Dayton Public Radio, Inc.

Financial Statements

June 30, 2022 and 2021

FLAGEL HUBER FLAGEL

Certified Public Accountants | Business Advisors

Dayton Public Radio, Inc.

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June 30, 2022 and 2021

Independent Auditor's Report

To the Board of Trustees
of Dayton Public Radio, Inc.

Opinion

We have audited the accompanying financial statements of Dayton Public Radio, Inc. (a non-profit Organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

Auditor's 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 auditor's 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.

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Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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.

Flagel Huber Flagel

Certified Public Accountants

Dayton, Ohio

October 17, 2022

Dayton Public Radio, Inc.

Statements of Financial Position

June 30, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash	$ 862,620	$ 461,148
Contributions receivable, net	125,179	134,490
Bequest receivable	0	170,979
Investments	810,767	912,309
Total Current Assets	1,798,566	1,678,926
Property and Equipment, net	49,327	63,508
Other Assets		
Collections of recordings	55,594	55,594
Other assets	5,518	8,260
Total Other Assets	61,112	63,854
Total Assets	$ 1,909,005	$ 1,806,288
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 7,854	$ 28,816
Accrued expenses	3,317	3,218
Total Current Liabilities	11,171	32,034
Net Assets		
Without donor restrictions		
Undesignated	1,759,666	1,686,402
Board designated	31,691	38,851
Total without donor restrictions	1,791,357	1,725,253
With donor restrictions	106,477	49,001
Total Net Assets	1,897,834	1,774,254
Total Liabilities and Net Assets	$ 1,909,005	$ 1,806,288

Dayton Public Radio, Inc.

Statement of Activities

For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	$ 546,066	$ 0	$ 546,066
Underwriting contributions	126,144	0	126,144
Special events	8,594	25,825	34,419
Grant from Corporation for Public Broadcasting	104,222	0	104,222
Grant from BEMC	126,476	0	126,476
Grant from Mont. County Arts & Cultural District	9,829	0	9,829
Grant from Kettering Foundation	0	35,000	35,000
Bequests	79,251	0	79,251
Donated goods	0	1,651	1,651
Donated services	185,002	0	185,002
Return on investments, net	(101,530)	0	(101,530)
Miscellaneous income	900	0	900
Net assets released from restriction	5,000	(5,000)	0
Total Support and Revenue	1,089,954	57,476	1,147,430
Expenses:			
Program services	733,980	0	733,980
Management and general	119,500	0	119,500
Fundraising	170,370	0	170,370
Total Expenses	1,023,850	0	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

Dayton Public Radio, Inc.

Statement of Activities

For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions	$ 601,027	$ 0	$ 601,027
Underwriting contributions	140,456	0	140,456
Special events	4,460	5,000	9,460
Grant from Corporation for Public Broadcasting	227,590	0	227,590
Grant from BEMC	38,974	0	38,974
Grant from Mont. County Arts & Cultural District	9,829	0	9,829
Bequests	170,979	0	170,979
Local government grants	120,800	0	120,800
Governmental grant - Paycheck Protection Program	2,302	0	2,302
Donated goods	3,000	0	3,000
Donated services	161,044	0	161,044
Return on investments, net	149,980	0	149,980
Miscellaneous income	550	0	550
Net assets released from restriction	0	0	0
Total Support and Revenue	1,630,991	5,000	1,635,991
Expenses:			
Program services	696,423	0	696,423
Management and general	108,537	0	108,537
Fundraising	175,198	0	175,198
Total Expenses	980,158	0	980,158
Change in Net Assets	650,833	5,000	655,833
Net Assets - beginning of year	1,074,420	44,001	1,118,421
Net Assets - end of year	$ 1,725,253	$ 49,001	$ 1,774,254

Dayton Public Radio, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2022

	Program Services	Management and General	Fundraising	Total
Compensation and payroll taxes	$ 264,324	$ 40,485	$ 135,122	$ 439,931
Donated services	185,002	0	0	185,002
Rent, utilities, and insurance	112,826	27,917	19,736	160,479
Programming and fees	30,675	0	0	30,675
Advertising, promotion, and postage	7,049	2,076	2,404	11,529
Fundraising - other	0	0	6,485	6,485
Equipment, engineering, and other	92,305	0	0	92,305
Professional and consulting fees	8,988	26,964	0	35,952
Audience research	8,390	0	0	8,390
Miscellaneous expenses	10,240	22,058	6,623	38,921
Depreciation	14,181	0	0	14,181
	$ 733,980	$ 119,500	$ 170,370	$ 1,023,850

Dayton Public Radio, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2021

	Program Services	Management and General	Fundraising	Total
Compensation and payroll taxes	$ 255,661	$ 39,588	$ 143,414	$ 438,663
Donated goods	13,568	0	0	13,568
Donated services	150,476	0	0	150,476
Rent, utilities, and insurance	117,181	24,371	17,502	159,054
Programming and fees	33,311	0	0	33,311
Advertising, promotion, and postage	5,980	2,345	4,985	13,310
Fundraising - other	0	0	4,362	4,362
Equipment, engineering, and other	78,530	0	0	78,530
Professional and consulting fees	9,754	24,765	0	34,519
Audience research	8,320	0	0	8,320
Miscellaneous expenses	10,799	17,468	4,935	33,202
Depreciation	12,843	0	0	12,843
	$ 696,423	$ 108,537	$ 175,198	$ 980,158

Dayton Public Radio, Inc.

Statements of Cash Flows

For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities:		
Change in net assets	$ 123,580	$ 655,833
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,181	12,843
Realized (gains) losses on investments	36,944	(10,627)
Unrealized (gains) losses on investments	89,726	(132,554)
Changes in assets and liabilities:		
Contributions receivable	9,311	1,319
Bequests receivable	170,979	(155,979)
Other assets	2,742	(2,242)
Accounts payable	(20,962)	(781)
Accrued expenses	99	802
Refundable advance	0	(2,302)
Net Cash Provided by Operating Activities	426,600	366,312
Cash Flows from Investing Activities:		
Purchase of property and equipment	0	(52,936)
Net purchases of investments	(25,128)	(387,438)
Net Cash Used in Investing Activities	(25,128)	(440,374)
Change in Cash	401,472	(74,062)
Cash, Cash Equivalents and Restricted Cash - beginning of year	461,148	535,210
Cash, Cash Equivalents and Restricted Cash - end of year	$ 862,620	$ 461,148

The accompanying notes are an integral part of these statements.

1. Organization and Purpose

Dayton Public Radio, Inc. is a non-profit organization incorporated in the State of Ohio. The Organization is organized for the purpose of owning, maintaining, and operating non-commercial radio broadcasting facilities for broadcasting classic 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 Organization is economically dependent on support from the Corporation for Public Broadcasting (CPB) and other governmental entities.

2. Summary of Significant Accounting Policies

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for non-profit organizations.

Financial Statement Presentation
The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of each class as it pertains to the Organization is as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. These include resources designated by the Board of Directors for special purposes. See Note 10.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash, Cash Equivalents, and Restricted Cash
For financial statement purposes, the Organization considers all highly liquid bank accounts that include interest and non-interest-bearing demand deposit accounts to be cash equivalents.

The Organization may maintain a portion of this cash in commercial bank accounts which, at times, could exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on cash.

2. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents, and Restricted Cash (continued)
Cash, cash equivalents, and restricted cash as of June 30, 2022 and 2021 consist of the following:

	2022	2021
Cash	$ 798,795	$ 453,148
Cash - with donor restrictions	63,825	8,000
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	$ 862,620	$ 461,148

Contribution and Bequest Receivables
Contributions and Bequests receivables represent unconditional promises from donors to contribute cash or other assets to the Organization. All balances are expected to be collected within one year and are recorded at their net realizable value. The carrying amount of these receivables are reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management reviews all balances and estimates the portion, if any, that will not be collected. At June 30, 2022 and 2021, the allowance for doubtful accounts was $2,030.

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. See Note 5.

Property and Equipment
Property and equipment is stated at cost, less accumulated depreciation computed on the straight-line method over the useful lives of the assets. Donated property is recorded at fair market value at the time of donation. Gains and losses on disposal of property and equipment are reflected on the statements of activities. Major expenditures over $2,500 for property and equipment, and those which substantially increase useful lives, are capitalized. Maintenance and repairs are charged to expense at the time the expenditure is incurred.

Collection 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, 2022 and 2021.

Impairment of Long-Lived Assets
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, 2022 and 2021.

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition
The Organization recognizes revenue based on the existence or absence of an exchange transaction.

Revenues from exchange type transactions are recognized as revenue as the Organization satisfies its performance obligations by providing a service or transferring control over a product to its customers. This type of transaction can be recognized at "a point in time" or "over a period of time" depending on various factors. For the years ended June 30, 2022 and 2021, the Organization did not have any revenue from exchange type transactions.

Revenues from non-exchange type transactions, including contributions and reimbursement type grants, which are classified as conditional contributions, are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional contributions are recognized as revenue when the conditions on which they depend are substantially met.

Contributions and support that is restricted by the donor is reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose 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.

The CPB grant is reported on the accompanying financial statements as support and revenue without donor restrictions; however, certain guidelines must be satisfied in connection with application for and use of the grant to maintain eligibility and compliance requirements. These guidelines pertain to the use of grant funds, record keeping, audits, financial reporting, and licensee status with the Federal Communications Commission.

Donated Goods and Services
The Organization has adopted new accounting guidance, ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* This update requires the Organization to disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the Statement of Activities by the category of contributed nonfinancial assets (goods and services) and provide additional disclosures and valuation techniques used for each category. The Organization has adjusted the presentation of these statements and notes accordingly. See Note 11.

Advertising Costs
Advertising costs are expensed when incurred. Advertising expense was $11,529 and $13,310 for the years ended June 30, 2022 and 2021, respectively.

2. Summary of Significant Accounting Policies (Continued)

Functional Expenses

The costs of providing various program services and supporting activities have been reported on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefitted, on a reasonable basis that is consistently applied. Expenses that are not directly related to a single program or activity but are indispensable to the conduct of the Organization's programs or existence are charged to management and general. 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.

Tax Status

The Organization is a non-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization determines the recognition of uncertain tax positions, if applicable, that may subject the entity to unrelated business income tax necessary by applying a more-likely-than-not recognition threshold and determines the measurement of uncertain tax positions considering the amounts and probabilities of the outcomes that could be realized upon ultimate settlement with tax authorities. The Organization does not have any materially uncertain tax positions, including any position that would place the Organization's exempt status in jeopardy at June 30, 2022. The Organization believes it is no longer subject to income tax examinations for tax years prior to June 30, 2018.

3. Liquidity and Availability

The following reflects the Organization's financial assets as of June 30, 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

Financial assets at June 30, 2022	$ 1,798,566
Less those unavailable for general expenditure within one year, due to:	
Donor-imposed restrictions:	
Restricted by donor with purpose restrictions	(106,477)
Board designations:	
Endowment	(31,691)
Financial assets available to meet cash needs for general expenditures within one year:	$ 1,660,398

The Organization is substantially supported by contributions, which may contain donor restrictions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities. Consequently, financial assets may not be available for general expenditure within one year.

As part of the Organization's liquidity management policies, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. It is the policy of the Organization to regularly review and assess the need for funds to meet operating obligations and to ensure the availability of cash or collateral to fulfill those requirements. In addition, the Organization has a line of credit that may be drawn upon in the event of financial distress. See Note 7.

4. Investments

Investments are stated at fair value and consist of the following at June 30:

	2022	2021
Cash equivalents	$ 137,151	$ 152,324
Equity securities	460,817	494,850
Fixed-income securities	212,799	265,135
	$ 810,767	$ 912,309

5. Investment Return

Investment return consists of the following for the years ended June 30:

	2022	2021
Interest and dividends	$ 29,414	$ 10,674
Realized gains (losses)	(36,944)	10,627
Unrealized gains (losses)	(89,726)	132,554
Management fees	(4,274)	(3,875)
Net return	$ (101,530)	$ 149,980

6. Property and Equipment

Property and equipment consists of the following at June 30:

	2022	2021	Estimated Life in Years
Production equipment	$ 1,503,650	$ 1,463,864	3 - 7
Office furniture and equipment	109,648	109,648	5
Leasehold improvements	26,996	26,996	15
Construction in process	0	39,786	N/A
	1,640,294	1,640,294	
Less: Accumulated depreciation	(1,590,967)	(1,576,786)	
Net book value	$ 49,327	$ 63,508	

Depreciation expense for the years ended June 30, 2022 and 2021 was $14,181 and $12,843, respectively.

7. 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 (4.75% and 3.25% at June 30, 2022 and 2021, respectively) and renews each year in September. The Organization did not have an outstanding balance on this line of credit as of June 30, 2022 and 2021.

8. Governmental Grant – Paycheck Protection Program

In May 2020, the Organization received approval and funding for a loan under the Paycheck Protection Program (PPP) as provided for by the CARES Act. The Organization recognized revenue as qualified expenses were incurred. During the year ended June 30, 2021 the Organization recognized the final $2,302 as support from governmental grants on the statement of activities.

9. Endowment Funds

The Organization's endowment consists of donor-restricted funds and funds designated by the Board of Directors to function as an endowment, established to provide support to the Organization. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditure. The Board of Trustees of the Organization has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gifts donated to the fund to be held in perpetuity, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. Additionally, in accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) the duration and preservation of the various funds,
(2) the purposes of the donor-restricted endowment funds,
(3) general economic conditions,
(4) the possible effect of inflation and deflation,
(5) the expected total return from income and the appreciation of investments,
(6) other resources of the Organization, and
(7) the Organization's investment policies

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.

9. Endowment Funds (Continued)

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.

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.

Endowment net asset composition by type of fund is as follows as of June 30:

	2022	2021
Donor-restricted endowment funds:		
Original donor-restricted gift amount required to be maintained in perpetuity by donor	$ 15,000	$ 15,000
Board designated endowment funds	31,691	38,851
Total funds	$ 46,691	$ 53,851

Changes in endowment net assets are as follows for the year ended June 30:

	2022	2021
Endowment net assets, beginning of year	$ 53,851	$ 0
Contributions	0	50,000
Investment return, net	(7,160)	3,851
Amounts appropriated for expenditure	0	0
Endowment net assets, end of year	$ 46,691	$ 53,851

10. Net Assets

Net assets with donor restrictions are restricted for the following purposes at June 30:

	2022	2021
Subject to expenditure for specified purpose:		
Studio build-out	$ 64,001	$ 29,001
Special events	27,476	5,000
	91,477	34,001
Subject to the Organization's spending policy and appropriation:		
Investment of donor-restricted funds held in perpetuity which, once appropriated, are expendable to support:		
Any activities of the organization	15,000	15,000
Total net assets with donor restrictions	$ 106,477	$ 49,001

10. Net Assets (Continued)

Net assets with donor restrictions were made up of the following assets at June 30:

	2022	2021
Cash	$ 63,825	$ 8,000
Contributions receivable	26,001	26,001
Investments	15,000	15,000
Other assets	1,651	0
	$ 106,477	$ 49,001

Releases of net assets with donor restrictions totaled $5,000 and were for special events held during the year ended June 30, 2022. There were no releases of net assets with donor restrictions during the year ended 2021.

In addition, as of June 30, 2022 and 2021 the Organization's board of directors has designated $31,691 and $38,851, respectively, of net assets without donor restrictions for their endowment. See Note 9.

11. Contributed Nonfinancial Assets

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

	2022	2021	Usage
Programming	$ 9,530	$ 9,530	On air programming
Program advertising	7,973	788	On air programming
Catering	180	250	Membership campaign
Legal	2,400	2,500	FCC compliance
Broadcasting (BEMC)	164,919	147,976	On air programming
Total Services	$ 185,002	$ 161,044	
Performance tickets	0	3,000	Membership campaign
Auction items	1,651	0	Special event (restricted)
Total Goods	$ 1,651	$ 3,000	

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 other assets 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.

11. Contributed Nonfinancial Assets (Continued)

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.

12. Retirement Plan

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 $11,200 and $11,605 to the plan for the years ended June 30, 2022 and 2021, respectively.

13. Operating Leases

The Organization leases its studio, office and towers under various operating lease agreements that contain monthly lease payments ranging from approximately $200 to $3,500 per month and expire through 2028. Future minimum lease payments under these agreements are as follows:

Fiscal Year	Studios and Office	Towers	Total
2023	$ 2,411	$ 18,817	$ 21,228
2024	2,820	0	2,820
2025	2,820	0	2,820
2026	2,820	0	2,820
2027	2,820	0	2,820
Later years	409	0	409
Total	$ 14,100	$ 18,817	$ 32,917

Rent expense for the years ended June 30, 2022 and 2021 was $99,588 and $97,961, respectively.

14. Fair Value Measurements

The Organization applies accounting principles generally accepted in the United States of America (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis.

Fair value is defined as the price that would be received for an asset or paid to transfer a liability, in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value as follows:

- Level 1 - Observable inputs such as quoted prices in active markets;

- Level 2 - Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

- Level 3 - Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Organization has determined that the only material financial assets or liabilities that are measured at fair value on a recurring basis and categorized using the fair value hierarchy are investments. Investments are made up of money market accounts, equity securities, and fixed income securities, see Note 4. These investments are valued using quoted market prices for similar assets. All investments at June 30, 2022 and 2021 are measured at Level 1 inputs. 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, 2022.

15. Contingencies

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak" or "COVID") and the health risks to the international community. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

In addition to complying with local health mandates, management took appropriate actions to mitigate the spread of the virus by altering its protocols to minimize personal contact within its office. However, given the continuing evolution of the COVID-19 outbreak, the Organization is not able to fully estimate the effects of COVID-19 on its results of operations, financial condition, or liquidity for fiscal year 2023 or beyond. Management believes that adaptive changes in operations, in addition to receiving funds from the Payroll Protection Plan Program, have been sufficient to protect the Organization from the near-term negative impact related to the COVID-19 outbreak through the date of this report.

16. Subsequent Events

Management evaluated the activity of the Organization through October 17, 2022 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

In this ever-changing business environment, Flagel Huber Flagel goes beyond numbers and deadlines, returning the trust and confidence our clients place in us, with a caring partner relationship. We are committed to a collaborative search for ideas and solutions that help business organizations thrive and families build and preserve wealth. Our commitment is simple; financial and operational *insight*, service *integrity*, and problem solving *innovation*.

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