPP funds will also be subject to forgiveness as prescribed in the program's guidelines.