
Marfa Public Radio Corporation

Annual Financial
Report and
Independent Auditor's
Report

Years ended December 31, 2017
and 2016

Marfa Public Radio Corporation

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Statement of Financial Position	3-4
Statement of Activities	5-6
Statement of Cash Flows	7
Notes to Audited Financial Statements	8-14
Other Supplementary Information	
Statement of Functional Expenses	

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and General Manager
Marfa Public Radio Corporation
106 E. San Antonio St.
Marfa, TX 79843

Report on the Financial Statements

I have audited the accompanying financial statements of Marfa Public Radio Corporation (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2017 and 2016, and the related statement of activities and the statement of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Patsy C. Culver, CPA

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Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marfa Public Radio Corporation as of December 31, 2017 and 2016, and the changes in activities and cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matter

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Patsy C. Culver, CPA

Alpine, TX

May 19, 2018

Marfa Public Radio Corporation
Statement of Financial Position
December 31, 2017

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets:		
Checking/Savings		
Cash	460,981	288,327
Cash and Cash Equivalents	\$ 460,981	\$ 288,327
Other Current Assets		
Accounts Receivable	\$ -	\$ -
Pledges Receivable	6,681	42,235
Rental Deposit	3,300	3,500
Prepaid Legal Expenses	3,000	7,288
Total Other Current Assets	\$ 12,981	\$ 53,023
Total Current Assets	\$ 473,962	\$ 341,350
FCC License	\$ 392,207	\$ 392,207
Fixed Assets:		
Broadcast Equipment	136,492	136,492
Leasehold Improvements	156,847	156,847
Radio Tower	841,883	841,883
Less: Accumulated Depreciation	(790,606)	(714,459)
Total Fixed Assets - Net	\$ 344,616	\$ 420,763
Other Assets		
Other	\$ -	\$ -
Total Assets	\$ 1,210,785	\$ 1,154,320

Marfa Public Radio Corporation
Statement of Financial Position

December 31, 2017

LIABILITIES & EQUITY

	<u>2017</u>	<u>2016</u>
Liabilities		
Current Liabilities		
Accounts Payable	\$ 19,949	\$ 12,833
Employee Benefit Payable	-	4,230
Payroll Taxes Liabilities	-	2,385
Sales Tax Payable	1,655	979
Current Portion, Long Term Debt	11,306	16,912
Total Current Liabilities	\$ 32,910	\$ 37,339
 Long Term Liabilities		
Notes Payable, less current portion	\$ 88,581	\$ 93,589
Total Long Term Liability	\$ 88,581	\$ 93,589
Total Liabilities	121,491	130,928
 Net Assets:		
Unrestricted Net Assets		
Available for Operations	\$ 611,776	\$ 312,558
Invested in Fixed Assets	420,763	875,916
Total Unrestricted Net Assets	\$ 1,032,539	\$ 1,188,474
 Temporarily Restricted Net Assets		
Grants	-	10,000
Total Temporarily Restricted Net Assets	\$ -	\$ 10,000
Unrestricted Net Assets - Current	56,755	(175,082)
Total Net Assets	\$ 1,089,294	\$ 1,023,392
 Total Liabilities and Total Net Assets	 \$ 1,210,785	 \$ 1,154,320

Marfa Public Radio Corporation
Statement of Activities
For the Year Ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenues			
Memberships & Donations	\$ 277,453	\$ -	\$ 277,453
Donated Services	13,195	-	13,195
Event Fundraisers	10,353	-	10,353
Grants	489,415	-	489,415
Underwriting	125,925	-	125,925
Merchandise Income	24,061	-	24,061
Rental Income	11,100	-	11,100
Interest Income	253	-	253
Net Assets Released from Restrictions			
Expiration of Time Restriction	10,000	(10,000)	-
 Total Public Support and Revenue	 \$ 961,755	 \$ (10,000)	 \$ 951,755
Expenses			
Programming Services	\$ 515,519	\$ -	515,519
Support Services	\$ 379,481	-	379,481
 Total Expenses	 \$ 895,000	 \$ -	 \$ 895,000
Change in Net Assets	\$ 66,755	\$ (10,000)	\$ 56,755
Net Assets - January 1, 2017	1,032,539		1,032,539
 Net Assets - December 31, 2017	 \$ 1,099,294	 \$ (10,000)	 \$ 1,089,294

Marfa Public Radio Corporation
Statement of Activities
For the Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenues			
Memberships & Donations	\$ 290,269	\$ -	\$ 290,269
Donated Services	25,303	-	25,303
Event Fundraisers	28,797	-	28,797
Grants	289,029	10,000	299,029
Underwriting	107,479	-	107,479
Merchandise Income	16,672	-	16,672
Rental Income	23,690	-	23,690
Interest Income	62	-	62
Gain on Sale of Real Estate	18,025	-	18,025
Net Assets Released from Restrictions			
Expiration of Time Restriction-CPB	47,512	(47,512)	-
 Total Public Support and Revenue	 <u>\$ 846,838</u>	 <u>\$ (37,512)</u>	 <u>\$ 809,326</u>
 Expenses			
Programming Services	\$ 584,720	\$ -	584,720
Support Services	\$ 399,688	-	399,688
 Total Expenses	 <u>\$ 984,408</u>	 <u>\$ -</u>	 <u>\$ 984,408</u>
 Change in Net Assets	 \$ (137,570)	 \$ (37,512)	 \$ (175,082)
 Net Assets - January 1, 2016	 <u>1,198,474</u>		 <u>1,198,474</u>
 Net Assets - December 31, 2016	 <u>\$ 1,060,904</u>	 <u>\$ (37,512)</u>	 <u>\$ 1,023,392</u>

Marfa Public Radio Corporation
Statement of Cash Flows
For the year ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Activities		
Change in Net Assets	\$ 56,755	\$ (175,082)
Adjustments to reconcile change in net assets to to net cash provided by operations:		
Increase (Decrease) Accounts Receivable	-	-
Increase (Decrease) Pledges Receivable	35,554	41,735
Increase (Decrease) Depreciation and Amortization	76,147	(23,182)
Increase (Decrease) Rental Deposits	200	200
Increase (Decrease) in Prepaid Expenses	-	(4,288)
Increase (Decrease) in Accounts Payable	7,116	11,333
Increase (Decrease) in Payroll Liabilities	(4,988)	4,278
Increase (Decrease) in Sales Tax Payable	676	428
Increase (Decrease) in Current Portion, Long Term Debt	(5,606)	(18,738)
Net cash provided (used) by Operating Activities	<u>\$ 165,854</u>	<u>\$ (163,316)</u>
Investing Activities		
Proceeds on Sale - Intern Housing	-	350,682
Retirement of Equipment	-	127,653
Purchase of FCC Costs/License & Legal	-	-
Net cash provided (used) by Investing Activities	<u>\$ -</u>	<u>\$ 478,335</u>
Financing Activities		
Temp Restricted Net Assets: Grants	(10,000)	(37,512)
Unrestricted Net Assets: Operations	476,962	151,640
Unrestricted Net Assets: Fixed Assets	(455,153)	(197,875)
Reduction of Notes Payable from Sale	-	(197,816)
Note Payable, less current portion	(5,008)	(10,614)
Net cash provided (used) by Financing Activities	<u>\$ 6,801</u>	<u>\$ (292,177)</u>
Net cash increase (decrease) in Cash or Cash Equivalents	<u>\$ 172,655</u>	<u>\$ 22,842</u>
Cash and Cash Equivalents - January 1	<u>\$ 288,327</u>	<u>\$ 265,485</u>
Cash and Cash Equivalents - December 31	<u><u>\$ 460,982</u></u>	<u><u>\$ 288,327</u></u>

Marfa Public Radio Corporation

Notes to the Audited Financial Statements

For the years ended December 31, 2017 and 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Nature of Activities

The Marfa Public Radio Corporation (the "Station") is a Texas not-for-profit corporation chartered in February, 2005. The Station's purpose is to furnish not-for-profit educational FM radio broadcasting service to Marfa, Texas and surrounding areas and to operate and maintain one or more radio stations for charitable and educational purposes.

The Station qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and, therefore, has no provision for federal income taxes. In addition, money contributed to the Station qualifies for the charitable contribution deduction under Section 1709(b) (1) (A) of the Internal Revenue Code. The Station has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

B. Basis of Presentation

The Station has adopted Statement of Financial Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to the three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions: Net assets not subject to donor-imposed stipulations. Assets restricted solely through actions of the Board are reported as unrestricted net assets. Board designated net assets represent amounts subject to Board-imposed restrictions that will be met by actions of the Organization.

Temporarily Restricted Net Assets: Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or passage of time. The balance represents donor restricted contributions and pledge receivables. When a restriction expires, either by actions of the Organization or collections of the pledges, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets: Net assets subject to donor-imposed stipulations that the assets be maintained permanently. Generally, the donors of these assets permit the Organization to use all or part of the income earned on the related investments for general or specific purpose.

C. Comparative Data

The amounts shown for the year ended December 31, 2016 in the accompanying financial statements are included to provide a basis for comparison with 2017.

Marfa Public Radio Corporation

Notes to Audited Financial Statements

For the years ended December 31, 2017 and 2016

D. Public Support and Revenue

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Cash and Cash Equivalents

The Station has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents and considers cash equivalents to be all temporary investments that are readily convertible to cash, such as certificates of deposits, commercial paper, and treasury bills with maturity of less than three (3) months. Cash and cash equivalents for the purposes of the Statement of Cash Flows exclude permanently restricted cash and cash equivalents.

G. Fixed Assets

Capital assets are carried at cost or fair value of donated assets. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Costs for normal maintenance and repairs are recognized in the period paid, while major renewals are capitalized. When property and equipment is sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in income of the period.

The Station capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Station reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Station reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years.

Marfa Public Radio Corporation

Notes to Audited Financial Statements

For the years ended December 31, 2017 and 2016

H. Advertising

The Station expenses advertising costs as incurred. Advertising totaled approximately \$5,475 in 2017 and \$5,101 in 2016.

I. Income Taxes

The Station is a not-for-profit organization exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code, and is not a "private foundation" within the meaning of Section 509 (a). Donors of money and/or property are entitled to the maximum charitable contribution deduction allowed by law. The station is not subject to the Texas Franchise tax.

Under Section 501(c)(6) of the Internal Revenue Code, the Association is exempt from federal income tax on all income except unrelated business income as noted under Section 511 of the Internal Revenue Code. Under that section, an unrelated trade or business of an exempt organization is any trade or business which is frequently and regularly carried on and which does not contribute importantly to the Organization's exercise or performance of its exempt purpose. Under this definition, the 2017 broadcast tower sub-lease income in the amount of \$10,800 is also excluded as unrelated business income because no acquisition indebtedness occurred. As such, no provision for income taxes has been accrued.

Management is not aware of any further tax positions that would have a significant impact on its financial position. Its federal tax returns for the last four years remain subject to examination.

J. Concentration of Credit Risk

Financial instruments that potentially subject the Station to concentrations of credit risk consist principally of cash and investments. The Station maintains cash deposits with major financial institutions which, from time-to-time, may exceed federally insured limits. The Station periodically assesses the financial condition of the institutions and believes the risk of any loss is minimal. The Station periodically assesses the financial condition of the institutions holding any investments, as well as the diverse nature of its investments, and believes the risk of loss is minimal.

K. Subsequent Event

Subsequent events have been evaluated by management through May 19, 2018, which is the date the financial statements were available to be issued. Material subsequent events, if any, are disclosed in a separate footnote to these financial statements.

L. New Accounting Pronouncements

Management is not aware of any new accounting pronouncements that have been released, and are not yet effective, which will have a significant impact to its financial position or results of operations in future periods.

Marfa Public Radio Corporation

Notes to Audited Financial Statements

For the years ended December 31, 2017 and 2016

NOTE 2: FCC LICENSE

A Federal Communications Commission (FCC) license, with the cost of \$230,634, was donated in 2007 for KRTS. A FCC license is valued at either cost or estimated fair value at the date contributed. Since the FCC license is determined to be renewed indefinitely it is not subject to Amortization. A Federal Communications Commission (FCC) license, with the cost of \$142,043, was purchased in 2011 for KXWT. A Federal Communications Commission (FCC) license, with the cost of \$19,030, was purchased in 2015 for a Presidio expansion.

A FCC license is valued at either cost or estimated fair value at the date contributed. This license was valued at cost. Since the FCC license is determined to be renewed indefinitely it is not subject to Amortization. As of December 31, 2017 and 2016, the Station tested for impairment and determined there was no impairment.

NOTE 3: FIXED ASSETS

The following schedule sets forth the Station’s capital assets at December 31, 2017.

	Beginning of the Year	Additions	Transfers & Retirements	End of Year
Leasehold Improvements	\$ 156,847	\$ -	\$ -	\$ 156,847
Buildings - Intern Housing	-	-	-	-
Radio Tower	841,883	-	-	841,883
Broadcast Equipment	<u>136,492</u>	<u>-</u>	<u>-</u>	<u>136,492</u>
	1,135,222		-	1,135,222
Accumulated Depreciation & Amortization	<u>(714,459)</u>	<u>(76,146)</u>	<u>-</u>	<u>(790,605)</u>
	<u>\$ 420,763</u>	<u>\$ (76,146)</u>	<u>\$ -</u>	<u>\$ 344,617</u>

Marfa Public Radio Corporation

Notes to Audited Financial Statements

For the years ended December 31, 2017 and 2016

The following schedule sets forth the Station's capital assets at December 31, 2016.

	Beginning of the Year	Additions	Transfers & Retirements	End of Year
Leasehold Improvements	\$ 156,847	\$ -	\$ -	\$ 156,847
Buildings - Intern Housing	350,682	-	350,682	-
Radio Tower	841,883	-	-	841,883
Broadcast Equipment	<u>264,145</u>	<u>-</u>	<u>127,653</u>	<u>136,492</u>
	1,613,557	-	478,335	1,135,222
Accumulated Depreciation & Amortization	<u>(737,641)</u>	<u>(119,517)</u>	<u>(96,335)</u>	<u>(714,459)</u>
	<u>\$ 875,916</u>	<u>\$ (119,517)</u>	<u>\$ 382,000</u>	<u>\$ 420,763</u>

Depreciation for the year ended 2017 was \$76,146 and 2016 was \$119,517.

NOTE 4: LEASE COMMITMENTS

Facilities - The Station moved to a new facility in November 2014. The rent commencement date was 180 days after the lease commencement date and the organization began paying rent of this lease in May 2015. It now conducts its operations from facilities that are leased under a ten-year operating Lease expiring November, 2024. There are scheduled rent escalations on each anniversary of the commencement date in 2018, 2021, and 2024. The renewal option associated with this lease allows for extension for a five-year term.

Tower Rent - The Station leases broadcasting tower space for the transmission of its radio signals under several operating leases. Certain leases include escalation clauses that range from 3% to 4% per year. These leases include automatic renewal of additional terms following the end of initial terms.

The future minimum lease payments required under the above operating leases as of December 31, 2017:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	51,910
2019	53,026
2020	54,437
2021	58,608
2022	<u>59,862</u>
	<u>\$277,844</u>

Rental Expense amounted to \$71,643 in 2017 and \$65,379 in 2016.

Marfa Public Radio Corporation

Notes to Audited Financial Statements

For the years ended December 31, 2017 and 2016

NOTE 5: COMMITMENTS AND CONTINGENCIES

Certain equipment acquired with the Public Telecommunications Facilities Program (PTFP) Grant proceeds is subject to reversionary interest lien for a period of ten (10) years from date of grant which is March 31, 2008. Property acquired with these grant proceeds may not be conveyed, transferred, assigned, mortgaged, leased or in any other manner encumbered by the Station, except as expressly authorized by grantor. The lien expires in 2018.

During 2016, a dispute arose between the station and a broadcasting tower lessor who alleges that the station did not properly pay for electricity pursuant to the agreement. The dispute requires the installation of an electric meter to be billable directly to the station. The complaint also claims the station has breached the agreement and has indicated a possible termination of the agreement or an increase in the monthly rental. No lawsuit has been filed. As of September 2016, the station installed the electric meter and is paying directly for the electricity per the agreement. Management has indicated it will settle all past electric payments. Management believes that a loss, if any, resulting from this dispute will not have a material impact on the station's financial position, statement of activities, or cash flows in future years.

NOTE 6: NOTES PAYABLE

The Organization's obligation under notes payable consists of the following:

	<u>2017</u>	<u>2016</u>
6.25% variable note payable to TransPecos Banks, payable in monthly installments of \$1,409, including interest, through September 21, 2019, with a balloon payment due on October 21, 2019. The note is guaranteed by the current Landlord and is secured by a first priority lien on leased property including all 2014 leasehold improvements.	\$ 93,588	\$104,203
Less current portion	<u>(11,614)</u>	<u>(10,614)</u>
Total Notes Payable	<u>\$82,282</u>	<u>\$93,589</u>

The loan agreement contains various covenants, which among other things, subordinates the landlord's statutory, common law or contractual lien.

The future scheduled maturities of long-term debt are as follows:

Years ending December 31,

2018	16,911
2019	82,281
2020	-0-
2021	<u>-0-</u>
	<u>\$99,193</u>

Interest paid was \$6,508 and \$10,030 for the years ended 2017 and 2016, respectively.

Marfa Public Radio Corporation

Notes to Audited Financial Statements

For the years ended December 31, 2017 and 2016

NOTE 7: CONTRIBUTED GOODS AND SERVICES

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Station receives donated services from unpaid volunteers who assist as on-air personnel and graphics design.

The Station received contributed on-air services during the year ended December 31, 2017 with an estimated fair value on the dates of donation of \$13,195.

NOTE 8: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are comprised of grants from various entities as set forth in the following table. Terms of the grants dictate how the funds are to be spent.

There were no temporarily restricted Net Assets on December 31, 2017.

NOTE 9: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting activities.

NOTE 10: SUBSEQUENT EVENTS

These financial statements considered subsequent events through May 19, 2018, the date the financial statements were available to be issued.

OTHER SUPPLEMENTARY INFORMATION

Marfa Public Radio Corporation
KRTS
Statement of Functional Expense
For the Year Ended December 31, 2017

	Programming Services		Support Services		Total
	<u>Programming & Production</u>	<u>Broadcasting</u>	<u>Management & General</u>	<u>Fundraising & Membership Development</u>	
Payroll Costs	\$ 91,845		56,142		\$ 147,987
Advertising & Printing				3,836	3,836
Audio & Tech Equipment		5,697			5,697
Contract Labor	10,818		8,641	6,635	26,094
Depreciation	62,475		6,942		69,417
Event Fundraiser Expense				3,084	3,084
Grant Project Expense	-				-
Insurance			12,346		12,346
Interest Expense			3,254		3,254
Office & Misc Supplies			19,762	5,067	24,829
Professional Fees			39,268		39,268
Merchandise				9,605	9,605
Programming	55,062				55,062
Rent		19,941	19,240		39,181
Repairs & Maintenance		10,162			10,162
Travel & Meetings	2,662	1,651	1,702	1,849	7,864
Utilities		16,989	7,620		24,609
	<u>\$ 222,862</u>	<u>\$ 54,440</u>	<u>\$ 174,917</u>	<u>\$ 30,076</u>	<u>\$ 482,295</u>

Marfa Public Radio Corporation
KXWT
Statement of Functional Expense
For the Year Ended December 31, 2017

	Programming Services		Support Services		
	<u>Programming & Production</u>	<u>Broadcasting</u>	<u>Management & General</u>	<u>Fundraising & Membership Development</u>	<u>Total</u>
Payroll Costs	\$ 93,724		\$ 57,395		\$ 151,119
Advertising & Printing				1,973	1,973
Audio & Tech Equipment		2,468			2,468
Contract Labor	11,590		3,439	8,638	23,667
Depreciation	5,938		660		6,598
Event Fundraiser Expense				502	502
Grant Project Expense	-				-
Insurance			12,967		12,967
Interest Expense			3,254		3,254
Office & Misc Supplies			16,899	5,201	22,100
Professional Fees			30,949		30,949
Merchandise				4,764	4,764
Programming	72,491				72,491
Rent		14,721	17,740		32,461
Repairs & Maintenance		3,857			3,857
Travel & Meetings	3,031	3,280	1,959	2,979	11,249
Utilities		27,116	5,169		32,285
	<u>\$ 186,774</u>	<u>\$ 51,442</u>	<u>\$ 150,431</u>	<u>\$ 24,057</u>	<u>\$ 412,704</u>

Marfa Public Radio Corporation
KRTS
Statement of Functional Expense
For the Year Ended December 31, 2016

	Programming Services		Support Services		
	<u>Programming & Production</u>	<u>Broadcasting</u>	<u>Management & General</u>	<u>Fundraising & Membership Development</u>	<u>Total</u>
Payroll Costs	\$ 93,929		\$ 54,698		\$ 148,626
Advertising & Printing				3,271	3,271
Audio & Tech Equipment		198			198
Contract Labor	2,970		12,564	14,132	29,666
Depreciation	97,053		10,784		107,837
Event Fundraiser Expense				1,718	1,718
Grant Project Expense	1,950				1,950
Insurance			9,926		9,926
Interest Expense			4,623		4,623
Office & Misc Supplies			4,710	16,006	20,716
Professional Fees			25,709		25,709
Merchandise				4,752	4,752
Programming	74,520				74,520
Rent		20,827	13,947		34,774
Repairs & Maintenance		5,507			5,507
Travel & Meetings	1,430	797	2,506	258	4,991
Utilities		30,501	9,144		39,645
	<u>\$ 271,852</u>	<u>\$ 57,830</u>	<u>\$ 148,610</u>	<u>\$ 40,137</u>	<u>\$ 518,429</u>

Marfa Public Radio Corporation
KXWT
Statement of Functional Expense
For the Year Ended December 31, 2016

	Programming Services		Support Services		
	<u>Programming & Production</u>	<u>Broadcasting</u>	<u>Management & General</u>	<u>Fundraising & Membership Development</u>	<u>Total</u>
Payroll Costs	\$ 107,086		\$ 63,469		\$ 170,555
Advertising & Printing				1,830	1,830
Audio & Tech Equipment		328			328
Contract Labor	2,010		10,677	38,804	51,491
Depreciation	10,512		1,168		11,680
Event Fundraiser Expense				11,787	11,787
Grant Project Expense	1,950				1,950
Insurance			10,359		10,359
Interest Expense			5,406		5,406
Office & Misc Supplies			10,988	4,710	15,698
Professional Fees			20,450		20,450
Merchandise				467	467
Programming	73,008				73,008
Rent		15,469	15,135		30,604
Repairs & Maintenance		5,938			5,938
Travel & Meetings	1,570	823	2,893	2,824	8,110
Utilities		36,342	9,968		46,310
	<u>\$ 196,136</u>	<u>\$ 58,900</u>	<u>\$ 150,513</u>	<u>\$ 60,422</u>	<u>\$ 465,971</u>