

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2017 and 2016

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.

CONSOLIDATED FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Metropolitan Indianapolis Public Media, Inc.
Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Metropolitan Indianapolis Public Media, Inc., which comprise the consolidated statements of financial position as of September 30, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Metropolitan Indianapolis Public Media, Inc. as of September 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying 2017 consolidating statement of financial position and 2017 consolidating statement of activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual companies and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
March 14, 2018

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets		
Cash	\$ 2,311,451	\$ 1,373,284
Accounts and grants receivable (less allowance of \$13,250 for 2017 and 2016)	708,838	879,375
Contributions receivable, net (Note 2)	378,162	280,975
Prepaid capitalized lease expenses (Notes 1 and 9)	80,000	-
Other prepaid expenses	<u>170,437</u>	<u>252,221</u>
Total current assets	<u>3,648,888</u>	<u>2,785,855</u>
Non-current assets		
Contributions receivable, net (Note 2)	261,839	282,097
Investments (Note 3)	3,231,939	3,072,042
Beneficial interest in assets held by Community Foundation (Note 4)	262,581	239,139
Prepaid capitalized lease expenses (Notes 1 and 9)	640,000	-
Property and equipment, net (Note 5)	<u>10,291,582</u>	<u>10,803,975</u>
Total non-current assets	<u>14,687,941</u>	<u>14,397,253</u>
 Total assets	 <u>\$ 18,336,829</u>	 <u>\$ 17,183,108</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 332,685	\$ 632,729
Accrued salaries and wages	549,393	459,869
Unearned underwriting revenue	15,009	33,232
Line-of-credit (Note 6)	-	570,000
Note payable (Note 6)	67,500	67,500
Deferred production grant	-	4,131
Deferred capitalized lease revenue (Notes 1 and 9)	86,077	-
Other liabilities	<u>22,959</u>	<u>15,240</u>
Total current liabilities	<u>1,073,623</u>	<u>1,782,701</u>
Non-current liabilities		
Note payable (Note 6)	1,063,125	1,130,625
Deferred capitalized lease revenues (Notes 1 and 9)	<u>688,618</u>	<u>-</u>
Total non-current liabilities	<u>1,751,743</u>	<u>1,130,625</u>
Net assets		
Unrestricted	12,372,852	11,909,808
Temporarily restricted (Note 7)	1,938,860	1,160,223
Permanently restricted (Note 8)	<u>1,199,751</u>	<u>1,199,751</u>
Total net assets	<u>15,511,463</u>	<u>14,269,782</u>
 Total liabilities and net assets	 <u>\$ 18,336,829</u>	 <u>\$ 17,183,108</u>

See accompanying notes to consolidated financial statements.

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended September 30, 2017 with summary totals for the year ended 2016

	2017			Total	2016 Total
	Unrestricted Operating	Temporarily Restricted	Permanently Restricted		
SUPPORT AND REVENUE					
Public support	\$ 6,417,841	\$ -	\$ -	\$ 6,417,841	\$ 6,524,962
Grant revenue	2,362,798	1,478,729	-	3,841,527	3,287,745
FYI Productions revenue	348,955	-	-	348,955	386,290
Special events revenue	245,168	-	-	245,168	203,489
Capital campaign support	125,390	644,512	-	769,902	1,552,678
Rent revenue	472,895	-	-	472,895	472,091
EBS Spectrum lease revenue	804,047	-	-	804,047	227,092
Other support	480,341	-	-	480,341	131,201
Gain on sale of property and equipment	350	-	-	350	2,450
Investment return (Note 3)	176,437	100,144	-	276,581	231,745
Net assets released from restriction	<u>1,444,748</u>	<u>(1,444,748)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>12,878,970</u>	<u>778,637</u>	<u>-</u>	<u>13,657,607</u>	<u>13,019,743</u>
EXPENSES					
Program services:					
Programming and production	6,016,936	-	-	6,016,936	5,934,217
Broadcasting	1,503,133	-	-	1,503,133	1,362,417
Program information	<u>555,347</u>	<u>-</u>	<u>-</u>	<u>555,347</u>	<u>598,449</u>
Total program services	<u>8,075,416</u>	<u>-</u>	<u>-</u>	<u>8,075,416</u>	<u>7,895,083</u>
Supporting services:					
Fundraising and membership	2,707,530	-	-	2,707,530	2,681,269
Management and general	1,009,970	-	-	1,009,970	1,223,773
Facility rentals and costs	<u>623,010</u>	<u>-</u>	<u>-</u>	<u>623,010</u>	<u>625,217</u>
Total support services	<u>4,340,510</u>	<u>-</u>	<u>-</u>	<u>4,340,510</u>	<u>4,530,259</u>
Total expenses	<u>12,415,926</u>	<u>-</u>	<u>-</u>	<u>12,415,926</u>	<u>12,425,342</u>
Changes in net assets	463,044	778,637	-	1,241,681	594,401
Net assets, beginning of year	<u>11,909,808</u>	<u>1,160,223</u>	<u>1,199,751</u>	<u>14,269,782</u>	<u>13,675,381</u>
Net assets, end of year	<u>\$ 12,372,852</u>	<u>\$ 1,938,860</u>	<u>\$ 1,199,751</u>	<u>\$ 15,511,463</u>	<u>\$ 14,269,782</u>

See accompanying notes to consolidated financial statements.

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended September 30, 2016

	Unrestricted <u>Operating</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	2016 <u>Total</u>
SUPPORT AND REVENUE				
Public support	\$ 6,524,962	\$ -	\$ -	\$ 6,524,962
Grant revenue	2,706,257	581,488	-	3,287,745
FYI Productions revenue	386,290	-	-	386,290
Special events revenue	203,489	-	-	203,489
Capital campaign support	124,320	1,428,358	-	1,552,678
Rent revenue	472,091	-	-	472,091
EBS Spectrum lease revenue	227,092	-	-	227,092
Other support	131,201	-	-	131,201
Gain on sale of fixed assets	2,450	-	-	2,450
Investment return (Note 3)	145,948	85,797	-	231,745
Net assets released from restriction	<u>1,221,189</u>	<u>(1,221,189)</u>	-	-
Total support and revenue	<u>12,145,289</u>	<u>874,454</u>	-	<u>13,019,743</u>
EXPENSES				
Program services:				
Programming and production	5,934,217	-	-	5,934,217
Broadcasting	1,362,417	-	-	1,362,417
Program information	<u>598,449</u>	-	-	<u>598,449</u>
Total program services	<u>7,895,083</u>	-	-	<u>7,895,083</u>
Supporting services:				
Fundraising and membership	2,681,269	-	-	2,681,269
Management and general	1,223,773	-	-	1,223,773
Facility rentals and costs	<u>625,217</u>	-	-	<u>625,217</u>
Total support services	<u>4,530,259</u>	-	-	<u>4,530,259</u>
Total expenses	<u>12,425,342</u>	-	-	<u>12,425,342</u>
Changes in net assets	(280,053)	874,454	-	594,401
Net assets, beginning of year	<u>12,189,861</u>	<u>285,769</u>	<u>1,199,751</u>	<u>13,675,381</u>
Net assets, end of year	<u>\$ 11,909,808</u>	<u>\$ 1,160,223</u>	<u>\$ 1,199,751</u>	<u>\$ 14,269,782</u>

See accompanying notes to consolidated financial statements.

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended September 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$ 1,241,681	\$ 594,401
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	1,020,106	1,077,949
Provision for bad debts	18,963	22,220
Gain on sale of property and equipment	(350)	(2,450)
Net realized and unrealized gains on investments	(186,955)	(147,640)
Change in beneficial interest of assets held by Community Foundation	(23,442)	(10,545)
Changes in certain assets and liabilities:		
Accounts and grants receivable	151,574	(383,077)
Contributions receivable	(76,929)	(58,407)
Prepaid expenses	(638,216)	(38,798)
Accounts payable	(300,044)	83,549
Other liabilities	<u>849,584</u>	<u>(24,263)</u>
Net cash flows from operating activities	<u>2,055,972</u>	<u>1,112,939</u>
Cash flows from investing activities		
Purchase of property and equipment	(507,713)	(523,154)
Proceeds from sale of property and equipment	350	2,450
Purchase of investments	(3,154,200)	(1,615,332)
Proceeds from sale of investments	<u>3,181,258</u>	<u>1,701,196</u>
Net cash flows from investing activities	<u>(480,305)</u>	<u>(434,840)</u>
Cash flows from financing activities		
Payments on notes payable	(67,500)	(67,500)
Borrowings on line-of-credit	105,000	170,000
Payments on line-of-credit	<u>(675,000)</u>	<u>-</u>
Net cash flows from financing activities	<u>(637,500)</u>	<u>102,500</u>
Net change in cash and cash equivalents	938,167	780,599
Cash and cash equivalents, beginning of year	<u>1,373,284</u>	<u>592,685</u>
Cash and cash equivalents, end of year	<u>\$ 2,311,451</u>	<u>\$ 1,373,284</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 27,696	\$ 16,260
In-kind contributions	273,385	434,908

See accompanying notes to consolidated financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Metropolitan Indianapolis Public Media, Inc. ("MIPM") is a nonprofit corporation which operates a noncommercial public television station ("WFYI") and a public radio station ("WFYI/FM") in Indianapolis, Indiana. Throughout the Notes, references to MIPM relate to all entities included in the consolidated financial statements when applicable.

The consolidated financial statements include MIPM, WFYI Foundation, Inc. (the "Foundation"), and MIPB Media Center LLC ("LLC"). All significant intercompany transactions and accounts have been eliminated in consolidation.

WFYI Foundation, Inc.: MIPM formed the Foundation for the purpose of holding certain investments and soliciting contributions on behalf of MIPM. The Foundation Board of Directors includes certain directors of MIPM, and its bylaws require that all contributions and earnings on invested assets are for the benefit of MIPM. Accordingly, the accounts of the Foundation have been consolidated herein, as required by accounting principles generally accepted in the United States of America.

MIPB Media Center LLC: MIPM formed the LLC for the purpose of participating in the New Market Tax Credit Program. The LLC is wholly owned by MIPM. Accordingly, the accounts of the LLC have been consolidated herein, as required by the accounting principles generally accepted in the United States of America.

Income Taxes: MIPM and the Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Additionally, MIPM and the Foundation have been determined not to be private foundations under Section 509(a) of the Internal Revenue Code. The LLC is a pass-through taxable entity, and any related taxable activity will flow through to MIPM as unrelated business income (loss). Tax expense for the years ended September 30, 2017 and 2016 is \$0.

Current accounting standards require MIPM to disclose the amount of potential benefit or obligation to be realized as a result of an examination performed by a taxing authority. For the years ended September 30, 2017 and 2016, management has determined that MIPM does not have any tax positions that result in any uncertainties regarding the possible impact on MIPM's financial statements.

MIPB does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. MIPM recognizes interest and/or penalties related to income tax matters in income tax expense. MIPM did not have any amounts accrued for interest and penalties at September 30, 2017 and 2016.

Net Asset Classifications: The classification of MIPM's net assets and its support, revenues, expenses, gains, and losses is based on the existence or absence of donor-imposed restrictions. Restricted net assets are released from restrictions when donor-imposed restrictions are met or the stipulated time period has elapsed. The following classes of net assets are presented:

- Unrestricted Operating - Includes all funds that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.
- Temporarily Restricted - Includes funds whose use by MIPM is subject to donor-imposed stipulations that can be fulfilled by actions of MIPM pursuant to those stipulations or that expire by the passage of time.
- Permanently Restricted - Includes funds subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by MIPM.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: MIPM considers investments in marketable securities and other highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents managed by outside investment managers are included in investments. Designated cash and cash equivalents consist of certain capital campaign proceeds to be used for future capital expenditures. Cash balances held in financial institutions are federally insured up to \$250,000 per institution by the Federal Deposit Insurance Corporation. At times, MIPM maintains cash balances at various financial institutions in excess of this insurance limit.

Accounts and Grants Receivable: The accounts and grants receivable balance consists of amounts billed or billable for underwriting, rent, government grants and other miscellaneous revenues, net of an allowance for doubtful accounts. Interest is not charged on outstanding accounts and grants receivable.

Allowance for Doubtful Accounts: The allowance for uncollectible accounts is determined by management based upon historical losses, specific circumstances and general economic conditions. Periodically, management reviews accounts receivable against the allowance when all attempts to collect the receivable are deemed to have failed in accordance with collection policies.

Contributions Receivable: Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using rates commensurate with risk applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Allowance for Uncollectible Contributions Receivable: MIPM uses an allowance for doubtful accounts to estimate for uncollectible contributions receivable based on past experience and payment history.

Investments: Investments are reported at fair value with realized and unrealized gains and losses reflected in the consolidated statement of activities.

Prepaid Capitalized Lease Expenses: In fiscal year 2016, MIPM leased portions of its Educational Broadband Service (EBS) spectrum. Consulting and advisory expenses incurred in connection with these leases are being amortized on a straight line basis over a ten year term that began on the Commencement Date of the lease(s). For the years ended September 30, 2017 and 2016, current and non-current Prepaid Capitalized Lease Expenses were \$774,695 and \$0, respectively on the consolidated statements of financial position.

Property and Equipment: Property and equipment with an original cost basis of \$2,500, or greater, is capitalized and amounts under \$2,500 are expensed. Depreciation is provided on the straight-line method over the estimated useful lives of the related asset (3-40 years).

Impairment of Long-Lived Assets: On an ongoing basis, MIPM reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. MIPM recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the assets to fair value. As of September 30, 2017 and 2016, management believes that no impairments exist.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Capitalized Lease Revenues: In 2016, MIPM leased portions of its EBS spectrum. Advance payments were received that mature over a ten year period. The payments are being amortized on a straight line basis over a ten year term that began on the Commencement Date of the lease(s). For the years ended September 30, 2017 and 2016, current and non-current Deferred Capitalized Lease Revenues were \$774,695 and \$0, respectively, on the consolidated statements of financial position.

Support and Revenue Recognition: All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. Contributions for which the restrictions are met in the same period in which the contribution is received are recorded as unrestricted net assets.

MIPM reports gifts of land, buildings and equipment at fair value at the date of donation. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

Fees for facility and equipment use and other telecommunication services are recorded as revenue when the related services have been provided. Underwriting revenue relating to programs not yet broadcast are reported as deferred revenue.

In-kind Contributions: In addition to receiving cash contributions, MIPM receives in-kind contributions from various donors, primarily in support of special events and MIPM's capital campaign. It is the policy of the MIPM to record the estimated fair value of certain in-kind contributions as both revenue and expense for the programs or activities benefited. For the years ended September 30, 2017 and 2016, in-kind contributions totaled \$273,385 and \$434,908, respectively.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Management's Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to September 30, 2017 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended September 30, 2017. Management has performed their analysis through March 14, 2018, the date the financial statements were available to be issued.

Reclassifications: Certain prior year balances have been reclassified to conform to the current year presentation. Reclassifications had no impact on change in net assets or net assets in total.

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METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017 and 2016

NOTE 2 - CONTRIBUTIONS RECEIVABLE

The following represents contributions receivable balances at September 30:

	<u>2017</u>	<u>2016</u>
Currently due	\$ 378,162	\$ 280,975
Due in one to five years	<u>344,208</u>	<u>350,280</u>
	722,370	631,255
Unamortized discount	(53,750)	(36,625)
Allowance	<u>(28,619)</u>	<u>(31,558)</u>
Total contributions receivable, net	<u>\$ 640,001</u>	<u>\$ 563,072</u>

Contributions receivable are presented on the statement of financial position as follows:

	<u>2017</u>	<u>2016</u>
Current, net of allowance	\$ 378,162	\$ 280,975
Non-current, net of allowance and discount	<u>261,839</u>	<u>282,097</u>
	<u>\$ 640,001</u>	<u>\$ 563,072</u>

Qualifying contributions receivable were discounted at a discount rate of 4% at September 30, 2017 and 2016.

NOTE 3 - INVESTMENTS

Investments as of September 30 are as follows:

	<u>2017</u>	<u>2016</u>
Money market funds	\$ 97,166	\$ 99
Common stock	1,066,518	-
Municipal bonds	55,281	-
US Treasury securities	241,422	-
Corporate bonds	410,053	-
Mutual funds - equities	583,720	1,839,624
Mutual funds - fixed income	296,947	919,398
Mutual funds - international	155,358	312,921
Exchange traded funds	<u>325,474</u>	<u>-</u>
	<u>\$ 3,231,939</u>	<u>\$ 3,072,042</u>

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 September 30, 2017 and 2016

NOTE 3 - INVESTMENTS (Continued)

Investment return for the year ended September 30 is as follows:

	<u>2017</u>	<u>2016</u>
Interest and dividends, net of fees of \$28,061 and \$26,232 for 2017 and 2016, respectively	\$ 66,184	\$ 73,560
Realized gain on investments	215,225	156,647
Unrealized loss on investments	(28,270)	(9,007)
Change in beneficial interest	<u>23,442</u>	<u>10,545</u>
Total investment return	<u>\$ 276,581</u>	<u>\$ 231,745</u>

NOTE 4 - BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

During 2005, the Foundation transferred \$200,000 to the Central Indiana Community Foundation, Inc. (CICF) for investment in CICF's pooled endowment. Variance power was transferred to CICF. The Foundation may withdraw up to 5% of the fund's balance annually. This asset transfer is recorded as a beneficial interest in assets held by Community Foundation in the accompanying statement of financial position. The fair value of this beneficial interest at September 30, 2017 and 2016 was \$262,581 and \$239,139, respectively, and the changes in value of beneficial interest of \$23,442 and \$10,545, respectively, are included in the investment return on the consolidated statements of activities.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment as of September 30 is as follows:

	<u>2017</u>	<u>2016</u>
Land	\$ 734,200	\$ 734,200
Transmitter and studio equipment	6,361,859	6,233,417
Building and improvements	13,296,044	13,015,322
Furniture and office equipment	1,238,082	1,238,082
Tower and antenna	1,212,594	1,140,251
Vehicles	<u>42,240</u>	<u>42,240</u>
	22,885,019	22,403,512
Less: Accumulated depreciation	<u>(12,593,437)</u>	<u>(11,599,537)</u>
Property and equipment, net	<u>\$ 10,291,582</u>	<u>\$ 10,803,975</u>

Depreciation expense for the years ended September 30, 2017 and 2016, was \$1,020,106 and \$1,077,949, respectively.

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METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 September 30, 2017 and 2016

NOTE 6 - DRAW AGREEMENT AND LINE OF CREDIT

During fiscal year 2014, MIPM entered into a term loan agreement with a bank that provided for a borrowing of \$1,350,000. The agreement bears interest at the daily LIBOR rate plus .75% (1.98%, at September 30, 2017) and currently matures on June 26, 2024. The term loan agreement is collateralized by certain investment securities. The term loan agreement requires MIPM to meet certain financial and non-financial covenants. At September 30, 2017, management of MIPM reported compliance with all covenants. MIPM had outstanding borrowings of \$1,130,625 and \$1,198,125 as of September 30, 2017 and 2016, respectively. Payments are due monthly, which began in July 2014, for \$5,625, and a final installment due upon maturity. Notes payable are presented in the consolidated statement of financial position as of September 30 are as follows:

	<u>2017</u>	<u>2016</u>
Current	\$ 67,500	\$ 67,500
Non-current	<u>1,063,125</u>	<u>1,130,625</u>
	<u>\$ 1,130,625</u>	<u>\$ 1,198,125</u>

Scheduled principal repayments for the next 5 years and thereafter are as follows:

2018	\$ 67,500
2019	67,500
2020	67,500
2021	67,500
2022	67,500
Thereafter	<u>793,125</u>
	<u>\$ 1,130,625</u>

MIPM has a line-of-credit agreement with a bank that provides for a maximum borrowing of \$750,000. The agreement bears interest at the daily LIBOR rate plus .75% (1.98% and 1.27% at September 30, 2017 and 2016, respectively) and matures on June 25, 2018. The line-of-credit is collateralized by certain investment securities. The line-of-credit agreement requires MIPM to meet certain financial and non-financial covenants in relation to the term loan agreement. At September 30, 2017, management of MIPB reported compliance with all covenants. MIPM did not have any outstanding borrowings as of September 30, 2017. MIPM had \$570,000 of outstanding borrowings as of September 30, 2016.

Interest expense on all notes payable totaled \$27,696 and \$20,452 for the years ended September 30, 2017 and 2016, respectively.

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017 and 2016

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of September 30 are as follows:

	<u>2017</u>	<u>2016</u>
Capital campaign	\$ 1,217,595	\$ 874,254
Education reporting	78,539	77,054
Strategic growth initiatives	-	54,395
Programming	581,083	129,093
Endowment earnings	<u>61,643</u>	<u>25,427</u>
	<u>\$ 1,938,860</u>	<u>\$ 1,160,223</u>

Purpose restrictions accomplished:

	<u>2017</u>	<u>2016</u>
Capital campaign	\$ 301,171	\$ 554,104
Education reporting	349,388	152,496
Strategic growth initiatives	54,395	83,013
Programming	675,866	371,206
Endowment	<u>63,928</u>	<u>60,370</u>
Total net assets released from restriction	<u>\$ 1,444,748</u>	<u>\$ 1,221,189</u>

NOTE 8 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets as of September 30, 2017 and 2016 totaling \$1,199,751 include contributions that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity and only the income used for current operations.

NOTE 9 - OPERATING LEASES

Lessor:

The LLC owns the building at 1630 North Meridian Street. The LLC leases the entire building to MIPM under a master lease agreement that expired in April 2014. From that date forward, the LLC provided free rent to MIPM, which was recorded as in-kind revenue and in-kind expense on both MIPM and the LLC in the amount of \$770,000 for the years ended September 30, 2017 and 2016. This amount is eliminated in consolidation.

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017 and 2016

NOTE 9 - OPERATING LEASES (Continued)

MIPM has entered into sub-leases with other non-related outside tenants. After the expiration of the master lease agreement between MIPM and the LLC, MIPM assigned their interest in the sub-lease agreements to LLC. At that point, the revenue from the sublease agreements was recognized by the LLC.

MIPM leases a portion of their Educational Broadband Service (EBS) channels to a telecommunications provider for a monthly fee plus an initial fee paid at contract execution. The lease term began on the date of issuance announcing the grant of the FCC Long Term Lease Application and expires on the date the current MIPM license(s) expire. The leases will automatically renew for a total term of thirty years unless the provider notifies MIPM in writing at least 90 days prior to the expiration of an initial or renewal term.

MIPM's operating leases to outside parties expire at various dates through 2028. Rental income from these leases was \$1,276,942 and \$699,183 for the years ended September 30, 2017 and 2016, respectively.

Minimum annual payments receivable under the operating leases as of September 30, 2017 are as follows:

Year Ending <u>September 30</u>	
2018	\$ 1,133,530
2019	883,779
2020	691,696
2021	572,388
2022	565,800
Thereafter	<u>2,829,000</u>
	<u>\$ 6,676,193</u>

Lessee:

MIPM rents equipment under noncancelable operating leases. Operating lease expense was \$63,160 and \$82,988 for the years ended September 30, 2017 and 2016. MIPM has the following operating lease commitments as of September 30, 2017:

Year Ending <u>September 30</u>	
2018	\$ 65,325
2019	58,437
2020	60,774
2021	<u>63,205</u>
	<u>\$ 247,741</u>

(Continued)

NOTE 10 - DEFINED CONTRIBUTION PLAN

MIPM has a defined contribution retirement savings plan which covers substantially all employees. Participants may contribute up to 20% of their gross compensation annually. MIPM may contribute an amount as determined by the Board of Directors. Expense for the years ended September 30, 2017 and 2016 was \$79,576 and \$71,781, respectively.

NOTE 11 - RELATED PARTIES

Transactions between MIPM, the Foundation, and the LLC are eliminated in financial statement consolidation. MIPM periodically enters into business transactions with outside vendors that employ or are owned by members of the Board of Directors. Under MIPM's conflict of interest policy, the Governance Committee of the Board of Directors approves and monitors these transactions, and steps are taken by this Committee to ensure that the transactions are appropriate. For the years ended September 30, 2017 and 2016, the primary activities of this nature included banking, legal, insurance, and other professional services totaling approximately \$685,394 and \$568,539, respectively.

NOTE 12 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in MIPM's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. GAAP describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2017 and 2016

NOTE 12 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Pursuant to the adoption of ASU 2015-07, *Fair Value Measurement*, those investments which are valued at net asset value are excluded from the fair value hierarchy. The fair values of MIPM's investments that are readily marketable, such as money market funds, common stock, US Treasury securities, mutual funds and exchange traded funds are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or by quoted market prices of similar securities with similar due dates for corporate and municipal bonds. (Level 2 inputs).

The fair value of beneficial interest in assets held by CICF is based upon MIPM's proportionate share of CICF's pooled investment portfolio. MIPM's management and Finance Committee review the valuations and returns in comparison to industry benchmarks and other information provided by CICF, but do not receive a detailed listing of the holdings in which the Foundation is invested. MIPM uses the net asset value to determine the beneficial interest in assets held by CICF using the market approach based upon MIPM's proportionate share of CICF's pooled investment portfolio. MIPM does not have the ability to redeem this beneficial interest on a short-term basis. Withdrawals are limited to the terms of the MIPM's agreement with CICF.

The following tables present the MIPM's assets and liabilities measured at fair value on a recurring basis at September 30 are as follows:

<u>2017</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Funds Valued At Net Asset Value</u>	<u>Total</u>
Assets:					
Money market funds	\$ 97,166	\$ -	\$ -	\$ -	\$ 97,166
Common stock	1,066,518	-	-	-	1,066,518
Municipal bonds	-	55,281	-	-	55,281
Corporate bonds	-	410,053	-	-	410,053
US Treasury securities	241,422	-	-	-	241,422
Mutual funds - equities	583,720	-	-	-	583,720
Mutual funds - fixed income	296,947	-	-	-	296,947
Mutual funds - international	155,358	-	-	-	155,358
Exchange traded funds	<u>325,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,474</u>
Total investments	2,766,605	465,334	-	-	3,231,939
Beneficial interest in assets held by Community Foundation	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,581</u>	<u>262,581</u>
Total assets	<u>\$ 2,766,605</u>	<u>\$ 465,334</u>	<u>\$ -</u>	<u>\$ 262,581</u>	<u>\$ 3,494,520</u>

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 September 30, 2017 and 2016

NOTE 12 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

<u>2016</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Funds Valued At Net Asset Value</u>	<u>Total</u>
Assets:					
Money market funds	\$ 99	\$ -	\$ -	\$ -	\$ 99
Mutual funds - equities	1,839,624	-	-	-	1,839,624
Mutual funds - fixed income	919,398	-	-	-	919,398
Mutual funds - international	<u>312,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,921</u>
Total investments	4,911,666	-	-	-	3,072,042
Beneficial interest in assets held by Community Foundation	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,139</u>	<u>239,139</u>
Total assets	<u>\$ 4,911,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,139</u>	<u>\$ 3,311,181</u>

NOTE 13 - ENDOWMENT COMPOSITION DISCLOSURE

The Foundation's endowment exists to support MIPM with a distribution of endowment earnings to assist in its operation. The endowment includes both donor-restricted endowment funds and unrestricted funds. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law: The Board of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 September 30, 2017 and 2016

NOTE 13 - ENDOWMENT COMPOSITION DISCLOSURE (Continued)

Funds with Deficiencies: From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$0 as of September 30, 2017 and 2016.

Return Objectives and Risk Parameters: The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. The goal of the endowment fund policy, as approved by the board, is to achieve a total return (income and appreciation) at or above the benchmark over a full market cycle (3 - 5 years). The benchmark will consist of the returns of the S&P 500 and the Barclays Intermediate Government/Credit Index with an allocation of 70% and 30%, respectively. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Foundation has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. The Foundation's spending policy is consistent with its objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type of fund as of September 30, 2017.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 61,643	\$ 1,199,751	\$ 1,261,394
Board designated endowed funds	<u>2,225,965</u>	<u>-</u>	<u>-</u>	<u>2,225,965</u>
Total funds	<u>\$ 2,225,965</u>	<u>\$ 61,643</u>	<u>\$ 1,199,751</u>	<u>\$ 3,487,359</u>

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 September 30, 2017 and 2016

NOTE 13 - ENDOWMENT COMPOSITION DISCLOSURE (Continued)

Changes in endowment net assets for year ended September 30, 2017.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets, beginning of year	\$ 2,086,003	\$ 25,427	\$ 1,199,751	\$ 3,311,181
Investment return				
Interest and dividends, net of fees	44,394	26,209	-	70,603
Net realized and unrealized gains	<u>125,235</u>	<u>73,935</u>	<u>-</u>	<u>199,170</u>
Total investment return	169,629	100,144	-	269,773
New gifts	78,617	-	-	78,617
Appropriation of endowment assets for expenditure	<u>(108,284)</u>	<u>(63,928)</u>	<u>-</u>	<u>(172,212)</u>
Net assets, end of year	<u>\$ 2,225,965</u>	<u>\$ 61,643</u>	<u>\$ 1,199,751</u>	<u>\$ 3,487,359</u>

Endowment net asset composition by type of fund as of September 30, 2016.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 25,427	\$ 1,199,751	\$ 1,225,178
Board designated endowed funds	<u>2,086,003</u>	<u>-</u>	<u>-</u>	<u>2,086,003</u>
Total funds	<u>\$ 2,086,003</u>	<u>\$ 25,427</u>	<u>\$ 1,199,751</u>	<u>\$ 3,311,181</u>

Changes in endowment net assets for year ended September 30, 2016.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets, beginning of year	\$ 2,039,109	\$ -	\$ 1,199,751	\$ 3,238,860
Investment return				
Interest and dividends, net of fees	46,233	27,202	-	73,435
Net realized and unrealized gains	<u>99,590</u>	<u>58,595</u>	<u>-</u>	<u>158,185</u>
Total investment return	145,823	85,797	-	231,620
New gifts	3,676	-	-	3,676
Appropriation of endowment assets for expenditure	(102,605)	(60,370)	-	(162,975)
Net assets, end of year	<u>\$ 2,086,003</u>	<u>\$ 25,427</u>	<u>\$ 1,199,751</u>	<u>\$ 3,311,181</u>

SUPPLEMENTARY INFORMATION

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
September 30, 2017

	<u>MIPM</u>	<u>MIPB Media Center, LLC</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS					
Current assets					
Cash	\$ 2,311,451	\$ -	\$ -	\$ -	\$ 2,311,451
Accounts and grants receivable, net	708,838	-	-	-	708,838
Accounts receivable - related party	11,556	1,645,557	36,848	(1,693,961)	-
Contributions receivable, net	228,162	-	150,000	-	378,162
Prepaid capitalized lease expenses	80,000	-	-	-	80,000
Other prepaid expenses	<u>170,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,437</u>
Total current assets	<u>3,510,444</u>	<u>1,645,557</u>	<u>186,848</u>	<u>(1,693,961)</u>	<u>3,648,888</u>
Non-current assets					
Contributions receivable, net	261,839	-	-	-	261,839
Investments	637	-	3,231,302	-	3,231,939
Investment in subsidiary	4,068,080	-	-	(4,068,080)	-
Beneficial interest in assets held by Community Foundation	-	-	262,581	-	262,581
Prepaid capitalized lease expenses	640,000	-	-	-	640,000
Property and equipment, net	<u>1,254,533</u>	<u>9,037,049</u>	<u>-</u>	<u>-</u>	<u>10,291,582</u>
Total non-current assets	<u>6,225,089</u>	<u>9,037,049</u>	<u>3,493,883</u>	<u>(4,068,080)</u>	<u>14,687,941</u>
Total	<u>\$ 9,735,533</u>	<u>\$ 10,682,606</u>	<u>\$ 3,680,731</u>	<u>\$ (5,762,041)</u>	<u>\$ 18,336,829</u>

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
September 30, 2017

	<u>MIPM</u>	<u>MIPB Media Center, LLC</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable	\$ 332,685	\$ -	\$ -	\$ -	\$ 332,685
Accounts payable - related party	1,682,405	-	11,556	(1,693,961)	-
Accrued salaries and wages	549,393	-	-	-	549,393
Unearned underwriting revenue	15,009	-	-	-	15,009
Note payable	67,500	-	-	-	67,500
Deferred capitalized lease revenues	86,077	-	-	-	86,077
Other liabilities	<u>22,959</u>	-	-	-	<u>22,959</u>
Total current liabilities	<u>2,756,028</u>	<u>-</u>	<u>11,556</u>	<u>(1,693,961)</u>	<u>1,073,623</u>
Non-current liabilities					
Notes payable	1,063,125	-	-	-	1,063,125
Deferred capitalized lease revenue	<u>688,618</u>	-	-	-	<u>688,618</u>
Total non-current liabilities	1,751,743	-	-	-	1,751,743
Net assets					
Unrestricted	3,350,545	10,682,606	2,407,781	(4,068,080)	12,372,852
Temporarily restricted	1,877,217	-	61,643	-	1,938,860
Permanently restricted	-	-	1,199,751	-	1,199,751
Total net assets	<u>5,227,762</u>	<u>10,682,606</u>	<u>3,669,175</u>	<u>(4,068,080)</u>	<u>15,511,463</u>
Total liabilities and net assets	<u>\$ 9,735,533</u>	<u>\$ 10,682,606</u>	<u>\$ 3,680,731</u>	<u>\$ (5,762,041)</u>	<u>\$ 18,336,829</u>

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended September 30, 2017

	MIPM			MIPB Media Center, LLC		Foundation				Eliminations	Consolidated Total
	Unrestricted Operating Fund	Temporarily Restricted Fund	Total MIPB	Unrestricted Operating Fund	Total LLC	Unrestricted Operating Fund	Temporarily Restricted Fund	Permanently Restricted Fund	Total Foundation		
SUPPORT AND REVENUE											
Public support	\$ 6,417,841	\$ -	\$ 6,417,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,417,841
Grant revenue	2,362,798	1,478,729	3,841,527	-	-	-	-	-	-	-	3,841,527
FYI Productions revenue	348,955	-	348,955	-	-	-	-	-	-	-	348,955
Special events revenue	245,168	-	245,168	-	-	-	-	-	-	-	245,168
Capital campaign support	125,390	644,512	769,902	-	-	-	-	-	-	-	769,902
Rent revenue	-	-	-	1,242,895	1,242,895	-	-	-	-	(770,000)	472,895
EBS Spectrum lease revenue	804,047	-	804,047	-	-	-	-	-	-	-	804,047
Other support	1,193,936	-	1,193,936	-	-	228,617	-	-	228,617	(942,212)	480,341
Gain on sale of property and equipment	350	-	350	-	-	-	-	-	-	-	350
Investment return	284	-	284	-	-	178,084	100,144	-	278,228	(1,931)	276,581
Net assets released from restriction	<u>1,380,820</u>	<u>(1,380,820)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,928</u>	<u>(63,928)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>12,879,589</u>	<u>742,421</u>	<u>13,622,010</u>	<u>1,242,895</u>	<u>1,242,895</u>	<u>470,629</u>	<u>36,216</u>	<u>-</u>	<u>506,845</u>	<u>(1,714,143)</u>	<u>13,657,607</u>
EXPENSES											
Program services:											
Programming and production	5,887,035	-	5,887,035	129,901	129,901	-	-	-	-	-	6,016,936
Broadcasting	1,296,473	-	1,296,473	206,660	206,660	-	-	-	-	-	1,503,133
Program information	<u>549,444</u>	<u>-</u>	<u>549,444</u>	<u>5,903</u>	<u>5,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>555,347</u>
Total program services	<u>7,732,952</u>	<u>-</u>	<u>7,732,952</u>	<u>342,464</u>	<u>342,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,075,416</u>
Supporting services:											
Fundraising and membership	2,707,530	-	2,707,530	-	-	-	-	-	-	-	2,707,530
Management and general	991,032	-	991,032	11,809	11,809	7,129	-	-	7,129	-	1,009,970
Distributions to MIPB	-	-	-	-	-	172,212	-	-	172,212	(172,212)	-
Facility rentals and costs	<u>1,154,663</u>	<u>-</u>	<u>1,154,663</u>	<u>1,010,278</u>	<u>1,010,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,541,931)</u>	<u>623,010</u>
Total support services	<u>4,853,225</u>	<u>-</u>	<u>4,853,225</u>	<u>1,022,087</u>	<u>1,022,087</u>	<u>179,341</u>	<u>-</u>	<u>-</u>	<u>179,341</u>	<u>(1,714,143)</u>	<u>4,340,510</u>
Total expenses	<u>12,586,177</u>	<u>-</u>	<u>12,586,177</u>	<u>1,364,551</u>	<u>1,364,551</u>	<u>179,341</u>	<u>-</u>	<u>-</u>	<u>179,341</u>	<u>(1,714,143)</u>	<u>12,415,926</u>
Changes in net assets	293,412	742,421	1,035,833	(121,656)	(121,656)	291,288	36,216	-	327,504	-	1,241,681
Net assets at beginning of year	3,057,133	1,134,796	4,191,929	10,529,343	10,529,343	2,116,493	25,427	1,199,751	3,341,671	(3,793,161)	14,269,782
Capital contributions	-	-	-	274,919	274,919	-	-	-	-	(274,919)	-
Net assets, end of year	<u>\$ 3,350,545</u>	<u>\$ 1,877,217</u>	<u>\$ 5,227,762</u>	<u>\$ 10,682,606</u>	<u>\$ 10,682,606</u>	<u>\$ 2,407,781</u>	<u>\$ 61,643</u>	<u>\$ 1,199,751</u>	<u>\$ 3,669,175</u>	<u>\$ (4,068,080)</u>	<u>\$ 15,511,463</u>