



Financial Statements  
December 31, 2021 and 2020

# Listeners Community Radio of Utah

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Financial Statements

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CPAs & BUSINESS ADVISORS  
**Independent Auditor's Report**

To the Board of Directors of  
Listeners Community Radio of Utah  
Salt Lake City, Utah

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Listeners Community Radio of Utah, which comprise the statements of financial position as of December 31, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Listeners Community Radio of Utah as of December 31, 2021 and 2020, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of Listeners Community Radio of Utah 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 these 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 Listeners Community Radio of Utah's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## Auditor's Responsibilities of 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 GAAS 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 GAAS, 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 Listeners Community Radio of Utah'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 Listeners Community Radio of Utah'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.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Salt Lake City, Utah  
August 8, 2022

Listeners Community Radio of Utah  
Statements of Financial Position  
December 31, 2021 and 2020

|   | 2021         | 2020         |
|---|--------------|--------------|
| <b>Assets</b>                                 |              |              |
| <b>Current Assets</b>                         |              |              |
| Cash and cash equivalents                     | \$ 768,333   | \$ 477,439   |
| Underwriting receivables                      | 28,304       | 26,358       |
| Unconditional promises to give, net           | 334,316      | 230,781      |
| Other receivables                             | 20,901       | -            |
| Donated rent receivable, current portion      | 44,442       | -            |
| Inventories                                   | 9,422        | 3,028        |
| Prepaid expenses and deposits                 | 45,225       | 29,352       |
| Total current assets                          | 1,250,943    | 766,958      |
| <b>Long-term Assets</b>                       |              |              |
| Donated rent receivable, less current portion | 58,208       | -            |
| Property and equipment, net                   | 1,148,310    | 489,270      |
| Total long-term assets                        | 1,206,518    | 489,270      |
| Total assets                                  | \$ 2,457,461 | \$ 1,256,228 |
| <b>Liabilities and Net Assets</b>             |              |              |
| <b>Current Liabilities</b>                    |              |              |
| Accounts payable                              | \$ 19,622    | \$ 12,035    |
| Accrued liabilities                           | 51,094       | 51,341       |
| Current maturities of long-term debt          | 24,651       | -            |
| Total current liabilities                     | 95,367       | 63,376       |
| <b>Long-term Liabilities</b>                  |              |              |
| Long-term debt, less current maturities       | 93,618       | -            |
| Total liabilities                             | 188,985      | 63,376       |
| <b>Net Assets</b>                             |              |              |
| Net assets without donor restrictions         | 1,818,253    | 928,846      |
| Net assets with donor restrictions            | 450,223      | 264,006      |
| Total net assets                              | 2,268,476    | 1,192,852    |
| Total liabilities and net assets              | \$ 2,457,461 | \$ 1,256,228 |

Listeners Community Radio of Utah  
Statements of Activities  
Years Ended December 31, 2021 and 2020

|   | 2021         | 2020         |
|---|--------------|--------------|
| Net Assets without Donor Restrictions           |              |              |
| Public support and revenue                      |              |              |
| Grants and contributions, net                   | \$ 701,827   | \$ 632,447   |
| Underwriting revenue                            | 120,858      | 122,572      |
| In-kind contributions                           | 772,760      | 73,819       |
| PPP loan forgiveness                            | 149,233      | 101,024      |
| Gain on sale of property and equipment          | 195,424      | -            |
| Events and other income                         | 2,827        | 20,443       |
| Net assets released from restrictions           | 258,705      | 244,839      |
| Total public support and revenue                | 2,201,634    | 1,195,144    |
| Expenses  |              |              |
| Program services                                |              |              |
| Programming and production                      | 525,763      | 531,565      |
| Engineering and broadcasting                    | 210,990      | 164,057      |
| Total program services                          | 736,753      | 695,622      |
| Supporting services                             |              |              |
| Management and general                          | 210,857      | 131,664      |
| Underwriting and grant solicitation             | 77,477       | 67,697       |
| Fundraising                                     | 287,140      | 180,694      |
| Total expenses                                  | 1,312,227    | 1,075,677    |
| Change in Net Assets without Donor Restrictions | 889,407      | 119,467      |
| Net Assets with Donor Restrictions              |              |              |
| Grants and contributions                        | 342,272      | 239,261      |
| In-kind contributions                           | 102,650      | -            |
| Net assets released from restrictions           | (258,705)    | (244,839)    |
| Change in Net Assets with Donor Restrictions    | 186,217      | (5,578)      |
| Change in Net Assets                            | 1,075,624    | 113,889      |
| Net Assets, Beginning of Year                   | 1,192,852    | 1,078,963    |
| Net Assets, End of Year                         | \$ 2,268,476 | \$ 1,192,852 |

Listeners Community Radio of Utah

Statement of Functional Expenses

Year Ended December 31, 2021

|                                  | Program Services           |                              |                   | Supporting Services    |                                     |                   |                     |
|----------------------------------|----------------------------|------------------------------|-------------------|------------------------|-------------------------------------|-------------------|---------------------|
|                                  | Programming and Production | Engineering and Broadcasting | Total             | Management and General | Underwriting and Grant Solicitation | Fundraising       | Total               |
| Payroll and payroll taxes        | \$ 349,937                 | \$ 86,601                    | \$ 436,538        | \$ 56,847              | \$ 50,382                           | \$ 93,541         | \$ 637,308          |
| Employee benefits                | 44,790                     | 2,298                        | 47,088            | 5,592                  | 2,198                               | 11,549            | 66,427              |
| Professional fees                | 250                        | 7,088                        | 7,338             | 36,932                 | -                                   | -                 | 44,270              |
| Advertising and promotion        | -                          | -                            | -                 | 2,351                  | -                                   | 54,780            | 57,131              |
| Office expense                   | -                          | 5,012                        | 5,012             | 27,026                 | -                                   | 12,765            | 44,803              |
| Information technology           | 58,877                     | -                            | 58,877            | 5,137                  | 3,504                               | 18,675            | 86,193              |
| Occupancy                        | 1,800                      | 4,504                        | 6,304             | 63,515                 | -                                   | -                 | 69,819              |
| Insurance                        | 5,634                      | -                            | 5,634             | 9,232                  | -                                   | -                 | 14,866              |
| Promotional events               | -                          | -                            | -                 | -                      | 200                                 | 82,202            | 82,402              |
| Transmitter expenses             | -                          | 96,025                       | 96,025            | -                      | -                                   | -                 | 96,025              |
| Depreciation                     | 30,774                     | 9,462                        | 40,236            | 4,225                  | -                                   | 4,225             | 48,686              |
| Listener research                | 2,935                      | -                            | 2,935             | -                      | -                                   | -                 | 2,935               |
| Travel                           | 108                        | -                            | 108               | -                      | -                                   | -                 | 108                 |
| Programming dues                 | 27,015                     | -                            | 27,015            | -                      | -                                   | -                 | 27,015              |
| Interest expense                 | 3,508                      | -                            | 3,508             | -                      | -                                   | -                 | 3,508               |
| Bad debt expense                 | -                          | -                            | -                 | -                      | 20,739                              | 9,403             | 30,142              |
| Miscellaneous                    | 135                        | -                            | 135               | -                      | 454                                 | -                 | 589                 |
| <b>Total functional expenses</b> | <b>\$ 525,763</b>          | <b>\$ 210,990</b>            | <b>\$ 736,753</b> | <b>\$ 210,857</b>      | <b>\$ 77,477</b>                    | <b>\$ 287,140</b> | <b>\$ 1,312,227</b> |

Listeners Community Radio of Utah

Statement of Functional Expenses

Year Ended December 31, 2020

|                                  | Program Services           |                              |                   | Supporting Services    |                                     |                   |                     |
|----------------------------------|----------------------------|------------------------------|-------------------|------------------------|-------------------------------------|-------------------|---------------------|
|                                  | Programming and Production | Engineering and Broadcasting | Total             | Management and General | Underwriting and Grant Solicitation | Fundraising       | Total               |
| Payroll and payroll taxes        | \$ 357,911                 | \$ 49,770                    | \$ 407,681        | \$ 44,600              | \$ 50,766                           | \$ 47,008         | \$ 550,055          |
| Employee benefits                | 56,013                     | 1,191                        | 57,204            | 6,099                  | 2,164                               | 12,261            | 77,728              |
| Professional fees                | 1,750                      | 958                          | 2,708             | 30,322                 | -                                   | -                 | 33,030              |
| Advertising and promotion        | -                          | -                            | -                 | -                      | -                                   | 33,040            | 33,040              |
| Office expense                   | 126                        | 786                          | 912               | 27,723                 | -                                   | 1,290             | 29,925              |
| Information technology           | 56,960                     | -                            | 56,960            | 1,811                  | 3,510                               | 15,202            | 77,483              |
| Occupancy                        | -                          | 10,925                       | 10,925            | 8,749                  | -                                   | -                 | 19,674              |
| Insurance                        | 5,634                      | -                            | 5,634             | 9,343                  | -                                   | -                 | 14,977              |
| Promotional events               | -                          | -                            | -                 | -                      | -                                   | 68,876            | 68,876              |
| Transmitter expenses             | -                          | 92,776                       | 92,776            | -                      | -                                   | -                 | 92,776              |
| Depreciation                     | 22,113                     | 7,651                        | 29,764            | 3,017                  | -                                   | 3,017             | 35,798              |
| Listener research                | 2,521                      | -                            | 2,521             | -                      | -                                   | -                 | 2,521               |
| Travel                           | 408                        | -                            | 408               | -                      | -                                   | -                 | 408                 |
| Programming dues                 | 28,129                     | -                            | 28,129            | -                      | -                                   | -                 | 28,129              |
| Bad debt expense                 | -                          | -                            | -                 | -                      | 11,257                              | -                 | 11,257              |
| <b>Total functional expenses</b> | <b>\$ 531,565</b>          | <b>\$ 164,057</b>            | <b>\$ 695,622</b> | <b>\$ 131,664</b>      | <b>\$ 67,697</b>                    | <b>\$ 180,694</b> | <b>\$ 1,075,677</b> |



Listeners Community Radio of Utah  
Statements of Cash Flows  
Years Ended December 31, 2021 and 2020

|  | 2021         | 2020       |
|--|--------------|------------|
| Operating Activities   |              |            |
| Change in net assets   | \$ 1,075,624 | \$ 113,889 |
| Adjustments to reconcile change in net assets to net cash from (used for) operating activities |              |            |
| Depreciation   | 48,686       | 35,798     |
| Gain on sale of fixed assets   | (195,424)    | -          |
| PPP loan forgiveness   | (149,233)    | (101,024)  |
| Donated rent receivable  | (102,650)    | -          |
| Contributed property and equipment capitalized   | (740,520)    | -          |
| Changes in operating assets and liabilities  |              |            |
| Underwriting receivables   | (1,946)      | 13,937     |
| Unconditional promises to give   | (103,535)    | (22,498)   |
| Other receivables  | (20,901)     | 1,960      |
| Inventories  | (6,394)      | (503)      |
| Prepaid expenses and deposits  | (15,873)     | (2,195)    |
| Accounts payable   | 7,587        | (11,572)   |
| Accrued liabilities  | (247)        | 40,430     |
| Net Cash from (used for) Operating Activities  | (204,826)    | 68,222     |
| Investing Activities   |              |            |
| Proceeds from sale of fixed assets   | 645,000      | -          |
| Purchase of property and equipment   | (416,782)    | (3,863)    |
| Net Cash from (used for) Investing Activities  | 228,218      | (3,863)    |
| Financing Activities   |              |            |
| Proceeds from issuance of long-term debt   | 132,117      | -          |
| Proceeds from PPP loans  | 149,233      | 101,024    |
| Principal payments on long-term debt   | (13,848)     | -          |
| Net Cash from Financing Activities   | 267,502      | 101,024    |
| Net Change in Cash and Cash Equivalents  | 290,894      | 165,383    |
| Cash and Cash Equivalents, Beginning of Year   | 477,439      | 312,056    |
| Cash and Cash Equivalents, End of Year   | \$ 768,333   | \$ 477,439 |
| Supplemental Disclosure of Cash Flow Information   |              |            |
| Cash paid during the year for interest   | \$ 3,508     | \$ -       |
| Supplemental Disclosure of Non-cash Investing and Financing Activity                           |              |            |
| Increase in property and equipment from in-kind donations                                      | \$ 740,520   | \$ -       |

**Note 1 - Summary of Significant Accounting Policies****Organization**

Listeners Community Radio of Utah dba KRCL (the Organization) is a listener-supported community radio station whose purpose is to strengthen the community through diverse, independent, and progressive public affairs and music programming. The Organization was organized as a Utah nonprofit corporation in 1975 to provide a unique voice, giving access to perspectives and music that are often excluded from traditional media. The Organization is funded primarily through community fundraising, grants, and underwriting revenue.

**Cash and Cash Equivalents**

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

**Underwriting Receivables**

Underwriting receivables consist primarily of noninterest-bearing amounts due for underwriting of the Organization's programs. Management determines the allowance for uncollectable underwriting receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Underwriting receivables are written off when deemed uncollectible. No allowances for uncollectible underwriting receivables were recorded at December 31, 2021 and 2020. Underwriting receivables at January 1, 2020, were \$40,295.

**Unconditional Promises to Give**

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Management determines the allowance for uncollectable promises to give based on historical experiences, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At December 31, 2021 and 2020, the allowance for uncollectable promises to give was \$55,597 and \$46,194, respectively.

**Inventories**

Inventories are stated at the lower of cost, determined on a first-in, first-out basis, or net realizable value and consist of promotional and premium items that are provided to members during membership campaigns and events.

### **Property and Equipment**

The Organization records property and equipment additions over \$1,000 at cost or, if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to forty years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2021 and 2020.

### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) 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.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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. 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.

### **Revenue and Revenue Recognition**

#### *Grants and Contributions*

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Membership revenue is all considered contribution revenue.

### *Underwriting Revenue*

For performance obligations related to underwriting revenues, revenues are recognized over time. The Organization uses the output method to recognize revenue over time. The output method consists of the percentage of broadcasting spots aired to date to the total number of contractual ad spots. This method is used because management considers ad spots to be the best available measure of progress on the contracts.

### **Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received.

### **Advertising Costs**

Advertising and promotional costs are expensed as incurred, and totaled \$57,131 and \$33,040 during the years ended December 31, 2021 and 2020, respectively.

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and payroll taxes, employee benefits, office expenses, information technology, and insurance, which are allocated on the basis of estimates of time and effort.

### **Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 and those differences could be material.

**Income Tax Status**

The Organization is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifying for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

**Paycheck Protection Program (PPP) Loan**

During the years ended December 31, 2021 and 2020, the Organization was granted loans totaling \$149,233 and \$101,024, respectively, under the PPP administered by a Small Business Administration (SBA) approved partner. The loans are uncollateralized and are fully guaranteed by the federal government. The Organization is eligible for loan forgiveness of up to 100% of the loan upon meeting certain requirements. The Organization initially recorded the loan as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan. Proceeds from the loan are eligible for forgiveness if they are used for certain payroll, rent, and utility expenses. During the years ended December 31, 2021, and 2020 the Organization was notified that the loans were fully forgiven and therefore contribution revenue equal to the loan amounts was recorded.

**Subsequent Events**

The Organization has evaluated subsequent events through August 8, 2022, the date the consolidated financial statements were available to be issued.

**Note 2 - Liquidity and Availability**

From time to time, as part of a liquidity management plan, excess cash is invested in interest-bearing savings accounts. Occasionally, the Board of Directors designates a portion of any operating surplus to its operating reserve. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

|                           | <u>2021</u>         | <u>2020</u>       |
|---------------------------|---------------------|-------------------|
| Cash and cash equivalents | \$ 755,017          | \$ 444,214        |
| Underwriting receivables  | 28,304              | 26,358            |
| Promises to give          | 218,189             | 198,870           |
| Other receivables         | 20,901              | -                 |
|                           | <u>\$ 1,022,411</u> | <u>\$ 669,442</u> |

**Note 3 - Unconditional Promises to Give**

At December 31, 2021 and 2020, all unconditional promises to give are expected to be collected within one year. Unconditional promises to give consist of the following at December 31:

|                                      | <u>2021</u>       | <u>2020</u>       |
|--------------------------------------|-------------------|-------------------|
| Member pledges                       | \$ 273,845        | \$ 245,064        |
| Grants                               | 116,068           | 31,911            |
| Less estimated uncollectable amounts | (55,597)          | (46,194)          |
|                                      | <u>\$ 334,316</u> | <u>\$ 230,781</u> |

**Note 4 - Property and Equipment**

Property and equipment consists of the following at December 31:

|                               | <u>2021</u>         | <u>2020</u>       |
|-------------------------------|---------------------|-------------------|
| Computers and equipment       | \$ 1,075,907        | \$ 880,205        |
| Furniture and fixtures        | 58,616              | 45,931            |
| Buildings and improvements    | 948,915             | 714,169           |
| Land                          | -                   | 102,500           |
|                               | 2,083,438           | 1,742,805         |
| Less accumulated depreciation | (935,128)           | (1,253,535)       |
|                               | <u>\$ 1,148,310</u> | <u>\$ 489,270</u> |

**Note 5 - Long-Term Debt**

Effective May 19, 2021, the Organization entered into a loan agreement with a bank, secured by equipment, bearing interest at 4.7% due in monthly installments of \$2,479 beginning June 19, 2021, through May 19, 2026.

Future maturities of long-term debt are as follows:

| Years Ending December 31, | Amount     |
|---------------------------|------------|
| 2022                      | \$ 24,651  |
| 2023                      | 25,852     |
| 2024                      | 27,103     |
| 2025                      | 28,431     |
| 2026                      | 12,232     |
|                           | \$ 118,269 |

**Note 6 - Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following at December 31:

|   | 2021       | 2020       |
|---|------------|------------|
| Promises to give  |            |            |
| Not restricted by donors, but which are unavailable for expenditure until due                                   | \$ 218,189 | \$ 198,870 |
| Restricted by donors for national program production, content acquisition, distribution and promotion           | 116,068    | 31,911     |
| In-kind rent contributions  | 102,650    | -          |
|   | 436,907    | 230,781    |
| Donations restricted by donors for national program production, content acquisition, distribution and promotion | 3,316      | 23,225     |
| Donations restricted by donors for other purposes   | 10,000     | 10,000     |
|   | \$ 450,223 | \$ 264,006 |

**Note 7 - Donated Professional Services, Materials, and Use of Long-lived Assets**

Effective May 1, 2021, the Organization entered into a lease agreement for free rent through April 30, 2024. The Organization recorded the contributed use of long-lived assets at the estimated fair value of the donated space. As of December 31, 2021, the donated rent receivable totals \$102,650.

The Organization received donated professional services, materials, and the use of long-lived assets as follows during the year ended December 31, 2021:

|                                    | Program<br>Services | Management<br>and General | Fundraising      | Total             |
|------------------------------------|---------------------|---------------------------|------------------|-------------------|
| Advertising and promotional events | \$ -                | \$ -                      | \$ 54,114        | \$ 54,114         |
| Information technology             | 28,730              | -                         | -                | 28,730            |
| Occupancy                          | -                   | 52,046                    | -                | 52,046            |
| Use of long-lived assets           | -                   | 740,520                   | -                | 740,520           |
|                                    | <u>\$ 28,730</u>    | <u>\$ 792,566</u>         | <u>\$ 54,114</u> | <u>\$ 875,410</u> |

The Organization received donated professional services and materials as follows during the year ended December 31, 2020:

|                                    | Program<br>Services | Management<br>and General | Fundraising      | Total            |
|------------------------------------|---------------------|---------------------------|------------------|------------------|
| Advertising and promotional events | \$ -                | \$ -                      | \$ 46,959        | \$ 46,959        |
| Information technology             | 26,380              | -                         | -                | 26,380           |
| Other                              | -                   | 480                       | -                | 480              |
|                                    | <u>\$ 26,380</u>    | <u>\$ 480</u>             | <u>\$ 46,959</u> | <u>\$ 73,819</u> |



**Note 8 - Leases**

The Organization leases equipment under various short and long-term operating leases. The leases expire at various dates through 2026.

Future minimum lease payments are as follows:

| <u>Years Ending December 31,</u> |                   |
|----------------------------------|-------------------|
| 2022                             | \$ 76,225         |
| 2023                             | 77,304            |
| 2024                             | 79,623            |
| 2025                             | 82,012            |
| 2026                             | <u>84,472</u>     |
| Total minimum lease payments     | <u>\$ 399,636</u> |

Total lease expense for the years ended December 31, 2021 and 2020, was approximately \$76,300 and \$75,400, respectively.