



BLOOMINGTON COMMUNITY RADIO, INC.

Financial Statements
September 30, 2023

BLOOMINGTON COMMUNITY RADIO, INC.

Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS:	
Statement of Financial Position	3
Statement of Activities and Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 13



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Bloomington Community Radio, Inc.
Bloomington, IN

Opinion

We have audited the accompanying financial statements of Bloomington Community Radio, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Prior Period Financial Statements

The financial statements as of September 30, 2022 were audited by Blue & Co., LLC. Blue & Co. LLC expressed a qualified opinion on those statements in its report of independent auditors dated May 12, 2023.

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 Bloomington Community 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.

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 Bloomington Community 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 Bloomington Community 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.

Stampfli Associates

Bloomington, IN
March 04, 2024

BLOOMINGTON COMMUNITY RADIO, INC.Statement of Financial Position
September 30, 2023

	2023
ASSETS	
Current assets	
Cash and cash equivalents	\$ 385,134
Grants receivable	105,275
Total current assets	<u>490,409</u>
Property and equipment	
Property and equipment at cost	290,995
Less: accumulated depreciation	<u>(212,204)</u>
Net property and equipment	<u>78,791</u>
TOTAL ASSETS	<u><u>\$ 569,200</u></u>
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable	\$ 5,323
Accrued expenses	4,785
Payroll tax liability	<u>7,946</u>
Total current liabilities	18,054
TOTAL LIABILITIES	<u>18,054</u>
NET ASSETS	
Without donor restrictions	394,136
With donor restrictions	<u>157,010</u>
Total net assets	<u>551,146</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 569,200</u></u>

BLOOMINGTON COMMUNITY RADIO, INC.Statement of Activities and Net Assets
For the Year Ended September 30, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
	<u>2023</u>	<u>2023</u>	<u>2023</u>
SUPPORT AND REVENUE:			
Support			
Individuals and foundations	\$ 316,876	\$ -	\$ 316,876
Grants	5,500	101,792	107,292
In-kind contributions	<u>75,067</u>	<u>-</u>	<u>75,067</u>
	<u>397,443</u>	<u>101,792</u>	<u>499,235</u>
Revenue			
Program service fees	16,100	-	16,100
Investment income	3,183	-	3,183
Other income	<u>1,462</u>	<u>-</u>	<u>1,462</u>
	<u>20,745</u>	<u>-</u>	<u>20,745</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>175,008</u>	<u>(175,008)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	593,197	(73,216)	519,981
EXPENSES	<u>496,847</u>	<u>-</u>	<u>496,847</u>
CHANGES IN NET ASSETS	96,349	(73,216)	23,133
NET ASSETS - BEGINNING OF YEAR	<u>297,787</u>	<u>230,226</u>	<u>528,013</u>
NET ASSETS - END OF YEAR	<u><u>\$ 394,136</u></u>	<u><u>\$ 157,010</u></u>	<u><u>\$ 551,146</u></u>

BLOOMINGTON COMMUNITY RADIO, INC.

Statement of Functional Expenses For the Year Ended September 30, 2023

	Program	Management and General	Fundraising	Total
	<u>2023</u>	<u>2023</u>	<u>2023</u>	<u>2023</u>
Wages and payroll taxes	\$ 159,238	\$ 38,785	\$ 50,640	\$ 248,663
Contract services	34,097	28,337	2,350	64,784
Rent	24,213	20,165	593	44,970
Advertising and promotion	17,396	17,396	-	34,793
Dues and memberships	7,701	7,436	3,609	18,746
Program syndication	17,254	-	-	17,254
Utilities	11,784	4,351	-	16,135
Supplies	4,004	8,419	709	13,132
Staff development	-	10,541	486	11,027
Depreciation expense	10,164	-	-	10,164
Bank and credit card fees	-	-	5,166	5,166
Insurance	-	4,728	-	4,728
Small equipment	3,941	354	-	4,295
Travel	-	2,192	-	2,192
Miscellaneous expense	-	799	-	799
Total Expenses	<u>\$ 289,792</u>	<u>\$ 143,503</u>	<u>\$ 63,552</u>	<u>\$ 496,847</u>

BLOOMINGTON COMMUNITY RADIO, INC.

Statement of Cash Flows
For the year ended September 30, 2023

	2023
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 23,133
Adjustments to reconcile changes in net assets to net cash from operating activities:	
In-kind contributed assets	(9,173)
Depreciation	10,164
Changes in operating assets and liabilities:	
Grants receivable	280
Accounts payable	5,323
Accrued expenses	3,877
Net cash from operating activities	<u>33,604</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(20,367)</u>
Net cash from investing activities	<u>(20,367)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Net cash from financing activities	<u>-</u>
Net changes in cash and cash equivalents	13,237
Cash and cash equivalents - Beginning of year	<u>371,897</u>
Cash and cash equivalents - End of year	<u>\$ 385,134</u>
Supplemental disclosures:	
Interest paid	\$ -
Income taxes paid	-
In-kind revenue	75,067

Note 1: Summary Of Significant Accounting Policies

Nature and Purpose of Organization

Bloomington Community Radio, Inc. (WFHB) is an Indiana 501(c)3 nonprofit corporation and was founded in 1975 to operate a non-commercial educational radio broadcast facility and to carry out educational and media activities and projects related to public education or communication.

Basis of Presentation

WFHB's financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

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 assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

WFHB considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Grants Receivable

Grants receivable consists of amounts unconditionally promised to WFHB that are expected to be received in the future. Grants receivables are recognized in the reporting period the grant is made. Management estimates and records allowance for doubtful receivables based on current economic conditions, historical trends, and other factors unique to its funding sources. At September 30, 2023, management determined that the grants receivables are fully collectible.

Property and Equipment

All acquisitions and improvements of property and equipment of \$2,500 or more are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation.

Depreciation is computed using the straight-line method over the estimated lives of the assets ranging from 5 to 20 years. See note 3 for more details.

WFHB has a record retention policy for all transactions executed by the organization. However, in years prior to 2018, accounting records for property and equipment were maintained in lesser detail.

Accrued Expenses

Accrued expenses consist of salaries and wages earned by employees but not paid.

Revenue Recognition – Contracts with Customers

Revenues from program service fees of \$16,100 for the year ended September 30, 2023 are recognized as exchange transactions for providing media activities and programs related to public education or communication. Revenues for these services are recognized over time as WFHB performs the broadcasts and programs under contract.

Revenue Recognition – Contributions and Grants

Contributions

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor conditions. A contribution or promise to give contains a donor condition when both of the following are present:

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

Conditional contributions are recognized when the barrier(s) to entitlement are overcome.

Grants

Grant awards are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

- Grant awards that are contributions - Grants that qualify as contributions are evaluated for conditions and recognized as revenue in accordance with ASC Topic 605 when the award is satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.
- Grant awards that are exchange transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized in accordance with ASC Topic 606 when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration in which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

WFHB does not have any grant awards that are exchange transactions.

WFHB records contributions and grants received as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions or any time related restrictions. Contributions and grants are recognized when the donor makes an unconditional promise to give to WFHB and are recorded at their fair values as revenues and assets in the year a contribution or grant acknowledgment is received. Contributions and grants that are with donor

restrictions are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions or grants are recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. This type of revenue is excluded from ASU 2014-09 Revenue from Contract with Customer (Topic 606).

In-Kind Donations

Donated Assets

WFHB reports gifts of assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 statement of activities and net assets as net assets released from restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, WFHB reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services

Donated services are recognized as contributions if the services create or enhance non-financial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by WFHB. The donated services are valued at the cost WFHB would otherwise have to pay for the services.

See note 5 for more information on in-kind donations.

Functional Allocation of Expenses

Expenses have been classified as program, management and general, and fundraising expenses based on the actual direct expenditures and cost allocation based on estimates of time and usage by WFHB's personnel and programs. Although the methods used were appropriate, other methods could produce different results.

Advertising and Publicity & Promotions

WFHB regularly advertises to promote its activities. These costs are expensed as services are provided and totaled \$34,793 for the year ended September 30, 2023.

Classification of Net Assets

The financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Accordingly, net assets of WFHB and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are not subject to donor-imposed stipulations, or where donor-imposed stipulations are met in the year of the contribution. Net assets without donor restrictions includes general assets of WFHB. The net assets without donor restrictions of WFHB may be used at the discretion of management or the Board to support WFHB's purposes and operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are subject to donor-imposed restrictions. All of WFHB's 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. Donor imposed restrictions are released when the restriction expires, such as when the stipulated time has elapsed, or when the stipulated purpose for which the resource was restricted has been fulfilled, or both. See note 7 for more details.

Income Taxes

WFHB is a not-for-profit Indiana Corporation, and its activities are exempt from federal income tax under Internal Revenue Code Section 501(c)(3). WFHB has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

WFHB is required to file Federal Form 990 - Return of Organization Exempt from Income Tax and the corresponding state return, which are information returns. WFHB has filed its federal and state returns for periods through September 30, 2022. These income taxes are generally open to examination by relevant taxing authorities for a period of three years from the later of the date the return was filed or its due date (including approved extensions). As of the date of the financial statements were available to be issued, there were no audits for any tax periods in progress.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by WFHB and has concluded that as of September 30, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements.

Note 2: Grants Receivables

Grants receivable are as follows at September 30, 2023:

	2023
Amounts due in	
Less than one year	105,275
One to five years	-
	<u>105,275</u>

Note 3: Property and Equipment

A summary of property and equipment is as follows at September 30, 2023:

	2023
Land	5,000
Building	110,318
Leasehold improvements	6,185
Furniture and fixtures	169,493
Total cost	290,995
Less: accumulated depreciation	(212,204)
Property and equipment, net	78,791

Note 4: Community Foundation

WFHB has been named the beneficiary of two endowments held by The Community Foundation of Bloomington and Monroe County (CFBMC) through an irrevocable designation. Funds were donated directly to CFBMC to create the endowments, and the CFBMC maintains variance power. Accordingly, the endowments have not been recorded in the financial statements presented herein.

WFHB is entitled to annual endowment draws as calculated by CFBMC. The most current statement available to WFHB reported endowment balance of \$72,329 at June 30, 2023. WFHB received endowment distributions totaling \$3,036 during the year ended September 30, 2023.

Note 5: In-Kind Donations

The value of donated services, assets, and facilities received by WFHB were as follows for the year ended September 30, 2023:

	2023
In-kind services	31,008
In-kind assets	9,173
In-kind rent	34,885
	75,067

Gifts-in-kind valuation techniques: Donated assets, services, and rent are recorded as public support only if they create or enhance non-financial assets or require specialized services. Rent is valued considering the market rate based on square footage used for a like-kind office space. Services are recorded at the services estimated fair value based on current rates for similar services and mainly include advertising and promotion services, professional services, and office supplies.

There were no in-kind contributions received during 2023 with donor restrictions.

Note 6: Line of Credit

WFHB has a line of credit with a bank, with maximum borrowings of \$25,000, which is subject to renewal in September 2024. Borrowings on the line of credit bear interest at the bank's prime rate plus 1% with a floor of 6.75% and is secured by substantially all assets of WFHB. There was no outstanding balance on the line of credit at September 30, 2023.

Note 7: Net assets with donor restrictions

Net assets with donor restrictions, which have purpose or time restrictions, are as follows at September 30, 2023:

	Syndicated content purpose	Youth radio director salary	Capital improvements - solar panels	Capital improvements - front door	Total
Balances - October 1, 2022	\$ 124,226	\$ 100,000	\$ 6,000	\$ -	\$ 230,226
Contributions received	91,792	-	-	10,000	101,792
Restrictions released	(159,008)	-	(6,000)	(10,000)	(175,008)
Balances - September 30, 2023	\$ 57,010	\$ 100,000	\$ -	\$ -	\$ 157,010
Purpose restrictions accomplished					
Syndicated content endeavors	159,008	-	-	-	159,008
Capital improvements made	-	-	6,000	10,000	16,000
Total restrictions released	159,008	-	6,000	10,000	175,008

Note 8: Liquidity and Availability of Financial Assets

WFHB's primary sources of revenue are grant revenue and individual and foundation contributions. The funds received from these sources are used to cover WFHB's working capital needs. WFHB also has a line of credit available with a maximum value of \$25,000 to meet its cash flow needs (Note 6).

The table below describes the financial assets available for general use within one year at September 30, 2023:

	Amount
Cash and cash equivalents	\$ 385,134
Grants receivable	105,275
	490,409
Less: donor restrictions for specific purposes	(157,010)
Financial assets available for general use	\$ 333,399

Note 9: Concentrations**Concentration of Credit Risk**

WFHB maintains its cash and cash equivalents in checking, money market, and certificate of deposit accounts which, at times, may exceed federally insured limit set by the Federal Deposit Insurance Corporation (FDIC) of up to \$250,000. WFHB has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

At September 30, 2023, 95% of WFHB's grants receivable is from one donor.

Funding Concentrations

During 2023, contributions from two donors combined represented 36% of revenue and support, with individual donors contributing 18% each.

Note 10: Subsequent Events

Subsequent events have been evaluated by management through March 04, 2024, which is the date the financial statements were available to be issued.