
Michiana Public Broadcasting Corporation

Financial Report
September 30, 2025

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Independent Auditor's Report

To the Board of Directors
Michiana Public Broadcasting Corporation

Opinion

We have audited the financial statements of Michiana Public Broadcasting Corporation (the "Corporation"), which comprise the statement of financial position as of September 30, 2025 and 2024 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of September 30, 2025 and 2024 and the changes in its net assets, functional expenses, and 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 Audits of the Financial Statements* section of our report. We are required to be independent of the Corporation and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors
Michiana Public Broadcasting Corporation

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

February 24, 2026

Michiana Public Broadcasting Corporation

Statement of Financial Position

September 30, 2025 and 2024

	2025	2024
Assets		
Cash	\$ 702,256	\$ 378,973
Underwriting receivable - Less allowance for doubtful receivables of \$11,932 in 2025 and 2024	147,485	52,085
Grants and other receivables - Less allowance for doubtful receivables of \$13,316 in 2025 and \$6,543 in 2024	315,736	295,720
Contributions receivable	100,000	200,000
Program contract rights	396,394	500,464
Other assets	103,682	124,047
Property and equipment - Net (Note 6)	4,590,962	4,805,073
Total assets	\$ 6,356,515	\$ 6,356,362
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 90,134	\$ 48,396
Bank line of credit (Note 7)	251,972	201,972
Refundable advances (Note 2)	54,056	111,000
Contract liabilities (Note 4)	203,321	87,814
Accrued compensation	78,318	84,449
Program contract rights payable	511,557	644,008
Deferred gain on sale-leaseback transaction (Note 8)	273,903	307,788
Finance/Capital lease obligation (Note 8)	915,530	994,612
Total liabilities	2,378,791	2,480,039
Net Assets		
Without donor restrictions	3,549,715	3,343,823
With donor restrictions (Note 2)	428,009	532,500
Total net assets	3,977,724	3,876,323
Total liabilities and net assets	\$ 6,356,515	\$ 6,356,362

Michiana Public Broadcasting Corporation

Statement of Activities and Changes in Net Assets

Years Ended September 30, 2025 and 2024

	2025	2024
Changes in Net Assets without Donor Restrictions		
Revenue and support:		
Contributions and support	\$ 213,463	\$ 318,613
Corporation for public broadcasting grants (Note 3)	1,076,279	1,010,488
State grants	-	438,601
Employee Retention Credit revenue (Note 2)	375,587	-
Member income	1,709,598	1,257,424
Program underwriting (Note 4)	604,789	695,133
Program underwriting - Contributed nonfinancial assets (Notes 4 and 5)	172,973	155,187
Other income	127,781	173,368
Net assets released from restrictions	230,491	10,000
Total revenue and support	4,510,961	4,058,814
Expenses:		
Program services:		
Production and broadcasting	1,275,043	1,385,393
Programming and education	917,830	958,176
Promotion	120,315	192,612
Total program services	2,313,188	2,536,181
Support services:		
Management and general	996,540	917,202
Memberships and development	1,029,226	1,030,777
Total support services	2,025,766	1,947,979
Total expenses	4,338,954	4,484,160
Gain (Loss) from Operating Activities	172,007	(425,346)
Other Items - Amortization of deferred gain	33,885	33,885
Increase (Decrease) in Net Assets without Donor Restrictions	205,892	(391,461)
Changes in Net Assets with Donor Restrictions		
Contributions	126,000	532,500
Net assets released from restrictions	(230,491)	(10,000)
(Decrease) Increase in Net Assets with Donor Restrictions	(104,491)	522,500
Increase in Net Assets	101,401	131,039
Net Assets - Beginning of year	3,876,323	3,745,284
Net Assets - End of year	<u>\$ 3,977,724</u>	<u>\$ 3,876,323</u>

Michiana Public Broadcasting Corporation

Statement of Functional Expenses

Year Ended September 30, 2025

	Program Services				Support Services			Total
	Production and Broadcasting	Programming and Education	Promotion	Total Program Services	Management and General	Memberships and Development	Total Support Services	
Salaries	\$ 642,169	\$ 98,411	\$ 39,645	\$ 780,225	\$ 262,261	\$ 427,001	\$ 689,262	\$ 1,469,487
Employee benefits	28,432	8,005	155	36,592	7,440	34,249	41,689	78,281
Retirement	17,467	480	485	18,432	626	7,711	8,337	26,769
Payroll taxes	48,466	7,169	3,120	58,755	20,517	30,490	51,007	109,762
Total salaries and related expenses	736,534	114,065	43,405	894,004	290,844	499,451	790,295	1,684,299
PBS programming	-	615,792	-	615,792	-	-	-	615,792
Other programming	200	24,751	-	24,951	-	30,432	30,432	55,383
Dues and subscriptions	1,664	35,952	30	37,646	81,611	2,078	83,689	121,335
Telephone and utilities	32,516	72	-	32,588	184,925	664	185,589	218,177
Materials and supplies	7,397	951	100	8,448	3,689	6,096	9,785	18,233
Printing and publications	54	-	46,526	46,580	47	35,912	35,959	82,539
Advertising, marketing, and development	-	24,144	958	25,102	-	176,831	176,831	201,933
Postage and shipping	2,235	352	12,013	14,600	10,015	13,355	23,370	37,970
Travel and conferences	4,624	643	-	5,267	7,995	18,436	26,431	31,698
Repairs and maintenance	105,297	-	-	105,297	-	-	-	105,297
Insurance	-	-	-	-	48,638	-	48,638	48,638
Interest and bank charges	47,946	-	-	47,946	26,948	16,220	43,168	91,114
Depreciation and amortization	167,071	57,608	-	224,679	115,752	4,595	120,347	345,026
Contract services	161,404	43,500	17,273	222,177	206,705	86,412	293,117	515,294
Bad debt	1,300	-	10	1,310	-	106,064	106,064	107,374
Miscellaneous	6,801	-	-	6,801	19,371	32,680	52,051	58,852
Total functional expenses	\$ 1,275,043	\$ 917,830	\$ 120,315	\$ 2,313,188	\$ 996,540	\$ 1,029,226	\$ 2,025,766	\$ 4,338,954

Michiana Public Broadcasting Corporation

Statement of Functional Expenses

Year Ended September 30, 2024

	Program Services				Support Services			Total
	Production and Broadcasting	Programming and Education	Promotion	Total Program Services	Management and General	Memberships and Development	Total Support Services	
Salaries	\$ 672,569	\$ 84,816	\$ 85,146	\$ 842,531	\$ 244,084	\$ 518,292	\$ 762,376	\$ 1,604,907
Employee benefits	40,990	5,661	168	46,819	5,821	16,987	22,808	69,627
Retirement	15,066	1,733	2,604	19,403	298	10,083	10,381	29,784
Payroll taxes	50,079	6,269	6,577	62,925	18,923	37,233	56,156	119,081
Total salaries and related expenses	778,704	98,479	94,495	971,678	269,126	582,595	851,721	1,823,399
PBS programming	-	608,815	-	608,815	-	-	-	608,815
Other programming	-	35,320	-	35,320	-	22,742	22,742	58,062
Dues and subscriptions	5,351	47,850	-	53,201	81,602	100	81,702	134,903
Telephone and utilities	39,798	344	-	40,142	163,648	3,542	167,190	207,332
Materials and supplies	3,797	21,990	2,226	28,013	2,789	5,542	8,331	36,344
Printing and publications	-	2,399	48,445	50,844	3,396	28,746	32,142	82,986
Advertising, marketing, and development	-	41,926	-	41,926	-	156,204	156,204	198,130
Postage and shipping	2,480	528	11,320	14,328	8,787	18,868	27,655	41,983
Travel and conferences	11,040	653	126	11,819	10,391	13,673	24,064	35,883
Repairs and maintenance	154,031	-	-	154,031	-	-	-	154,031
Insurance	-	-	-	-	45,611	-	45,611	45,611
Interest and bank charges	51,760	-	-	51,760	20,571	30,257	50,828	102,588
Depreciation and amortization	161,504	57,609	-	219,113	116,149	2,188	118,337	337,450
Contract services	172,755	42,263	36,000	251,018	186,094	66,863	252,957	503,975
Bad debt	-	-	-	-	-	65,822	65,822	65,822
Miscellaneous	3,773	-	-	3,773	9,038	33,635	42,673	46,446
Lease expense	400	-	-	400	-	-	-	400
Total functional expenses	\$ 1,385,393	\$ 958,176	\$ 192,612	\$ 2,536,181	\$ 917,202	\$ 1,030,777	\$ 1,947,979	\$ 4,484,160

Michiana Public Broadcasting Corporation

Statement of Cash Flows

Years Ended September 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Increase in net assets	\$ 101,401	\$ 131,039
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	345,026	337,450
Bad debt expense	107,374	65,822
Unrealized gain on investments	-	(4,912)
Amortization of program contract rights	733,703	642,166
Amortization of deferred gain	(33,885)	(33,885)
Finance/Capital lease interest expense	47,918	51,759
Restricted contributions	(80,000)	(332,500)
Changes in operating assets and liabilities that (used) provided cash:		
Underwriting receivables	(97,422)	12,896
Grants, contributions, and other receivables	(25,368)	(281,903)
Program contract rights	(762,084)	(628,696)
Other assets	20,365	(27,862)
Accounts payable	41,738	(17,146)
Contract liabilities	115,507	(37,967)
Accrued compensation	(6,131)	(3,826)
Refundable advances	(56,944)	-
Net cash provided by (used in) operating activities	451,198	(127,565)
Cash Flows from Investing Activities		
Purchase of property and equipment	(130,915)	(58,026)
Proceeds from sales of investments	-	242,535
Net cash (used in) provided by investing activities	(130,915)	184,509
Cash Flows from Financing Activities		
Proceeds from line of credit	100,000	714,000
Payments on line of credit	(50,000)	(629,028)
Proceeds from restricted contributions	80,000	332,500
Payments on finance/capital lease	(127,000)	(125,620)
Net cash provided by financing activities	3,000	291,852
Net Increase in Cash	323,283	348,796
Cash - Beginning of year	378,973	30,177
Cash - End of year	\$ 702,256	\$ 378,973
Supplemental Cash Flow Information		
Cash paid for interest	\$ 26,813	\$ 20,571
Property and equipment payments made from prior year accounts payable	-	(32,848)

September 30, 2025 and 2024

Note 1 - Nature of Business

Michiana Public Broadcasting Corporation (MPBC or the "Corporation") owns and operates the WNIT Center for Public Media (broadcasting on channels 34.1, 34.2, 34.3, 34.4, 34.5, and WNIT.org), which provides educational and cultural television programs and related services to communities in northern Indiana and southwestern Michigan. The leadership of MPBC is provided by community volunteers, and support is provided by the communities served through memberships, corporate donations, underwriting, and donated services. Additional support is also received from grants from the Corporation for Public Broadcasting (CPB) and the State of Indiana. Programming is received from the Public Broadcasting Service (PBS) and other sources.

Note 2 - Significant Accounting Policies

Basis of Presentation

The financial statements of the Corporation have been prepared on the basis of generally accepted accounting principles in the United States of America (GAAP).

Cash

Cash consists of cash on hand. Throughout the year, the Corporation had amounts on deposit with a financial institution in excess of those insured by the Federal Deposit Insurance Corporation.

Classification of Net Assets

Net assets of the Corporation are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Corporation.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. As of September 30, 2025 and 2024, \$428,009 and \$532,500, respectively, of net assets is donor restricted for capital purchases and costs associated with college internships and/or time restrictions.

Grants and Other Receivables

Grants and other receivables consist of amounts awarded from CPB during the year and pledges from members. Based on management's review of the grants receivable balance and historical collection information, management has not recorded an allowance for doubtful receivables, as it is the opinion of management that the receivable will be collected in full. An allowance for membership pledges is provided based upon management's judgment and analysis regarding such factors as prior collection history, nature of the pledge, and payment method. As of September 30, 2025 and 2024, the Corporation has recorded an allowance for doubtful receivables of \$13,316 and \$6,543, respectively. As of September 30, 2025, member pledges receivable are expected to be collected within one year except for \$34,500, which is expected to be collected in one to four years.

Contributions

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Contributions include operating grants, member income, and contributions and support.

Note 2 - Significant Accounting Policies (Continued)

Revenue, gains, and other support are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Donor-restricted contributions whose restrictions are met within the year in which the contributions are received are reported as contributions without donor restrictions in the financial statements.

Contributions receivable 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 risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible. As of September 30, 2025, contributions receivable are expected to be collected within one year.

Grant Revenue

Revenue received for certain government and foundation grants is considered a nonexchange transaction and is recognized as the conditions of the grants have been met. Amounts that have been awarded but not yet recognized as revenue are treated as conditional contributions and are not reflected in the accompanying financial statements. As of September 30, 2025, there were no conditional contributions except for those in which payments have been received in advance to be used for specific program expenditures. Grant funding payments received in advance of conditions being met are recorded as refundable advances, which amount to \$54,056 and \$111,000 as of September 30, 2025 and 2024, respectively.

Employee Retention Credit Revenue

Revenue received under the Employee Retention Credit (ERC) is considered a nonexchange transaction and is recognized as the conditions of the grant have been met specific to stimulus pandemic relief. ERC is offered to businesses that meet one or both of the following criteria: forced to partially or fully suspend or limit operations by a governmental order or experienced a 50 percent decline in gross receipts during any quarter in 2020 versus the same quarter in 2019. The purpose was to encourage businesses to keep employees on payroll.

Revenue Recognition

The Corporation derives its exchange revenue primarily from program underwriting. The following program underwriting revenue streams are governed by FASB Accounting Standards Codification (ASC) 606:

Underwriting - National Programming

The Corporation generates revenue from written agreements with various organizations where the Corporation delivers acknowledgement of underwriting within TV spots for a distinct program and contract period. Revenue is recognized over the agreed-upon contract period as underwriting acknowledgement is delivered.

In some situations, the Corporation collects cash prior to the satisfaction of the performance obligation, which results in the Corporation recognizing a contract liability. Total contract liabilities were \$62,147 as of October 1, 2023.

Underwriting - Local Programming

The Corporation generates revenue from written agreements with various organizations where the Corporation provides locally produced shows. Revenue is recognized upon the premier broadcasting of those shows.

Note 2 - Significant Accounting Policies (Continued)

In some situations, the Corporation collects cash prior to the satisfaction of the performance obligation, which results in the Corporation recognizing a contract liability. Total contract liabilities were \$63,634 as of October 1, 2023.

Customers are billed in accordance with agreed-upon payment terms, which is typically monthly and due upon receipt. All payments are nonrefundable and nontransferable. Accounts receivable consist of underwriting receivables that are carried at original invoice amount. The Corporation calculates the allowance using an expected loss model that considers the Corporation's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Corporation considers fluctuations in past-due amounts as well as industry trends when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. There were no recoveries of amounts previously written off for the years ended September 30, 2025 and 2024. Credit loss expense totaled \$712 for the year ended September 30, 2025. There was no credit loss expense for the year ended September 30, 2024. Allowance for credit losses on accounts receivable balances as of September 30, 2025 and 2024 totaled \$11,932. At October 1, 2023, accounts receivable amounted to \$64,981.

Program Contract Rights

Program contracts generally give the Corporation the right to broadcast programs on its television station. The full contract price is capitalized at the inception of the contract and amortized using the straight-line method over the term of the contract, usually one year. The full contract price is also recorded as program contract rights payable until the invoice is paid.

Property and Equipment

Property and equipment are recorded at the lower of cost or market value. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Estimated lives are 5 to 10 years for office, studio, and technical equipment. Estimated lives are 10 to 20 years for the transmitter plant, digital television (DTV) conversion equipment, and leased equipment. The estimated life of the building is 40 years.

Costs of maintenance and repairs are charged to expense when incurred.

Leases

The Corporation has a finance lease for a tower, as described in Note 8. The Corporation recognizes expense on a straight-line basis over the lease term. The Corporation made a policy election not to separate lease and nonlease components for the lease. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability.

The Corporation elected to use the incremental borrowing rate for the finance lease.

Donated Services and Assets

Certain donated services are recognized as support in the statement of activities and changes in net assets. The value of these services is determined based on estimated fair value.

Volunteer services are not reflected in the financial statements because the services are not recordable under GAAP.

Donated assets are reflected in the financial statements at their estimated fair values at the time of donation.

September 30, 2025 and 2024

Note 2 - Significant Accounting Policies (Continued)

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Expenses incurred directly for program services are charged to such service. Certain costs have been allocated between the various program and support services. Salaries and related expenses are allocated on the basis of time and effort. Depreciation, occupancy, and utilities are allocated on an estimate of square feet.

Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes

The Corporation is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code (IRC) Section 501(c)(3).

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including February 24, 2026, which is the date the financial statements were available to be issued.

Subsequent to year end, the Corporation was awarded a Public Media Bridge Fund Grant in the amount of \$694,019.

Note 3 - Corporation for Public Broadcasting Grants

The Corporation was awarded community service grants from CPB of \$985,130 and \$925,359 during the years ended September 30, 2025 and 2024, respectively, to finance normal programming and promotion expenses. The grant amounts were fully expended in each year; therefore, there are no uncommitted balances as of September 30, 2025 and 2024.

The Corporation also received other grants from CPB totaling \$91,149 and \$85,129 for the years ended September 30, 2025 and 2024, respectively.

In August 2025, CPB announced it will close out its operations in January 2026. The Corporation does not anticipate any additional funding from CPB in future years.

September 30, 2025 and 2024

Note 4 - Revenue Recognition

During 2025 and 2024, the Corporation's revenue from contracts with customers consisted of the following:

	<u>2025</u>	<u>2024</u>
Underwriting - National programming (revenue recognized over time)	\$ 233,710	\$ 259,105
Underwriting - Local programming (revenue recognized at a point in time)	<u>371,079</u>	<u>436,028</u>
Subtotal program underwriting	604,789	695,133
Underwriting - Contributed nonfinancial assets (Note 5)	<u>172,973</u>	<u>155,187</u>
Total revenue from contracts with customers	<u><u>\$ 777,762</u></u>	<u><u>\$ 850,320</u></u>

Contract Liabilities

The following table provides information about contract liabilities resulting from contracts with customers:

	<u>2025</u>	<u>2024</u>
Underwriting - National programming	\$ 143,720	\$ 49,213
Underwriting - Local programming	<u>59,601</u>	<u>38,601</u>
Total	<u><u>\$ 203,321</u></u>	<u><u>\$ 87,814</u></u>

Note 5 - Contributed Nonfinancial Assets

The Corporation received the following contributions of nonfinancial assets as in-kind trades for program underwriting services provided for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Premiums/Memberships	\$ 75,104	\$ 75,333
Advertising services	97,869	64,696
Other services	<u>-</u>	<u>15,158</u>
Total in-kind donations	<u><u>\$ 172,973</u></u>	<u><u>\$ 155,187</u></u>

Contributed services and premiums/memberships are recognized as in-kind revenue at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. The Corporation receives various contributed services that are reported using current rates for similar services. The Corporation receives various contributed premiums/memberships that are reported using current rates for similar premiums/memberships.

All donated services and premiums/memberships were utilized by the Corporation's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and premiums/memberships.

The Corporation receives volunteer services that are not recordable under generally accepted accounting principles. The value of the volunteer services is not disclosed since no objective basis is available to measure the value of such services.

September 30, 2025 and 2024

Note 6 - Property and Equipment

Property and equipment are summarized as follows:

	2025	2024
Land	\$ 211,493	\$ 211,493
Buildings	4,973,193	4,959,403
Office equipment	411,352	411,352
Studio and technical equipment	7,752,229	7,635,106
Transmitter plant	297,162	297,162
DTV	571,873	571,873
Equipment under finance/capital lease	1,449,568	1,449,568
Total cost	15,666,870	15,535,957
Less accumulated depreciation	11,075,908	10,730,884
Net carrying amount	<u>\$ 4,590,962</u>	<u>\$ 4,805,073</u>

Depreciation and amortization expense for 2025 and 2024 was \$345,026 and \$337,450, respectively.

During November 2013, the Corporation sold one of its towers and the land on which the tower is located. In addition to the sale, the Corporation signed a lease agreement with the purchaser to lease the tower (see Note 8). Amortization expense on the leased equipment was \$72,478 for 2025 and 2024.

Note 7 - Bank Line of Credit

The Corporation has a line of credit allowing the Corporation to borrow up to \$375,000. The line of credit is collateralized by substantially all assets of the Corporation and matured on January 15, 2026; however, the lease was extended to March 15, 2026. Interest is payable monthly at 0.25 percent below the prime rate, with a minimum interest rate of 4.00 percent (an effective rate of 7.00 percent and 7.75 percent at September 30, 2025 and 2024, respectively). There was an outstanding balance of \$251,972 and \$201,972 as of September 30, 2025 and 2024, respectively.

There was interest expense of \$26,813 and \$20,571 for 2025 and 2024, respectively.

Note 8 - Lease

In November 2013, the Corporation entered into a sale-leaseback transaction. Under the arrangement, the Corporation sold a tower and leased it back for a period of 20 years. The leaseback was initially recorded as a capital lease under ASC 840, but, upon adoption of ASU No. 842, it is accounted for as a finance lease. The gain on the sale-leaseback of the tower and related assets amounted to \$677,697 and has been deferred over the 20-year life of the lease. The deferred gain for the years ended September 30, 2025 and 2024 is \$273,903 and \$307,788, respectively. The Corporation recognized gains of approximately \$34,000 during both 2025 and 2024, which are reported within the statement of activities and changes in net assets.

Equipment purchased under the leaseback arrangement has been capitalized and is included in property and equipment (see Note 6).

The interest rate on this finance lease is 5 percent.

Note 8 - Lease (Continued)

The future minimum lease payments under this finance lease are as follows:

Years Ending September 30	Amount
2026	\$ 127,000
2027	127,000
2028	127,000
2029	144,462
2030	146,050
Thereafter	<u>450,320</u>
Total	1,121,832
Less amount representing interest	<u>206,302</u>
Present value of net minimum lease payments	<u>\$ 915,530</u>

Expenses recognized under this lease for the years ended September 30, 2025 and 2024 consist of the following:

	<u>2025</u>	<u>2024</u>
Lease cost - Finance lease cost:		
Amortization of right-of-use assets	\$ 72,478	\$ 72,478
Interest on lease liabilities	<u>47,918</u>	<u>51,759</u>
Total lease cost	<u>\$ 120,396</u>	<u>\$ 124,237</u>
Other information:		
Gains on sale and leaseback transactions - Net	\$ 33,885	\$ 33,885
Cash paid for amounts included in the measurement of lease liabilities - Cash flows from finance leases	127,000	125,620
Weighted-average remaining lease term (years) - Finance lease	9	10
Weighted-average discount rate - Finance lease	5.0 %	5.0 %

Note 9 - Employee Benefit Plan

The Corporation has a tax-deferred annuity plan under Section 403(b) of the IRC, which covers all of its employees. The plan is a defined contribution plan that allows an employee to make voluntary contributions, not to exceed the limits imposed by Sections 415 and 403(b) of the IRC. Under the plan, the Corporation is obligated to match up to 3 percent of the participant's annual compensation. The Corporation's expense under the plan aggregated \$26,769 and \$29,784 for the years ended September 30, 2025 and 2024, respectively.

Note 10 - Community Foundations

Certain funds donated by outside donors for the benefit of the Corporation are held and managed by the Community Foundation of St. Joseph County (CFSJC). CFSJC maintains variance power, which, as a result, requires that the assets it holds not be recorded as assets of the Corporation. The fair market value of these funds is approximately \$524,000 and \$489,000 at September 30, 2025 and 2024, respectively. These funds are not reflected in the financial statements. Earnings are available for distribution to the Corporation at the discretion of CFSJC and, therefore, are not reflected as revenue in the financial statements until received by the Corporation.

Note 10 - Community Foundations (Continued)

The Corporation established a fund at Community Foundation of Elkhart County (CFEC). This fund consists mainly of donations directed to CFEC by the Corporation. CFEC maintains legal ownership of the fund and, as such, continues to report the fund as an asset and liability. The Corporation made an initial contribution of \$5,000, which is recorded as other assets on the statement of financial position. The fair value of funds held at CFEC is approximately \$17,000 and \$15,900 at September 30, 2025 and 2024, respectively. In addition, certain funds donated by outside donors for the benefit of the Corporation are held and managed by CFEC. CFEC maintains variance power, which, as a result, requires that the assets it holds not be recorded as assets of the Corporation. The fair market value of these funds is approximately \$191,000 and \$152,000 at September 30, 2025 and 2024, respectively. These funds, with the exception of the Corporation's initial contribution, are not reflected in the financial statements.

The Corporation established a fund at the Marshall County Community Foundation (MCCF) with an initial contribution of \$1,000 by the Corporation. MCCF maintains variance power, which, as a result, requires that the assets it holds not be recorded as assets of the Corporation, with the exception of the Corporation's initial contribution, which is recorded as other assets on the statement of financial position. The fair value of funds held at MCCF is approximately \$6,200 and \$5,000 at September 30, 2025 and 2024, respectively.

Note 11 - Liquidity and Availability of Resources

The following reflects the Corporation's financial assets as of September 30, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2025	2024
Cash	\$ 702,256	\$ 378,973
Underwriting receivable - Net	147,485	52,085
Grants and other receivables - Net	315,736	295,720
Contributions receivable	100,000	200,000
Financial assets	1,265,477	926,778
Restricted by donor with time or purpose restrictions	428,009	532,500
Financial assets available to meet cash needs for general expenditures within one year	\$ 837,468	\$ 394,278

The grants and other net receivables are subject to implied time restrictions but are expected to be collected within one year. The Corporation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Corporation also realizes there could be unanticipated liquidity needs.

The Corporation has an available balance on a committed line of credit in the amount of \$123,028 and \$173,028 at September 30, 2025 and 2024, respectively, which it could draw upon if needed, as further described in Note 7.