

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

Financial Report

September 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT



**HARDING, SHYMANSKI
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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, 2025 and 2024, 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, 2025 and 2024, 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.

Emphasis of Matter Regarding Going Concern

As discussed in Note 2 to the financial statements, the Organization has suffered recurring negative changes in net assets and is expected to receive a significant reduction in funding from governmental sources in fiscal year 2026. Management's evaluation of the events and conditions and management's plans to mitigate these matters are also described in Note 2. Our opinion is not modified with respect to this matter.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Responsibilities of Management for the Financial Statements (Continued)



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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



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, Stymanski & Company, P.S.C.

Evansville, Indiana
January 6, 2026

WNIN TRI-STATE PUBLIC MEDIA, INC.

STATEMENTS OF FINANCIAL POSITION

September 30, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 99,644	\$ 32,771
Accounts receivable	15,343	69,224
Grants receivable	77,331	120,521
Pledges receivable, less allowance for uncollectible pledges receivable 2025 \$21,123; 2024 \$12,516	119,698	70,923
Prepaid expenses and other current assets	69,681	66,175
Total current assets	381,697	359,614
Noncurrent Assets		
Investments	907,168	1,083,629
Beneficial interest in assets held by Community Foundation Alliance, Inc.	13,834	13,158
Program licenses, net	159,094	315,612
Property and equipment, net	3,762,332	3,992,613
Total noncurrent assets	4,842,428	5,405,012
Total assets	\$ 5,224,125	\$ 5,764,626
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 9,775	\$ 17,956
Program licenses payable	212,126	420,816
Accrued payroll and related liabilities	140,663	149,213
Total current liabilities	362,564	587,985
Noncurrent Liabilities		
Deferred revenue	41,702	68,459
Total liabilities	404,266	656,444
Net Assets		
Without donor restrictions	4,598,148	5,012,767
With donor restrictions	221,711	95,415
Total net assets	4,819,859	5,108,182
Total liabilities and net assets	\$ 5,224,125	\$ 5,764,626

See notes to financial statements.

WNIN TRI-STATE PUBLIC MEDIA, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended September 30, 2025 and 2024

	2025			2024		
	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	\$ 1,047,715	\$ 76,845	\$ 1,124,560	\$ 952,243	\$ 0	\$ 952,243
Membership and major gifts	1,042,917	119,698	1,162,615	557,780	76,098	633,878
Underwriting and corporate support	110,261	0	110,261	113,369	0	113,369
Trade underwriting	49,131	0	49,131	36,330	0	36,330
In-kind contributions and donations	93,941	0	93,941	76,315	0	76,315
Auction and special events	133,565	0	133,565	167,176	0	167,176
State appropriations	0	0	0	443,868	0	443,868
Production	7,590	0	7,590	42,530	0	42,530
Community issued support	16,397	0	16,397	44,789	0	44,789
Other revenues						
Investment return	38,241	0	38,241	213,940	0	213,940
Miscellaneous revenues	17,204	676	17,880	20,687	0	20,687
Total Revenues, Gains, and Other Support	2,556,962	197,219	2,754,181	2,669,027	76,098	2,745,125
Net Assets Released from Restrictions	70,923	(70,923)	0	72,130	(72,130)	0
Expenses						
Program	1,982,195	0	1,982,195	2,056,887	0	2,056,887
Management and general	444,486	0	444,486	417,558	0	417,558
Fundraising	615,823	0	615,823	721,304	0	721,304
Total Expenses	3,042,504	0	3,042,504	3,195,749	0	3,195,749
Change in Net Assets	(414,619)	126,296	(288,323)	(454,592)	3,968	(450,624)
Net Assets at Beginning of Year	5,012,767	95,415	5,108,182	5,467,359	91,447	5,558,806
Net Assets at End of Year	\$ 4,598,148	\$ 221,711	\$ 4,819,859	\$ 5,012,767	\$ 95,415	\$ 5,108,182

See notes to financial statements.

WNIN TRI-STATE PUBLIC MEDIA, INC.

STATEMENTS OF CASH FLOWS

Years Ended September 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Cash received from customers	\$2,746,356	\$ 2,527,204
Cash paid to suppliers, employees, and others	(2,575,860)	(2,380,323)
Other operating receipts received	17,880	20,687
Interest paid	(478)	(3,448)
	<u>187,898</u>	<u>164,120</u>
Net cash provided by operating activities		
Cash Flows from Investing Activities		
Purchases of property and equipment	(122,652)	(26,555)
Purchases of program licenses	(212,399)	(415,078)
Purchases of investments	0	(15,420)
Proceeds from sale of investments	214,026	331,169
	<u>(121,025)</u>	<u>(125,884)</u>
Net cash used in investing activities		
Cash Flows from Financing Activities		
Net payments on line of credit	0	(198,000)
	<u>66,873</u>	<u>(159,764)</u>
Net increase (decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of year	32,771	192,535
Cash and cash equivalents at end of year	<u>\$ 99,644</u>	<u>\$ 32,771</u>

See notes to financial statements.

WNIN TRI-STATE PUBLIC MEDIA, INC.

STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended September 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in net assets	\$ (288,323)	\$ (450,624)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	352,933	355,338
Amortization	368,917	415,189
Provision for pledges receivable	8,607	1,353
Net gain on investments	(38,241)	(213,940)
Changes in assets and liabilities:		
Decrease (increase)		
Accounts receivable	53,881	22,307
Grants receivable	43,190	(6,808)
Pledges receivable	(57,382)	(146)
Prepaid expenses and other current assets	(3,506)	52,074
Increase (decrease)		
Accounts payable	(8,181)	(50,980)
Program licenses payable	(208,690)	(148)
Accrued payroll and related liabilities	(8,550)	28,088
Deferred revenues	(26,757)	12,417
Net cash provided by operating activities	\$ 187,898	\$ 164,120
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	\$ 478	\$ 3,448
Supplemental Schedule of Noncash Financing and Investing Activities		
Program licenses included in program licenses payable	\$ 212,126	\$ 420,816

See notes to financial statements.

WNIN TRI-STATE PUBLIC MEDIA, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended September 30, 2025 and 2024

	2025				2024			
	Program	General and Administrative	Fundraising	Total	Program	General and Administrative	Fundraising	Total
Salaries and wages	\$ 600,747	\$ 264,639	\$ 280,407	\$ 1,145,793	\$ 582,130	\$ 259,615	\$ 389,072	\$ 1,230,817
Employee benefits	50,849	18,669	30,082	99,600	53,065	17,220	32,541	102,826
Payroll taxes	44,752	20,135	21,258	86,145	46,049	18,016	26,991	91,056
Programming expenses	541,743	0	0	541,743	602,172	0	0	602,172
Legal and accounting	8,225	31,427	10,000	49,652	8,913	28,243	0	37,156
Marketing and promotions	0	0	22	22	195	0	496	691
Supplies	1,684	984	473	3,141	1,537	1,002	325	2,864
Telephone	3,483	556	958	4,997	3,476	555	956	4,987
Postage and shipping	4,939	785	861	6,585	3,943	665	657	5,265
Equipment rental and maintenance	60,176	26,655	19,958	106,789	57,647	25,212	21,929	104,788
Joint master control	81,440	0	0	81,440	127,504	0	0	127,504
Fiber transmission link	43,202	0	0	43,202	32,563	0	0	32,563
Printing	142	568	92	802	125	91	62	278
Travel	3,098	7,619	38	10,755	4,574	10,673	2,810	18,057
Interest	0	478	0	478	0	3,448	0	3,448
Depreciation	317,357	13,258	22,318	352,933	318,787	13,621	22,930	355,338
Auction and special events	0	0	51,255	51,255	0	0	49,853	49,853
Other expenses								
Dues and subscriptions	59,062	3,437	3,256	65,755	52,592	3,088	2,933	58,613
Membership costs	0	0	23,595	23,595	0	0	32,880	32,880
Insurance	44,609	7,125	11,994	63,728	42,702	6,820	11,480	61,002
Utilities	87,806	4,987	8,395	101,188	81,623	4,350	7,322	93,295
Production	7,061	0	0	7,061	12,418	0	0	12,418
Grant expenses	8,531	0	3,643	12,174	4,682	0	2,154	6,836
In-kind programming	590	0	91,405	91,995	0	0	75,595	75,595
In-kind trades	0	12,765	30,753	43,518	720	15,537	23,725	39,982
Bad debt	0	21,123	0	21,123	0	0	12,516	12,516
Recruitment	0	150	0	150	0	100	0	100
Miscellaneous	12,699	9,126	5,060	26,885	19,470	9,302	4,077	32,849
Total functional expenses	<u>\$1,982,195</u>	<u>\$ 444,486</u>	<u>\$ 615,823</u>	<u>\$ 3,042,504</u>	<u>\$2,056,887</u>	<u>\$ 417,558</u>	<u>\$ 721,304</u>	<u>\$ 3,195,749</u>

See notes to financial statements.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

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 pledge 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.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

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 in accordance with Accounting Standards Codification (ASC) 326, *Financial Instruments – 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.

The Organization identifies, measures, and recognizes expected credit losses for financial assets held, when necessary. 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, 2025 and 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, 2025 are expected to be collected during the next calendar year. The Organization believes they will be fully collected.

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.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

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

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.

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:

	<u>Years</u>
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 recorded as with donor restrictions support. In the absence of such stipulations, contributions of property and equipment are recorded as without donor restrictions support.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

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

Deferred Revenue

Deferred revenue consists of payments received in advance for underwriting contracts, the Organization's special events and production support. 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.

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 606, *Revenue from Contracts with Customers*. The Organization's ASC 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.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

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

Revenue Recognition (Continued)

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.

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:

	<u>2025</u>	<u>2024</u>
Revenue recognized at a point in time		
Merchandise sales (included in miscellaneous revenues)	<u>\$ 0</u>	<u>\$ 721</u>
Revenue recognized over time		
Trade underwriting	<u>\$49,131</u>	<u>\$36,330</u>

There are no contract assets, or contract liabilities related to trade underwriting and merchandise sales as of September 30, 2025, September 30, 2024, and October 1, 2023.

Total trade underwriting included in accounts receivable as of September 30, 2025, September 30, 2024, and October 1, 2023 was \$2,723, \$23,300, and \$15,065, 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 606, and are recognized in accordance with ASC 958, *Not-for-Profit Entities*. 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.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

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

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) and wages. Overhead expenses are allocated based on estimated use of building space and square footage, and wages are allocated based on the employees' roles and duties and the time spent performing those duties. All other functional expense categories are allocated based on actual direct expenditures.

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 ASC 842, *Leases*, 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 ASC 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 ASC 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.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

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

Leases (Continued)

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.

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, 2025, September 30, 2024, and October 1, 2023, the Organization had no significant short-term or long-term leases.

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, 2025 financial statements have been reclassified to conform to the September 30, 2024 classifications.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

Note 2 – Going Concern

Management has evaluated whether conditions or events, considered in the aggregate, raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued.

The Organization experienced a loss of all funding from the State of Indiana for the years ending September 30, 2025 and 2026. The expected funding allocations from the State were approximately \$440,000 for each of these two years. The Organization also experienced a loss of all funding from the Corporation for Public Broadcasting (CPB) for the years ending September 30, 2026 and 2027. The expected CPB funding to be received was approximately \$1,000,000 for each of these two years. As of September 30, 2025, the Organization had net assets without donor restrictions of \$4,598,148, including Board designated net assets of \$992,955 and \$3,762,332 in property and equipment, and cash and cash equivalents of \$99,644, which are insufficient to cover 12 months of projected operating expenses. These conditions initially raised substantial doubt about the Organization's ability to continue as a going concern.

In response, management developed and has implemented plans intended to alleviate that substantial doubt, including:

- Securing new local funding commitments totaling \$110,000 for the year ending September 30, 2026, with signed award letters or funds received prior to issuance of these financial statements.
- Securing a new national grant of approximately \$631,000 in December 2025. A portion of this amount was received in December 2025, with the remaining amount to be received on or prior to June 15, 2026.
- Implementing cost containment measures, including programming expense and staff reductions, and operations restructuring, projected to reduce annual operating expenses by approximately \$505,000.
- Allowing for investment funds of approximately \$907,000, including \$230,450 in net assets that have been designated by the Board of Directors, to be used by the Organization.
- Actively seeking generation of new funding from the Organization's real estate and equipment assets, which could provide cash for operations in excess of \$2,000,000. This value is management's estimate based on consultations with commercial realty specialists and comparisons to similar properties and locations.

Management has assessed the expected effects of these plans and believes that they are probable of being effectively implemented and will be sufficient to meet the Organization's obligations as they become due for at least 12 months from the date these financial statements are issued. Accordingly, management has concluded that substantial doubt about the Organization's ability to continue as a going concern has been alleviated.

These financial statements do not include any adjustments that might be necessary should the Organization be unable to continue as a going concern.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

Note 3 – 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:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 99,644	\$ 32,771
Accounts receivable	15,343	69,224
Grants receivable	77,331	120,521
Pledges receivables	119,698	70,923
Investments	907,168	1,083,629
Beneficial interest in assets held by Community Foundation Alliance, Inc.	<u>13,834</u>	<u>13,158</u>
 Total financial assets	 1,233,018	 1,390,226
 Less amounts not available to be used within one year:		
Net assets with donor restrictions	(221,711)	(95,415)
Board-designated funds	<u>(992,955)</u>	<u>(1,169,416)</u>
 Net financial assets available to meet general expenditures over the next 12 months	 <u>\$ 18,352</u>	 <u>\$ 125,395</u>

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.

As more fully described in Note 5, as of September 30, 2025, the Organization has total investments of \$907,168. These investments could be withdrawn with Board approval in the event of an unanticipated liquidity event. As described in Note 8, the Organization has access to a line of credit of \$250,000. Certain investments have been assigned as collateral for this line of credit agreement.

Further, the Organization does not intend to spend its beneficial interest in assets held by Community Foundation Alliance, Inc; however, amounts could be made available, if necessary.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

Note 4 – Receivables

Receivables at September 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Accounts receivable	\$ 15,343	\$ 69,224
Pledges	140,821	83,439
Less allowance for uncollectible pledges receivable	<u>(21,123)</u>	<u>(12,516)</u>
	119,698	70,923
Grants	<u>77,331</u>	<u>120,521</u>
Total receivables	<u>\$ 212,372</u>	<u>\$ 260,668</u>

All receivables are expected to be collected within one year.

Note 5 – Investments

Investment securities are recorded at fair market value. Investments consist of the following at September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Money market fund	\$ 271,001	\$ 31,433
Equity securities	409,595	677,117
Exchange-traded funds	39,838	110,577
Bond funds	<u>186,734</u>	<u>264,502</u>
	<u>\$ 907,168</u>	<u>\$ 1,083,629</u>

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

Note 5 – Investments (Continued)

Investment return is comprised of the following for the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividend income, net	\$ 31,023	\$ 33,854
Net realized and unrealized gains on investments, reported at fair value	<u>7,218</u>	<u>180,086</u>
Total investment return	<u>\$ 38,241</u>	<u>\$213,940</u>

Note 6 – 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 \$13,834 to the local CFA and has a beneficial interest in both the principal and income as of September 30, 2025. 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.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

Note 7 – Property and Equipment

Property and equipment at September 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 486,300	\$ 486,300
Transmission line and accessories	15,237	15,237
Transmitter building	208,473	200,195
Transmission tower	1,095,766	1,095,766
Transmitters	1,984,000	1,977,405
TV/FM operating equipment	2,023,185	2,023,185
Furniture, fixtures, and nonbroadcasting equipment	223,351	212,775
Vehicles	16,975	16,975
Land improvements	5,390	5,390
Main Street building	2,984,441	2,979,056
Other assets	19,820	24,775
Construction in process	91,818	0
	<u>9,154,756</u>	<u>9,037,059</u>
Accumulated depreciation	<u>(5,392,424)</u>	<u>(5,044,446)</u>
	<u>\$ 3,762,332</u>	<u>\$ 3,992,613</u>

Depreciation expense for the years ended September 30, 2025 and 2024 was \$352,933 and \$355,338, respectively.

Note 8 – Line of Credit

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

During the year ended September 30, 2025, the Organization entered into a new operating line of credit with maximum borrowings of \$250,000. The note is secured by investments held by the Organization. The line of credit does not have a stated maturity date and will end 60 days after written communication between the Organization and lender. There were no outstanding borrowings on this line of credit at September 30, 2025.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

Note 9 – 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 it has 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 it has 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 10 – 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.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

Note 10 – 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, 2025 and 2024, 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.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

Note 10 – Fair Value of Financial Instruments (Continued)

At September 30, 2025 and 2024, the balances of assets and liabilities measured at fair value on a recurring basis are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>September 30, 2025</u>				
Money market fund	\$ 271,001	\$ 271,001	\$ 0	\$ 0
Investment securities	636,167	636,167	0	0
Beneficial interest in assets held by CFA	<u>13,834</u>	<u>13,834</u>	<u>0</u>	<u>0</u>
	<u>\$ 921,002</u>	<u>\$ 921,002</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>September 30, 2024</u>				
Money market fund	\$ 31,433	\$ 31,433	\$ 0	\$ 0
Investment securities	1,052,196	1,052,196	0	0
Beneficial interest in assets held by CFA	<u>13,158</u>	<u>13,158</u>	<u>0</u>	<u>0</u>
	<u>\$ 1,096,787</u>	<u>\$ 1,096,787</u>	<u>\$ 0</u>	<u>\$ 0</u>

Note 11 – 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 12 – 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, 2025 and 2024, the Organization contributed a two percent match totaling \$19,714 and \$19,048, respectively.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS

September 30, 2025 and 2024

Note 13 – 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 41 and 0 percent and 35 and 16 percent for the years ended September 30, 2025 and 2024, respectively.

Note 14 – Net Assets

Net assets with donor restrictions at September 30, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Restricted for future periods	\$ 126,712	\$ 78,423
Restricted for specific purpose	<u>81,165</u>	<u>3,834</u>
	207,877	82,257
Net assets with donor restrictions being held in perpetuity:		
Beneficial interest in assets held by CFA	<u>13,834</u>	<u>13,158</u>
	<u>\$ 221,711</u>	<u>\$ 95,415</u>

During the years ended September 30, 2025 and 2024, net assets were released from donor restrictions of \$70,923 and \$72,130, respectively, by incurring expenses satisfying the restricted purpose or time period.

Note 15 – Board-Designated Net Assets

As of the years ended September 30, 2025 and 2024, the Board of Directors designated \$992,955 and \$1,169,416, respectively, of net assets without donor restrictions to be used for specific projects or capital improvements.

Note 16 – Large Receivables

During the year ended September 30, 2025, the Organization had one supporter which compromised 36 percent of total receivables. During the year ended September 30, 2024, the Organization had one supporter which compromised 43 percent of total receivables.

WNIN TRI-STATE PUBLIC MEDIA, INC.

NOTES TO FINANCIAL STATEMENTS
September 30, 2025 and 2024

Note 17 – Subsequent Events

The Organization has evaluated subsequent events through January 6, 2026, 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, 2025 and 2024

	2025			2024			
	Television	Radio	Total	Television	Radio	Capital	Total
Revenues, Gains, and Other Support							
Corporation for Public Broadcasting grants and National Public Radio funding	\$ 895,789	\$ 228,771	\$ 1,124,560	\$ 853,102	\$ 99,141	\$ 0	\$ 952,243
Membership and major gifts	710,106	452,509	1,162,615	330,827	303,051	0	633,878
Underwriting and corporate support	36,269	73,992	110,261	32,403	80,966	0	113,369
Trade underwriting	23,016	26,115	49,131	13,875	22,455	0	36,330
In-kind contributions and donations	71,751	22,190	93,941	54,715	21,600	0	76,315
Auction and special events	133,565	0	133,565	167,176	0	0	167,176
Program revenue							
State appropriations	0	0	0	385,535	58,333	0	443,868
Production	6,340	1,250	7,590	42,530	0	0	42,530
Community issued support	16,397	0	16,397	44,789	0	0	44,789
Other revenues							
Investment return	30,728	7,513	38,241	171,547	42,393	0	213,940
Miscellaneous revenues	17,880	0	17,880	20,666	0	21	20,687
Total Revenues, Gains, and Other Support	<u>1,941,841</u>	<u>812,340</u>	<u>2,754,181</u>	<u>2,117,165</u>	<u>627,939</u>	<u>21</u>	<u>2,745,125</u>
Expenses							
Program							
Programming and productions	1,162,571	501,717	1,664,288	1,241,651	501,929	0	1,743,580
Broadcasting	188,404	382	188,786	181,754	567	0	182,321
Digital	103,297	25,824	129,121	104,613	26,153	0	130,766
Theater	0	0	0	220	0	0	220
Management and general	381,422	63,064	444,486	368,419	61,655	0	430,074
Fundraising							
Membership and major gifts	208,592	5,547	214,139	289,759	3,705	0	293,464
Community engagement	142,230	27,900	170,130	144,751	34,200	0	178,951
Underwriting	89,865	0	89,865	106,968	0	0	106,968
In-kind trades	15,500	0	15,500	0	0	0	0
Auction and special events	126,189	0	126,189	129,405	0	0	129,405
Total Expenses	<u>2,418,070</u>	<u>624,434</u>	<u>3,042,504</u>	<u>2,567,540</u>	<u>628,209</u>	<u>0</u>	<u>3,195,749</u>
Change in Net Assets	<u>\$ (476,229)</u>	<u>\$ 187,906</u>	<u>\$ (288,323)</u>	<u>\$ (450,375)</u>	<u>\$ (270)</u>	<u>\$ 21</u>	<u>\$ (450,624)</u>

See independent auditor's report.