Ball State University
Office of University Controller

WBST-FM Public Radio

A Telecommunications Entity Operated by Ball State University

Financial Report
Year Ended June 30, 2020

WBST-FM Public Radio
A Telecommunications Entity Operated by Ball State University

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The Corporation for Public Broadcasting
Washington, D. C.

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of WBST-FM, a public telecommunication entity owned and operated by Ball State University (WBST-FM), as of and for the years ended June 30, 2020 and June 30, 2019, and the related notes to the financial statements, which collectively comprise WBST-FM's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the WBST-FM internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

Internal Audit and Advisory Services
Muncie, Indiana 47306-2299 | Phone: 765-285-1023

The Corporation for Public Broadcasting
Washington, D. C.

Internal Auditing is a unit of Ball State University. The Director is a Certified Public Accountant, who is not in any way responsible for the accounting operations of the Station, nor connected with the establishment of the overhead rates and hence is deemed independent per the Corporation for Public Broadcasting's certification requirements. The opinion that follows is issued pursuant to the Corporation for Public Broadcasting's guidelines concerning independence. The undersigned does not purport to meet the independence status requirements specified by generally accepted auditing standards. We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audits, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of WBST-FM, a public telecommunication entity owned and operated by Ball State University, as of June 30, 2020 and June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Management's Discussion and Analysis (MD&A) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Tom Roberts, CPA
Director of Internal Audit and Advisory Services
Ball State University
January 13th, 2021

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WBST-FM Public Radio
A Telecommunications Entity Operated by Ball State University
Management's Discussion and Analysis
For the Year Ended June 30, 2020

This discussion and analysis provides an overview of the financial statements for WBST 92.1 FM (the Station). WBST operates under the name of Indiana Public Radio (IPR) because it better describes the current operation, which includes WBSB 89.5 FM, Anderson; WBSW 90.9 FM, Marion; and WBSH 91.1 FM, Hagerstown/New Castle. This report reflects Indiana Public Radio's financial position for the fiscal years ended June 30, 2020, and 2019, along with comparative financial information for the fiscal year ended June 30, 2018. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. The discussion and analysis are designed to provide an objective analysis of the Station's financial position based on currently known facts, decisions, and conditions. The completeness and fairness of the financial statements, notes to the financial statements, and this discussion are the responsibility of IPR's management.

Using this Report

This financial report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board Statement No. 35, Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities. These statements focus on the financial condition of the Station, the results of operations, and cash flows of the Station as a whole.

The three basic financial statements are the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. The statements utilize an operating and non-operating basis of reporting whereby revenues that are charges for services and goods, including non-capital grants, are recorded as operating revenues. Essentially, all other types of revenue are non-operating or other revenue.

This annual financial report includes the report of independent auditors, the management's discussion and analysis, the basic financial statements referred to above, and notes to the financial statements.

Financial Highlights

The following are some of the overall financial highlights from the past two year ends:

- Total operating revenues increased in fiscal year 2019-2020 by 5.4%. This was due to a successful fiscal year end campaign for membership and a thoughtfully planned request for underwriters to catch up payments through March of 2020, even though underwriting revenue dropped 14.6%.

- Underwriting revenue decreased by 14.6% in fiscal year 2019-2020 compared to fiscal year 2018-2019. The significant underwriting revenue decrease was due to spring COVID-19 restrictions on travel outside of Delaware County, and cancellations through June 30 for any university sponsored events, including station and member specific events. Restrictions are still in place as of fall 2020.

- Operating expenses increased in fiscal year 2019-2020 by 10.5% compared to fiscal year 2018-2019. Employment vacancies in fundraising and membership development, and underwriting and grant solicitation, contributed to decreased expenses in those functional areas equal to 11.9% and 19.5%, respectively. Decreased expenses in those areas were offset by increases in program information and promotion, and broadcasting and engineering expenses, by 11.3% and 22.8%, respectively. The increases are attributable to functional area percent changes, as well as shared asset purchases for studios, and digital equipment supporting a new partnership with the College of Communication, Information and Media (CCIM), and student local production. Management and general expenses increased by 25.5% in fiscal year 2019-2020 due to a new indirect administrative support calculation as directed by CPB, and salary and benefit increases for university paid positions within WBST.

- Excluding the $100,000 one-time donation in fiscal year 2017-2018, subscriptions and memberships revenue decreased by 4.5% in fiscal year 2018-2019 due to a new manager of membership and individual giving. With a new person in that position in June of 2019, we consider the 4.5% decrease a success as she was learning a new process and system. In 2019-2020 membership revenue increased by 3.1% which was due to our new membership manager becoming familiar with the system and membership yearly schedule. There was also a good campaign for fiscal end giving.

- State support increased by a one-time 3% release of the normal 3% hold back from state budgets in fiscal year 2019-2020 when compared to fiscal year 2018-2019.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position

In order to assess the overall health of Indiana Public Radio, economic factors need to be considered at all levels including national (Corporation for Public Broadcasting (CPB)), state (Ball State University and Indiana Public Broadcasting Stations), and local (membership and business underwriting). The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report in summary fashion the financial position of IPR, focusing on the Station's net position and whether it increased or decreased during the year.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All of the current year's revenues and expenses are taken into account, regardless of when cash was received or paid.
The following is a summary of the major components of the net position and operating results of IPR as of the end of the previous three fiscal years:

WBST-FM Public Radio
A Telecommunications Entity Operated by Ball State University
Net Position
Years Ended June 30, 2020, 2019, and 2018

	2020	2019	2018
Assets:			
Current Assets	$ 342,436	$ 283,834	$ 236,435
Noncurrent Assets- Capital	11,747	16,637	8,751
Total Assets	$ 354,183	$ 300,471	$ 245,186
Liabilities:			
Current Liabilities	$ 81,207	$ 7,329	$ 2,456
Total Liabilities	$ 81,207	$ 7,329	$ 2,456
Net Position:			
Invested in Capital Assets, Net of Related Debt	$ 11,747	$ 16,637	$ 8,751
Unrestricted	261,229	276,505	233,979
Total Net Position	$ 272,976	$ 293,142	$ 242,730
Total Liabilities and Net Position	$ 354,183	$ 300,471	$ 245,186

WBST-FM Public Radio
A Telecommunications Entity Operated by Ball State University
Changes in Net Position
Years Ended June 30, 2020, 2019, and 2018

	2020	2019	2018
Operating Revenues	$ 1,569,017	$ 1,487,992	$ 1,612,322
Operating Expenses	1,589,183	1,437,580	1,512,682
Net Operating Income/(Loss)	$ (20,166)	$ 50,412	$ 99,640
Net Position - Beginning of Year	293,142	242,730	143,090
Net Position - End of Year	$ 272,976	$ 293,142	$ 242,730

Operating Revenues

Operating revenues increase net position and include all transactions that result in sales and/or receipts from goods and services such as memberships and underwriting. In addition, federal, state, and private grants are considered operating if they are not for capital purposes.

The following factors significantly impacted operating revenues:

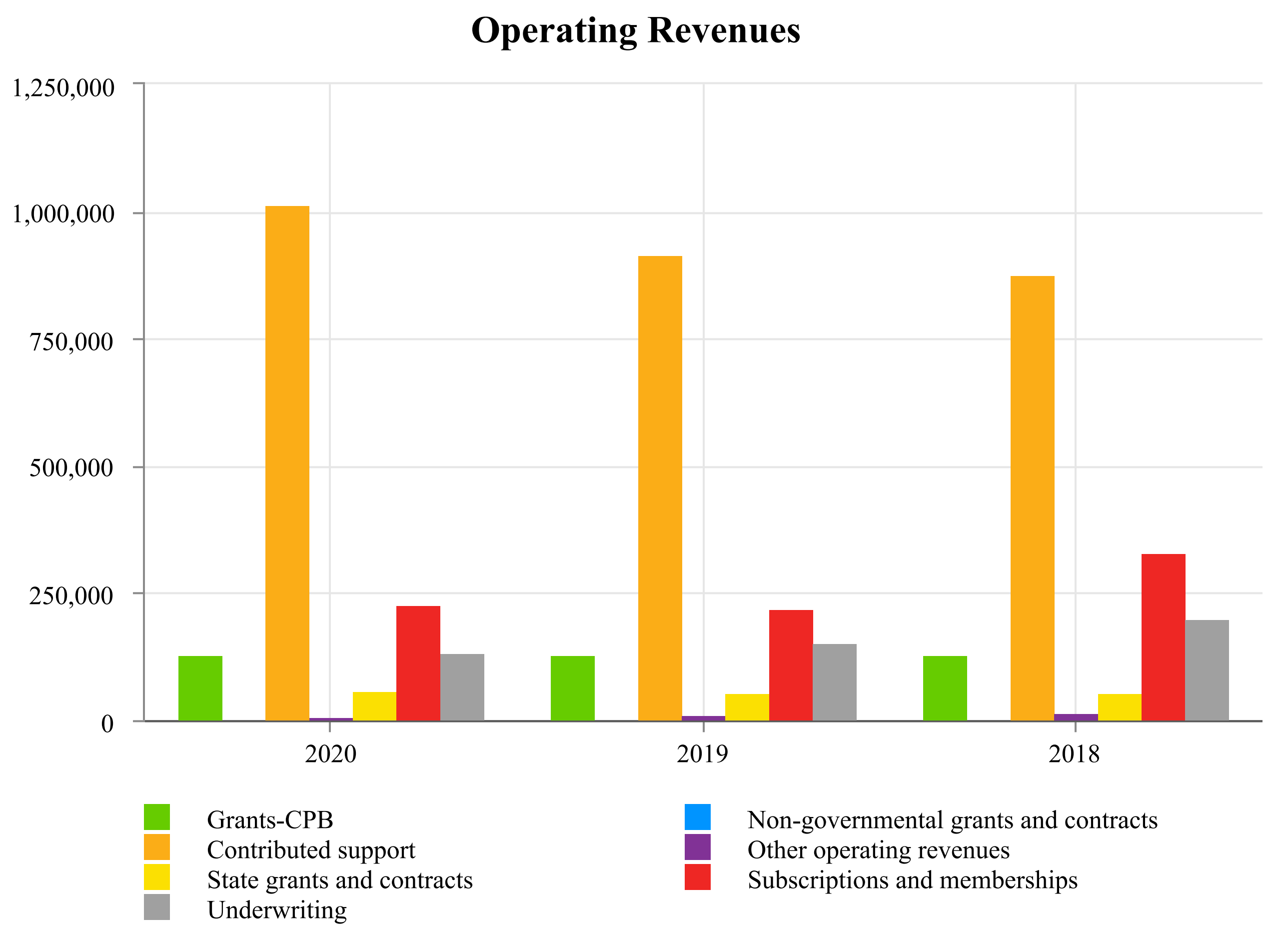
- In fiscal year 2019-2020 we had a modest increase in subscriptions and memberships revenue of 3.1%. Our scheduled spring pledge drive was reduced and the timing was changed. We believe that impacted total revenue. A scheduled Regional Journalism Center pledge drive, anticipated to bring in around $10,000, was cancelled due to the COVID-19 crisis. In fiscal year 2018-2019, subscriptions and memberships decreased significantly when compared to fiscal year 2017-2018. However, if a one-time donation received in fiscal year 2017-2018 is excluded, subscriptions and revenues dropped slightly in fiscal year 2018-2019, by 4.6%.

- Underwriting revenue decreased in fiscal year 2019-2020 by 14.6%. In fiscal year 2019-2020 we had an underwriting advisor resign and we did not rehire the position, contributing to the loss in revenue. The loss however, is primarily attributable to travel and event restrictions in 2020 caused by the COVID-19 virus. In spring 2020 our underwriting advisors were limited to phone calls only when renewing existing contracts and soliciting new underwriting contracts. This proved to be very difficult with our rural coverage area and the hardships that existing underwriters were feeling due to the virus. Most of our faithful underwriters are small local businesses. We extended air time for our frequent underwriters for a significant time, to assist the small businesses with their difficulties. Our concert venue underwriters were all cancelled as of March 2020 due to COVID-19. The Ball State auditorium’s concerts were all cancelled for spring and summer. They are still cancelled through the end of calendar year 2020.

- In fiscal year 2019-2020 our university contributed support increased by 10.9%. Some of this can be attributed to a 1% salary increase in July 2019 and a 1% bonus in early 2020 for those staff paid for by the university. The contributed support increase was also due in part to a change in calculation of indirect administrative support that took effect with fiscal year 2019-2020 reporting.

- In fiscal year 2019-2020 we saw a significant percentage decrease (52.8%) in other operating revenues but it only attributed to a $7,229 decrease in overall revenue. This decrease can be directly attributed to ticket sales of cancelled events March through June 30, 2020.

The following is a graphic illustration of operating revenues by source:



Operating Expenses

Operating expenses reduce net position and comprise all the costs necessary to perform and conduct the programs and primary purposes of Indiana Public Radio.

The following factors significantly impacted operating expenses:

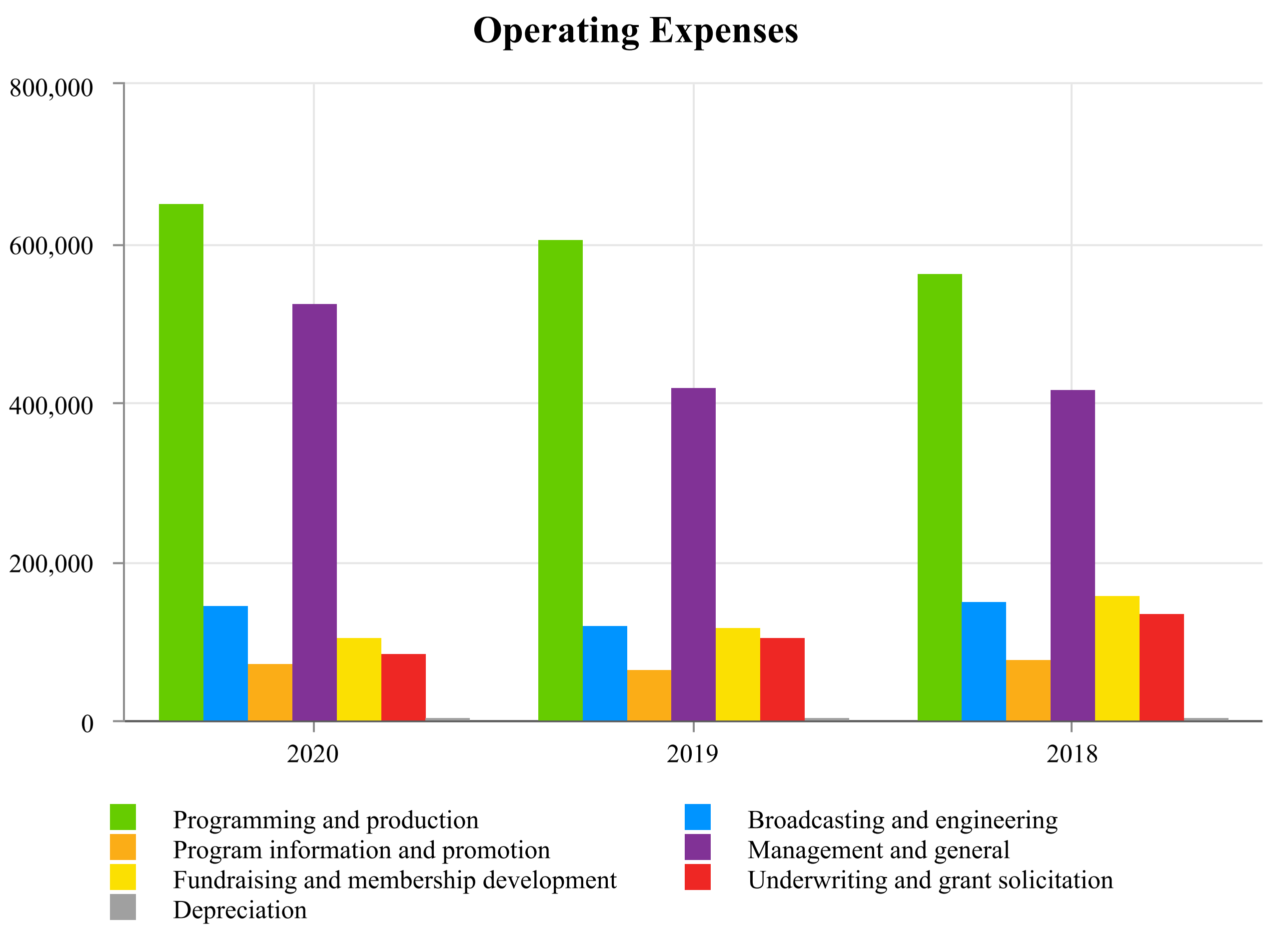
- In fiscal year 2019-2020 we saw an increase in overall expenses of 10.5% mainly due to a change in calculation of indirect administrative support as directed by CPB effective with fiscal year 2019-2020 reporting, and an increase in equipment purchases. The impact of the indirect administrative support is most prevalent in management and general expense. The increase in equipment purchases impacted programming and production expense.

- Other changes to operating expenses can be attributed to personnel who are restructured each fiscal year based upon their functional classifications that conform as close as possible to their specific activity in order to achieve the broadcast unit's objectives, goals, and mission. We also had an increase in digital equipment purchases for local programming tied to a new partnership with the College of Communication, Information and Media (CCIM) to improve our local programming. This attributed to the increase in broadcast and engineering expense.

- In fiscal year 2019-2020 underwriting expenses continued to decrease due to the revenue drop and lack of commission payments and the unfilled vacancy of an underwriting adviser, who resigned in December of 2019. This position will not be filled at this time.

- In fiscal year 2018-2019 underwriting expenses decreased due to a vacancy in that area until November 2018. The decrease in underwriting expenses related to commissions directly coincides with the decrease in underwriting revenues the same year.

The following is a graphic illustration of operating expenses by source:



Non-Operating Revenue and Expenses

Non-operating revenues increase net position while non-operating expenses reduce net position. Non-operating revenues and expenses are generated from transactions that are primarily non-exchange in nature, consisting mainly of interest expense, and investment income (interest and dividend income and realized and unrealized gains and losses). The Station had no non-operating revenues or expenses to report for the last three fiscal years.

Statement of Cash Flows

The Statement of Cash Flows provides relevant information about the cash receipts and cash payments of IPR during the period. Unlike the Statement of Revenues, Expenses and Changes in Net Position, which reports revenues when they are earned and expenses when they are incurred, regardless of when cash is received or disbursed, the Statement of Cash Flows reports actual cash received and disbursed. The focus of the Statement of Cash Flows is on the increase or decrease in cash and cash equivalents. The Statement of Cash Flows helps the user assess IPR's:

1. Ability to generate future net cash flows.
2. Ability to meet obligations as they come due.
3. Need for external financing.

WBST-FM Public Radio
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Cash Flows

Years Ended June 30, 2020, 2019, and 2018

	2020	2019	2018
Cash and Cash Equivalents Provided By/(Used In):			
Operating Activities	$ 56,948	$ 61,336	$ 89,188
Capital Financing Activities	—	(11,947)	—
Net Change in Cash and Cash Equivalents	$ 56,948	$ 49,389	$ 89,188
Cash and Cash Equivalents – Beginning of Year	280,907	231,518	142,330
Cash and Cash Equivalents – End of Year	$ 337,855	$ 280,907	$ 231,518

The major components of cash flows provided from operating activities are the University, memberships, underwriting, and CPB. The major components of cash flows used in operating activities are payments for employees (including benefits) and payments for national programming.

Economic Factors That Will Affect the Future

The economic position of WBST-FM (Indiana Public Radio) is closely tied to the University, the State of Indiana, and the federal funding through the Corporation for Public Broadcasting. The Fiscal Survey of States published by the National Association of State Budget Officers attempts to forecast economic conditions of the next year based on feedback from each state. The spring 2020 survey was conducted before the COVID-19 pandemic and its economic fallout arose. At that time, state fiscal conditions were strong overall after ten years of revenue growth and a 50-year low of 3.5 percent unemployment. Reserves were at an all-time high, and state revenues were expected to continue growing. Most states were projecting only modest increases in spending, with about half of the states still projected to spend less than inflation-adjusted pre-recession fiscal 2008 levels. In the few months since the survey was conducted, state fiscal conditions have experienced a dramatic decline. Potential revenue losses are expected to be double what was experienced in the Great Recession, and many states have already announced significant budget shortfalls prompting spending cuts, layoffs, and the use of accumulated reserves. Even before COVID-19, both Moody's Investors Service and Standard & Poor's Ratings Services had retained their negative outlooks for the higher education sector for 2020. Pre-COVID-19 concerns included low net tuition revenue growth, growing expenses, a shrinking pool of potential students, and increased competition for those students. The COVID-19 pandemic and related impacts further increased the economic and financial pressures that institutions are facing. Most institutions chose to mitigate the risk of COVID-19 by closing campuses, resulting in the loss of auxiliary revenues and the potential for further losses in tuition and fee revenues. Both rating services note that the ability of higher education institutions to reopen in the fall at enrollment levels previously planned will impact credit. The University's ratings for all outstanding debt were confirmed in April 2019 by Moody's (Aa3/stable outlook) and Standard & Poor's (AA-/stable outlook).

Ball State University, as a public university, relied on the State of Indiana for approximately 30 percent of the total financial resources in fiscal year 2019-2020. In an effort to provide relief to Hoosiers during the pandemic, the State extended individual and corporate tax filing and payment deadlines from April 15, 2020 to July 15, 2020. As a result of the extension, the Indiana State Budget Agency (ISBA) reported revenues for fiscal year 2019-2020 of 8.4 percent below forecast and 6.3 percent below fiscal year 2018-2019, resulting in an $882.1 million deficit for the year. The State continued to fully fund all appropriations to the University for fiscal year 2019-2020. However, as mentioned above, the ISBA has recommended a reduction of 7% in the fiscal year 2020-2021 operating and line item appropriations to all state public institutions of higher education, which would amount to approximately $9.9 million for the University.

The state appropriation for Indiana Public Broadcasting Stations has remained level through the last few budget cycles and through the last half of fiscal year 2019-2020. With the tax revenue shortage explained above, IPBS was scheduled for a full 15% reduction in state funding. With talks continuing with IPBS and the state budget office we are presenting our return on investment to the state through our significant air time for over the air learning materials through both stations. With this important asset it is still likely the stations will see a 7-10% decrease in state funding.

As with all new federal budget process and new a new administration, the CPB funding (which has been stable for the past few years) may have different funding capabilities. It was a significant help to all public media stations when the CPB Sustainability CARES Act Funds were granted to CPB for delivery to stations across the US. It was a boost to our financial standings and assisted in the decrease in revenue due to COVID-19.

In fiscal year 2020-2021 there will be a modest reduction in expenses due to the selling of WBSJ in August of 2020. WBSJ went silent in January of 2019 with an STA from the FCC. The tower lease will no longer be a monthly expense in fiscal year 2020-2021. However we did see an increase in legal fees due to the selling of the station in fiscal year 2019-2020, but it will be a net gain for WBST over the two fiscal years.

Fiscal year 2020-2021 will see the first full year effects of COVID-19. We will be looking for ways to increase our fundraising through virtual events. We know that there are high hopes that the vaccine and other medical advances on the virus will have a positive effect on the economy. However, our stations will be cautiously optimistic on those advances until the end of the calendar year.

WBST-FM Public Radio

A Telecommunications Entity Operated by Ball State University

Statement of Net Position

As of June 30, 2020, and 2019

	2020	2019
Assets:		
Current Assets:		
Cash and cash equivalents	$ 337,855	$ 280,907
Accounts receivable, net	—	—
Prepaid expenses	4,581	2,927
Total Current Assets	$ 342,436	$ 283,834
Noncurrent Assets:		
Capital assets, net	11,747	16,637
Total Assets	$ 354,183	$ 300,471
Liabilities and Net Position:		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 4,046	$ 7,329
Unearned revenue	77,161	—
Total Liabilities	$ 81,207	$ 7,329
Net Position:		
Invested in capital assets, net of related debt	$ 11,747	$ 16,637
Unrestricted	261,229	276,505
Total Net Position	$ 272,976	$ 293,142
Total Liabilities and Net Position	$ 354,183	$ 300,471

See accompanying Notes to Financial Statements

WBST-FM Public Radio
A Telecommunications Entity Operated by Ball State University
Statement of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2020, and 2019

		2020	2019
Operating Revenues:			
Grants - CPB		$ 131,123	$ 128,832
State grants and contracts		58,333	56,583
Non-governmental grants and contracts		—	—
Contributed support		1,014,451	914,423
Subscriptions and memberships		226,354	219,556
Underwriting		132,281	154,894
Other operating revenues		6,475	13,704
	Total Operating Revenues	$ 1,569,017	$ 1,487,992
Operating Expenses:			
Program Services:			
Programming and production		$ 650,336	$ 606,224
Broadcasting and engineering		146,867	119,584
Program information and promotion		71,864	64,545
	Total Program Services	$ 869,067	$ 790,353
Supporting Services:			
Management and general		$ 525,743	$ 419,052
Fundraising and membership development		104,460	118,516
Underwriting and grant solicitation		85,023	105,598
Depreciation		4,890	4,061
	Total Supporting Services	$ 720,116	$ 647,227
	Total Operating Expenses	$ 1,589,183	$ 1,437,580
	Operating Income/(Loss)	$ (20,166)	$ 50,412
Net Position – Beginning of Year		293,142	242,730
	Net Position – End of Year	$ 272,976	$ 293,142

See accompanying Notes to Financial Statements

WBST-FM Public Radio
A Telecommunications Entity Operated by Ball State University
Statement of Cash Flows

Years Ended June 30, 2020, and 2019

	2020	2019
Cash Flows from Operating Activities:		
Grants and contracts	$ 189,456	$ 185,415
Direct University Support	644,516	655,659
Payments to suppliers	(418,160)	(358,413)
Payments for utilities	(25,051)	(22,225)
Payments for personnel services	(367,838)	(374,833)
Payments for benefits	(39,779)	(46,453)
Payments for non-budgeted University support	(368,181)	(367,244)
Payments for other operating costs	(286)	(226)
Memberships & Subscriptions	226,354	219,556
Underwriting	209,443	154,894
Other operating receipts	6,474	15,206
Net Cash Provided/(Used) by Operating Activities	$ 56,948	$ 61,336
Cash Flows from Capital Financing Activities:		
Purchases of capital assets	$ —	$ (11,947)
Net Cash Provided/(Used) by Capital Financing Activities	$ —	$ (11,947)
Net Increase/(Decrease) in Cash	$ 56,948	$ 49,389
Cash and Cash Equivalents – Beginning of the Year	280,907	231,518
Cash and Cash Equivalents – End of the Year	$ 337,855	$ 280,907
Reconciliation of Change in Net Position to Net Cash Used by Operating Activities:		
Operating Income/(Loss)	$ (20,166)	$ 50,412
Adjustments to reconcile change in net position to net cash used by operating activities:		
Depreciation	4,890	4,061
Increase (Decrease) in Assets and Liabilities		
Accounts receivable, net	—	1,500
Prepaid expenses	(1,654)	490
Accounts payable and accrued liabilities	(3,283)	4,873
Unearned revenue	77,161	
Net Cash Provided/(Used) by Operating Activities	$ 56,948	$ 61,336

See accompanying Notes to Financial Statements

WBST-FM Public Radio
A Telecommunications Entity Operated by Ball State University
Notes to Financial Statements
June 30, 2020, and 2019

A. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION
WBST-FM (the Station) is operated by Ball State University (the University), in Muncie, Indiana. Indiana Public Radio was formed under the CPB designee WBST-FM. Indiana Public Radio consists of WBST-Muncie, WBSB-Anderson, WBSW-Marion, and WBSH-New Castle/Hagerstown.

The financial statements reflect only the activity of the Station and are not intended to present fairly the position of the University, and the results of its operations and cash flows.

Portions of both contribution and membership income and expenditures are deposited in and disbursed by the Ball State University Foundation.

BASIS OF PRESENTATION
The financial statements of the Station have been prepared in accordance with the principles outlined in Statement No. 35 of the Governmental Accounting Standards Board (GASB), and all other applicable GASB pronouncements. The Station has elected to report its financial results as a special-purpose government entity engaged in business-type activities, using proprietary fund accounting and financial reporting. Required financial statements consist of: Management's Discussion and Analysis; Statement of Net Position; Statement of Revenue, Expenses and Changes in Net Position; Statement of Cash Flows; Notes to Financial Statements.

The financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when an obligation has been incurred. Eliminations have been made to minimize "double-counting" of internal activities. Interfund receivables and payables have been eliminated in the Statement of Net Position. Eliminations have been made in the Statement of Revenues, Expenses and Changes in Net Position to remove the "doubling-up" effect of internal service fund activity.

CASH, CASH EQUIVALENTS, AND CREDIT RISKS
Cash and cash equivalents include all highly liquid investments with maturities of ninety days or less as of June 30 for each fiscal year end, that bear little or no market risk. The Station's funds are held and managed by Ball State University and the Ball State University Foundation. Each institution has an Investment Policy which ultimately determines the credit risk for the Station. The Station believes it is not exposed to any significant credit risk related to cash and cash equivalents.

The Station's "demand deposits" with each institution were as follows:

	June 30,	
	2020	2019
Ball State University Foundation	$263,428	$279,437
Ball State University	74,427	1,470
Total Cash and Cash Equivalents	$337,855	$280,907

ACCOUNTS RECEIVABLE
Accounts receivable consists of amounts due from grants and contracts.

PREPAID EXPENSES
Prepaid expenses are expenses paid in one fiscal year for expenses related to the next fiscal year. The expense will be recorded in a future period.

CAPITAL ASSETS
Capital assets consist of equipment with a cost of $5,000 or more and a useful life in excess of one year. Expenditures for equipment valued at $5,000 and less are expensed rather than capitalized. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets, generally between three and ten years for equipment. Capital assets are recorded at cost or, for contributed assets, at fair value at the date of acquisition. Non-capital equipment, routine repairs, and maintenance are charged to operating expenses in the year the expense was incurred. The transmitter, tower, and antenna are owned by Ball State University.

ACCOUNTS PAYABLE
Accounts payable consists primarily of amounts due for accrued operating expenses.

UNEARNED REVENUE
Unearned revenue is recorded for current cash receipts for certain contract and grant sponsors that have not yet been earned. The revenue will be recorded in a future period.

COMPENSATED ABSENCES
Employees of the Station are considered employees of Ball State University for purposes of determining employee benefits, and the ultimate liability for payment of these benefits remains with Ball State University. Accordingly, no accruals for employee benefits have been included in these financial statements. However, the compensated absence change in net expense for station employees is included as part of Contributed support on the Statement of Revenues, Expenses and Changes in Net Position.

OPERATING REVENUES AND EXPENSES
Operating revenues encompass all revenues arising from the activities described in the Indiana Public Radio mission statement. This includes revenues from grants and contracts, contributed support, subscriptions and memberships, and underwriting revenues. Revenues from investing activities and capital grants are considered to be non-operating revenue.

Operating expenses encompass all expenses paid to acquire goods and services provided in return for operating revenues and to carry out the mission of the Station. This includes programming and production, broadcasting and engineering, program information and promotion, management and general, fundraising and membership development, underwriting and grant solicitation, and depreciation expenses. Expenses are reported using functional classifications in the Statement of Revenues, Expenses and Changes in Net Position.

NON-FEDERAL FINANCIAL SUPPORT (NFFS)
The Corporation for Public Broadcasting (CPB) allocates a portion of its funds annually to public broadcasting entities, primarily based on NFFS. NFFS is defined as the total value of cash and the fair market value of property and services received as either a contribution or a payment and meeting all of the respective criteria for each.

A “contribution” is cash, property, or services given to a public broadcasting entity for general operating purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria for inclusion as NFFS: (1) the source may be an entity except the federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation, or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcast station, or for the production, acquisition, distribution, or dissemination of educational television or radio program and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

A “payment” is cash, property, or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria for inclusion as NFFS: (1) the source must be a state, any agency or political subdivision of a state, an educational institution, or organization or a nonprofit entity; (2) the form of the payment must be appropriations or contract payments in exchange for specific services or materials; (3) the purpose must be for any related activity of the public broadcast station; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

The assets, liabilities, and net position of the Station are accounted for using the following funds for CPB purposes. Reported NFFS for the Station was $1,420,541 and $1,340,117 for 2020 and 2019, respectively. Please note that the prior year's reported NFFS may have changed after the audited financial statements were released due to the CPB audit.

REVENUE RECOGNITION
Membership pledges and grants that are unrestricted are recorded as revenue in the Statement of Revenues, Expenses and Changes in Net Position when received and are available for current operations of the Station.

INDIRECT ADMINISTRATIVE SUPPORT
Indirect support from Ball State University is based on operating expenses of areas which provide indirect support to the Station and WBST's pro rata use of the Ball Communication Building and David Letterman Communication and Media Building. Support is recognized as revenue and expense in the accompanying Statement of Revenues, Expenses and Changes in Net Position.

In-kind contributions are non-cash contributions received by the Station from outside the licensee. In-kind contributions are recorded as revenue and expense in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. These donations are recorded at their estimated fair market value at date of receipt.

PLEDGES
There were no outstanding pledges at June 30, 2020, and 2019, respectively.

FUNCTIONAL ALLOCATION OF EXPENSES
The costs of providing the various programs and other activities have been summarized on a functional basis on the Statement of Revenue, Expenses and Changes in Net Position. Accordingly, certain costs have been allocated among program and supporting services benefited, based on total personnel costs or other systematic basis.

FEDERAL INCOME TAXES
Under Internal Revenue Code Section 115, Ball State University is exempt from income taxes on related business income. Ball State University is subject to tax on unrelated business income under the Internal Revenue Code. The Station's unrelated business income, when applicable, is included in the University's tax return. The Station had no tax liability as of June 30, 2020, and 2019, respectively.

B. CORPORATION FOR PUBLIC BROADCASTING COMMUNITY SERVICE GRANTS
The Corporation for Public Broadcasting is a private, nonprofit grant making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization. There were no unexpended CPB funds on hand as of June 30, 2020, or 2019.

According to the Communications Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years.

Certain General Provisions must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These General Provisions pertain to the use of the grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

C. PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS
Station employees are covered by the same pension and other post-employment benefit plans as other employees of the University. Complete details of these plans can be found in the Ball State University Annual Financial Report by going to bsu.edu/about/factbook, and selecting Factbook, Financial, Financial Reports, and then Ball State University Annual Financial Reports.

PENSION PLANS - DEFINED BENEFIT and DEFINED CONTRIBUTION RETIREMENT FUNDS
The University contributes to the following retirement funds, all administered by the Indiana Public Retirement System (INPRS):

Defined benefit retirement funds
Public Employees' Defined Benefit Account (PERF DB)
Teachers' 1996 Defined Benefit Account (TRF 1996 DB)
Teachers' Pre-1996 Defined Benefit Account (TRF Pre-1996 DB)

Defined contribution retirement funds
Public Employees' Defined Contribution Account (PERF DC)
Teachers' Defined Contribution Account (TRF DC)

Certain employees who participate in TRF 1996 DB are also eligible for supplementary retirement benefits under a noncontributory plan wherein the employee may designate one or more of six independent companies to administer the funds. Four of those same companies administer the funds in the Alternate Pension Plan (APP) which is designed to provide benefits comparable to those under TRF 1996 DB and the supplementary plan. The following descriptions of the pension plans are for the University as a whole, with the understanding that qualified Station employees are part of these plans.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for these funds as a whole and for its participants. Please go to www.in.gov/inprs/annualreports.htm to view INPRS financial reports.

PUBLIC EMPLOYEES' DEFINED BENEFIT and CONTRIBUTION ACCOUNTS (HYBRID PLAN)
The Public Employees’ Defined Benefit Account (PERF DB) is a cost-sharing, multiple-employer defined benefit fund, established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan. As an instrumentality of the State of Indiana, Ball State University is allowed to participate in this plan. All full-time staff and service personnel are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2, IC 5-10.3, IC 5-10.5, 35 IAC 1.2, and other Indiana pension law) give the University authority to contribute to the plan and govern most requirements of the system. The PERF DB retirement benefit consists of the pension provided by employer contributions plus an additional amount provided by the member's Public Employees' Retirement Fund Defined Contribution Account (PERF DC). Member contributions are set by state statute at three percent of compensation. Ball State University has elected to pay all the contributions on behalf of the member. For the fiscal years ended June 30, 2020, and 2019, there were 1,254 and 1,555 University employees participating in PERF DB with an annual pay equal to $50,779,654 and $51,703,966, respectively.

TEACHERS' 1996 DEFINED BENEFIT and CONTRIBUTION ACCOUNTS
The Teachers' 1996 Defined Benefit Account (TRF 1996 DB) is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits. Administration of the account is generally in accordance with state statutes IC 5-10.2, IC 5-10.4, 35 IAC 14, and other Indiana pension law. TRF 1996 DB is the employer funded defined benefit component of the Teachers' Hybrid Plan, and the Teachers' Defined Contribution Account (TRF DC) is the other component.

Certain employees who participate in TRF 1996 DB are also eligible for supplementary retirement benefits under a noncontributory plan wherein the employee may designate one or more of the following companies to administer the funds:

Voya Financial
Fidelity Investments Institutional Services Company, Inc.
Lincoln Financial Group
Teachers Insurance and Annuity Association–College Retirement Equities Fund (TIAA-CREF)
One America
AXA Equitable

The first four companies on the list administer the funds in the Alternate Pension Plan which is designed to provide benefits comparable to those under TRF 1996 DB and the supplementary plan.

The employer funded defined benefit consists of the pension provided by employer contributions, plus an additional amount provided by the member's TRF DC account. The TRF DC account consists of the member's contributions, set by state statute at three percent of compensation. Ball State University has elected to make the TRF DC contributions on behalf of the member. For the fiscal year ended June 30, 2019, there were 405 University employees participating in TRF 1996 DB with annual pay equal to $23,417,717. The University recorded 371 employees participating in the TRF 1996 DB with annual pay equal to $23,405,082 for fiscal year June 30, 2020. The University contributes at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 7.5 percent of covered payroll. The University's contributions to TRF 1996 DB and the associated TRF DC contributions for the fiscal years ended June 30, 2020, and 2019, were $1,980,414, and $2,444,874, respectively. The University contributed 100.0 percent of required contributions for each of the fiscal years.

TEACHERS' PRE-1996 DEFINED BENEFIT and CONTRIBUTION ACCOUNTS

The Teachers' Pre-1996 Defined Benefit Account (TRF Pre-1996 DB) is a pay-as-you-go, cost-sharing, multiple-employer defined benefit fund, providing retirement, disability, and survivor benefits. Administration of the account is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14, and other Indiana pension law. TRF Pre-1996 DB is the employer-funded defined benefit component of the Teachers' Hybrid Plan, and the Teachers' Defined Contribution Account (TRF DC) is the other component. Membership in TRF Pre-1996 DB is closed to new entrants. Generally, members hired prior to 1996 participate in TRF Pre-1996 DB, and members hired after 1996 participate in TRF 1996 DB. The pension plan is a special funding situation in that the State of Indiana, a non-employer contributing entity, is legally responsible for the net pension liability and contributions to the pension plan. TRF Pre-1996 Account members contribute three percent of covered payroll to their TRF DC account. The University has elected to make the contributions on behalf of their participating employees. For the fiscal year ended June 30, 2019, the University showed 32 University employees participating in TRF Pre-1996 DB with annual payroll equal to $2,546,007. The University's contributions to the TRF Pre-1996 DB for fiscal year ended June 30, 2019, was $251,301. For the fiscal year ended June 30, 2020, the University shows 26 employees participating in the TRF Pre-1996 DB with annual payroll equal to $2,364,075. The University made contributions of $180,810 which included payments to the TRF DC on behalf of the members.

ALTERNATE PENSION PLAN

Faculty and professional personnel of the University have the option, in accordance with IC 21-38-3-3 and IC 21-38-7-3, to participate in a defined contribution plan administered by the first four companies listed previously for the TRF supplementary retirement contribution. Benefit provisions are established and/or amended by Ball State University's Board of Trustees. The plan purchases individual annuity contracts for members and provides for immediate vesting. The University contributes 12.27 percent of each participating employee's base salary. For employees hired on or after October 1, 2010, the University contributes 5 percent of each employee's base salary for the first three years and 10.5 percent for each year thereafter. For the fiscal year ended June 30, 2020, the University contributed $12,613,739 to this plan for 1,620 participating employees with annual payroll totaling $126,542,755, and for fiscal year ended June 30, 2019, the University contributed $12,927,533 for 1,696 employees with payroll totaling $131,006,992.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

OPEB Plan Description. In addition to providing pension benefits, the University, as authorized by the University's Board of Trustees, provides certain health care and life insurance benefits for qualified retired employees.

The University has two Other Postemployment Benefits Other than Pension (OPEB) plans. The first plan, Ball State University Health Care Plan, was established to help offset the cost of retiree health care for both eligible retirees and the University. A Voluntary Employee Beneficiary Association (VEBA) Trust was created to provide a vehicle where assets could be accumulated for this specific purpose. The retiree health care plan is a single-employer defined benefit plan that is administered by the University. Beginning January 1, 2020, the plan was closed to new hires and employees not in a benefits-eligible positions.

The second OPEB plan, Ball State University OPEB 115 Plan, was established to help offset the cost of retiree life insurance for both the members and the University. This plan is an open single-employer defined benefit plan that is administered by the University. Likewise, it has a trust, OPEB 115 Trust, connected to the plan to allow for the accumulation of earnings and the payment of a large portion of the insurance premiums.

Since the University administers defined benefit OPEB plans that have trusts or equitable arrangements attached, adoption of GASB Statement No. 74 was required and impacts the financial reports of the plan administrator. This new standard supersedes GASB Statement No. 43 and focuses on changes in the actuarial valuation and adds new disclosure requirements for financial reporting. The complement standard to GASB Statement No. 74 is GASB Statement No. 75 which replaces GASB Statement No. 45 and requires significant changes to the reporting and disclosures of defined benefit OPEB plans of plan sponsors. These two standards are similar to the two pension standards, GASB Statements No. 67 and 68 that were enacted to provide consistency in measurement and transparency of future liability obligations.

The University issues an audited publicly available stand-alone financial report that includes financial statements and required supplemental information for the plans. This report may be obtained from the Ball State University website at: https//www.bsu.edu/about/administrativeoffices/controller/retiree-health-and-life-plan-trusts.

Benefits Provided. Health insurance at Ball State University is a self-funded plan that utilizes third party administrators for health, dental, and prescription drug benefits. Retiree health care benefits are the same as employee health care benefits (for retirees not eligible for Medicare) or substantially the same (for retirees who qualify for Medicare). The Plan includes prescription drug coverage, but dental coverage is optional. Spouses and dependents are eligible for coverage under the same rules as the employee plan, and unmarried surviving spouses are eligible to retain the coverage for the remainder of their lifetime. Medicare-eligible retirees and spouses receive supplemental “carve-out” medical coverage which is coordinated with Medicare Part A and Part B. Dental and prescription drug coverage is the same under all plans.

The Hartford provides a fully-funded life insurance plan for retired employees with premiums set at annual renewal. Eligible employees receive life insurance coverage equal to 103.0 percent of twice the amount of their defined annual compensation, up to a maximum of $125.0 thousand. Retirees are eligible to receive 50.0 percent of the amount of coverage they have immediately prior to retirement or prior to reaching age 66, whichever occurs first, up to a maximum of $37.5 thousand.

Plan Administration. The authority to change benefits and to make adjustments to the plans and trusts ultimately resides with the University Board of Trustees. There is a committee of University personnel who work with consultants and third party administrators to propose changes to the benefit plans. These recommendations are then presented to the Board of Trustees for discussion and approval. A second committee composed of University personnel and designated trustees from the Board of Trustees work with external investment consultants, fund managers, and the trust custodian to manage the trust assets. The investment policy with any recommended changes is taken to the Board of Trustees for approval on an annual basis.

Eligibility. The University’s regular full-time employees may become eligible for retiree health and life insurance benefits upon attainment of age 62 with 15 years of services (and Health Plan participation). Eligible employees hired June 30, 2009, and prior may retire with health and life insurance benefits upon attainment of age 50 with 15 years of service (and Health Plan participation). Eligible employees hired August 31, 1999, and prior may also retire with health and life insurance benefits at the earlier of age 50 with 15 years of service or age 60 with ten years of service (and 12 months of Health Plan participation). Eligible full-time contract faculty (not on a semester-by-semester basis) may accumulate cumulative years of service instead of consecutive years of service. Beginning January 1, 2020, the retiree health plan is closed to new hires and those who were not in a benefit eligible position. As of June 30, 2019, out of a total of 3,151 (3,190 in 2018) benefits eligible active employees, 800 (806 in 2018) had fulfilled the age and service requirements for these retiree benefits. As of June 30, 2020, 1,113 retirees were enrolled in life insurance coverage, and 2,037 retirees, spouses and surviving spouses were enrolled in health insurance coverage. In addition, 812 active employees have met the age and service requirements for retirement as of June 30, 2020. Employees receiving benefits and who have successfully fulfilled the age and service requirements to qualify for retiree health and life insurance must enroll in the plan before they retire. If the election is not requested at the time of retirement, the employee will not be eligible to participate in the plans. There are no provisions for accepting late elections.

Plan Membership For Each Plan as of June 30,	2019	2018
Retirees with Life Insurance Coverage	1,106	1,108
Retirees, Spouses and Surviving Spouses with Health Insurance	2,030	2,027

Contributions. The required contribution is based on projected pay-as-you-go financing requirements, as well as amounts necessary to prefund benefits as determined annually by the University. It is the University’s intent to budget health care premiums so that claims and administrative expenses are covered. Any surplus of premiums over claims and administrative expenses are used to adjust the health care reserve balances. Residual balances are contributed to the VEBA Trust.

Each year, the Board of Trustees establishes premiums for the next calendar year, of which premiums paid by the employees and retirees range between 11.0 and 29.0 percent, depending on the health plan. The premiums paid by the University range between 71.0 and 89.0 percent. The premiums are intended to fully fund all claims, administrative costs, and reserve adjustments. The claims and applicable administrative costs of current retirees are paid from the self-funded plan, while the contributions to the VEBA Trust are intended to partially fund claims and administrative costs for eligible retirees and their beneficiaries in the future.

For the year ended June 30, 2020, retirees contributed $3.0 million ($3.2 million in 2019) in premiums for health care coverage to fulfill their 25.0 percent of total premium requirement, while the University contributed $9.7 million ($10.4 million in 2019) as its 75.0 percent requirement. Retirees not eligible for Medicare were limited to one plan option in calendar year 2019, the High Deductible Wellness plan. Monthly premiums paid by retirees not eligible for Medicare ranged from $113.51 for single coverage to $294.68 for family coverage. Medicare-eligible retirees and spouses each paid $118.82 for medical and prescription drug coverage. Both non-Medicare and Medicare-eligible retirees and spouses paid $12.06 if they chose the optional dental coverage. This was in addition to the Medicare Part B Premium.

Ball State University accounts for the OPEB 115 Plan in a manner similar to the Health Care Plan. Each year, The Hartford establishes, and the Board of Trustees approves, premiums for the next fiscal year. The Plan collects 25.0 percent from employees and retirees and 75.0 percent from the University. The premiums are intended to fully fund all claims and administrative costs for employees and retirees. The Hartford bills the University for monthly premiums.

For the year ended June 30, 2020, retirees contributed $102.9 thousand ($99.6 thousand in 2019) in premiums for life insurance coverage to fulfill their 25.0 percent of total premium requirement, while the University contributed $316.5 thousand ($307.3 thousand in 2019) as its 75.0 percent requirement. Retirees pay $.2267 per $1,000 of coverage per month, which means the maximum monthly premium paid by retirees is $8.50.

Reserves. The University is self-funded with regard to its health care plans, and premium rates developed each year are expected to cover the cost of employees' and retirees' health care claims expense, as well as a variety of health plan-related administrative costs. In addition to its VEBA Trust for ensuring the continuity of the retiree health care plans, the University, consistent with best practices, maintains three health care reserve funds: the Reserve for Incurred but Unreported Claims (IBNR), the Reserve for Self-Insurance, and the Reserve for Post-Retirement Health.

The IBNR and the Reserve for Self-Insurance balances are actuarially determined at each fiscal year end. A qualified actuary examines incurred and paid claim experience for medical, prescription, dental and COBRA (Consolidated Omnibus Budget Reconciliation Act) claims for the previous 12 months, evaluates claim lag for each category of claims, and estimates the amount of reserve requirements for Incurred but Unreported Claims at fiscal year-end. The University maintains a reserve balance to correspond with the annual actuarial estimate. Retrospective analysis is conducted by the actuary to validate the estimated balance of the IBNR.

Ball State University is responsible for the entire health claim risk and, therefore, maintains a Reserve of Self-Insurance that would be used in the event of claim cost experience being higher than expected. While the University has stop-loss coverage, this reserve would help to cover the gap between high claimants and the stop loss coverage. Since fiscal year 2005-2006, the University has held a Reserve for Self-Insurance based on the risk-based capital (RBC) formula's net underwriting risk component. The amount of the reserve has ranged from 100 percent to 200 percent of the Company Action Level (CAL) of the RBC net underwriting risk component. For fiscal year ended June 30, 2020, the University is currently electing to hold 150 percent of the CAL RBC amount. This reserve is used in years when claims out-pace premiums and the Reserve for Post-Retirement Health is expended.

The IBNR, Reserve for Self-Insurance, and the Reserve for Post-Retirement Health are adjusted by year-end activity in the Health Care Auxiliary funds of the University. The Health Care Auxiliary fund accounts for all premiums received during the fiscal year, from the University, active employees and retirees. The Auxiliary fund also accounts for all claims paid during the fiscal year, and a variety of health care-related administrative expenses. Premium rates are set to cover the anticipated cost of claims, and expenses. At fiscal year-end, if the Health Care Auxiliary has a surplus of premiums over expenses, the resulting surplus is used to fund the current year-end actuarial estimates for the IBNR and the Reserve for Self-Insurance. Any residual is held in the Reserve for Post-Retirement Health. If the Health Care Auxiliary has a deficit, it is funded first by the Reserve for Post-Retirement Health and if needed, by the Reserve for Self-Insurance. At the University's discretion, a contribution of funds from the Post-Retirement Health fund to the VEBA is performed when funds are available and it is strategically appropriate.

The balances of the reserve funds for the fiscal years ended June 30, 2020, and 2019 are shown below:

	June 30, 2020	June 30, 2019
Reserve for Unreported Claims	$ 3,759,407	$ 4,257,837
Reserve for Self-Insurance	$ 6,420,105	$ 6,510,795
Reserve for Post-Retirement Health	$ 16,036,425	$ 11,329,602

D. INDIRECT ADMINISTRATIVE SUPPORT
Indirect support consists of allocated University support and physical plant costs for which the Station receives benefits. The fair value of this support is recognized in the Statements of Revenues, Expenses and Changes in Net Position as part of contributed support and also as part of expense in the management and general functional expense category.

E. CAPITAL ASSETS

	Book Value June 30, 2019	Additions	Retirements	Book Value June 30, 2020
Capital Assets:				
Broadcast equipment	$ 492,247	$ —	$ —	$ 492,247
Software	109,653	—	—	109,653
Furniture and office equipment	3,665	—		3,665
Antenna/Tower	121,383	—	—	121,383
Total Capital Assets	$ 726,948	$ —	$ —	$ 726,948
Less Accumulated Depreciation:				
Broadcast equipment	$ 478,542	$ 4,157	$ —	$ 482,699
Software	109,653	—	—	109,653
Furniture and office equipment	733	733		1,466
Antenna/Tower	121,383	—	—	121,383
Total Accumulated Depreciation	$ 710,311	$ 4,890	$ —	$ 715,201
Capital Assets, Net	$ 16,637	$ (4,890)	$ —	$ 11,747

	Book Value June 30, 2018	Additions	Retirements	Book Value June 30, 2019
Capital Assets:				
Broadcast equipment	$ 483,965	$ 8,282	$ —	$ 492,247
Software	109,653	—	—	109,653
Furniture and office equipment	—	3,665		3,665
Antenna/Tower	121,383	—	—	121,383
Total Capital Assets	$ 715,001	$ 11,947	$ —	$ 726,948
Less Accumulated Depreciation:				
Broadcast equipment	$ 475,214	$ 3,328	$ —	$ 478,542
Software	109,653	—	—	109,653
Furniture and office equipment	—	733		733
Antenna/Tower	121,383	—	—	121,383
Total Accumulated Depreciation	$ 706,250	$ 4,061	$ —	$ 710,311
Capital Assets, Net	$ 8,751	$ 7,886	$ —	$ 16,637

Depreciation expense for the years ended June 30, 2020, and June 30, 2019, was $4,890 and $4,061 respectively.

F. OPERATING LEASES

The Station leases tower space for certain transmitters from third parties under lease agreements. The leases are accounted for as operating leases and have terms ranging from monthly to five years. Lease expense under these agreements was $42,031 for the year ended June 30, 2020.

Future minimum lease payments are as follows:

Fiscal Year	Future Lease Payments
2021	$ 17,876
2022	16,232
2023	2,705
2024	
2025	
Total	$ 36,813

G. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.