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**UNIVERSITY RADIO FOUNDATION, INC.**

Financial Statements for the Years  
Ended June 30, 2021 and 2020 and  
Independent Auditors' Report



GreerWalker



# GreerWalker

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of University Radio Foundation, Inc. (the "Organization") which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University Radio Foundation, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with generally accepted accounting principles in the United States of America.

*GreerWalker LLP*

Certified Public Accountants  
January 4, 2022  
Charlotte, NC

**GreerWalker LLP | GreerWalker Wealth LLC | GreerWalker Corporate Finance LLC**

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## UNIVERSITY RADIO FOUNDATION, INC.

### STATEMENTS OF FINANCIAL POSITION JUNE 30, 2021 AND 2020

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<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,025,645	\$ 1,669,109
Accounts receivable, net	186,769	202,257
Pledges receivable, net	1,166,646	1,227,923
Prepaid expenses and other current assets	141,229	105,712
Total current assets	<u>3,520,289</u>	<u>3,205,001</u>
NONCURRENT ASSETS:		
Investments	4,552,805	3,975,116
Property, net	393,318	458,756
Total noncurrent assets	<u>4,946,123</u>	<u>4,433,872</u>
TOTAL	<u>\$ 8,466,412</u>	<u>\$ 7,638,873</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 156,444	\$ 97,988
Accrued expenses	320,916	279,725
Deferred revenue	416,953	321,412
Total current liabilities	<u>894,313</u>	<u>699,125</u>
PPP NOTE PAYABLE	<u>-</u>	<u>617,392</u>
NET ASSETS:		
Without donor restrictions	6,161,472	4,915,627
With donor restrictions	1,410,627	1,406,729
Total net assets	<u>7,572,099</u>	<u>6,322,356</u>
TOTAL	<u>\$ 8,466,412</u>	<u>\$ 7,638,873</u>

See notes to financial statements.

## UNIVERSITY RADIO FOUNDATION, INC.

### STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT AND RECLASSIFICATIONS:</b>						
Contributions	\$ 3,606,279	\$ 1,412,736	\$ 5,019,015	\$ 3,450,153	\$ 1,471,048	\$ 4,921,201
Corporation for Public Broadcasting	357,809	-	357,809	438,514	-	438,514
Underwriting fees	1,898,414	-	1,898,414	2,065,083	-	2,065,083
Return on investments, net	577,689	-	577,689	177,625	-	177,625
Income on forgiveness of PPP note payable	617,392	-	617,392	-	-	-
Other income	332,567	-	332,567	33,089	-	33,089
Reclassifications:						
Contributions and grants released from restrictions	1,408,838	(1,408,838)	-	1,268,932	(1,268,932)	-
Total revenue, support and reclassifications	<u>8,798,988</u>	<u>3,898</u>	<u>8,802,886</u>	<u>7,433,396</u>	<u>202,116</u>	<u>7,635,512</u>
<b>EXPENSES:</b>						
Program services:						
Programming and production	3,716,641	-	3,716,641	3,357,265	-	3,357,265
Broadcast engineering	444,588	-	444,588	442,490	-	442,490
Program information	350,764	-	350,764	467,064	-	467,064
Total program services	<u>4,511,993</u>	<u>-</u>	<u>4,511,993</u>	<u>4,266,819</u>	<u>-</u>	<u>4,266,819</u>
Supporting services:						
General and administrative	1,112,554	-	1,112,554	982,289	-	982,289
Fundraising	1,190,957	-	1,190,957	1,388,567	-	1,388,567
Underwriting and grants	737,639	-	737,639	759,129	-	759,129
Total support services	<u>3,041,150</u>	<u>-</u>	<u>3,041,150</u>	<u>3,129,985</u>	<u>-</u>	<u>3,129,985</u>
Total expenses	<u>7,553,143</u>	<u>-</u>	<u>7,553,143</u>	<u>7,396,804</u>	<u>-</u>	<u>7,396,804</u>
CHANGE IN NET ASSETS	1,245,845	3,898	1,249,743	36,592	202,116	238,708
NET ASSETS, BEGINNING OF YEAR	<u>4,915,627</u>	<u>1,406,729</u>	<u>6,322,356</u>	<u>4,879,035</u>	<u>1,204,613</u>	<u>6,083,648</u>
NET ASSETS, END OF YEAR	<u>\$ 6,161,472</u>	<u>\$ 1,410,627</u>	<u>\$ 7,572,099</u>	<u>\$ 4,915,627</u>	<u>\$ 1,406,729</u>	<u>\$ 6,322,356</u>

See notes to financial statements.

## UNIVERSITY RADIO FOUNDATION, INC.

### STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2021

	Year Ended June 30, 2021						
	Program			Supporting			Total
	Program and Production	Broadcast Engineering	Program Information	General and Administrative	Fundraising	Underwriting and Grants	
Salaries and wages	\$ 1,983,157	\$ 109,047	\$ 140,453	\$ 767,983	\$ 427,653	\$ -	\$ 3,428,293
Payroll taxes	148,927	8,730	10,742	48,354	31,694	-	248,447
Employee benefits	191,270	7,474	11,519	54,759	27,754	-	292,776
Retirement plan contributions	88,901	6,532	8,265	37,118	21,942	-	162,758
Professional fees	59,586	27,239	41,072	54,615	20,275	665,703	868,490
Program fees	878,103	-	-	-	-	-	878,103
Outreach and promotion	2,870	-	66,598	-	110,502	-	179,970
Office expenses	3,002	-	104	2,643	1,534	-	7,283
Computer and IT	69,994	22,654	4,333	9,315	41,992	6,101	154,389
Occupancy	162,950	112,826	8,090	49,512	30,500	37,755	401,633
Postage and printing	1,978	111	150	940	190,703	1,211	195,093
Travel and entertainment	5,873	732	208	14,355	1,440	-	22,608
Conferences and meetings	6,319	-	995	20,139	914	89	28,456
Depreciation	11,851	90,207	3,082	2,766	1,106	988	110,000
Insurance	23,067	7,994	1,236	14,993	4,531	2,753	54,574
Dues and subscriptions	75,762	508	495	25,741	1,226	9,125	112,857
Bad debt expense	-	-	-	-	161,772	-	161,772
Transaction fees	-	-	285	4,467	86,800	13,015	104,567
Miscellaneous	3,031	50,534	53,137	4,854	28,619	899	141,074
<b>Total expenses</b>	<b>\$ 3,716,641</b>	<b>\$ 444,588</b>	<b>\$ 350,764</b>	<b>\$ 1,112,554</b>	<b>\$ 1,190,957</b>	<b>\$ 737,639</b>	<b>\$ 7,553,143</b>

See notes to financial statements.

## UNIVERSITY RADIO FOUNDATION, INC.

### STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2020

	Year Ended June 30, 2020						
	Program			Supporting			Total
	Program and Production	Broadcast Engineering	Program Information	General and Administrative	Fundraising	Underwriting and Grants	
Salaries and wages	\$ 1,674,391	\$ 122,597	\$ 199,222	\$ 621,608	\$ 458,630	\$ 2,310	\$ 3,078,758
Payroll taxes	117,897	8,118	10,073	49,519	28,674	-	214,281
Employee benefits	134,326	6,820	11,768	42,392	24,657	80	220,043
Retirement plan contributions	78,320	6,960	11,114	32,731	20,211	124	149,460
Professional fees	87,456	25,247	34,557	68,312	23,400	672,120	911,092
Program fees	897,045	-	-	-	-	-	897,045
Outreach and promotion	8,135	-	56,427	-	106,827	-	171,389
Office expenses	6,870	272	234	8,694	4,023	867	20,960
Computer and IT	70,380	22,798	2,933	8,426	38,482	6,172	149,191
Occupancy	158,950	109,650	7,794	47,915	29,949	41,568	395,826
Postage and printing	3,697	358	3,855	1,533	260,447	1,186	271,076
Travel and entertainment	14,126	773	2,600	27,152	22,549	119	67,319
Conferences and meetings	1,622	309	350	14,939	4,798	189	22,207
Depreciation	12,380	76,230	3,220	2,890	1,155	1,032	96,907
Insurance	18,812	6,595	1,129	14,127	4,179	3,565	48,407
Dues and subscriptions	68,287	360	315	20,969	733	8,840	99,504
Bad debt expense	-	-	-	-	214,666	-	214,666
Transaction fees	-	-	819	3,452	89,056	15,798	109,125
Miscellaneous	4,571	55,403	120,654	17,630	56,131	5,159	259,548
<b>Total expenses</b>	<b>\$ 3,357,265</b>	<b>\$ 442,490</b>	<b>\$ 467,064</b>	<b>\$ 982,289</b>	<b>\$ 1,388,567</b>	<b>\$ 759,129</b>	<b>\$ 7,396,804</b>

See notes to financial statements.

## UNIVERSITY RADIO FOUNDATION, INC.

### STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,249,743	\$ 238,708
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in allowance for pledges and accounts receivable	(3,990)	36,015
Depreciation	110,000	96,907
Loss on disposal of property	1,886	-
Return on investments, net	(577,689)	(177,625)
Income on forgiveness of PPP note payable	(617,392)	-
Changes in operating assets and liabilities:		
Pledges receivable	63,126	(297,436)
Accounts receivable	17,629	190,347
Note receivable	-	202,303
Prepaid expenses and other current assets	(35,517)	77,853
Accounts payable	58,456	(97,244)
Accrued expenses	41,191	55,431
Deferred revenue	95,541	272,218
Net cash provided by operating activities	<u>402,984</u>	<u>597,477</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property	(46,448)	(193,265)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP note payable	<u>-</u>	<u>617,392</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	356,536	1,021,604
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,669,109</u>	<u>647,505</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,025,645</u>	<u>\$ 1,669,109</u>

See notes to financial statements.



## **UNIVERSITY RADIO FOUNDATION, INC.**

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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#### 1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

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

Financial Statement Presentation - The 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.

*Net assets without donor restrictions* - Net assets that are not restricted by donors or for which donor-imposed restrictions have expired.

*Net assets with donor restrictions* - Net assets that contain donor-imposed time or purpose restrictions that have not currently been met and restrictions stipulating that the amounts be maintained by the Organization in perpetuity. For net assets held in perpetuity, the Organization may expend part or all of the income earned according to donor stipulations.

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

New Accounting Standards - In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers. The ASU and all subsequently issued clarifying ASUs (collectively, “ASC 606”) replaced most existing revenue recognition guidance in GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Organization adopted the new standard effective July 1, 2020 using the modified retrospective method. Results for reporting periods beginning July 1, 2020 are presented under ASC 606 while prior period amounts continue to be reported in accordance with previous guidance. The adoption of ASC 606 did not change how the Organization accounts for revenue. Accordingly, the cumulative effect of the initial application of ASC 606 did not result in an adjustment to net assets as of July 1, 2020.

For the Organization, this new standard relates only to revenues generated through contracts with those considered to be customers. It is not applicable for donations of any type.

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

Pledges Receivable - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if restrictions expire in the same fiscal year. All other donor-restricted net assets are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions receivable are recorded at their net realizable value. An allowance for uncollectible pledges receivable is provided based on management’s review of outstanding receivables and prior collection history.

Accounts Receivable - The Organization extends credit to its underwriters. By their nature, accounts receivable involve risk, including the credit risk of nonpayment by the underwriter. Accounts receivable are considered past due based on contractual and invoice terms. The Organization maintains allowances (\$10,474 and \$12,615 as of June 30, 2021 and 2020, respectively) which management believes are adequate to absorb estimated losses to be incurred in realizing the recorded amounts of its accounts receivable. These allowances are determined by management through review of outstanding receivables and prior collection history. Accounts deemed uncollectible are charged against the allowance for doubtful accounts. Net accounts receivable of \$186,769, \$202,257, and \$390,827 was recorded at June 30, 2021, 2020, and 2019, respectively. During the years ended June 30, 2021 and 2020, the Organization did not incur any bad debt expenses related to underwriting accounts receivable.

Note Receivable - The Organization was assigned a promissory note by a donor with a principal amount of \$400,000 during the year ended June 30, 2018. The Organization recorded the note at a net realizable value of \$202,302. The note bore interest at 7% and was repaid at its net realizable value during the year ended June 30, 2020.

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

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

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

## Revenue Recognition

### *Revenues from Underwriting Contracts*

The Organization enters into contracts with customers to provide underwriting spots and related services. Revenue is recognized ratably over time as the Organization satisfies its performance obligation to provide underwriting spots and related services at amounts that reflect the consideration the Organization expects to receive in exchange for those services. The Organization's standard terms and conditions require payment within 30 days of the invoice date, though timing of payment with specific customers may be separately negotiated. Revenues from underwriting contracts are labeled in the accompanying statements of activities as underwriting fees.

### *Contributions*

The Organization recognizes contributions that are given unconditionally in the period the contributions are received or promised, whichever is earlier. Pledges receivable are recorded net of estimated uncollectible amounts and discounted to net present value when applicable. Conditional promises to give are not included in support until such time as the conditions are substantially met.

The Organization may receive contributions of cash or other assets which it reports as restricted support if such contributions are received with donor restrictions that limit the use of the donated assets. When a donor restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions of assets other than cash are recorded at their estimated fair value.

### *Deferred Revenue*

Underwriting consideration received in advance of services rendered is recognized as deferred revenue. Consideration received for conditional contributions is recognized as deferred revenue until such time as the conditions are substantially met. Accordingly, these considerations are categorized as deferred revenue in the accompanying statements of financial position. Deferred revenue related to underwriting fees of approximately \$116,000, \$185,000, and \$49,000 was recorded at June 30, 2021, 2020, and 2019, respectively.

Donated Services and Goods - The Organization receives donated services and goods and engages in trade transactions, in the ordinary course of business. Such transactions involve donation of goods or services or the exchange of underwriting time for certain goods or services. These goods and services are recorded at the estimated market value of the related goods or services received on the date that they are received. These goods and services are recorded as support in the accompanying statements of activities and in the corresponding functional expense category on the accompanying statement of functional expenses and totaled approximately \$152,000 and \$206,000 for the years ended June 30, 2021 and 2020, respectively.

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

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

The Organization records liabilities for income tax positions taken or expected to be taken when those positions are deemed uncertain to be upheld in an examination by taxing authorities. No liabilities for uncertain income tax positions were recorded as of June 30, 2021 and 2020.

Advertising Expense - The Organization expenses the cost of advertising as incurred. The accompanying statements of activities include advertising expense in the amount of approximately \$10,000 and \$13,000 for the years ended June 30, 2021 and 2020, respectively.

Functional Expense Classification - The Organization's functional expense classification and allocation policy is based on a review of the current organizational structure, and the identification, reclassification and allocation of certain employee, facility, and departmental expenses, which serve multiple functional areas. The compensation of certain members of management is allocated based on time and effort spent on program and supporting services. Occupancy, insurance and supply expenses are allocated based on employee headcount. All remaining expenses are categorized according to natural classification.

Reclassifications - Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 presentation. Such reclassifications had no effect on the previously reported change in net assets.

Subsequent Events - In preparing its financial statements, the Organization has evaluated subsequent events through January 4, 2022, which is the date the financial statements were available to be issued.

## 2. LIQUIDITY AND AVAILABILITY

The table below represents financial assets available for general expenditures within one year at June 30, 2021:

Financial assets at year-end:	
Cash and cash equivalents	\$ 2,025,645
Accounts and pledges receivable, net	1,353,415
Investments	<u>4,552,805</u>
Total financial assets	<u>7,931,865</u>
Less amounts not available to be used for general expenditures within one year:	
Restricted by donors with purpose restrictions	243,981
Restricted by donors with time restrictions greater than one year	<u>-</u>
Financial assets not available to be used within one year	<u>243,981</u>
Financial assets available to meet general expenditures within one year	<u>\$ 7,687,884</u>

As part of the Organization's liquidity management, the Organization maintains at least three months of monthly expenses in cash and cash equivalents and appropriate short-term liquid investments, which may include unused availability on a line of credit issued by a commercial bank. As detailed in Note 6, the Organization has a line of credit for an amount up to \$750,000. There were no outstanding borrowings under this agreement as of June 30, 2021.

## 3. PLEDGES RECEIVABLE

Pledges outstanding consisted of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Pledges receivable	\$ 1,310,176	\$ 1,364,359
Less allowance for uncollectible pledges	<u>143,530</u>	<u>136,436</u>
Pledges receivable, net	1,166,646	1,227,923
Current portion, net	<u>1,166,646</u>	<u>1,227,923</u>
Long-term, net	<u>\$ -</u>	<u>\$ -</u>

## 4. INVESTMENTS

Investments consisted of the following funds as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Money Market Funds	\$ 52,402	\$ 47,556
Fixed-Income Funds	3,015,848	2,185,015
Equity Funds	1,051,065	1,335,744
Exchange-Traded Products	<u>433,490</u>	<u>406,801</u>
Total	<u>\$ 4,552,805</u>	<u>\$ 3,975,116</u>

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

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021.

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

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. All of the Organization’s investments are considered Level 1 investments within the fair value hierarchy as of June 30, 2021 and 2020.

Return on investments in the accompanying statement of activities is comprised of the following for the years ended June 30, 2021 and 2020, respectively:

	<u>2021</u>	<u>2020</u>
Realized gains	\$ 340,167	\$ 14,539
Unrealized gains	158,761	66,014
Dividends and interest	<u>78,761</u>	<u>97,072</u>
Total	<u>\$ 577,689</u>	<u>\$ 177,625</u>

Dividends and interest income is presented net of investment fees of approximately \$15,000 and \$13,000 for the years ended June 30, 2021 and 2020, respectively.

## 5. PROPERTY

Property consisted of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 28,432	\$ 28,432
Transmitters, antenna, and tower	1,359,229	1,360,729
Equipment - studio and broadcast	921,659	916,933
Furniture and fixtures	319,504	319,504
Leasehold improvements	<u>104,097</u>	<u>104,097</u>
Subtotal	2,732,921	2,729,695
Less accumulated depreciation and amortization	<u>2,339,603</u>	<u>2,270,939</u>
Total, net	<u>\$ 393,318</u>	<u>\$ 458,756</u>

## 6. LINE OF CREDIT

The Organization has a line of credit agreement with a bank for an amount up to \$750,000. The line of credit is payable in full on demand and may be terminated without notice to WFAE by the bank. Interest is payable monthly at LIBOR (0.10% as of June 30, 2021) plus 2.25%, subject to a floor of 3.25%. There were no outstanding borrowings under this agreement at June 30, 2021 or 2020.

7. PAYROLL PROTECTION PROGRAM

In April 2020, the Organization received a loan of \$617,392 through the Payroll Protection Program (“PPP”) under the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, which was enacted to provide financial relief to certain organizations impacted by the coronavirus outbreak (“COVID-19”). Per the terms of the agreement, if the Organization utilizes the funds under certain parameters, the Organization may apply for loan forgiveness up to the entire amount owed. The Organization applied for full forgiveness of the loan after it met the related requirements. The bank provided notification of forgiveness of the loan in March 2021. Accordingly, the Organization recognized the forgiven amount as income in the accompanying statement of activities for the year ended June 30, 2021.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Restricted by donors with time restrictions	\$ <u>1,166,646</u>	\$ <u>1,227,923</u>
Restricted by donors with purpose restrictions:		
Healthcare Reporting	61,231	115,600
ReEmprise (Podcast and Community)	25,000	41,446
American Journalism Project	150,750	-
Other	<u>7,000</u>	<u>21,760</u>
Total	<u>243,981</u>	<u>178,806</u>
Net assets with donor restrictions	\$ <u>1,410,627</u>	\$ <u>1,406,729</u>

Net assets with donor restrictions are released from restriction by satisfaction of time and purpose. Restrictions released during the years ended June 30, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Released from time restrictions	\$ 1,174,460	\$ 1,099,650
Released from purpose restrictions	<u>234,378</u>	<u>169,282</u>
Total	<u>\$ 1,408,838</u>	<u>\$ 1,268,932</u>

9. LEASE COMMITMENTS

The Organization leases building space and a transmitter from unrelated third parties under agreements classified as operating leases. Rent expense under these agreements totaled approximately \$279,000 and \$278,000 for the years ended June 30, 2021 and 2020, respectively.

Approximate future minimum lease payments under the operating leases as of June 30, 2021 are as follows:

Year ending June 30:	
2022	\$ 278,000
2023	281,000
2024	288,000
2025	<u>44,000</u>
Total minimum lease payments	<u>\$ 891,000</u>

10. RETIREMENT PLAN

The Organization maintains a 403(b) retirement plan (the "Plan"), which covers full time employees of the Organization that have been employed for at least one year. The Plan requires employees to contribute 6% of salary following the completion of one year of service. The Organization makes discretionary contributions. Discretionary contributions were made by the Organization for the years ended June 30, 2021 and 2020 totaling approximately \$163,000 and \$149,000, respectively.

11. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2021 and 2020, the Organization received contributions from the Board of Directors and employees totaling approximately \$104,000 and \$328,000, respectively.

12. CONTINGENCY

On March 10, 2020, the World Health Organization declared COVID-19 to be a pandemic. The outbreak is causing widespread economic disruption. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on its donors, employees and vendors, all of which are uncertain and cannot be predicted. Therefore, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.

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