CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

Dayton Public Radio, Inc.

Financial Statements

June 30, 2023 and 2022

with Independent Auditors' Report

TABLE OF CONTENTS

CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Dayton Public Radio, Inc.
Dayton, Ohio

Opinion

We have audited the accompanying financial statements of Dayton Public Radio, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dayton Public Radio, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of Dayton Public Radio, Inc. as of June 30, 2022 were audited by other auditors whose report dated October 17, 2022 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dayton Public Radio, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dayton Public Radio, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dayton Public Radio, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
October 11, 2023

Dayton Public Radio, Inc.
Statements of Financial Position
June 30, 2023 and 2022

		2023	2022
Assets			
Cash	$	824,502	862,620
Unconditional promises to give:			
Underwriting receivables, net		65,304	67,433
Pledges receivable, net		52,741	57,746
Prepaid expenses		3,252	5,518
Investments		1,212,784	810,767
Collection of recordings		55,594	55,594
Property and equipment, net		171,584	49,327
Right of use assets		380,241	-
Total assets	$	2,766,002	1,909,005
Liabilities			
Accounts payable	$	13,393	7,854
Accrued expenses		2,451	3,317
Lease liabilities		390,794	-
Total liabilities		406,638	11,171
Net assets:			
Net assets without donor restrictions			
Undesignated		2,243,462	1,759,666
Board designated		36,901	31,691
Total net assets without donor restrictions		2,280,363	1,791,357
Net assets with donor restrictions		79,001	106,477
Total net assets		2,359,364	1,897,834
Total liabilities and net assets	$	2,766,002	1,909,005

See accompanying notes to the financial statements.

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Public broadcasting grants	$ 112,421	-	112,421
Grants	57,923	-	57,923
Contributions	678,033	-	678,033
Underwriting sponsorships	115,318	-	115,318
Bequests	372,332	-	372,332
Contributed nonfinancial assets:			
Donated professional services	500	-	500
Donated goods	14,055	-	14,055
Ohio Broadcast Educational Media Commission	161,757	-	161,757
Special events	76,500	-	76,500
Return on investments, net	102,305	-	102,305
Total revenues, gains and other support	1,691,144	-	1,691,144
Net assets released from restrictions	27,476	(27,476)	-
Expenses			
Program services	841,912	-	841,912
Management and general	135,964	-	135,964
Fundraising	251,738	-	251,738
Total expenses	1,229,614	-	1,229,614
Change in net assets	489,006	(27,476)	461,530
Net assets, beginning of year	1,791,357	106,477	1,897,834
Net assets, end of year	$ 2,280,363	79,001	2,359,364

See accompanying notes to the financial statements.

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Public broadcasting grants	$ 104,222	-	104,222
Grants	136,305	35,000	171,305
Contributions	546,066	-	546,066
Underwriting sponsorships	126,144	-	126,144
Bequests	79,251	-	79,251
Contributed nonfinancial assets:			
Donated professional services	20,083	-	20,083
Donated goods	-	1,651	1,651
Ohio Broadcast Educational Media Commission	164,919	-	164,919
Special events	8,594	25,825	34,419
Return on investments, net	(101,530)	-	(101,530)
Other income	900	-	900
Total revenues, gains and other support	1,084,954	62,476	1,147,430
Net assets released from restrictions	5,000	(5,000)	-
Expenses			
Program services	733,980	-	733,980
Management and general	119,500	-	119,500
Fundraising	170,370	-	170,370
Total expenses	1,023,850	-	1,023,850
Change in net assets	66,104	57,476	123,580
Net assets, beginning of year	1,725,253	49,001	1,774,254
Net assets, end of year	$ 1,791,357	106,477	1,897,834

See accompanying notes to the financial statements.

	Program Services	Management and General	Fundraising	2023 Total
Salaries and related benefits	$ 305,870	62,576	169,913	538,359
Donated services	176,312	-	-	176,312
Occupancy	137,351	18,247	15,278	170,876
Programming and fees	28,928	-	-	28,928
Advertising and promotion	7,192	3,033	4,395	14,620
Fundraising - other	-	-	55,360	55,360
Equipment and engineering	124,474	-	-	124,474
Professional fees	22,997	29,738	-	52,735
Audience research	8,540	-	-	8,540
Miscellaneous expenses	13,359	22,370	6,792	42,521
Depreciation expense	16,889	-	-	16,889
	$ 841,912	135,964	251,738	1,229,614

	Program Services	Management and General	Fundraising	2022 Total
Salaries and related benefits	$ 270,727	53,290	141,525	465,542
Donated services	185,002	-	-	185,002
Occupancy	106,423	15,112	13,333	134,868
Programming and fees	30,675	-	-	30,675
Advertising and promotion	7,049	2,076	2,404	11,529
Fundraising - other	-	-	6,485	6,485
Equipment and engineering	92,305	-	-	92,305
Professional fees	8,988	26,964	-	35,952
Audience research	8,390	-	-	8,390
Miscellaneous expenses	10,240	22,058	6,623	38,921
Depreciation expense	14,181	-	-	14,181
	$ 733,980	119,500	170,370	1,023,850

		2023	2022
Cash flows from operating activities:			
Change in net assets	$	461,530	123,580
Adjustments to reconcile change in net assets to net cash from operating activities:			
Depreciation		16,889	14,181
Realized (gains) losses on investments		-	36,944
Unrealized (gains) losses on investments		(70,721)	89,726
Change in right of use assets		33,345	-
Effects of changes in operating assets and liabilities:			
Unconditional promises to give, net		7,134	180,290
Prepaid expenses		2,266	2,742
Accounts payable		5,539	(20,962)
Accrued expenses		(866)	99
Lease liabilities		(22,792)	-
Net cash from operating activities		432,324	426,600
Cash flows from investing activities:			
Purchase of investments		(331,296)	(25,128)
Purchase of property and equipment		(139,146)	-
Net cash from investing activities		(470,442)	(25,128)
Change in cash		(38,118)	401,472
Cash, beginning of year		862,620	461,148
Cash, end of year	$	824,502	862,620
Supplemental disclosures of noncash transactions:			
Recognition of right to use asset and lease liability	$	413,586	-

See accompanying notes to the financial statements.

1. ORGANIZATION:

Dayton Public Radio, Inc. is a not-for-profit organization (the Organization) incorporated in the State of Ohio. The Organization was organized for the purpose of owning, maintaining, and operating non-commercial radio broadcasting facilities for broadcasting classical music and educational programs to the general public on WDPR 88.1 FM and WDPG 89.9 FM. The Organization receives support primarily from the listening public and private and government grants. The broadcast licenses, which were last renewed on September 15, 2020, expire on October 1, 2028. On December 13, 2022, the Organization purchased and was assigned the FCC license for Station WUSO(FM).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation

The financial statements of Dayton Public Radio, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) and follow the “Principles of Accounting and Reporting for Telecommunications Entities,” published by the major grantor, the Corporation for Public Broadcasting (CPB).

Resources are reported for accounting purposes, in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

Net Assets without Donor Restrictions:

Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. Net assets without donor restrictions at the Dayton Foundation (see Note 3) have been designated for specific purposes by the Board of Trustees. In addition, assets may otherwise be limited by contractual agreements with outside parties.

Net Assets with Donor Restrictions:

Net assets subject to donor-imposed stipulations which may be temporary or perpetual in nature. Donor restrictions that are temporary in nature may be met either by actions of the Organization and/or by the passage of time. Donor restrictions that are perpetual in nature, are required to be maintained in perpetuity by the Organization.

Cash

Cash includes cash deposits with a local financial institution, which are insured up to the Federal Deposit Insurance Corporation limit of $250,000. The Organization has not experienced any losses of amounts greater than this limit. Restricted cash of $38,000 and $63,825 as of June 30, 2023 and 2022, respectively, is related to the studio build-out and special events included with net assets with donor restrictions (see Note 7).

Use of Estimates

The preparation of financial statements in conformity with GAAP 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. Actual results could differ from those estimates.

Advertising
Advertising costs are expensed as incurred.

Adoption of New Accounting Standard
In February 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statements of financial position.

The Organization elected to adopt the ASU effective July 1, 2022. The Organization also elected multiple practical expedients. These included transition elections that permitted the Organization to not reassess prior conclusions about lease identification, lease classification, and initial direct costs for existing or expired leases, as well as not assessing existing land easements under the new standard. In addition, the Organization adopted ongoing accounting policies to not recognize ROU assets and lease liabilities for leasing arrangements with terms of less than one year and to not separate lease and non-lease components for all classes of underlying assets. The adoption had a material impact on the Organization’s statements of financial position but did not have a material impact on the statements of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. The Organization has no finance leases at June 30, 2023 but its policy to account for finance leases remained substantially unchanged.

Leases
The Organization leases studio, office, towers and copiers. The determination of whether an arrangement is a lease is made at the lease’s inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in ROU assets and lease liabilities in the statements of financial position. ROU assets represent the Organization’s right to use an underlying asset for the lease term, and lease liabilities represent the Organization’s obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. Since most of the Organization’s leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Organization’s incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization’s lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

Restricted Support
Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that restrict the use of the donated assets to a specific purpose. When the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition

The Federal Communications Commission (FCC) allows public broadcasting stations to broadcast underwriting credits but prohibits them from broadcasting advertisements. Underwriting revenues are contributions to the Organization primarily to support its programming or activities in exchange for underwriting credit. Unconditional contributions without donor restrictions, including underwriting sponsorships, are recorded as revenue in the statements of activities when received or promised. Conditional contributions are recorded as revenue when conditions are met and contain both of the following:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Unconditional Promises to Give

Underwriting Receivables

The Organization has sponsored agreements to air spots which are underwritten by many local businesses. Management believes all sponsorship agreements are collectible as of June 30, 2023 and 2022. The receivable amount of $65,304 and $67,433 as of June 30, 2023 and 2022, respectively, is reflected as underwriting receivables. Sponsorship agreements are considered to be contributed support and as such, revenue related to the sponsorship agreements is recognized at the time the agreement is finalized (unconditional promise to give). All underwriting receivables are expected to be received within one year.

Pledges Receivable

The Organization reports unconditional promises to give (not from underwriting) as pledges receivable and revenue when the promise is made by individuals and entities. Pledges receivable are reported net of estimated uncollectible pledges. These pledges generated receivables for which management has set up an allowance for uncollectible accounts of $2,030 as of June 30, 2023 and 2022. All pledges are due within one year of June 30, 2023.

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition or, if acquired by gift, at fair value at the date of donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, ranging from 3 to 36 years. The cost and related accumulated depreciation from sales and disposals are removed from the accounts, and any gain or loss is reflected in the current year's operations. Expenditures which substantially increase useful lives, and exceed $2,500 are capitalized, while maintenance and repairs are expensed as incurred.

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value. No impairment loss was recognized during the years ended June 30, 2023 and 2022.

Investments
Investments are stated at fair value in the statements of financial position. Investment return is included on the statements of activities and includes interest, dividends, and realized and unrealized gains and losses, net of investment expenses.

Collection of Recordings
The Organization acquires and preserves collections of recordings. Donated and purchased recordings are recognized at fair value at the date of donation or at cost if purchased. These assets are not subject to depreciation expense because they are deemed to be inexhaustible assets. Gains or losses on deaccession of collection items are recognized on the statements of activities. There was no deaccession of collection recorded for the years ended June 30, 2023 and 2022.

Functional Expenses
The financial statements report certain categories of expenses that are attributable to programming or supporting functions of the Organization. Expenses are directly applied when applicable and are allocated to program or support services using reasonable allocation bases. Such allocations are determined by management on an equitable basis. Expenses relating to activities undertaken to induce contributions are charged to fundraising. Certain administrative costs including salaries and wages, payroll taxes, and employee benefits are allocated on the basis of estimates of personnel time related to each activity. Costs related to occupancy and maintenance of the building are allocated based upon a space utilization schedule.

Income Taxes
The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization's reporting returns are subject to audit by federal and state taxing authorities. No income tax provision has been included in the financial statements as the Organization has determined it does not have unrelated business income subject to taxation.

In-Kind Contributions
In-kind contributions are recorded as revenue and expense in the statements of activities at the time those contributions and services are received. Ohio Broadcast Educational Media Commission's (the Commission) in-kind support consists of the Organization's pro rata share of the Commission's operating budget for the years ended June 30, 2023 and 2022 for expenses dedicated to broadcast services.

An underwriting trade exists when a sponsor contributes goods and/or services to a station in exchange for underwriting credit. Underwriting credits may be made on-air or online. Although the Organization grants underwriting credits supported by trade contracts, it is not able to reasonably estimate the value of such trade actually received and no value is recognized in the statements of activities.

Reclassification of Financial Statement Presentation
Reclassifications have been made to the 2022 financial statements to conform to the 2023 financial statement presentation. Such reclassifications have had no effect on change in net assets as previously reported.

Subsequent Events
The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through October 11, 2023, the date the financial statements were available to be issued.

3. ENDOWMENT FUNDS:

The Organization’s endowment includes both board-designated and donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law
The Board of Trustees of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as requiring the preservation of the fair value of the original donor gift in perpetuity as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization classifies as net assets with perpetual donor restrictions (a) the original value of gifts donated to the perpetual endowment, and (b) the original value of subsequent gifts to the perpetual endowment. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with perpetual donor restrictions is classified as net assets with temporary donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Organization’s spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. In general, the current long-term return objective is to return 4% more than the rate of inflation, net of investment fees. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The spending policy calculates the amount of money annually distributed from the Organization’s endowment funds. The current spending policy is to distribute an amount equal to 4% of a rolling 20 quarter market value average of the investments. Accordingly, over the long term, the Organization expects its current spending policy to allow its endowment assets to grow, consistent with the Organization’s objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return.

3. ENDOWMENT FUNDS (CONTINUED):

The board designated portion of the endowment generally follows the same spending policy described above, however there is a modification wherein the Organization may receive 100% of the balance at any time with 80% board approval.

The changes in endowment net assets for the year ended June 30 were as follows:

		Without donor restrictions		
		Board-designated	With donor restrictions	Total
Endowment net assets July 1, 2021	$	38,851	15,000	53,851
Investment return, net		(7,160)	-	(7,160)
Endowment net assets June 30, 2022		31,691	15,000	46,691
Investment return, net		5,210	-	5,210
Endowment net assets June 30, 2023	$	36,901	15,000	51,901

4. ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS:

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

Investments are made up of money market accounts, equity securities, mutual funds and fixed income securities. These investments are valued using quoted market prices for similar assets. The fair value of interest in assets held by the community foundation is based upon the Organization's proportionate share of the community foundation's investment portfolio. Significant transfers between fair value levels are determined at the end of the reporting period. There were no significant transfers between levels for the year ended June 30, 2023.

4. ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS (CONTINUED):

Investment securities are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investment securities, its is reasonably possible that a change in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

The following tables present the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2023 and 2022.

		Fair Value Measurements at Reporting Date Using		
Description	6/30/23	(Level 1)	(Level 2)	(Level 3)
Assets:				
Interest in assets held by Community Foundation	$ 407,660	407,660	-	-
Money market	308,529	308,529	-	-
Equity securities	250,484	250,484	-	-
Mutual funds	134,065	134,065	-	-
Fixed-income securities	112,046	112,046	-	-
	$ 1,212,784	1,212,784	-	-

Description	6/30/22	(Level 1)	(Level 2)	(Level 3)
Assets:				
Interest in assets held by Community Foundation	$ 366,307	366,307	-	-
Money market	5	5	-	-
Equity securities	208,066	208,066	-	-
Mutual funds	129,819	129,819	-	-
Fixed-income securities	106,570	106,570	-	-
	$ 810,767	810,767	-	-

5. PROPERTY AND EQUIPMENT:

The property and equipment of the Organization and its related accumulated depreciation at June 30, 2023 and 2022 are summarized as follows:

	2023	2022
Production equipment	$ 1,642,796	1,503,650
Office furniture and equipment	109,648	109,648
Leasehold improvements	26,996	26,996
Less accumulated depreciation	(1,607,856)	(1,590,967)
Property and equipment, net	$ 171,584	49,327

6. LINE OF CREDIT:

The Organization has a revolving line of credit with a local bank with a maximum borrowing limit of $200,000 to provide for normal working capital requirements. The line of credit bears interest at prime (8.25% and 4.75% at June 30, 2023 and 2022, respectively) and renews each year in September. The Organization did not have an outstanding balance on this line of credit as of June 30, 2023 and 2022.

7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following as of June 30:

	2023	2022
Subject to purpose restrictions:		
Studio build-out	$ 64,001	64,001
Special events	-	27,476
Subject to spending policy and appropriation:		
Endowment gifts held in perpetuity	15,000	15,000
Total net assets with donor restrictions	$ 79,001	106,477

8. LEASE COMMITMENTS:

The Organization leases its studio, office, towers and copiers under various operating lease agreements that contain monthly lease payments ranging from approximately $200 to $5,100 per month and expire through 2033. Annual lease expense amounted to $115,778 and $99,588 at June 30, 2023 and 2022, respectively. As most of the Organization's leases do not provide an implicit rate, the Organization uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The weighted average, remaining lease term and discount rate were as follows as of June 30, 2023:

Weighted Average Remaining Lease Term (Years)	9.36
Weighted Average Discount Rate	4.75%

The future minimum lease payments required under operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

Year Ending June 30:	
2024	$ 43,323
2025	45,348
2026	47,474
2027	49,707
2028	49,701
Thereafter	253,453
Total lease payments	489,006
Less imputed interest	(98,212)
Total lease obligations	$ 390,794

9. RETIREMENT PLANS:

The Organization sponsors a Savings Incentive Match Plan for Employees (SIMPLE) IRA Plan covering substantially all employees. Employees are eligible to participate after meeting certain eligibility requirements based on age and time of service. Employees can contribute to the plan with certain limitations in accordance with IRS guidelines. The Organization contributed $12,311 and $11,200 to the plan for the years ended June 30, 2023 and 2022, respectively.

10. CONTRIBUTED NONFINANCIAL ASSETS:

The Organization's donated goods and services consisted of the following as of June 30:

		2023	2022
Programming	$	9,530	9,530
Program advertising		650	7,973
Catering		1,287	180
Rent		500	-
Legal		-	2,400
Broadcasting (BEMC)		161,757	164,919
Total services		173,724	185,002
Auction items		2,588	1,651
Total goods	$	2,588	1,651

Valuation Techniques and Inputs:

Donated services are recognized at their estimated fair value if the services received (a) create or enhance long-lived 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. The estimates of fair value are based on current rates for similar services in similar markets.

Donated goods are recorded as contributions at their estimated fair values at the date of donation. The estimates of fair value are based on wholesale values that would be received for selling similar products in the United States.

Auction items consist of goods donated to be auctioned at the Organization's special event held in July 2022 and therefore were considered restricted and recorded as prepaid expenses on the statement of financial position as of June 30, 2022. The Organization does not sell donated gifts-in-kind and only distributes donated goods for program use.

The Organization receives donated services from unpaid volunteers who assist in special projects. A substantial number of volunteers have made significant contributions of time to the Organization's policy making, program and support functions. The value of this contributed time does not meet the criteria for recognition of donated services existing in accounting standards and, accordingly, is not reflected in the accompanying financial statements.

11. AVAILABILITY OF FUNDS:

The Organization is substantially supported by contributions and grants. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization has a line of credit that may be drawn upon in the event of financial distress (see Note 6). The following table presents the financial assets available to meet cash needs for general expenditures within one year at June 30:

	2023	2022
Cash	$ 824,502	862,620
Underwriting receivables, net	65,304	67,433
Pledges receivable, net	52,741	57,746
Investments	1,212,784	810,767
	2,155,331	1,798,566
Less net assets with purpose restrictions	(64,001)	(91,477)
Less restricted endowment net assets	(15,000)	(15,000)
Less board designated endowment funds	(36,901)	(31,691)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,039,429	1,660,398