

# **Public Radio, Inc.**

Baton Rouge, Louisiana

Years Ended December 31, 2023 and 2022

*Financial Statements*

**William D. Mercer, CPA**

A PROFESSIONAL ACCOUNTING CORPORATION

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**William D. Mercer, APAC**  
**CERTIFIED PUBLIC ACCOUNTANT**

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

**INDEPENDENT AUDITOR'S REPORT**

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

**Opinion**

We have audited the accompanying financial statements of Public Radio, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 Public Radio, Inc. as of December 31, 2023 and 2022, 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 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 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.

**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 Public Radio, Inc.'s ability to continue as a going concern within one year after the date 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

*William D. Mercer, CPA (APAC)*

Baton Rouge, Louisiana

August 12, 2024

PUBLIC RADIO, INC.  
Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

December 31,

	<u>2023</u>	<u>2022</u>
<b><u>ASSETS</u></b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 1,038,147	\$ 1,098,950
Grants receivable	89,408	83,218
Underwriting receivable	11,762	29,241
Unconditional promises to give	124,710	139,099
Marketable securities, at fair market value	<u>40</u>	<u>40</u>
Total Current Assets	<u>1,264,067</u>	<u>1,350,548</u>
<b>PROPERTY AND EQUIPMENT</b>		
Broadcast equipment	1,021,118	1,001,809
Buildings	156,398	156,398
Furniture and fixtures	24,927	24,927
Land	<u>129,470</u>	<u>129,470</u>
	1,331,913	1,312,604
Less accumulated depreciation	<u>962,140</u>	<u>924,859</u>
Net Property and Equipment	<u>369,773</u>	<u>387,745</u>
<b>LONG-TERM</b>		
Right of use assets	26,199	50,944
Deposits	<u>1,000</u>	<u>1,000</u>
Total Long-Term Assets	<u>27,199</u>	<u>51,944</u>
<b>TOTAL ASSETS</b>	\$ <u><u>1,661,039</u></u>	\$ <u><u>1,790,237</u></u>

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

	<u>2023</u>	<u>2022</u>
<b><u>LIABILITIES</u></b>		
<b>CURRENT</b>		
Accounts payable and accrued expenses	\$ 65,764	\$ 12,840
Deferred revenues	16,708	15,680
Due to related party	84,972	24,992
Current portion of leases payable	26,199	26,400
Current portion of long-term debt	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>193,643</u>	<u>79,912</u>
<b>LONG-TERM</b>		
Leases payable, less current portion	-	25,667
Notes payable, less current portion	<u>156,780</u>	<u>153,489</u>
Total Long-Term Liabilities	<u>156,780</u>	<u>179,156</u>
<b>TOTAL LIABILITIES</b>	<u>350,423</u>	<u>259,068</u>
<b><u>NET ASSETS</u></b>		
With donor restrictions:		
Programming	60,393	105,000
Without donor restrictions	<u>1,250,223</u>	<u>1,426,169</u>
<b>TOTAL NET ASSETS</b>	<u>1,310,616</u>	<u>1,531,169</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ <u>1,661,039</u>	\$ <u>1,790,237</u>

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

PUBLIC RADIO, INC.  
Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

	With Donor <u>Restrictions</u>	Without Donor <u>Restrictions</u>	<u>Totals</u>
<b>REVENUES</b>			
Membership income	\$ -	\$ 548,137	\$ 548,137
Underwriting	-	600,343	600,343
Grants	342,086	36,177	378,263
Donations	-	79,905	79,905
Event income, net of expenses	-	5,665	5,665
Investment income	-	4,768	4,768
Miscellaneous income	-	-	-
Net assets released from restrictions	( 386,693)	386,693	-
Total Revenues	( 44,607)	1,661,688	1,617,081
<b>EXPENSES</b>			
Program services	-	1,119,618	1,119,618
Supporting services:			
Membership development	-	117,462	117,462
Underwriting solicitation	-	272,201	272,201
Management and general	-	328,353	32,353
Total supporting services	-	718,016	718,016
Total Expenses	-	1,837,634	1,837,634
<b>Change in Net Assets</b>	( 44,607)	( 175,946)	( 220,553)
<b>NET ASSETS</b> , beginning of year	105,000	1,426,169	1,531,169
<b>NET ASSETS</b> , end of year	\$ 60,393	\$ 1,250,223	\$ 1,310,616

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

Year Ended December 31, 2022

	With Donor <u>Restrictions</u>	Without Donor <u>Restrictions</u>	<u>Totals</u>
<b>REVENUES</b>			
Membership income	\$ -	\$ 442,985	\$ 442,985
Underwriting	-	642,286	642,286
Grants	181,512	73,728	255,240
Donations	-	45,985	45,985
Event income, net of expenses	-	59,122	59,122
Investment income	-	1,010	1,010
Miscellaneous income	-	150	150
Net assets released from restrictions	( 286,512)	286,512	-
Total Revenues	( 105,000)	1,551,778	1,446,778
<b>EXPENSES</b>			
Program services	-	1,003,474	1,003,474
Supporting services:			
Membership development	-	128,377	128,377
Underwriting solicitation	-	200,481	200,481
Management and general	-	381,407	381,407
Total supporting services	-	710,265	710,265
Total Expenses	-	1,713,739	1,713,739
<b>Change in Net Assets</b>	( 105,000)	( 161,961)	( 266,961)
<b>NET ASSETS</b> , beginning of year	210,000	1,588,130	1,798,130
<b>NET ASSETS</b> , end of year	\$ 105,000	\$ 1,426,169	\$ 1,531,169

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



PUBLIC RADIO, INC.  
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023

	Programming And <u>Production</u>	<u>Broadcasting</u>	Program <u>Information</u>	<u>Totals</u>
Advertising	\$ -	\$ -	\$ -	\$ -
Bank charges	-	-	-	-
Computer expense	-	7,691	-	7,691
Contract labor	-	40,521	-	40,521
Contract services	-	-	-	-
Depreciation	-	36,476	-	36,476
Dues and subscriptions	-	-	-	-
Engineering services	-	17,803	-	17,803
Insurance	-	26,472	-	26,472
Interest	-	-	-	-
Membership expense	-	-	-	-
Miscellaneous	-	-	-	-
Payroll expense	-	337,580	-	337,580
Postage	-	-	913	913
Printing	-	-	-	-
Professional services	-	335,960	-	335,960
Programming	284,136	-	-	284,136
Rent	-	-	2,457	2,457
Repairs and maintenance	-	-	-	-
Security	-	1,542	6	1,548
Supplies	-	-	-	-
Telephone	-	11,428	48	11,476
Travel and entertainment	-	-	-	-
Utilities	-	16,516	69	16,585
Totals	\$ <u>284,136</u>	\$ <u>831,989</u>	\$ <u>3,493</u>	\$ <u>1,119,618</u>

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

	Membership <u>Development</u>	<u>Underwriting</u>	Management and <u>General</u>	<u>Totals</u>
Advertising	\$ 780	\$ -	\$ -	\$ 780
Bank charges	-	-	27,374	27,374
Computer expense	-	-	-	-
Contract labor	-	-	3,600	3,600
Contract services	-	-	-	-
Depreciation	-	-	805	805
Dues and subscriptions	-	-	17,708	17,708
Engineering services	-	-	-	-
Insurance	12,362	28,712	19,676	60,750
Interest	-	-	10,590	10,590
Membership and underwriting	15,164	15,944	-	31,108
Miscellaneous	-	-	249	249
Payroll expense	69,923	218,897	6,582	294,402
Postage	913	-	456	1,369
Printing	10,656	-	-	10,656
Professional services	1,044	-	161,464	162,508
Programming	-	-	-	-
Rent	2,457	-	29,613	32,070
Repairs and maintenance	-	-	1,412	1,412
Security	218	505	609	1,332
Supplies	-	-	24,186	24,186
Telephone	1,613	3,739	4,509	9,861
Travel and entertainment	-	-	13,002	13,002
Utilities	<u>2,332</u>	<u>5,404</u>	<u>6,518</u>	<u>14,254</u>
Totals	\$ <u>117,462</u>	\$ <u>272,201</u>	\$ <u>328,353</u>	\$ <u>718,016</u>

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

PUBLIC RADIO, INC.  
Baton Rouge, Louisiana

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

	Programming And <u>Production</u>	<u>Broadcasting</u>	Program <u>Information</u>	<u>Totals</u>
Advertising	\$ -	\$ -	\$ -	\$ -
Bank charges	-	-	-	-
Computer expense	-	13,031	-	13,031
Contract labor	-	312	-	312
Contract services	-	37,697	-	37,697
Depreciation	-	35,801	-	35,801
Dues and subscriptions	-	-	-	-
Engineering services	-	21,299	-	21,299
Insurance	-	15,734	-	15,734
Interest	-	-	-	-
Membership expense	-	-	-	-
Miscellaneous	-	-	-	-
Payroll expense	-	224,283	-	224,283
Postage	-	-	1,020	1,020
Printing	-	-	-	-
Professional services	-	312,134	-	312,134
Programming	315,163	-	-	315,163
Rent	-	-	113	113
Repairs and maintenance	-	-	-	-
Security	-	-	-	-
Supplies	-	-	-	-
Telephone	-	9,791	17	9,808
Travel and entertainment	-	-	-	-
Utilities	-	17,050	29	17,079
Totals	\$ <u>315,163</u>	\$ <u>687,132</u>	\$ <u>1,179</u>	\$ <u>1,003,474</u>

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

	Membership <u>Development</u>	<u>Underwriting</u>	Management and <u>General</u>	<u>Totals</u>
Advertising	\$ 1,332	\$ -	\$ -	\$ 1,332
Bank charges	-	-	16,943	16,943
Computer expense	-	-	-	-
Contract labor	-	-	3,600	3,600
Contract services	-	-	-	-
Depreciation	-	-	604	604
Dues and subscriptions	-	-	12,308	12,308
Engineering services	-	-	-	-
Insurance	7,071	16,422	10,104	33,597
Interest	-	-	3,053	3,053
Membership and underwriting	10,404	11,843	-	22,247
Miscellaneous	-	-	561	561
Payroll expense	93,664	164,384	94,267	352,315
Postage	1,020	-	510	1,530
Printing	6,291	-	-	6,291
Professional services	3,468	-	156,041	159,509
Programming	-	-	-	-
Rent	113	-	38,619	38,732
Repairs and maintenance	-	-	1,434	1,434
Security	-	-	-	-
Supplies	-	-	18,141	18,141
Telephone	1,829	2,857	5,435	10,121
Travel and entertainment	-	-	10,323	10,323
Utilities	<u>3,185</u>	<u>4,975</u>	<u>9,464</u>	<u>17,624</u>
Totals	\$ <u>128,377</u>	\$ <u>200,481</u>	\$ <u>381,407</u>	\$ <u>710,265</u>

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

PUBLIC RADIO, INC.  
Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS

Years Ended December 31,

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$( 220,553)	\$( 266,961)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	37,281	36,405
(Increase) decrease in:		
Grants receivable	( 6,190)	( 45,256)
Underwriting receivable	17,479	( 23,594)
Unconditional promises to give	14,389	26,731
Increase (decrease) in:		
Accounts payable and accrued expenses	11,910	11,737
Accrued interest payable	3,162	729
Deferred revenues	<u>1,028</u>	<u>15,230</u>
Net cash used by operating activities	( <u>41,494</u> )	( <u>244,979</u> )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash payments for purchase of property	( <u>19,309</u> )	( <u>36,122</u> )
<b>NET DECREASE IN CASH</b>	( 60,803)	( 281,101)
<b>CASH AND CASH EQUIVALENTS</b> , beginning of year	<u>1,098,950</u>	<u>1,380,051</u>
<b>CASH AND CASH EQUIVALENTS</b> , end of year	\$ <u><u>1,038,147</u></u>	\$ <u><u>1,098,950</u></u>

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

PUBLIC RADIO, INC.  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The summary of significant accounting policies for Public Radio, Inc. (the Organization) is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

**Nature of operations**

Public Radio, Inc. (the Organization) is a nonprofit Louisiana corporation, which operates a noncommercial public radio station under the call letters WRKF.

**Method of accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification 958, dated August 2016, and the provisions of the American Institute of Certified Public Accountants *Audit and Accounting Guide for Not-for-Profit Organizations*.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Organization regularly assesses these estimates and, while actual results could differ, management believes that the estimates are reasonable.

Significant estimates included in or affecting the presentation of the accompanying financial statements include estimated useful lives of property and equipment.

**Fair value of financial instruments**

The carrying value of cash and cash equivalents reported in the accompanying statement of financial position approximate fair value due to the short maturities and liquidity of those instruments.

PUBLIC RADIO, INC.  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Basis of presentation**

Net assets of the Organization and changes therein are classified and reported as follows:

*Without donor restrictions* – Net assets that are not subject to donor-imposed stipulations. This also includes previously restricted gifts and grants for building and equipment that have been placed into service.

*With donor restrictions* – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt, including gifts and pledges for buildings and equipment not yet placed in service. Also included in this net asset category are net assets subject to donor-imposed restrictions to be maintained permanently by the Organization, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity and that only income be made available for program operations.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed stipulations. Expenses are recorded as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated passage of time has elapsed) are reported as net assets released from restrictions.

**Unconditional promises to give**

The Organization engages in annual fundraising campaigns, offering some special radio programs and on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Organization for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by unconditional promises to give received from responding listeners. Contributions and unconditional promises to give are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of the Organization. This usage is consistent with appeals for contributions and unconditional promises to give. Uncollected promises to give that are not enforceable against contributors are not shown as assets on the statement of financial position.

Unconditional promises to give are reported net of management's estimated allowance for uncollectible accounts, which is based on prior collection experience. Increases or decreases in this allowance are netted or added to income from those pledges, and no bad debt expense is reported in the accompanying financial statements.

PUBLIC RADIO, INC.  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Cash and cash equivalents**

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Property and equipment**

All property and equipment is stated at cost. Expenditures for maintenance, repairs, and minor renewals are expensed as incurred. Major expenditures for renewals and betterments are capitalized.

As a general rule, when items are retired or otherwise disposed, accumulated depreciation is reduced by the accumulated amount of depreciation applicable thereto. Any gain or loss from such retirement or disposal is credited or charged to income in the year of the disposal.

It is the Organization's policy to capital all property, equipment, and furniture purchased with non-grant funds having an acquisition cost of \$ 500 or more.

**Depreciation**

Depreciation is computed on the straight-line method over the following estimated useful lives of the various classes of depreciable assets:

Broadcast equipment	5 – 15 years
Buildings	10 – 30 years
Furniture and fixtures	5 – 10 years

The useful lives are estimated based on historical experience with similar assets, taking into account anticipated technological or other changes. The Organization periodically reviews these lives relative to physical factors, economic factors, and industry trends. If there are changes in the planned use of property and equipment or if technological changes occur more rapidly than anticipated, the useful lives assigned to those assets may be shortened, resulting in the recognition of increased depreciation and amortization expense in future periods.

Depreciation of right of use assets is recognized on the straight-line method over the term of the related lease liability.

**Revenue recognition**

The Organization reports contributions as support with donor restrictions if they are received with donor or grantor restrictions that limit the use of the contributions. When a restriction expires (i.e., when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions are considered to be available for unrestricted use and recorded as such, unless specifically restricted by the donor.



PUBLIC RADIO, INC.  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Advertising**

The Organization expenses the production costs of advertising the first time the advertising takes place, except for direct response advertising, which is capitalized and amortized over its expected period of future benefits. As of December 31, 2023 and 2022, the Organization had no advertising classified as assets, and all advertising was expensed as incurred.

**Income taxes**

The Organization is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from state income tax under Section 121(5) of Title 47 of the Louisiana Revised Statutes. Accordingly, no provision or liability for federal or state income taxes has been included in the accompanying financial statements.

The Organization's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

**Functional allocation of expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on estimates of time and effort, and occupancy, which is allocated on a square footage basis.

**Management of liquid resources**

The Organization is funded primarily by contributions and grants that frequently contain restrictions. Those restrictions require that resources be used in a certain manner or in a future period. Therefore, the Organization must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, the Organization generally structures its financial assets to be available as general expenditures, liabilities, and other obligations become due. The Board of Directors may occasionally designate amounts to a liquidity reserve that could be utilized in the event of an unanticipated liquidity need.

**Reclassifications**

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

**Subsequent events**

In preparing the accompanying financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 12, 2024, the date the financial statements were available to be issued.

PUBLIC RADIO, INC.  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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**NOTE B – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Cash on hand	\$ -	\$ -
Cash in bank – checking / savings	949,153	1,013,024
Cash – money market	<u>88,994</u>	<u>85,926</u>
	\$ <u>1,008,147</u>	\$ <u>1,098,950</u>

**NOTE C – LEASE COMMITMENTS**

Lease commitments outstanding as of December 31, 2023 and 2022, consist of the following:

In 2014, the Organization entered into a three-year agreement with another nonprofit organization located in Baton Rouge, Louisiana, for the lease of offsite antenna space for its radio tower. This lease expired in December 2016, and the Organization continued on a month-to-month basis under the same terms through January 2020. In February 2020, the Organization renewed the lease for this property for an additional 60 months. This lease is payable in monthly installments of \$671 for the year 2020, with 5% anticipated increases for each subsequent year, and is due to expire in December 2024.

In July 2019, the Organization entered into a 60-month agreement for the lease of office equipment. This lease requires monthly payments of \$332 plus applicable taxes and is due to expire in June 2024.

In January 2020, the Organization entered into a lease with another nonprofit organization located in Baton Rouge, Louisiana, for the lease of its main tower site. This lease is payable in monthly installments of \$1,250 per month for the year 2020, with 3% anticipated increases for each subsequent year, and is due to mature in December 2024.

Future minimum lease payments under the above operating leases as of December 31, 2023, are as follows:

Year ended	
<u>December 31,</u>	
2024	\$ 26,765
2025	-
2026	-
2027	-
2028	-

PUBLIC RADIO, INC.  
Baton Rouge, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

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**NOTE D – TAX DEFERRED ANNUITY PLAN**

In December 2008, the Organization established a deferred compensation plan qualified under Section 401(k) of the Internal Revenue Code. The plan covers full-time employees of the Organization. The Organization does not make contributions to the plan. Employees may elect to make deferrals into the plan up to the maximum amount allowed by the Internal Revenue Code.

**NOTE E – RELATED PARTY TRANSACTIONS**

As of December 31, 2023 and 2022, the Organization recognized a liability to the Organization's Executive Director totaling \$84,972 and \$24,992, respectively, which represents contractual expenses incurred but not yet paid. Management anticipates this liability will be liquidated in the current year. Expenses incurred under this arrangement totaling \$59,980 and \$24,992 for the years ended December 31, 2023 and 2022, respectively, are included as a component of management and general expenses in the accompanying financial statements.

No other related party receivables or liabilities have been recognized as of December 31, 2023 and 2022, and no other related party revenues or expenses have been received or recognized for the years then ended.

**NOTE F – LONG TERM DEBT**

Long-term debt as of December 31, 2023 and 2022, consists of a 2.75% SBA Economic Injury Disaster Loan (EIDL), payable in monthly installments totaling \$619 beginning November 2022, which are applied to accrued and current interest first and then to any outstanding principal, and due to mature in April 2052. This loan is collateralized by tangible and intangible personal property including but not limited to equipment, documents, accounts receivable, deposit accounts, and general intangibles. The outstanding balance under this loan as of December 31, 2023 and 2022, was \$156,780 and \$153,489, which includes accrued interest of \$6,780 and \$3,489, respectively.

Future principal maturities of all long-term debt as of December 31, 2023, were as follows:

Year ended <u>December 31,</u>	
2024	\$ -
2025	-
2026	3,167
2027	3,433
2028	3,529
2029 and later	<u>139,871</u>
	<u>\$ 150,000</u>

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NOTES TO THE FINANCIAL STATEMENTS

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**NOTE G – SUPPLEMENTARY CASH FLOW INFORMATION**

Cash payments for interest and income taxes for the years ended December 31, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Interest	\$ _____	\$ <u>2,924</u>
Income taxes	\$ <u>-</u>	\$ <u>-</u>

Noncash investing and financing activities for the year ended December 31, 2023, consist of the following:

Reduction of right of use asset and related lease liabilities totaling \$22,495

Noncash investing and financing activities for the year ended December 31, 2022, consist of the following:

Capitalization of right of use asset and related lease liabilities totaling \$77,356

**NOTE H – SIGNIFICANT CONCENTRATIONS OF RISK**

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

The Organization maintains its cash account in a checking account at commercial banks located in Louisiana. Accounts at this bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Amounts on deposit at various times throughout the year may exceed the federally insured limit. Uninsured cash balances totaled \$614,723 as of December 31, 2023. Cash balances held in money market funds are insured by Securities Investor Protection Corporation (SIPC) up to a maximum of \$250,000 per account. As of December 31, 2023, the Organization had no uninsured cash balances in money market funds.

The Organization's largest single receivables are generally for grants due from corporations, foundations, and quasi-governmental agencies. As of December 31, 2023, grants totaling \$89,408 were due from the Corporation for Public Broadcasting and University of New Orleans. Unconditional promises to give and underwriting receivables are due from entities and individuals located in the geographic area served by the Organization's broadcast signal. As of December 31, 2023, unconditional promises to give and underwriting receivable totaled \$136,472.

The Organization's investment policy objectives are to provide sufficient liquidity to meet its cash needs, to maximize the return on available capital, and to assure the safety of the funds by investing only in high quality instruments with a diversification of issues.

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NOTES TO THE FINANCIAL STATEMENTS

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**NOTE I – AVAILABILITY OF FINANCIAL RESOURCES**

The following represents the Organization's financial assets as of December 31, 2023 and 2022, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are not available also include board designated amounts that could be utilized if the Board of Directors approved the use.

	<u>2023</u>	<u>2022</u>
Financial assets, December 31,		
Cash and equivalents	\$ 1,038,147	\$ 1,098,950
Grants and underwriting receivable	101,170	149,882
Unconditional promises to give	<u>124,710</u>	<u>139,099</u>
	<u>1,264,027</u>	<u>1,387,931</u>
Less those unavailable for general expenditures due within one year, due to:		
Restricted by donor with time or purpose restrictions	60,393	105,000
Board designations	<u>-</u>	<u>-</u>
	<u>60,393</u>	<u>105,000</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u><u>1,203,634</u></u>	\$ <u><u>1,282,931</u></u>