

**METROPOLITAN INDIANAPOLIS
PUBLIC MEDIA, INC.**

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2022 and 2021

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2022 and 2021

CONTENTS

| | |
|--|----|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| CONSOLIDATED FINANCIAL STATEMENTS | |
| CONSOLIDATED STATEMENTS OF FINANCIAL POSITION..... | 3 |
| CONSOLIDATED STATEMENTS OF ACTIVITIES..... | 4 |
| CONSOLIDATED STATEMENTS OF CASH FLOWS | 6 |
| NOTES TO CONSOLIDATED FINANCIAL STATEMENTS..... | 7 |
| SUPPLEMENTARY INFORMATION | |
| CONSOLIDATING STATEMENT OF FINANCIAL POSITION - 2022 | 22 |
| CONSOLIDATING STATEMENT OF FINANCIAL POSITION - 2021 | 24 |
| CONSOLIDATING STATEMENT OF ACTIVITIES - 2022..... | 26 |
| CONSOLIDATING STATEMENT OF ACTIVITIES - 2021 | 27 |

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements***Opinion***

We have audited the consolidated financial statements of Metropolitan Indianapolis Public Media, Inc., which comprise the consolidated statements of net position as of September 30, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Metropolitan Indianapolis Public Media, Inc. as of September 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Metropolitan Indianapolis Public Media, Inc.'s ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 Metropolitan Indianapolis Public Media, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Metropolitan Indianapolis Public Media, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities, which are presented for purposes of additional analysis rather than to present the financial position and changes in net assets of the individual companies and are 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 information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain other 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.


Crowe LLP

Indianapolis, Indiana
March 28, 2023

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---|----------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 7,005,969 | \$ 7,017,339 |
| Accounts and grants receivable (less allowance of \$0 for 2022 and \$5,450 for 2021) | 1,611,620 | 923,238 |
| Contributions receivable, net (Note 2) | 918,500 | 61,250 |
| Prepaid capitalized lease expenses | 80,000 | 80,000 |
| Other prepaid expenses | <u>1,034,299</u> | <u>340,335</u> |
| Total current assets | <u>10,650,388</u> | <u>8,422,162</u> |
| Non-current assets | | |
| Contributions receivable, net (Note 2) | 883,060 | 24,772 |
| Investments (Note 3) | 4,146,564 | 4,786,892 |
| Beneficial interest in assets held by Community Foundation (Note 4) | 337,053 | 386,080 |
| Prepaid capitalized lease expenses | 240,000 | 320,000 |
| Intangibles, net (Note 1) | 1,009,412 | - |
| Property and equipment, net (Note 5) | <u>10,915,766</u> | <u>8,999,619</u> |
| Total non-current assets | <u>17,531,855</u> | <u>14,517,363</u> |
| Total assets | <u>\$ 28,182,243</u> | <u>\$ 22,939,525</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accounts payable | \$ 959,837 | \$ 329,978 |
| Accrued salaries and wages | 509,793 | 479,649 |
| Paycheck Protection Program Loan | - | 1,216,677 |
| Unearned underwriting revenue | 741,964 | 47,013 |
| Deferred maintenance revenue | 16,668 | 16,668 |
| Notes payable (Note 6) | 285,343 | 88,580 |
| Deferred capitalized lease revenue | 86,077 | 86,077 |
| Other liabilities | <u>29,310</u> | <u>214,995</u> |
| Total current liabilities | <u>2,628,992</u> | <u>2,479,637</u> |
| Non-current liabilities | | |
| Deferred maintenance revenue | 215,275 | 231,943 |
| Notes payable (Note 6) | 2,576,204 | 847,583 |
| Deferred capitalized lease revenues | <u>258,233</u> | <u>344,310</u> |
| Total non-current liabilities | <u>3,049,712</u> | <u>1,423,836</u> |
| Total liabilities | <u>5,678,704</u> | <u>3,903,473</u> |
| Net assets | | |
| Without donor restrictions | 19,530,401 | 16,319,831 |
| With donor restrictions (Note 7) | <u>2,973,138</u> | <u>2,716,221</u> |
| Total net assets | <u>22,503,539</u> | <u>19,036,052</u> |
| Total liabilities and net assets | <u>\$ 28,182,243</u> | <u>\$ 22,939,525</u> |

See accompanying notes to consolidated financial statements.

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended September 30, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--------------------------------------|---------------------------------------|------------------------------------|----------------------|
| SUPPORT AND REVENUE | | | |
| Public support | \$ 7,158,572 | \$ - | \$ 7,158,572 |
| Grants and other contributions | 4,133,311 | 2,196,719 | 6,330,030 |
| FYI Productions revenue | 344,466 | - | 344,466 |
| Events revenue | 25,340 | - | 25,340 |
| Capital campaign support | 1,451 | - | 1,451 |
| Rent revenue | 619,351 | - | 619,351 |
| EBS Spectrum lease revenue | 872,123 | - | 872,123 |
| Other support | 805,296 | - | 805,296 |
| Investment return (Note 3) | (631,127) | (204,028) | (835,155) |
| Loss on sale of fixed assets | (74,383) | - | (74,383) |
| Gain on forgiveness of debt | 1,216,677 | - | 1,216,677 |
| Contribution of nonfinancial assets | 1,639,755 | - | 1,639,755 |
| Net assets released from restriction | <u>1,735,774</u> | <u>(1,735,774)</u> | <u>-</u> |
| Total support and revenue | <u>17,846,606</u> | <u>256,917</u> | <u>18,103,523</u> |
| EXPENSES | | | |
| Program services: | | | |
| Programming and production | 7,110,938 | - | 7,110,938 |
| Broadcasting | 1,408,046 | - | 1,408,046 |
| Program information | <u>623,039</u> | <u>-</u> | <u>623,039</u> |
| Total program services | <u>9,142,023</u> | <u>-</u> | <u>9,142,023</u> |
| Supporting services: | | | |
| Fundraising and membership | 1,872,782 | - | 1,872,782 |
| Underwriting | 925,150 | - | 925,150 |
| Management and general | 1,576,154 | - | 1,576,154 |
| Facility rentals and costs | <u>1,119,927</u> | <u>-</u> | <u>1,119,927</u> |
| Total support services | <u>5,494,013</u> | <u>-</u> | <u>5,494,013</u> |
| Total expenses | <u>14,636,036</u> | <u>-</u> | <u>14,636,036</u> |
| Changes in net assets | 3,210,570 | 256,917 | 3,467,487 |
| Net assets, beginning of year | <u>16,319,831</u> | <u>2,716,221</u> | <u>19,036,052</u> |
| Net assets, end of year | <u>\$ 19,530,401</u> | <u>\$ 2,973,138</u> | <u>\$ 22,503,539</u> |

See accompanying notes to consolidated financial statements.

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
Year ended September 30, 2021

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--------------------------------------|---------------------------------------|------------------------------------|----------------------|
| SUPPORT AND REVENUE | | | |
| Public support | \$ 6,626,487 | \$ - | \$ 6,626,487 |
| Grants and other contributions | 3,894,858 | 1,384,717 | 5,279,575 |
| FYI Productions revenue | 462,548 | - | 462,548 |
| Events revenue | 35,835 | - | 35,835 |
| Capital campaign support | - | 7,656 | 7,656 |
| Rent revenue | 515,683 | - | 515,683 |
| EBS Spectrum lease revenue | 872,123 | - | 872,123 |
| Other support | 638,311 | - | 638,311 |
| Investment return (Note 3) | 747,945 | 225,695 | 973,640 |
| Gain on sale of fixed assets | 683,048 | - | 683,048 |
| Gain on forgiveness of debt | 1,152,762 | - | 1,152,762 |
| Net assets released from restriction | <u>1,287,713</u> | <u>(1,287,713)</u> | <u>-</u> |
| Total support and revenue | <u>16,917,313</u> | <u>330,355</u> | <u>17,247,668</u> |
| EXPENSES | | | |
| Program services: | | | |
| Programming and production | 6,866,429 | - | 6,866,429 |
| Broadcasting | 1,338,113 | - | 1,338,113 |
| Program information | <u>673,306</u> | <u>-</u> | <u>673,306</u> |
| Total program services | <u>8,877,848</u> | <u>-</u> | <u>8,877,848</u> |
| Supporting services: | | | |
| Fundraising and membership | 1,696,623 | - | 1,696,623 |
| Underwriting | 839,174 | - | 839,174 |
| Management and general | 1,213,538 | - | 1,213,538 |
| Facility rentals and costs | <u>967,401</u> | <u>-</u> | <u>967,401</u> |
| Total support services | <u>4,716,736</u> | <u>-</u> | <u>4,716,736</u> |
| Total expenses | <u>13,594,584</u> | <u>-</u> | <u>13,594,584</u> |
| Changes in net assets | 3,322,729 | 330,355 | 3,653,084 |
| Net assets, beginning of year | <u>12,997,102</u> | <u>2,385,866</u> | <u>15,382,968</u> |
| Net assets, end of year | <u>\$ 16,319,831</u> | <u>\$ 2,716,221</u> | <u>\$ 19,036,052</u> |

See accompanying notes to consolidated financial statements.

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended September 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ 3,467,487 | \$ 3,653,084 |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Depreciation | 868,447 | 808,416 |
| Provision for bad debts (recovery) | 216 | (5,977) |
| Loss (Gain) on sale of property and equipment | 74,383 | (683,048) |
| Net realized and unrealized gains on investments | 1,122,953 | (962,528) |
| Forgiveness of paycheck protection program loan | (1,216,677) | (1,152,762) |
| Changes in certain assets and liabilities: | | |
| Accounts and grants receivable | (688,598) | 211,898 |
| Contributions receivable | (1,715,538) | 52,119 |
| Prepaid expenses | (613,964) | 552,262 |
| Accounts payable | 629,859 | 6,997 |
| Paycheck Protection Program Loan | - | 1,216,677 |
| Intangibles | (1,009,412) | - |
| Other liabilities | <u>436,665</u> | <u>248,448</u> |
| Net cash flows from operating activities | <u>1,355,821</u> | <u>3,945,586</u> |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (2,858,977) | (1,133,149) |
| Proceeds from sale of property and equipment | - | 761,620 |
| Purchase of investments | (1,388,370) | (1,864,885) |
| Proceeds from sale of investments | <u>954,772</u> | <u>2,057,490</u> |
| Net cash flows from investing activities | <u>(3,292,575)</u> | <u>(178,924)</u> |
| Cash flows from financing activities | | |
| Borrowings on notes payable | 2,150,223 | - |
| Payments on notes payable | <u>(224,839)</u> | <u>(67,500)</u> |
| Net cash flows from financing activities | <u>1,925,384</u> | <u>(67,500)</u> |
| Net change in cash and cash equivalents | (11,370) | 3,699,162 |
| Cash and cash equivalents, beginning of year | <u>7,017,339</u> | <u>3,318,177</u> |
| Cash and cash equivalents, end of year | <u>\$ 7,005,969</u> | <u>\$ 7,017,339</u> |
| Supplemental disclosure of cash flow information: | | |
| Cash paid for interest | \$ 73,480 | \$ 8,940 |
| Repayment of note payable by third-party | 849,375 | - |
| Supplemental disclosure of non-cash information: | | |
| Paycheck Protection Program Loan converted to note payable | \$ - | \$ 75,538 |
| Non-cash gifts received | 1,639,755 | 69,768 |

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 public television and radio stations in 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, which was dissolved during 2021. 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: As of January 4, 2021, Metropolitan Indianapolis Public Broadcasting Media Center LLC ("LLC") was voluntarily dissolved as its business purpose of participating in the new Market Tax Credit Program was complete. The LLC was wholly owned by MIPM, and all its assets were distributed to MIPM per the LLC operating agreement. All debts, liabilities, and obligations were paid or otherwise discharged prior to dissolution.

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, 2022 and 2021 was \$0 for each year.

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, 2022 and 2021, 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/or penalties at September 30, 2022 and 2021.

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. Net assets with donor restrictions 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:

- *Without Donor Restrictions* - Includes all funds that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.
- *With Donor Restrictions* - 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. This classification also includes funds subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by MIPM. For restricted gifts that are received and the restrictions are met in the same period, those gifts are recorded as with donor restrictions and released through releases of net assets.

(Continued)

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, 2022 and 2021, the total current and non-current Prepaid Capitalized Lease Expense was \$320,000 and \$400,000, respectively, on the consolidated statement of financial position.

Property and Equipment: Property and equipment with an original cost basis of \$5,000, or greater, is capitalized and amounts under \$5,000 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, 2022 and 2021, management believes that no impairments exist.

Deferred Maintenance Revenue: In August 2021, MIPM sold its surface parking lot to Wesley Place Apartments, LLC ("Wesley") for \$750,000. For the year ended September 30, 2021, MIPM recognized a \$678,080 gain on the sale, which is included in the gain on the sale of fixed assets on the statement of activities.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, In August 2021, Wesley entered a fifteen-year lease for parking spaces in MIPM's parking structure. Per the lease agreement, Wesley paid MIPM \$250,000 up front to repair, renovate and maintain the parking structure. These proceeds were recorded as deferred maintenance revenue on the statement of financial position and will be recognized over the lease term. For the years ended September 30, 2022 and 2021, \$231,943 and \$248,611 of these funds have been recorded as deferred maintenance revenue on the statement of financial position, while \$16,668 and \$1,388 have been recognized as rent revenue on the statement of activities for the years then ended.

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, 2022 and 2021, the total current and non-current Deferred Capitalized Lease Revenue was \$344,310 and \$430,387, respectively, on the consolidated statement of financial position.

Support and Revenue Recognition: All contributions are considered to be available for use without restrictions unless specifically restricted by the donor. Conditional gifts, with a barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year as the gifts are received are reported in the net asset without donor restrictions class.

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

FYI productions revenue includes fees received for facility and equipment use and other telecommunication services. The revenue is recognized when the related services have been provided.

Public support revenue includes underwriting and membership revenue. Underwriting revenue is received from various sources and then recognized once the programs are aired. Underwriting revenue relating to programs that have not yet broadcast is reported as deferred revenue. Membership revenue is recognized as the membership gifts are received, since these are not traditional memberships, but rather gifts to MIPM.

Other support revenue consists of ancillary revenues, the Economic Club of Indiana master services agreement and other gifts. Ancillary revenues are recognized as the service is performed. MIPM recognizes the revenue from the master services agreement, straight-lined over the term of the contract. Other gifts are recognized as they are received.

Contributions of Nonfinancial Assets: In addition to receiving cash contributions, MIPM receives contributions of nonfinancial assets from various donors, primarily in support of events. It is the policy of the MIPM to record the contribution of assets other than cash at estimated fair value. During 2022, MIPM received a donation of tower usage, studio rental and a broadcast license. These items were valued based on current fair value using estimates and comparable valuation data and will be used as part of MIPM's program services. For the years ended September 30, 2022 and 2021, contributions of nonfinancial assets totaled \$1,639,755 and \$69,768, respectively.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible Assets: Intangible assets of \$1,009,412 as of September 30, 2022, consist of two components. \$1,000,000 of the value carried in intangible assets reflects the value of broadcast licenses acquired during the fiscal year. The \$1,000,000 of the value of the broadcast licenses was determined based on the valuation performed by Public Media Company. In exchange MIPM agreed to provide \$700,000 of underwriting and the remaining \$300,000 was a non-cash contribution provided by the seller.

The remaining \$9,412 of the value carried in intangible assets reflects the value of a broadcast license donated during the fiscal year. The value of the donation was determined by evaluating comparable sales of construction permits for licenses requiring an operational investment similar to MIPM's capitalized investment to make station W29EL-D operational.

MIPM assesses the intangible assets annually for impairment and the licenses are deemed to have an indefinite life and no diminution in value has occurred. Thus, no impairment charge was recorded during the year ended September 30, 2022.

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, based on the actual direct expenditures and cost allocations based upon estimates by MIPM. Facility expenses have been allocated based upon square footage occupied.

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.

Coronavirus Impacts and Paycheck Protection Program (PPP) Loan: The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The coronavirus has negatively impacted various parts of MIPM's operations and financial results, including, but not limited to, loss of revenues, additional bad debts, costs for increased use of technology and COVID-19 protection and other related operating expenditures.

In April 2020, MIPM obtained a PPP loan under a program offered by the United States Small Business Administration (SBA) in the amount of \$1,228,300. MIPM accounts for the PPP loans as debt under ASC 470 and recognizes the revenue once formal forgiveness has been obtained. Loan forgiveness was obtained on September 17, 2021 in the amount of \$1,152,762. The remaining outstanding principal balance of the PPP Loan was \$75,538, which was converted to a note payable as of September 30, 2021. The remaining balance has a five-year repayment period and the interest rate on the loan is 1%.

In January 2021, MIPM obtained a second PPP loan offered by the SBA in the amount of \$1,216,677. On February 10, 2022, MIPM received formal forgiveness of the entire second PPP loan, which was recognized as revenue during the year ending September 30, 2022.

Adoption of New Accounting Standard: In 2022, MIPM adopted ASU 2020-07, Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The adoption of ASU 2020-07 resulted in changes to the presentation and disclosure of contributions of nonfinancial assets. There were no material changes to recognition or presentation of contribution revenue as a result of the application of ASU 2020-07.

Reclassifications: MIPM has made certain reclassifications of the prior year financial statements in order to conform to the current year presentation. These reclassifications had no effect on net assets or changes in net assets.

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to September 30, 2021 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the years ended September 30, 2022 and 2021. Management has performed their analysis through March 28, 2023, the date the financial statements were available to be issued.

NOTE 2 - CONTRIBUTIONS RECEIVABLE

The following represents contributions receivable balances at September 30:

| | <u>2022</u> | <u>2021</u> |
|-------------------------------------|---------------------|------------------|
| Currently due | \$ 951,939 | \$ 61,250 |
| Due in one to five years | 389,662 | 29,966 |
| Due in over five years | <u>1,179,033</u> | <u>-</u> |
| | 2,520,634 | 91,216 |
| Unamortized discount | (718,076) | (3,696) |
| Allowance | <u>(998)</u> | <u>(1,498)</u> |
| Total contributions receivable, net | <u>\$ 1,801,560</u> | <u>\$ 86,022</u> |

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

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|------------------|
| Current, net of allowance | \$ 918,500 | \$ 61,250 |
| Non-current, net of allowance and discount | <u>883,060</u> | <u>24,772</u> |
| | <u>\$ 1,801,560</u> | <u>\$ 86,022</u> |

Qualifying contributions receivable were discounted at a discount rate of 5.13% and 0.12% at September 30, 2022 and 2021.

NOTE 3 - INVESTMENTS

Investments as of September 30 are as follows:

| | <u>2022</u> | <u>2021</u> |
|-----------------------------|---------------------|---------------------|
| Money market funds | \$ 385,487 | \$ 47,896 |
| Common stock | - | 580,352 |
| Municipal bonds | 99,700 | 109,219 |
| Corporate bonds | 113,709 | 109,927 |
| US Treasury securities | 246,585 | 254,566 |
| Mutual funds - equities | 2,088,233 | 2,103,238 |
| Mutual funds - fixed income | 526,327 | 664,943 |
| Exchange traded funds | <u>686,523</u> | <u>916,751</u> |
| | <u>\$ 4,146,564</u> | <u>\$ 4,786,892</u> |

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 3 - INVESTMENTS (Continued)

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

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|-------------------|
| Interest and dividends, net of fees of \$34,457 and \$34,281 | \$ 238,771 | \$ 101,717 |
| Realized gain on investments | 220,960 | 336,376 |
| Unrealized gain (loss) on investments | <u>(1,294,886)</u> | <u>535,547</u> |
| Total investment return | <u>\$ (835,155)</u> | <u>\$ 973,640</u> |

Interest and dividends include \$13,423 and \$508 of interest earned on cash and equivalents for the years ended September 30, 2022 and 2021, respectively.

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, 2022 and 2021 was \$337,053 and \$386,080, respectively, and the change in value of beneficial interest of \$49,027 and \$90,605, respectively, is included in the investment return on the consolidated statements of activities and Note 3.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment as of September 30 is as follows:

| | <u>2022</u> | <u>2021</u> |
|----------------------------------|----------------------|---------------------|
| Land | \$ 662,280 | \$ 662,280 |
| Transmitter and studio equipment | 4,820,948 | 4,672,377 |
| Building and improvements | 15,625,797 | 14,568,062 |
| Furniture and office equipment | 547,055 | 806,361 |
| Tower and antenna | 1,274,888 | 1,236,334 |
| Vehicles | <u>42,240</u> | <u>42,240</u> |
| | 22,973,208 | 21,987,654 |
| Less: Accumulated depreciation | <u>(12,057,442)</u> | <u>(12,988,035)</u> |
| Property and equipment, net | <u>\$ 10,915,766</u> | <u>\$ 8,999,619</u> |

Depreciation expense for the years ended September 30, 2022 and 2021 was \$868,447 and \$808,416, respectively.

NOTE 6 - NOTES PAYABLE

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 bore interest at the daily LIBOR rate plus .75% (0.83% at September 30, 2021) and was set to mature on June 26, 2024. In fiscal year 2022, MIPM received a new loan with a borrowing of \$3,000,000 and used a portion of the proceeds to pay off their old loan. The new term loan matures on December 15, 2031 and bears interest at a fixed rate of 3.23%.

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 6 - NOTES PAYABLE (Continued)

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, 2022 and 2021, management of MIPM reported compliance with all covenants. MIPM had current outstanding borrowings of \$264,263 and \$67,500 and noncurrent outstanding borrowings of \$2,542,827 and \$793,125 as of September 30, 2022 and 2021, respectively. Principal and interest payments are due monthly, which began in January 2022, for \$29,353, and a final installment due upon maturity.

In April 2020, MIPM obtained a PPP loan under a program offered by the United States Small Business Administration (SBA) in the amount of \$1,228,300. Loan forgiveness was obtained on September 17, 2021 in the amount of \$1,152,762. The remaining outstanding principal balance of the PPP Loan is \$54,457. The remaining balance has a five-year repayment period and the interest rate on the loan would be 1%. MIPM had current outstanding borrowings of \$21,080 and \$21,080 and noncurrent outstanding borrowings of \$33,377 and \$54,458 as of September 30, 2022 and 2021, respectively. Payments are due monthly, which began in October 2021, for \$1,757 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>2022</u> | <u>2021</u> |
|-------------|---------------------|-------------------|
| Current | \$ 285,343 | \$ 88,580 |
| Non-current | <u>2,576,204</u> | <u>847,583</u> |
| | <u>\$ 2,861,547</u> | <u>\$ 936,163</u> |

Scheduled principal repayments for the next 4 years are as follows:

| | |
|------------|---------------------|
| 2023 | \$ 285,343 |
| 2024 | 373,313 |
| 2025 | 364,530 |
| Thereafter | <u>1,838,361</u> |
| | <u>\$ 2,861,547</u> |

Interest expense on all notes payable totaled \$73,480 and \$8,940 for the years ended September 30, 2022 and 2021, respectively.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of September 30 are as follows:

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| Capital campaign | \$ 236,961 | \$ 162,227 |
| Education reporting | 6,127 | 8,608 |
| Programming | 1,530,299 | 1,084,076 |
| Endowment earnings | - | 261,559 |
| Endowment net assets held in perpetuity | <u>1,199,751</u> | <u>1,199,751</u> |
| | <u>\$ 2,973,138</u> | <u>\$ 2,716,221</u> |

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 September 30, 2022 and 2021

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Purpose restrictions accomplished:

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| Capital campaign | \$ 266 | \$ 80,618 |
| Education reporting | 9,981 | 7,691 |
| Programming | 1,667,996 | 1,112,577 |
| Endowment | <u>57,531</u> | <u>86,827</u> |
| Total net assets released from restriction | <u>\$ 1,735,774</u> | <u>\$ 1,287,713</u> |

NOTE 8 - OPERATING LEASES

Lessor:

The LLC dissolved in January 2021 and all assets were distributed to MIPM. Prior to dissolution, the LLC owned the building at 1630 North Meridian Street. The LLC leased the entire building to MIPM under a master lease agreement that expired in April 2014. From that date forward until the dissolution of the LLC, the LLC provided free rent to MIPM, which was recorded as in-kind revenue and in-kind expense on both MIPM and the LLC. The amount was eliminated in consolidation in prior years.

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. Upon dissolution of the LLC in January 2021, the interest in the sub-lease agreements reverted back to MIPM.

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 \$1,491,474 and \$1,387,806 for the years ended September 30, 2022 and 2021.

Minimum annual payments receivable under the operating leases as of September 30, 2022 are as follows:

| <u>Year Ending</u> <u>September 30</u> | |
|---|---------------------|
| 2023 | \$ 1,460,098 |
| 2024 | 1,449,471 |
| 2025 | 1,368,466 |
| 2026 | 1,130,485 |
| 2027 | 911,942 |
| Thereafter | <u>578,724</u> |
| | <u>\$ 6,899,186</u> |

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 8 - OPERATING LEASES (Continued)

Lessee:

MIPM rents equipment under noncancelable operating leases. Operating lease expense was \$93,816 and \$95,515 for the years ended September 30, 2022 and 2021. MIPM has the following operating lease commitments as of September 30, 2022:

| <u>Year Ending September 30</u> | |
|-------------------------------------|-------------------|
| 2023 | \$ 93,672 |
| 2024 | 93,883 |
| 2025 | 95,940 |
| 2026 | 98,059 |
| 2027 | 74,921 |
| Thereafter | <u>344,081</u> |
| | <u>\$ 800,556</u> |

NOTE 9 - 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, 2022 and 2021 was \$91,985 and \$97,838, respectively.

NOTE 10 - 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, 2022 and 2021, the primary activities of this nature included banking, legal, insurance, and other professional services totaling approximately \$1,215,270 and \$625,049, respectively.

NOTE 11 - 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.

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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.

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>2022</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 | \$ 385,487 | \$ - | \$ - | \$ - | \$ 385,487 |
| Municipal bonds | - | 99,700 | - | - | 99,700 |
| Corporate bonds | - | 113,709 | - | - | 113,709 |
| US Treasury securities | 246,585 | - | - | - | 246,585 |
| Mutual funds - equities | 2,088,233 | - | - | - | 2,088,233 |
| Mutual funds - fixed income | 526,327 | - | - | - | 526,327 |
| Exchange traded funds | <u>686,523</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>686,523</u> |
| Total investments | 3,933,155 | 213,409 | - | - | 4,146,564 |
| Beneficial interest in assets held by Community Foundation | <u>-</u> | <u>-</u> | <u>-</u> | <u>337,053</u> | <u>337,053</u> |
| Total assets | <u>\$ 3,933,155</u> | <u>\$ 213,409</u> | <u>\$ -</u> | <u>\$ 337,053</u> | <u>\$ 4,483,617</u> |

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

| <u>2021</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 | \$ 47,896 | \$ - | \$ - | \$ - | \$ 47,896 |
| Common stock | 580,352 | - | - | - | 580,352 |
| Municipal bonds | - | 109,219 | - | - | 109,219 |
| Corporate bonds | - | 109,927 | - | - | 109,927 |
| US Treasury securities | 254,566 | - | - | - | 254,566 |
| Mutual funds - equities | 2,103,238 | - | - | - | 2,103,238 |
| Mutual funds - fixed income | 664,943 | - | - | - | 664,943 |
| Exchange traded funds | 916,751 | - | - | - | 916,751 |
| Total investments | <u>4,567,746</u> | <u>219,146</u> | <u>-</u> | <u>-</u> | <u>4,786,892</u> |
| Beneficial interest in assets held by Community Foundation | <u>-</u> | <u>-</u> | <u>-</u> | <u>386,080</u> | <u>386,080</u> |
| Total assets | <u>\$ 4,567,746</u> | <u>\$ 219,146</u> | <u>\$ -</u> | <u>\$ 386,080</u> | <u>\$ 5,172,972</u> |

NOTE 12 - 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 funds without donor restrictions. 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 net assets with donor restrictions (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 continues to be classified in net assets with donor restrictions 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, 2022 and 2021

NOTE 12 - 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. There were no funds with deficiencies as of September 30, 2022 and 2021.

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.

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|----------------------------------|---------------------------------------|------------------------------------|---------------------|
| <u>2022</u> | | | |
| Donor-restricted endowment funds | \$ - | \$ 1,199,751 | \$ 1,199,751 |
| Board designated endowed funds | <u>3,283,863</u> | <u>-</u> | <u>3,283,863</u> |
| Total funds | <u>\$ 3,283,863</u> | <u>\$ 1,199,751</u> | <u>\$ 4,483,614</u> |
| | | | |
| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
| <u>2021</u> | | | |
| Donor-restricted endowment funds | \$ - | \$ 1,461,310 | \$ 1,461,310 |
| Board designated endowed funds | <u>3,711,659</u> | <u>-</u> | <u>3,711,659</u> |
| Total funds | <u>\$ 3,711,659</u> | <u>\$ 1,461,310</u> | <u>\$ 5,172,969</u> |

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 12 - ENDOWMENT COMPOSITION DISCLOSURE (Continued)

Changes in endowment net assets for year ended September 30, 2022:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| <u>2022</u> | | | |
| Net assets, beginning of year | \$ 3,711,659 | \$ 1,461,310 | \$ 5,172,969 |
| Investment return | | | |
| Interest and dividends, net of fees | 165,049 | 60,300 | 225,349 |
| Net realized and unrealized losses | <u>(809,598)</u> | <u>(264,328)</u> | <u>(1,073,926)</u> |
| Total investment return | (644,549) | (204,028) | (848,577) |
| New gifts | 374,221 | - | 374,221 |
| Appropriation of endowment assets for expenditure | <u>(157,469)</u> | <u>(57,531)</u> | <u>(215,000)</u> |
| Net assets, end of year | <u>\$ 3,283,863</u> | <u>\$ 1,199,751</u> | <u>\$ 4,483,614</u> |

Changes in endowment net assets for year ended September 30, 2021:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| <u>2021</u> | | | |
| Net assets, beginning of year | \$ 3,072,694 | \$ 1,322,442 | \$ 4,395,136 |
| Investment return | | | |
| Interest and dividends, net of fees | 77,736 | 23,473 | 101,209 |
| Net realized and unrealized gains | <u>669,699</u> | <u>202,222</u> | <u>871,921</u> |
| Total investment return | 747,435 | 225,695 | 973,130 |
| New gifts | 179,074 | - | 179,074 |
| Appropriation of endowment assets for expenditure | <u>(287,544)</u> | <u>(86,827)</u> | <u>(374,371)</u> |
| Net assets, end of year | <u>\$ 3,711,659</u> | <u>\$ 1,461,310</u> | <u>\$ 5,172,969</u> |

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 13 - EXPENSES BY NATURE

The statements of activities report certain categories of expenses attributable to the programs and supporting functions of MIPM. Program Activities include programming and production, broadcasting, and program information and the costs of other charitable programs. The table below presents these functional expenses by their natural classification for the year ended September 30, 2022 and 2021, respectively.

| | Program Expenses | | | Supporting Services | | | 2022 Total | 2021 Total | |
|---|----------------------------|---------------------|---------------------|----------------------------|-------------------|------------------------|---------------------|----------------------|----------------------------|
| | Programming and Production | Broadcasting | Program Information | Fundraising and Membership | Underwriting | Management and General | | | Facility Rentals and Costs |
| Salaries, commissions, benefits, taxes | \$ 2,876,519 | \$ 372,918 | \$ 356,279 | \$ 624,506 | \$ 741,385 | \$ 573,038 | \$ 113,433 | \$ 5,658,078 | \$ 5,851,615 |
| Pension plan | 49,413 | 3,635 | 4,832 | 8,525 | 12,810 | 11,340 | 1,430 | 91,985 | 97,838 |
| Other employee benefits | 289,381 | 21,260 | 43,347 | 48,286 | 68,216 | 73,711 | 9,860 | 554,061 | 599,000 |
| Payroll taxes | 201,710 | 25,275 | 24,043 | 43,057 | 51,182 | 39,202 | 6,932 | 391,401 | 409,585 |
| Fees for services | 760,906 | 159,332 | 5,660 | 73,865 | 120 | 298,583 | - | 1,298,466 | 1,197,105 |
| Advertising, marketing and promotion - publications | - | - | 126,984 | - | - | - | - | 126,984 | 112,161 |
| Advertising, marketing and promotion - media other | 70,034 | - | 33,933 | - | - | - | - | 103,967 | 88,735 |
| General and administrative | 74,550 | 149,266 | 4,908 | 13,711 | 9,985 | 110,466 | 5,887 | 368,773 | 237,665 |
| Information technology | 100,204 | 88,563 | 8,377 | 3,216 | 11,923 | 94,281 | - | 306,564 | 218,229 |
| Occupancy | 73,379 | 68,374 | - | - | - | 188,224 | 652,644 | 982,621 | 580,499 |
| Travel | 60,873 | 413 | 184 | 3,288 | 1,640 | 1,294 | 206 | 67,898 | 12,597 |
| Conferences, conventions and meeting expenses | 16,064 | 184 | 44 | 12,921 | 915 | 2,712 | 87 | 32,927 | 41,984 |
| Interest | - | - | - | 2 | - | 73,478 | - | 73,480 | 8,940 |
| Depreciation | 136,740 | 464,444 | 6,215 | - | - | 12,431 | 248,617 | 868,447 | 808,416 |
| Insurance | 8,732 | 15,619 | - | - | - | 40,975 | 80,831 | 146,157 | 134,708 |
| Program acquisition | 1,985,251 | - | - | 54,243 | - | - | - | 2,039,494 | 1,974,095 |
| Station dues | 60,775 | 24,000 | - | 4,753 | 4,783 | 40,654 | - | 134,965 | 135,791 |
| Membership | - | - | - | 949,159 | - | 15,765 | - | 964,924 | 633,039 |
| Bad debt | (5,450) | - | - | (500) | 216 | - | - | (5,734) | 11,238 |
| Data analytics | 138,196 | - | 8,176 | 528 | 21,975 | - | - | 168,875 | 153,632 |
| Content creation | 213,661 | 14,763 | 57 | 159 | - | - | - | 228,640 | 255,452 |
| Events | - | - | - | 22,842 | - | - | - | 22,842 | 2,328 |
| Other miscellaneous | - | - | - | 10,221 | - | - | - | 10,221 | 29,932 |
| Total expenses | \$ 7,110,938 | \$ 1,408,046 | \$ 623,039 | \$ 1,872,782 | \$ 925,150 | \$ 1,576,154 | \$ 1,119,927 | \$ 14,636,036 | \$ 13,594,584 |

| | Program Expenses | | | Supporting Services | | | 2022 Total | 2021 Total |
|---|----------------------------|---------------------|---------------------|----------------------------|-------------------|------------------------|-------------------|----------------------|
| | Programming and Production | Broadcasting | Program Information | Fundraising and Membership | Underwriting | Management and General | | |
| Salaries, commissions, benefits and taxes | \$ 2,854,799 | \$ 413,873 | \$ 389,848 | \$ 790,523 | \$ 673,026 | \$ 589,687 | \$ 139,859 | \$ 5,851,615 |
| Pension plan | 46,610 | 3,886 | 5,998 | 14,982 | 11,873 | 12,271 | 2,218 | 97,838 |
| Other employee benefits | 321,877 | 27,340 | 47,207 | 69,620 | 64,413 | 58,187 | 10,356 | 599,000 |
| Payroll taxes | 201,181 | 29,084 | 27,664 | 54,560 | 47,744 | 40,173 | 9,179 | 409,585 |
| Fees for services | 644,908 | 234,793 | 5,463 | 49,659 | 1,571 | 227,401 | 33,310 | 1,197,105 |
| Advertising, marketing and promotion - publications | - | - | 112,161 | - | - | - | - | 112,161 |
| Advertising, marketing and promotion - media | 30,727 | - | 55,074 | 2,384 | 550 | - | - | 88,735 |
| General and administrative | 45,356 | 45,735 | 3,066 | 13,971 | 2,005 | 113,722 | 13,810 | 237,665 |
| Information technology | 67,836 | 69,167 | 12,878 | 19,871 | 5,582 | 41,611 | 1,284 | 218,229 |
| Occupancy | 58,919 | 64,963 | - | - | - | 1,914 | 454,703 | 580,499 |
| Travel | 11,935 | 140 | 259 | - | 234 | 29 | - | 12,597 |
| Conferences, conventions and meeting expenses | 17,516 | 600 | 636 | 19,084 | 1,233 | 2,318 | 597 | 41,984 |
| Interest | - | - | - | - | - | 8,940 | - | 8,940 |
| Depreciation | 151,811 | 384,941 | 10,254 | 4,340 | 4,340 | 16,168 | 236,562 | 808,416 |
| Insurance | 8,238 | 24,753 | - | - | - | 36,194 | 65,523 | 134,708 |
| Program acquisition | 1,963,596 | - | - | 10,499 | - | - | - | 1,974,095 |
| Station dues | 56,819 | 24,000 | - | 4,563 | 4,563 | 45,846 | - | 135,791 |
| Membership | 1,356 | - | 58 | 631,625 | - | - | - | 633,039 |
| Bad debt | 2,615 | - | - | 8,614 | - | 9 | - | 11,238 |
| Data analytics | 128,852 | - | 2,740 | - | 22,040 | - | - | 153,632 |
| Content creation | 240,614 | 14,838 | - | - | - | - | - | 255,452 |
| Events | - | - | - | 2,328 | - | - | - | 2,328 |
| Other miscellaneous | 10,864 | - | - | - | - | 19,068 | - | 29,932 |
| Total expenses | \$ 6,866,429 | \$ 1,338,113 | \$ 673,306 | \$ 1,696,623 | \$ 839,174 | \$ 1,213,538 | \$ 967,401 | \$ 13,594,584 |

The allocations of certain categories of expenses attributable to more than one program or supporting function are described in Note 1.

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2022 and 2021

NOTE 14 - LIQUIDITY AND AVAILABILITY

MIPM's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

| | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|
| Financial assets at year-end: | | |
| Cash | \$ 7,005,969 | \$ 7,017,339 |
| Accounts and grants receivable | 1,611,620 | 923,238 |
| Contributions receivable, net | 1,801,560 | 86,022 |
| Investments | 4,146,564 | 4,786,892 |
| Beneficial interest in assets held by Community Foundation | <u>337,053</u> | <u>386,080</u> |
| Total financial assets | <u>\$ 14,902,766</u> | <u>\$ 13,199,571</u> |
| Less amounts not available for general expenditures within one year: | | |
| Contributions receivable | \$ (883,060) | \$ (24,772) |
| Endowment funds | <u>(4,483,614)</u> | <u>(5,172,969)</u> |
| | (5,366,674) | (5,197,741) |
| Add back funds to be allocated for operations per endowment spending policy within one year | <u>215,000</u> | <u>193,295</u> |
| Financial assets available within one year | <u>\$ 9,751,092</u> | <u>\$ 8,195,125</u> |

As part of MIPM's liquidity management, MIPM invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due. MIPM's non-endowed donor-restricted funds are restricted for purpose, but the restricted purposes are operating types of expenses for MIPM and therefore, have been included as available for operations in the next year.

The endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Endowment funds are subject to the spending policy as described in Note 12. Although MIPM does not intend to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of our Board of Director's annual budget approval and appropriation), these amounts could be made available if necessary or can be drawn for special purposes.

SUPPLEMENTARY INFORMATION

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
September 30, 2022

| | <u>MIPM</u> | <u>Foundation</u> | <u>Eliminations</u> | <u>Total</u> |
|---|----------------------|---------------------|---------------------|----------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash | \$ 6,820,969 | \$ 185,000 | \$ - | \$ 7,005,969 |
| Accounts and grants receivable, net | 1,611,620 | - | - | 1,611,620 |
| Accounts receivable - related party | 217,014 | - | (217,014) | - |
| Contributions receivable, net | 546,044 | 372,456 | - | 918,500 |
| Prepaid capitalized lease expenses | 80,000 | - | - | 80,000 |
| Other prepaid expenses | <u>1,034,299</u> | <u>-</u> | <u>-</u> | <u>1,034,299</u> |
| Total current assets | <u>10,309,946</u> | <u>557,456</u> | <u>(217,014)</u> | <u>10,650,388</u> |
| Non-current assets | | | | |
| Contributions receivable, net | 883,060 | - | - | 883,060 |
| Investments | - | 4,146,564 | - | 4,146,564 |
| Beneficial interest in assets held by Community Foundation | - | 337,053 | - | 337,053 |
| Prepaid capitalized lease expenses | 240,000 | - | - | 240,000 |
| Intangibles, net | 1,009,412 | - | - | 1,009,412 |
| Property and equipment, net | <u>10,915,766</u> | <u>-</u> | <u>-</u> | <u>10,915,766</u> |
| Total non-current assets | <u>13,048,238</u> | <u>4,483,617</u> | <u>-</u> | <u>17,531,855</u> |
| Total assets | <u>\$ 23,358,184</u> | <u>\$ 5,041,073</u> | <u>\$ (217,014)</u> | <u>\$ 28,182,243</u> |

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
September 30, 2022

| | <u>MIPM</u> | <u>Foundation</u> | <u>Eliminations</u> | <u>Total</u> |
|-------------------------------------|----------------------|---------------------|---------------------|----------------------|
| LIABILITIES AND NET ASSETS | | | | |
| Current liabilities | | | | |
| Accounts payable | \$ 959,837 | \$ - | \$ - | \$ 959,837 |
| Accounts payable - related party | - | 217,014 | (217,014) | - |
| Accrued salaries and wages | 509,793 | - | - | 509,793 |
| Unearned underwriting revenue | 741,964 | - | - | 741,964 |
| Deferred maintenance revenue | 16,668 | - | - | 16,668 |
| Note payable | 285,343 | - | - | 285,343 |
| Deferred capitalized lease revenues | 86,077 | - | - | 86,077 |
| Other liabilities | 29,310 | - | - | 29,310 |
| Total current liabilities | <u>2,628,992</u> | <u>217,014</u> | <u>(217,014)</u> | <u>2,628,992</u> |
| Non-current liabilities | | | | |
| Deferred maintenance revenue | 215,275 | - | - | 215,275 |
| Notes payable | 2,576,204 | - | - | 2,576,204 |
| Deferred capitalized lease revenue | 258,233 | - | - | 258,233 |
| Total non-current liabilities | <u>3,049,712</u> | <u>-</u> | <u>-</u> | <u>3,049,712</u> |
| Total liabilities | <u>5,678,704</u> | <u>217,014</u> | <u>(217,014)</u> | <u>5,678,704</u> |
| Net assets | | | | |
| Without donor restrictions | 15,906,093 | 3,624,308 | - | 19,530,401 |
| With donor restrictions | 1,773,387 | 1,199,751 | - | 2,973,138 |
| Total net assets | <u>17,679,480</u> | <u>4,824,059</u> | <u>-</u> | <u>22,503,539</u> |
| Total liabilities and net assets | <u>\$ 23,358,184</u> | <u>\$ 5,041,073</u> | <u>\$ (217,014)</u> | <u>\$ 28,182,243</u> |

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
September 30, 2021

| | <u>MIPM</u> | <u>MIPB Media Center, LLC</u> | <u>Foundation</u> | <u>Eliminations</u> | <u>Total</u> |
|---|----------------------|-----------------------------------|---------------------|---------------------|----------------------|
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash | \$ 7,017,339 | \$ - | \$ - | \$ - | \$ 7,017,339 |
| Accounts and grants receivable, net | 923,238 | - | - | - | 923,238 |
| Accounts receivable - related party | 16,248 | - | - | (16,248) | - |
| Contributions receivable, net | 10,000 | - | 51,250 | - | 61,250 |
| Prepaid capitalized lease expenses | 80,000 | - | - | - | 80,000 |
| Other prepaid expenses | <u>340,335</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>340,335</u> |
| Total current assets | <u>8,387,160</u> | <u>-</u> | <u>51,250</u> | <u>(16,248)</u> | <u>8,422,162</u> |
| Non-current assets | | | | | |
| Contributions receivable, net | 24,772 | - | - | - | 24,772 |
| Investments | - | - | 4,786,892 | - | 4,786,892 |
| Investment in subsidiary | - | - | - | - | - |
| Beneficial interest in assets held by Community Foundation | - | - | 386,080 | - | 386,080 |
| Prepaid capitalized lease expenses | 320,000 | - | - | - | 320,000 |
| Property and equipment, net | <u>8,999,619</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,999,619</u> |
| Total non-current assets | <u>9,344,391</u> | <u>-</u> | <u>5,172,972</u> | <u>-</u> | <u>14,517,363</u> |
| Total assets | <u>\$ 17,731,551</u> | <u>\$ -</u> | <u>\$ 5,224,222</u> | <u>\$ (16,248)</u> | <u>\$ 22,939,525</u> |

(Continued)

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
September 30, 2021

| | <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 | \$ 329,978 | \$ - | \$ - | \$ - | \$ 329,978 |
| Accounts payable - related party | - | - | 16,248 | (16,248) | - |
| Accrued salaries and wages | 479,649 | - | - | - | 479,649 |
| Paycheck Protection Program Loan | 1,216,677 | - | - | - | 1,216,677 |
| Unearned underwriting revenue | 47,013 | - | - | - | 47,013 |
| Deferred maintenance revenue | 16,668 | - | - | - | 16,668 |
| Note payable | 88,580 | - | - | - | 88,580 |
| Deferred capitalized lease revenues | 86,077 | - | - | - | 86,077 |
| Other liabilities | <u>214,995</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>214,995</u> |
| Total current liabilities | <u>2,479,637</u> | <u>-</u> | <u>16,248</u> | <u>(16,248)</u> | <u>2,479,637</u> |
| Non-current liabilities | | | | | |
| Deferred maintenance revenue | 231,943 | - | - | - | 231,943 |
| Notes payable | 847,583 | - | - | - | 847,583 |
| Deferred capitalized lease revenue | <u>344,310</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>344,310</u> |
| Total non-current liabilities | <u>1,423,836</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,423,836</u> |
| Total liabilities | 3,903,473 | - | 16,248 | (16,248) | 3,903,473 |
| Net assets | | | | | |
| Without donor restrictions | 12,573,167 | - | 3,746,664 | - | 16,319,831 |
| With donor restrictions | <u>1,254,911</u> | <u>-</u> | <u>1,461,310</u> | <u>-</u> | <u>2,716,221</u> |
| Total net assets | <u>13,828,078</u> | <u>-</u> | <u>5,207,974</u> | <u>-</u> | <u>19,036,052</u> |
| Total liabilities and net assets | <u>\$ 17,731,551</u> | <u>\$ -</u> | <u>\$ 5,224,222</u> | <u>\$ (16,248)</u> | <u>\$ 22,939,525</u> |

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended September 30, 2022

| | MIPM | | | Foundation | | | Consolidated Eliminations | Total |
|--------------------------------------|--|------------------------------------|---------------|--|------------------------------------|---------------------|------------------------------|---------------|
| | Without Donor Restrictions Operating Fund | With Donor Restrictions Fund | Total MIPM | Without Donor Restrictions Operating Fund | With Donor Restrictions Fund | Total Foundation | | |
| SUPPORT AND REVENUE | | | | | | | | |
| Public support | \$ 7,158,572 | \$ - | \$ 7,158,572 | \$ - | \$ - | \$ - | \$ - | \$ 7,158,572 |
| Grants and other contributions | 4,133,311 | 2,196,719 | 6,330,030 | - | - | - | - | 6,330,030 |
| FYI Productions revenue | 344,466 | - | 344,466 | - | - | - | - | 344,466 |
| Events revenue | 25,340 | - | 25,340 | - | - | - | - | 25,340 |
| Capital campaign support | 1,451 | - | 1,451 | - | - | - | - | 1,451 |
| Rent revenue | 619,351 | - | 619,351 | - | - | - | - | 619,351 |
| EBS Spectrum lease revenue | 872,123 | - | 872,123 | - | - | - | - | 872,123 |
| Other support | 324,868 | - | 324,868 | 695,428 | - | 695,428 | (215,000) | 805,296 |
| Investment return | 13,423 | - | 13,423 | (644,550) | (204,028) | (848,578) | - | (835,155) |
| Loss on sale of fixed assets | (74,383) | - | (74,383) | - | - | - | - | (74,383) |
| Gain on forgiveness of debt | 1,216,677 | - | 1,216,677 | - | - | - | - | 1,216,677 |
| Contribution of nonfinancial assets | 1,639,755 | - | 1,639,755 | - | - | - | - | 1,639,755 |
| Net assets released from restriction | 1,678,243 | (1,678,243) | - | 57,531 | (57,531) | - | - | - |
| Total support and revenue | 17,953,197 | 518,476 | 18,471,673 | 108,409 | (261,559) | (153,150) | (215,000) | 18,103,523 |
| EXPENSES | | | | | | | | |
| Program services: | | | | | | | | |
| Programming and production | 7,110,938 | - | 7,110,938 | - | - | - | - | 7,110,938 |
| Broadcasting | 1,408,046 | - | 1,408,046 | - | - | - | - | 1,408,046 |
| Program information | 623,039 | - | 623,039 | - | - | - | - | 623,039 |
| Total program services | 9,142,023 | - | 9,142,023 | - | - | - | - | 9,142,023 |
| Supporting services: | | | | | | | | |
| Fundraising and membership | 1,872,782 | - | 1,872,782 | - | - | - | - | 1,872,782 |
| Underwriting | 925,150 | - | 925,150 | - | - | - | - | 925,150 |
| Management and general | 1,560,389 | - | 1,560,389 | 15,765 | - | 15,765 | - | 1,576,154 |
| Distributions to MIPM | - | - | - | 215,000 | - | 215,000 | (215,000) | - |
| Facility rentals and costs | 1,119,927 | - | 1,119,927 | - | - | - | - | 1,119,927 |
| Total support services | 5,478,248 | - | 5,478,248 | 230,765 | - | 230,765 | (215,000) | 5,494,013 |
| Total expenses | 14,620,271 | - | 14,620,271 | 230,765 | - | 230,765 | (215,000) | 14,636,036 |
| Changes in net assets | 3,332,926 | 518,476 | 3,851,402 | (122,356) | (261,559) | (383,915) | - | 3,467,487 |
| Net assets at beginning of year | 12,573,167 | 1,254,911 | 13,828,078 | 3,746,664 | 1,461,310 | 5,207,974 | - | 19,036,052 |
| Net assets, end of year | \$ 15,906,093 | \$ 1,773,387 | \$ 17,679,480 | \$ 3,624,308 | \$ 1,199,751 | \$ 4,824,059 | \$ - | \$ 22,503,539 |

METROPOLITAN INDIANAPOLIS PUBLIC MEDIA, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
Year ended September 30, 2021

| | MIPM | | | MIPB Media Center, LLC | | Foundation | | | Consolidated Eliminations | Total |
|---|--|------------------------------------|----------------------|--|---------------------|--|------------------------------------|---------------------|------------------------------|----------------------|
| | Without Donor Restrictions Operating Fund | With Donor Restrictions Fund | Total MIPM | Without Donor Restrictions Operating Fund | Total, LLC | Without Donor Restrictions Operating Fund | With Donor Restrictions Fund | Total Foundation | | |
| SUPPORT AND REVENUE | | | | | | | | | | |
| Public support | \$ 6,626,487 | \$ - | \$ 6,626,487 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,626,487 |
| Grants and other contributions | 3,894,858 | 1,384,717 | 5,279,575 | - | - | - | - | - | - | 5,279,575 |
| FYI Productions revenue | 462,548 | - | 462,548 | - | - | - | - | - | - | 462,548 |
| Events revenue | 35,835 | - | 35,835 | - | - | - | - | - | - | 35,835 |
| Capital campaign support | - | 7,656 | 7,656 | - | - | - | - | - | - | 7,656 |
| Rent revenue | 515,683 | - | 515,683 | - | - | - | - | - | - | 515,683 |
| EBS Spectrum lease revenue | 872,123 | - | 872,123 | - | - | - | - | - | - | 872,123 |
| Other support | 761,875 | - | 761,875 | - | - | 69,731 | - | 69,731 | (193,295) | 638,311 |
| Investment return | 508 | - | 508 | - | - | 747,437 | 225,695 | 973,132 | - | 973,640 |
| Gain (loss) on sale of fixed assets | 8,516,696 | - | 8,516,696 | (7,833,648) | (7,833,648) | - | - | - | - | 683,048 |
| Gain (loss) on MIPM/LLC transfers | (1,666,442) | - | (1,666,442) | (3,052,400) | (3,052,400) | - | - | - | 4,718,842 | - |
| Gain on forgiveness of debt | 1,152,762 | - | 1,152,762 | - | - | - | - | - | - | 1,152,762 |
| Net assets released from restriction | <u>1,200,886</u> | <u>(1,200,886)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>86,827</u> | <u>(86,827)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total support and revenue | <u>22,373,819</u> | <u>191,487</u> | <u>22,565,306</u> | <u>(10,886,048)</u> | <u>(10,886,048)</u> | <u>903,995</u> | <u>138,868</u> | <u>1,042,863</u> | <u>4,525,547</u> | <u>17,247,668</u> |
| EXPENSES | | | | | | | | | | |
| Program services: | | | | | | | | | | |
| Programming and production | 6,837,368 | - | 6,837,368 | 29,061 | 29,061 | - | - | - | - | 6,866,429 |
| Broadcasting | 1,291,879 | - | 1,291,879 | 46,234 | 46,234 | - | - | - | - | 1,338,113 |
| Program information | <u>671,985</u> | <u>-</u> | <u>671,985</u> | <u>1,321</u> | <u>1,321</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>673,306</u> |
| Total program services | <u>8,801,232</u> | <u>-</u> | <u>8,801,232</u> | <u>76,616</u> | <u>76,616</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,877,848</u> |
| Supporting services: | | | | | | | | | | |
| Fundraising and membership | 1,696,623 | - | 1,696,623 | - | - | - | - | - | - | 1,696,623 |
| Underwriting | 839,174 | - | 839,174 | - | - | - | - | - | - | 839,174 |
| Management and general | 1,193,200 | - | 1,193,200 | 2,642 | - | 17,696 | - | 17,696 | - | 1,213,538 |
| Distributions to MIPM | - | - | - | - | - | 193,295 | - | 193,295 | (193,295) | - |
| Facility rentals and costs | <u>914,562</u> | <u>-</u> | <u>914,562</u> | <u>52,839</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>967,401</u> |
| Total support services | <u>4,643,559</u> | <u>-</u> | <u>4,643,559</u> | <u>55,481</u> | <u>-</u> | <u>210,991</u> | <u>-</u> | <u>210,991</u> | <u>(193,295)</u> | <u>4,716,736</u> |
| Total expenses | <u>13,444,791</u> | <u>-</u> | <u>13,444,791</u> | <u>132,097</u> | <u>-</u> | <u>210,991</u> | <u>-</u> | <u>210,991</u> | <u>(193,295)</u> | <u>13,594,584</u> |
| Changes in net assets | 8,929,028 | 191,487 | 9,120,515 | (11,018,145) | (11,018,145) | 693,004 | 138,868 | 831,872 | 4,718,842 | 3,653,084 |
| Net assets at beginning of year | <u>3,644,139</u> | <u>1,063,424</u> | <u>4,707,563</u> | <u>11,018,145</u> | <u>11,018,145</u> | <u>3,053,660</u> | <u>1,322,442</u> | <u>4,376,102</u> | <u>(4,718,842)</u> | <u>15,382,968</u> |
| Net assets, end of year | <u>\$ 12,573,167</u> | <u>\$ 1,254,911</u> | <u>\$ 13,828,078</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,746,664</u> | <u>\$ 1,461,310</u> | <u>\$ 5,207,974</u> | <u>\$ -</u> | <u>\$ 19,036,052</u> |