WNIN TRI-STATE PUBLIC MEDIA, INC.
Not-For-Profit Organization

Financial Report

September 30, 2024 and 2023

CONTENTS

INDEPENDENT AUDITOR'S REPORT

HARDING, SHYMANSKI & COMPANY, P.S.C.
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Board of Directors
WNIN Tri-State Public Media, Inc.

Opinion

We have audited the accompanying financial statements of WNIN Tri-State Public Media, Inc. (Organization), a Not-for-Profit Organization, which comprise the statements of financial position as of September 30, 2024 and 2023, the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2024 and 2023, and the results of its operations 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 for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 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 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 the Organization'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 the Organization'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.

Supplementary Information in Relation to the Financial Statements as a Whole

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as listed on the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Harding, Shymanski & Company, P.S.C.

Evansville, Indiana
January 3, 2025

WNIN TRI-STATE PUBLIC MEDIA, INC.

STATEMENTS OF FINANCIAL POSITION
September 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 32,771**	$ 192,535
Accounts receivable	**69,224**	91,531
Grants receivable	**120,521**	113,713
Pledges receivable, less allowance for uncollectible pledges receivable 2024 $12,516; 2023 $11,163	**70,923**	72,130
Prepaid expenses and other current assets	**66,175**	118,249
Total current assets	**359,614**	588,158
Noncurrent Assets		
Investments	**1,083,629**	1,187,413
Beneficial interest in assets held by Community Foundation Alliance, Inc.	**13,158**	11,183
Program licenses, net	**315,612**	315,723
Property and equipment, net	**3,992,613**	4,321,396
Total noncurrent assets	**5,405,012**	5,835,715
Total assets	**$ 5,764,626**	$ 6,423,873
LIABILITIES AND NET ASSETS		
Current Liabilities		
Line of credit	**$ 0**	$ 198,000
Accounts payable	**17,956**	68,936
Program licenses payable	**420,816**	420,964
Accrued payroll and related liabilities	**149,213**	121,125
Total current liabilities	**587,985**	809,025
Noncurrent Liabilities		
Deferred revenue	**68,459**	56,042
Total liabilities	**656,444**	865,067
Net Assets		
Without donor restrictions	**5,012,767**	5,467,359
With donor restrictions	**95,415**	91,447
Total net assets	**5,108,182**	5,558,806
Total liabilities and net assets	**$ 5,764,626**	$ 6,423,873

See notes to financial statements.

WNIN TRI-STATE PUBLIC MEDIA, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended September 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support						
Corporation for Public Broadcasting grants and National Public Radio funding	**$ 952,243**	**$ 0**	**$ 952,243**	$ 844,374	$ 0	$ 844,374
Membership and major gifts	**557,780**	**76,098**	**633,878**	572,529	49,251	621,780
Underwriting and corporate support	**113,369**	**0**	**113,369**	135,776	0	135,776
Trade underwriting	**36,330**	**0**	**36,330**	29,221	0	29,221
In-kind contributions and donations	**76,315**	**0**	**76,315**	43,412	0	43,412
Auction and special events	**167,176**	**0**	**167,176**	167,965	0	167,965
State appropriations	**443,868**	**0**	**443,868**	435,654	0	435,654
Production	**42,530**	**0**	**42,530**	47,970	0	47,970
Community issued support	**44,789**	**0**	**44,789**	35,697	0	35,697
Other revenues						
Investment return	**213,940**	**0**	**213,940**	91,924	0	91,924
Miscellaneous revenues	**20,687**	**0**	**20,687**	95,829	0	95,829
Total Revenues, Gains, and Other Support	**2,669,027**	**76,098**	**2,745,125**	2,500,351	49,251	2,549,602
Net Assets Released from Restrictions	**72,130**	**(72,130)**	**0**	195,392	(195,392)	0
Expenses						
Program	**2,056,887**	**0**	**2,056,887**	2,062,544	0	2,062,544
Management and general	**417,558**	**0**	**417,558**	408,184	0	408,184
Fundraising	**721,304**	**0**	**721,304**	674,409	0	674,409
Total Expenses	**3,195,749**	**0**	**3,195,749**	3,145,137	0	3,145,137
Change in Net Assets	**(454,592)**	**3,968**	**(450,624)**	(449,394)	(146,141)	(595,535)
Net Assets at Beginning of Year	**5,467,359**	**91,447**	**5,558,806**	5,916,753	237,588	6,154,341
Net Assets at End of Year	**$ 5,012,767**	**$ 95,415**	**$ 5,108,182**	$ 5,467,359	$ 91,447	$ 5,558,806

See notes to financial statements.

WNIN TRI-STATE PUBLIC MEDIA, INC.

STATEMENTS OF CASH FLOWS
Years Ended September 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Cash received from customers	**$2,527,204**	$ 2,426,590
Cash paid to suppliers, employees, and others	**(2,380,323)**	(2,514,222)
Other operating receipts received	**20,687**	95,829
Interest paid	**(3,448)**	(3,072)
Net cash provided by operating activities	**164,120**	5,125
Cash Flows from Investing Activities		
Purchases of property and equipment	**(26,555)**	(130,382)
Purchases of program licenses	**(415,078)**	(420,520)
Purchases of investments	**(15,420)**	0
Proceeds from sale of investments	**331,169**	100,000
Net cash used in investing activities	**(125,884)**	(450,902)
Cash Flows from Financing Activities		
Net borrowings (payments) on line of credit	**(198,000)**	198,000
Net decrease in cash and cash equivalents	**(159,764)**	(247,777)
Cash and cash equivalents at beginning of year	**192,535**	440,312
Cash and cash equivalents at end of year	**$ 32,771**	$ 192,535

See notes to financial statements.

WNIN TRI-STATE PUBLIC MEDIA, INC.

STATEMENTS OF CASH FLOWS (CONTINUED)
Years Ended September 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	**$ (450,624)**	$ (595,535)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	**355,338**	354,780
Amortization	**415,189**	393,114
Provision for (recoveries from) pledges receivable	**1,353**	(248)
Net gain on investments	**(213,940)**	(91,924)
Changes in assets and liabilities:		
Decrease (increase)		
Accounts receivable	**22,307**	(35,507)
Grants receivable	**(6,808)**	24,828
Pledges receivable	**(146)**	72,781
Capital campaign receivables	**0**	2,887
Prepaid expenses and other current assets	**52,074**	42,946
Increase (decrease)		
Accounts payable	**(50,980)**	(173,198)
Program licenses payable	**(148)**	36,541
Accrued payroll and related liabilities	**28,088**	(2,184)
Deferred revenues	**12,417**	(24,156)
Net cash provided by operating activities	**$ 164,120**	$ 5,125
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	**$ 3,448**	$ 3,072
Supplemental Schedules of Noncash Financing and Investing Activities		
Program licenses included in program licenses payable	**$ 420,816**	$ 420,964
Capital expenditures included in accounts payable	**$ 0**	$ 1,945

See notes to financial statements.

WNIN TRI-STATE PUBLIC MEDIA, INC.

STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended September 30, 2024 and 2023

	2024				2023			
	Program	**General and Administrative**	**Fundraising**	**Total**	Program	General and Administrative	Fundraising	Total
Salaries and wages	**$ 582,130**	**$ 259,615**	**$ 389,072**	**$ 1,230,817**	$ 582,953	$ 256,314	$ 359,899	$ 1,199,166
Employee benefits	**53,065**	**17,220**	**32,541**	**102,826**	50,565	16,796	33,305	100,666
Payroll taxes	**46,049**	**18,016**	**26,991**	**91,056**	44,083	19,949	25,554	89,586
Programming expenses	**602,172**	**0**	**0**	**602,172**	597,478	0	0	597,478
Legal and accounting	**8,913**	**28,242**	**0**	**37,155**	6,925	22,689	0	29,614
Marketing and promotions	**195**	**0**	**496**	**691**	196	0	673	869
Supplies	**1,537**	**1,002**	**325**	**2,864**	1,469	1,005	587	3,061
Telephone	**3,476**	**555**	**956**	**4,987**	3,557	568	774	4,899
Postage and shipping	**3,943**	**666**	**657**	**5,266**	4,335	673	788	5,796
Equipment rental and maintenance	**57,647**	**25,212**	**21,929**	**104,788**	41,292	24,191	21,679	87,162
Joint master control	**127,504**	**0**	**0**	**127,504**	173,715	0	0	173,715
Fiber transmission link	**32,563**	**0**	**0**	**32,563**	20,713	0	0	20,713
Printing	**125**	**91**	**62**	**278**	584	355	354	1,293
Travel	**4,574**	**10,673**	**2,810**	**18,057**	3,969	9,079	4,706	17,754
Interest	**0**	**3,448**	**0**	**3,448**	0	3,072	0	3,072
Depreciation	**318,787**	**13,621**	**22,930**	**355,338**	317,529	13,882	23,369	354,780
Auction and special events	**0**	**0**	**49,853**	**49,853**	0	0	76,569	76,569
Other expenses								
Dues and subscriptions	**52,592**	**3,088**	**2,933**	**58,613**	48,272	3,071	3,380	54,723
Membership costs	**0**	**0**	**32,880**	**32,880**	0	0	36,242	36,242
Insurance	**42,702**	**6,820**	**11,480**	**61,002**	41,374	6,609	11,123	59,106
Utilities	**81,623**	**4,350**	**7,322**	**93,295**	76,004	4,124	6,942	87,070
Production	**12,418**	**0**	**0**	**12,418**	11,485	0	0	11,485
Grant expenses	**4,682**	**0**	**2,154**	**6,836**	14,487	0	1,979	16,466
In-kind programming	**0**	**0**	**75,595**	**75,595**	0	0	41,615	41,615
In-kind trades	**720**	**15,537**	**23,725**	**39,982**	2,300	16,603	10,500	29,403
Bad debt	**0**	**0**	**12,516**	**12,516**	0	0	11,163	11,163
Recruitment	**0**	**100**	**0**	**100**	0	100	0	100
Miscellaneous	**19,470**	**9,302**	**4,077**	**32,849**	19,259	9,104	3,208	31,571
Total functional expenses	**$2,056,887**	**$ 417,558**	**$ 721,304**	**$ 3,195,749**	$2,062,544	$ 408,184	$ 674,409	$ 3,145,137

See notes to financial statements.

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

WNIN Tri-State Public Media, Inc. (Organization) is a not-for-profit service media organization, which operates noncommercial television (WNIN Channel 9.1 and 9.2) stations, radio (WNIN-FM 88.3) stations, and internet services in Evansville, Indiana. It is licensed by the Federal Communications Commission (FCC) to record, distribute, and duplicate programs and other material over broadcast airwaves.

Net Assets and Basis of Presentation

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 without donor restrictions may be designated for specific purposes by the Organization's Board of Directors.

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

Concentrations of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash, cash equivalents, and receivables (including capital campaign receivables). At times, cash in banks may be in excess of the Federal Deposit Insurance Organization insurance limit.

Cash and Cash Equivalents

For purposes of reporting the statements of cash flows, the Organization considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Accounts Receivable and the Allowance for Expected Credit Losses

Accounts receivable are customer obligations due under normal trade terms. The Organization attempts to minimize accounts receivable credit risk by reviewing customer credit history before extending credit and by monitoring customers' credit exposure on a continuing basis. When necessary, the Organization offsets gross accounts receivable with an allowance for expected credit losses. The allowance is the Organization's best estimate of the amount of probable credit losses in the Organization's existing accounts receivable and is based upon historical loss patterns, the number of days that billings are past due, and an evaluation of the potential risk of loss associated with specific accounts. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. When necessary, the provision for expected credit losses is recorded in operating expenses.

Effective October 1, 2023, the Organization adopted ASC 326, *Financial Instruments – Credit Losses*, using a modified retrospective approach for its financial assets in the scope of ASC 326. ASC 326 requires measurement and recognition of expected credit losses for financial assets held. Estimating credit losses based on risk characteristics requires significant judgment by the Organization. Significant judgments include but are not limited to assessing current economic conditions and the extent to which they would be relevant to the existing characteristics of the Organization financial assets, the estimated life of financial assets, and the level of reliance on historical experience in light of economic conditions.

The Organization reviews and updates, when necessary, its historical risk characteristics that are meaningful to estimating credit losses, any new risk characteristics that arise in the natural course of business, and the estimated life of its financial assets. The Organization has evaluated accounts receivable and potential credit losses, including assessing current economic conditions and historical experience in accordance with ASC 326, and has determined that the allowance for expected credit losses as of September 30, 2024, and the change in the allowance for expected credit losses during the year ended September 30, 2024, was not significant to the financial statements. Prior to the adoption of ASC 326, the Organization maintained an allowance for doubtful accounts to reserve for potentially uncollectible accounts receivable. The allowance for doubtful accounts as of September 30, 2024 was not significant to the financial statements.

Grants Receivable

Grants receivable which represent unconditional promises to give are recognized as revenue when the promise is pledged. Management closely monitors outstanding balances throughout the year. All grants receivable at September 30, 2024 are expected to be collected during the next calendar year. The Organization believes they will be fully collected.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Pledges Receivable

Promises to give are referred to as pledges by the Organization. Pledges, less an estimated provision for uncollectible amounts, are recorded as receivables in the year made. The Organization provides for losses on pledges receivable using the allowance method. The allowance for uncollectible pledges is based upon the Organization's collection policy, past experience, the length of time pledges have been outstanding, and current economic factors.

Investments and Risks and Uncertainties

The Organization carries various investments at the stated estimated fair values based on quoted market prices. Gains or losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains or losses resulting from sales of securities are calculated on an adjusted cost basis. Adjusted cost for this purpose is the market value of the security at the beginning of the year or the cost if purchased during the year. Dividend and interest income are accrued when earned. Gains, losses, dividends, and interest are all recorded as without donor restriction in the statements of activities unless donor specifications indicate a different method. The Organization records the investment return net of related investment expenses.

The Organization holds its investments in a variety of investment funds. The Organization also holds a beneficial interest in assets held by Community Foundation Alliance, Inc. (CFA). In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investment will occur in the near-term and that such changes could materially affect the Organization's investment holdings and the amounts reported on the statements of financial position.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Property, Equipment, and Depreciation

Property and equipment are stated at cost. The Organization capitalizes expenditures for property and equipment in excess of $1,000. Provisions for depreciation of property and equipment have been computed on the straight-line method over the following estimated useful lives:

	Years
Transmission line and accessories	5-10
Transmitter building	10-25
Transmission tower	10-25
Transmitters	5-25
TV/FM operating equipment	5-25
Furniture, fixtures, and nonbroadcasting equipment	3-10
Vehicles	10
Land improvements	10
Main Street building	5-30

Contributed property and equipment are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recoded as with donor restrictions support. In the absence of such stipulations, contributions of property and equipment are recorded as without donor restrictions support.

Deferred Revenue

Deferred revenue consists of payments received in advance for underwriting contracts, the Organization's annual auction, and special events. These revenues are deferred and recognized in the period earned.

Support and Expenses

Contributions received and unconditional promises to give cash and other assets are measured at fair value and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. 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 statements of revenues, expenses, and changes in net assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as without donor restrictions support. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Donated Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific campaign solicitations and various assignments, which are not recognized as contributions in the financial statements since the recognition criteria under the guidance were not met. Under Financial Accounting Standards Board (FASB) guidance, services are recognized as contributions when they (a) create or enhance nonfinancial assets, or (b) require specialized skills performed by people whose skills would otherwise be purchased by the Organization. A substantial number of volunteers have donated significant amounts of their time to the Organization that did not meet the criteria.

Revenue Recognition

The Organization recognizes revenue related to programs in accordance with ASC Topic 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when or as performance obligations are satisfied

The Organization's ASC Topic 606 revenue is primarily derived from trade underwriting and merchandise sales (primarily included in production). Trade underwriting and merchandise sales are sold primarily to customers in the Evansville, Indiana area. Trade underwriting and merchandise sales are subject to economic conditions and may fluctuate based on changes in the economy.

Revenue from trade underwriting is recognized over time as the customer simultaneously receives and consumes the program benefits provided by the Organization, which is how the performance obligation is satisfied.

Revenue from merchandise sales is recognized upon transfer of control to the customer, which is typically at the point in time of the transaction.

The transaction price is the amount of consideration to which the Organization expects to be entitled in exchange for providing the program or merchandise to the customer. Payments for copyright royalties are due annually and payments for trade underwriting and merchandise are typically due at the time of the transaction.

The Organization does not have significant variable consideration embedded in their pricing structures or significant returns or refunds. In addition, there are not significant financing components in customer contracts nor are there warranties or bill and hold sales.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

As discussed previously, revenue from merchandise sales is recognized at a point in time, whereas revenue from the sale of trade underwriting is recognized over time. Total revenue recognized at a point in time and over time was as follows for the years ended September 30:

	2024	2023
Revenue recognized at a point in time		
Merchandise sales	$ 721	$ 461
Revenue recognized over time		
Trade underwriting	$36,330	$29,221

There are no contract assets, or contract liabilities related to trade underwriting and merchandise sales as of September 30, 2024, September 30, 2023, and October 1, 2022.

Total trade underwriting included in accounts receivable as of September 30, 2024, September 30, 2023, and October 1, 2022 was $23,300, $15,065, and $7,277, respectively.

Revenue from the Organization's Corporation for Public Broadcasting grants, contribution memberships, gifts/donations, Indiana state appropriations, capital campaigns, auctions, and special events are outside the scope of ASC Topic 606, *Revenue from Contracts with Customers*. The Organization does not provide the donor with benefits in return for a contribution membership, gift/donation, appropriation, capital campaign contribution, auction contribution, or special event, nor does the Organization provide services to a grantor in exchange for the grant. Therefore, there is no exchange transaction and ASC 606 does not apply.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Certain costs have been allocated among the program, management and general, and fundraising categories. Therefore, these expenses require an allocation by management on an equitable basis that is consistently applied. These expenses include overhead expenses (office supplies, telephone, postage, shipping, printing, utilities, and insurance). Overhead expenses are allocated based on estimated use of building space and square footage. All other functional expense categories are allocated based on actual direct expenditures.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Leases

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract, and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

When necessary, the Organization recognizes most leases on its statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of activities.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less and instead recognizes the lease payments in changes in net assets on a straight-line basis over the lease term. When necessary, for all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or October 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842). The Organization elected to use this risk-free borrowing rate for all leases, if present. For any lease in which the rate implicit in the lease is readily determinable, that rate must be used instead of the risk-free borrowing rate.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which would be initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent would be recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease, if present in the lease, are included in the lease payments only when it is probable that they will be incurred.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Leases (Continued)

The Organization has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for all lease asset classes. The non-lease components typically represent additional services transferred to the Organization. These payments are non-component costs representing additional consideration in the contract, which is allocated to the single lease component. Non-lease component costs that are fixed in nature are included with the lease payments in the calculation of the lease liabilities and ROU assets; however, non-lease component costs that are variable in nature are recorded in variable lease expense in the period incurred.

As of September 30, 2024, September 30, 2023, and October 1, 2022, the Organization had no significant short-term or long-term leases.

Fundraising

Fundraising costs are expensed as incurred. Fundraising costs incurred for the years ended September 30, 2024 and 2023 were $721,304 and $674,409, respectively.

Unemployment

The Organization has elected to pay unemployment compensation claims on a direct basis; therefore, contributions are not paid into a state unemployment fund.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassification

Certain items in the September 30, 2023 statements have been reclassified to conform with the September 30, 2024 classifications.

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Recently Adopted Accounting Standard

Financial Instruments – Credit Losses

In June 2016, FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables, financing receivables, contract assets, and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statements of activities as the amounts expected to be collected change. The ASU is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. FASB subsequently issued ASU 2018-19, ASU 2019-04, ASU 2019-05, and ASU 2019-11, all of which made minor modifications to Topic 326 and were to be adopted concurrently to ASU 2016-13 if it had not already been early adopted. The Organization adopted this guidance included in all of these ASUs effective October 1, 2023, which applies to its accounts receivable; however, the adoption did not have a significant effect on the Organization's financial statements.

Note 2 – Liquidity and Availability

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:

	2024	2023
Cash and cash equivalents	$ 32,771	$ 192,535
Accounts receivable	69,224	91,531
Grants receivable	120,521	113,713
Pledges receivables, less allowance for uncollectible pledges receivable 2024 $12,516; 2023 $11,163	70,923	72,130
Investments	1,083,629	1,187,413
Beneficial interest in assets held by Community Foundation Alliance, Inc.	13,158	11,183
Total financial assets	1,390,226	1,668,505
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(95,415)	(91,447)
Board-designated funds	(1,169,416)	(1,273,200)
Net financial assets available to meet general expenditures over the next 12 months	$ 125,395	$ 303,858

The Organization has a goal to maintain appropriate levels of cash on hand to meet normal operating expenses.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event that the Organization has a need of additional funding, the Board-designated funds can be reallocated for general expenditures by an approved resolution of the Board of Directors.

Note 3 – Receivables

Receivables at September 30, 2024 and 2023 consisted of the following:

	2024	2023
Accounts receivable	$ 69,224	$ 91,531
Pledges	83,439	83,293
Less allowance for uncollectible pledges receivable	(12,516)	(11,163)
	70,923	72,130
Grants	120,521	113,713
Total receivables	$ 260,668	$ 277,374

All receivables are expected to be collected within one year.

Note 4 – Investments

Investment securities are recorded at fair market value. Investments consist of the following at September 30, 2024 and 2023:

	2024	2023
Money market account	$ 31,433	$ 36,847
Equity securities	677,117	836,617
Exchange-traded funds	110,577	54,057
Bond funds	264,502	259,892
	$ 1,083,629	$ 1,187,413

Note 4 – Investments (Continued)

Investment return is comprised of the following for the years ended September 30, 2024 and 2023:

	2024	2023
Interest and dividend income, net	$ 33,854	$ 35,580
Net realized and unrealized gains on investments, reported at fair value	180,086	56,344
Total investment return	$213,940	$ 91,924

Note 5 – Beneficial Interest in Assets Held by Community Foundation Alliance, Inc.

Beneficial interest in assets held by CFA is measured based on the value assigned by CFA which approximates market value in the statements of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statements of activities as increases or decreases in net assets without donor restrictions. The investments are determined by CFA rather than the Organization.

The Organization has contributed a total of $13,158 to the local CFA and has a beneficial interest in both the principal and income as of September 30, 2024. The CFA invests funds and distributes income to the Organization at least annually in accordance with the CFA's spending guidelines. The Organization did not grant variance powers to the CFA for these funds.

Note 6 – Property and Equipment

Property and equipment at September 30, 2024 and 2023 consisted of the following:

	2024	2023
Land	$ 486,300	$ 486,300
Transmission line and accessories	15,237	15,237
Transmitter building	200,195	200,195
Transmission tower	1,095,766	1,095,766
Transmitters	1,977,405	1,973,305
TV/FM operating equipment	2,023,185	2,003,190
Furniture, fixtures, and nonbroadcasting equipment	212,775	210,315
Vehicles	16,975	16,975
Land improvements	5,390	5,390
Main Street building	2,979,056	2,979,056
Other assets	24,775	29,730
	9,037,059	9,015,459
Accumulated depreciation	(5,044,446)	(4,694,063)
	$ 3,992,613	$ 4,321,396

Depreciation expense for the years ended September 30, 2024 and 2023 was $355,338 and $354,780, respectively.

Note 7 – Line of Credit

The Organization has an operating line of credit with maximum borrowings of $200,000. The note provides for interest at prime, is secured by substantially all of the Organization's assets, and is due March 2025. There were no outstanding borrowings on this line of credit at September 30, 2024. The outstanding borrowings at September 30, 2023 were $198,000.

Note 8 – Commitments and Contingencies

During the year ended September 30, 2020, the Organization received a Paycheck Protection Program (PPP) loan in the amount of $207,400 under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Organization believes they met the eligibility criteria for qualification to receive the PPP loan and used the proceeds only for qualifying expenses eligible under the CARES Act. The Organization received formal forgiveness from the U.S. Small Business Administration (SBA) on January 18, 2021. The Organization believes they have met the subsequent criteria for forgiveness of the PPP loan as set forth in the CARES Act; however, the loan is subject to review by the SBA, which could result in the partial or full repayment of the loan by the Organization.

During the year ended September 30, 2021, the Organization received a second draw PPP loan in the amount of $211,510 under the Economic Aid to Hard-Hit Small Businesses, Non-profits and Venues Act (Economic Aid Act). The Organization believes they met the eligibility criteria for qualification to receive the second draw PPP loan and used the proceeds only for qualifying expenses eligible under the Economic Aid Act. The Organization received formal forgiveness from the SBA on December 29, 2021. The Organization believes they have met the subsequent criteria for forgiveness of the PPP loan as set forth in the Economic Aid Act; however, the loan is subject to review by the SBA, which could result in the partial or full repayment of the loan by the Organization.

Note 9 – Fair Value of Financial Instruments

Under FASB's authoritative guidance on fair value measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income, and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy.

The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

> Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
>
> Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

Note 9 – Fair Value of Financial Instruments (Continued)

Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

During the years ended September 30, 2024 and 2023, there were no changes to the Organization's valuation techniques that had, or are expected to have, a material impact on its financial position or results of operations.

The following are descriptions of the valuation methodologies used for instruments measured at fair value:

Beneficial Interest in Assets Held by CFA

The fair value of beneficial interest in assets held by CFA is the market value based on quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Investment Securities

The fair value of investment securities is the market value based on quoted market prices, if available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use other observable inputs due to the limited market activity of the instrument. Investment securities consist of equity securities, exchange-traded funds, and bond funds.

Note 9 – Fair Value of Financial Instruments (Continued)

At September 30, 2024 and 2023, the balances of assets and liabilities measured at fair value on a recurring basis are as follows:

	Fair Value	Level 1	Level 2	Level 3
September 30, 2024				
Money market account	$ 31,433	$ 31,433	$ 0	$ 0
Investment securities	1,052,196	1,052,196		
Beneficial interest in assets held by CFA	13,158	13,158	0	0
	$ 1,096,787	$ 1,096,787	$ 0	$ 0
September 30, 2023				
Money market account	$ 36,847	$ 36,847	$ 0	$ 0
Investment securities	1,150,566	1,150,566		
Beneficial interest in assets held by CFA	11,183	11,183	0	0
	$ 1,198,596	$ 1,198,596	$ 0	$ 0

Note 10 – Income Taxes

The Internal Revenue Service has ruled that the Organization is exempt from the payment of federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified as an organization that is not a private foundation and has been designated as a "publicly-supported" organization.

Management evaluated the Organization's uncertain tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements.

Note 11 – Defined Contribution Plan

The Organization provides a retirement annuity program for employees who meet certain length of service and age requirements. Vesting occurs over a six-year period and the plan allows for hardship withdrawals and discretionary profit-sharing contributions. For the years ended September 30, 2024 and 2023, the Organization contributed a two percent match totaling $19,048 and $19,514, respectively.

Note 12 – Concentration in Support and Revenue

The Organization has significant revenues derived from the Corporation for Public Broadcasting and the State of Indiana. Revenue derived from these two sources as a percentage of total without donor restrictions support and revenue was approximately 35 and 16 percent and 33 and 17 percent for the years ended September 30, 2024 and 2023, respectively.

Note 13 – Net Assets

Net assets with donor restrictions at September 30, 2024 and 2023 consisted of the following:

	2024	2023
Restricted for future periods	$ 78,423	$ 76,430
Restricted for specific purpose	3,834	3,834
	82,257	80,264
Net assets with donor restricitons being held in perpetuity:		
Beneficial interest in assets held by CFA	13,158	11,183
	$ 95,415	$ 91,447

As of the years ended September 30, 2024 and 2023, net assets were released from donor restrictions of $72,130 and $195,392, respectively, by incurring expenses satisfying the restricted purpose or time period.

Note 14 – Board-Designated Net Assets

As of the years ended September 30, 2024 and 2023, the Board of Directors designated $1,169,416 and $1,273,200, respectively, of net assets without donor restrictions to be used for specific projects or capital improvements.

Note 15 – Large Receivables

During the year ended September 30, 2024, the Organization had one supporter which compromised 43 percent of total receivables. During the year ended September 30, 2023, the Organization had two supporters which comprised 39 and 11 percent of total receivables.

Note 16 – Subsequent Events

The Organization has evaluated subsequent events through January 3, 2025, the date on which the financial statements were available to be issued.

- - - - SUPPLEMENTARY INFORMATION - - -

WNIN TRI-STATE PUBLIC MEDIA, INC.

SCHEDULES OF ACTIVITIES BY SEGMENT
Years Ended September 30, 2024 and 2023

	2024				2023			
	Television	**Radio**	**Capital**	**Total**	**Television**	**Radio**	**Capital**	**Total**
Revenues, Gains, and Other Support								
Corporation for Public Broadcasting grants								
and National Public Radio funding	$ 853,102	$ 99,141	$ 0	$ 952,243	$ 757,147	$ 87,227	$ 0	$ 844,374
Membership and major gifts	330,827	303,051	0	633,878	324,893	296,887	0	621,780
Underwriting and corporate support	32,403	80,966	0	113,369	24,536	111,240	0	135,776
Trade underwriting	13,875	22,455	0	36,330	7,025	22,196	0	29,221
In-kind contributions and donations	54,715	21,600	0	76,315	32,462	10,950	0	43,412
Auction and special events	167,176	0	0	167,176	167,965	0	0	167,965
Program revenue								
State appropriations	385,535	58,333	0	443,868	377,321	58,333	0	435,654
Production	42,530	0	0	42,530	47,970	0	0	47,970
Community issued support	44,789	0	0	44,789	35,654	43	0	35,697
Other revenues								
Investment return	171,547	42,393	0	213,940	73,669	18,255	0	91,924
Miscellaneous revenues	20,666	0	21	20,687	98,691	0	(2,862)	95,829
Total Revenues, Gains, and Other Support	2,117,165	627,939	21	2,745,125	1,947,333	605,131	(2,862)	2,549,602
Expenses								
Program								
Programming and productions	1,241,651	501,929	0	1,743,580	1,222,147	506,797	0	1,728,944
Broadcasting	181,754	567	0	182,321	179,061	237	0	179,298
Digital	104,613	26,153	0	130,766	123,442	30,860	0	154,302
Theater	220	0	0	220	0	0	0	0
Management and general	361,761	55,797	0	417,558	354,094	53,281	809	408,184
Fundraising								
Membership and major gifts	296,417	9,563	0	305,980	322,984	9,621	0	332,605
Community engagement	144,751	34,200	0	178,951	95,605	17,100	0	112,705
Underwriting	106,968	0	0	106,968	82,950	0	0	82,950
Auction and special events	129,405	0	0	129,405	146,149	0	0	146,149
Total Expenses	2,567,540	628,209	0	3,195,749	2,526,432	617,896	809	3,145,137
Change in Net Assets	$ (450,375)	$ (270)	$ 21	$ (450,624)	$ (579,099)	$ (12,765)	$ (3,671)	$ (595,535)

See independent auditor's report.