BLUE RIDGE BROADCASTING CORPORATION
(An Affiliate of the Billy Graham Evangelistic Association)

FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2019 and 2018

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

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(An Affiliate of the Billy Graham Evangelistic Association)
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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

To the Board of Directors
Blue Ridge Broadcasting Corporation
Black Mountain, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of Blue Ridge Broadcasting Corporation (the "Corporation"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Corporation'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 Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2019 and 2018, and the changes in nets assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Cherry Bekaert LLP

Charlotte, North Carolina
March 12, 2020

BLUE RIDGE BROADCASTING CORPORATION
(An Affiliate of the Billy Graham Evangelistic Association)
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 1,089,682	$ 967,748
Accounts receivable	142,746	210,874
Other receivables	45,288	102,505
Prepaid expenses	6,196	6,780
Total Current Assets	1,283,912	1,287,907
Investments	5,612,384	4,924,058
Investments, board-designated endowment	1,395,611	1,244,403
Property and equipment, net	1,199,403	1,199,897
Intangible assets	1,501,000	1,150,000
Total Assets	$ 10,992,310	$ 9,806,265
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 137,119	$ 144,753
Accrued expenses	75,621	59,396
Contribution payable	147,253	39,723
Total Current Liabilities	359,993	243,872
Net Assets:		
Without Donor Restrictions:		
Invested in property and equipment and intangible assets	2,700,403	2,349,897
Board-designated endowment	1,395,611	1,244,403
Undesignated	6,536,303	5,968,093
Total Net Assets Without Donor Restrictions	10,632,317	9,562,393
Total Liabilities and Net Assets	$ 10,992,310	$ 9,806,265

BLUE RIDGE BROADCASTING CORPORATION
(An Affiliate of the Billy Graham Evangelistic Association)
STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Support and Revenue:		
Program revenue	$ 484,758	$ 692,548
Contributions	3,603,035	3,428,513
Rental income	152,529	165,641
Net investment return	842,085	(188,823)
Other income	105,730	102,403
Total Revenues, Gains, and Other Support	5,188,137	4,200,282
Expenses:		
Program expenses	3,462,994	3,580,376
Supporting services:		
Fundraising	333,492	301,393
General and administrative	321,728	281,199
Total Expenses	4,118,213	4,162,968
Change in net assets without donor restriction	1,069,924	37,314
Net assets without donor restriction, beginning of year	9,562,393	9,525,079
Net assets without donor restriction, end of year	$ 10,632,317	$ 9,562,393

The accompanying notes to financial statements are an integral part of these statements.

BLUE RIDGE BROADCASTING CORPORATION
(An Affiliate of the Billy Graham Evangelistic Association)
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

	Program Expenses	Supporting Services: Fundraising	Supporting Services: General and Administrative	Total
Salaries and benefits	$ 1,740,819	$ 195,772	$ 177,951	$ 2,114,542
Payroll taxes	95,954	10,571	9,609	116,134
Promotion	288,279	1,267	199	289,745
Telecommunications	180,197	15,058	13,048	208,303
Professional services	125,541	8,388	7,386	141,315
Maintenance and repair	122,579	16,147	14,612	153,338
Programming	94,942	105	96	95,143
Development	78,660	14,080	12,794	105,534
Supplies and equipment	62,346	12,175	11,057	85,578
Utilities	82,674	6,199	5,216	94,089
Outreach	61,917	13,075	11,885	86,877
Postage and freight	50,109	10,563	9,601	70,273
Insurance	77,609	7,078	6,320	91,007
Impact Days	49,895	456	414	50,765
Equipment and facilities rent	53,374	1,620	34	55,028
Travel	31,355	3,943	3,530	38,828
Depreciation	161,411	4,840	3,308	169,558
Loss on disposal of fixed assets	-	-	23,742	23,742
Other expenses	105,333	12,155	10,926	128,414
	$ 3,462,994	$ 333,492	$ 321,728	$ 4,118,213

BLUE RIDGE BROADCASTING CORPORATION
(An Affiliate of the Billy Graham Evangelistic Association)
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2018

		Supporting Services		
	Program Expenses	Fundraising	General and Administrative	Total
Salaries and benefits	$ 1,646,240	$ 171,750	$ 156,117	$ 1,974,107
Payroll taxes	92,003	9,611	8,736	110,350
Promotion	280,629	1,990	-	282,619
Telecommunications	235,690	15,025	13,037	263,752
Professional services	138,207	10,179	9,041	157,427
Maintenance and repair	140,831	7,794	7,028	155,653
Programming	128,184	-	-	128,184
Development	86,269	18,090	16,431	120,790
Supplies and equipment	73,359	13,985	12,708	100,052
Utilities	85,677	6,145	5,189	97,011
Outreach	68,426	14,450	13,134	96,010
Postage and freight	51,555	10,734	9,757	72,046
Insurance	61,636	2,808	2,370	66,814
Impact Days	52,480	123	112	52,715
Equipment and facilities rent	49,243	1,578	-	50,821
Travel	33,181	3,944	3,473	40,598
Depreciation	204,472	2,857	1,316	208,645
Impairment of intangible asset	50,000	-	-	50,000
Loss on disposal of fixed assets	-	-	13,489	13,489
Other expenses	102,294	10,330	9,261	121,885
	$ 3,580,376	$ 301,393	$ 281,199	$ 4,162,968

BLUE RIDGE BROADCASTING CORPORATION
(An Affiliate of the Billy Graham Evangelistic Association)
STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 1,069,924	$ 37,314
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	169,557	208,645
Net realized/unrealized (gains) losses on investments	(581,281)	398,334
Loss on disposal of property and equipment	23,742	13,489
Impairment of intangible asset	-	50,000
Changes in operating assets and liabilities:		
Accounts receivable	68,128	52,485
Other receivables	57,217	(86,774)
Prepaid expenses	584	3,084
Accounts payable	(7,634)	67,343
Accrued expenses	16,225	11,452
Contribution payable	107,530	(34,404)
Deferred revenue	-	(10,758)
Net cash flows from operating activities	923,992	710,210
Cash flows from investing activities		
Purchases of property and equipment	(198,504)	(149,275)
Purchase of intangible assets	(351,000)	-
Proceeds from sale of equipment	5,699	61,511
Net purchase of investments	(258,253)	(207,664)
Net cash flows from investing activities	(802,058)	(295,428)
Net increase in cash and cash equivalents	121,934	414,782
Cash and cash equivalents, beginning of year	967,748	552,966
Cash and cash equivalents, end of year	$ 1,089,682	$ 967,748

Note 1—Nature of operations and summary of significant accounting policies

Corporation – Blue Ridge Broadcasting Corporation (the "Corporation") was incorporated in the state of North Carolina on January 2, 1959, as a non-profit corporation. The Corporation operates three FM radio stations (WMIT, WFGW, and WSMX) exclusively for religious, educational, and charitable purposes.

The Corporation is affiliated with the Billy Graham Evangelistic Association ("BGEA") as a listener-supported ministry.

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Financial Accounting Standards Board ("FASB") has established the Accounting Standards Codification ("ASC") as the source of authoritative accounting principles to be applied in the preparation of financial statements in accordance with U.S. GAAP. Net assets and revenues, expenses, gains, and losses are classified based on 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 that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Corporation. These net assets may be used at the discretion of the Corporation's management and the board of directors. The Corporation has chosen to provide further classification information about net assets without donor restrictions on the statements of financial position. The sub classifications are as follows:

Invested in Property and Equipment and Intangible Assets – Represents net assets invested in property and equipment, net of accumulated depreciation and intangible assets.

Board Designated – Represents resources set aside by the Board of Directors to be used for specific activities within guidelines established by the board.

Undesignated – Represents the cumulative net assets without donor restrictions excluding those net assets invested in property and equipment and intangible assets and designated for specific activities.

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, whereby the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2019 and 2018, there were no net assets with donor restrictions.

Revenue is 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. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets with donor restrictions based on explicit donor stipulation or by law; or if no restriction exists, as net assets without donor restrictions. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as released from net assets with donor restrictions to net assets without donor restrictions.

Note 1—Nature of operations and summary of significant accounting policies (continued)

Revenue Recognition – Contributions are recognized when cash, securities or other assets; an unconditional contribution receivable; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Rental income is recognized in the month the tower space is provided.

Program revenues consist of aired radio broadcasts and are recognized when earned based on date.

Cash and Cash Equivalents – For the purposes of reporting cash flows, cash and cash equivalents consist of highly liquid, short-term investments with original maturities of three months or less when purchased.

Accounts Receivable – Accounts receivable are stated at cost less an allowance for doubtful accounts, if necessary. Management's determination of the allowance for doubtful accounts is based on an evaluation of the receivable, past experience, and current economic conditions. Management has determined an allowance for doubtful accounts is not considered necessary as of December 31, 2019 and 2018.

Investments – Investments in equity securities with readily determinable fair values and all investments in debt securities are valued in the accompanying statements of financial position at fair value. Fair value is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investment securities. Changes in the fair value of securities are reflected in net investment return in the accompanying statements of activities.

Property and Equipment – Property and equipment are stated at cost for purchased items and estimated fair value at the date received for donated items. The Corporation capitalizes all expenditures for property and equipment in excess of $2,000. Depreciation is computed using the straight-line method based on the following estimated useful lives:

Land improvements	10-15 years
Building and improvements	20 years
Furniture and equipment	3-15 years
Vehicles	5 years

Note 1—Nature of operations and summary of significant accounting policies (continued)

Intangible Assets – The Corporation's intangible assets consist of two indefinite-lived Federal Communications Commission broadcast licenses to operate obtained in 2012 and 2019 through the purchase of multiple radio stations. During December 31, 2019, the Corporation purchased a new radio station for $351,000. These intangible assets are tested annually for impairment. At December 31, 2018, the Corporation determined that the carrying value of the intangible asset exceeded the fair value based on changes in market conditions resulting in an impairment loss of $50,000 which is included in program expenses on the accompanying statements of activities. Management determined there were no additional impairments at December 31, 2019. These intangible assets are carried at $1,501,000 and $1,150,000 as of December 31, 2019 and 2018, respectively.

Contribution Payable – The Corporation makes quarterly contributions to an unrelated non-profit radio station with a similar mission based on a percentage of donations the Corporation receives during their annual fundraising event. These contributions are recorded in the financial statements once donations from the fundraising event are received.

Functional Allocation of Expenses – Expenses that can be identified with a specific program or supporting service are charged directly to the program or supporting service. Expenses which apply to more than one functional category have been allocated based on estimates made by management. Salaries and benefits have been allocated to program and supporting services based on time and effort.

Concentration of Credit Risk – The Corporation places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation ("FDIC") covers $250,000 for substantially all depository accounts. The Corporation from time to time may have amounts on deposit in excess of the insured limits.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes – The Corporation has been recognized by the Internal Revenue Service as an exempt organization as described in Section 501(c)(3) of the Internal Revenue Code ("IRC") and is exempt from federal income taxes pursuant to Section 501(a) of the IRC. Management believes that the Corporation continues to satisfy the requirements of a tax-exempt organization and is not subject to tax. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

New Accounting Pronouncement – In May 2014, FASB issued Accounting Standards Update ("ASU") 2014-09. This standard, along with all subsequent amendments to the ASU (collectively ASC 606), creates a single framework for recognizing revenue from contracts with customers that fall within its scope of exchange transactions. There was no material impact to the financial statements and underlying accounting as a result of this implementation, which has been applied retrospectively to all periods presented.

FASB has also issued ASU 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies and improves the scope and the accounting guidance for contributions received and contributions made. This ASU is effective for annual periods beginning after June 15, 2018 and has been fully implemented in the current year.

Note 1—Nature of operations and summary of significant accounting policies (continued)

Future Accounting Pronouncements – In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classifications affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2020. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Management is currently evaluating the impact of this standard on the Corporation's financial statements.

Note 2—Liquidity and availability of resources

The table below represents financial assets available for general expenditures within one year at December 31:

Financial assets at year-end:	2019	2018
Cash and cash equivalents	$ 1,089,682	$ 967,748
Accounts receivable	142,746	210,874
Other receivables	45,288	102,505
Investments	5,612,384	4,924,058
Investments, board-designated endowment	1,395,611	1,244,403
Total financial assets	8,285,711	7,449,588
Less amounts not available to be used for general expenditures within one year:		
Board-designated endowment	1,395,611	1,244,403
Financial assets available to meet cash needs for general expenditures within one year	$ 6,890,100	$ 6,205,185

The Corporation structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

Investments include a board-designated endowment fund. Expenditures from the endowment fund are determined by the board in order to meet ministry needs. Funds were not withdrawn in 2019 or 2018 in order to preserve principal. Although the Corporation does not intend to spend additional amounts from board-designated endowments beyond the expected appropriation, these amounts could be made available if necessary at the discretion of the board.

Note 3—Investments

Investments are as follows as of December 31:

	2019	2018
Bank deposit program	$ 1,347,504	$ 656,281
Corporate bonds	3,684,107	4,378,579
Equity securities	1,976,384	1,044,171
Real estate investment trust	-	89,430
	7,007,995	6,168,461
Less investments, board-designated endowment	1,395,611	1,244,403
	$ 5,612,384	$ 4,924,058

The Corporation's investments are exposed to various risks such as interest rates, market, liquidity, and credit risks. Due to the current and potential future volatility in the financial markets, it is possible that changes in the investment values and liquidity could occur in the near term and could materially affect the reported investment values in the accompanying statements of financial position.

Net investment return consisted of the following for the years ended December 31:

	2019	2018
Interest and dividend income	$ 281,414	$ 227,145
Net realized/unrealized gains (losses)	581,281	(398,334)
Investment fees	(20,610)	(17,634)
Net investment return	$ 842,085	$ (188,823)

Note 4—Property and equipment, net

A summary of property and equipment is as follows at December 31:

	2019	2018
Land and land improvements	$ 70,746	$ 70,746
Building and improvements	1,655,704	1,617,936
Equipment	3,149,846	3,059,676
Furniture and fixtures	285,358	285,358
Vehicles	233,063	203,692
	5,394,717	5,237,408
Less accumulated depreciation	(4,195,314)	(4,037,511)
Property and equipment, net	$ 1,199,403	$ 1,199,897

Depreciation expense for the years ended December 31, 2019 and 2018 was $169,557 and $208,645, respectively.

Note 5—Fair value measurements of assets and liabilities

In accordance with guidance on fair value measurements for financial instruments measured at fair value, fair value is defined as the price that the Corporation would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. The fair value guidance establishes a three-tier hierarchy to distinguish between 1) inputs that reflect the assumptions that market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs), and 2) inputs that reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the fair value of the Corporation's financial instruments.

The inputs are summarized in the three broad levels listed below:

> *Level 1* – Financial instruments with unadjusted, quoted prices listed on active market exchanges.
>
> *Level 2* – Financial instruments valued using inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
>
> *Level 3* – Financial instruments that are not actively traded on a market exchange and require using significant unobservable inputs in determining fair value. The Corporation did not hold any Level 3 investments for the years ended December 31, 2019 or 2018.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Bank Deposit Program – Available cash in the Corporation's investment account is deposited into a sweep interest-bearing deposit account with FDIC insurance coverage. These deposits, which have an original maturity of three months or less, are valued at their face amount because of the short length of time to maturity and are considered a Level 1 investment.

Corporate Bonds – The investment grade corporate bonds held by the Corporation generally do not trade in active markets on the measurement date. Therefore, corporate bonds are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.

Equity Securities – Valued at the closing price reported on the active market on which the individual securities are traded.

Note 5—Fair value measurements of assets and liabilities (continued)

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position that are measured at fair value on a recurring basis and the level within FASB ASC fair value hierarchy in which the fair value measurements fall at December 31, 2019 and 2018:

	2019			2018		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Bank deposit program	$1,347,504	$ -	$1,347,504	$ 656,281	$ -	$ 656,281
Corporate bonds	-	3,684,107	3,684,107	-	4,378,579	4,378,579
Equity securities	1,976,384	-	1,976,384	1,044,171	-	1,044,171
Real estate investment trus	-	-	-	89,430	-	89,430
	$3,323,888	$3,684,107	$7,007,995	$1,789,882	$4,378,579	$6,168,461

Note 6—Board-designated endowment

In 2005, the Board of Directors designated $1,000,000 of net assets without donor restriction as a general endowment fund to support future ministry opportunities. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restriction.

The primary investment objective of the endowment fund is to preserve and protect the assets by focusing on conservation of principal and adequate liquidity to meet ministry needs. This objective is generally attained by investing in a portfolio of high quality securities. Expenditures from the endowment fund are determined by the board in order to meet ministry needs.

To achieve the objective, the Corporation has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Composition of and changes in endowment net assets for the years ended December 31 were as follows:

Board-designated endowment net assets, December 31, 2017	$ 1,324,423
Net investment return	(80,020)
Board-designated endowment net assets, December 31, 2018	1,244,403
Net investment return	151,208
Board-designated endowment net assets, December 31, 2019	$ 1,395,611

Note 7—Rental income

The Corporation leases tower space under various operating leases. Rent income related to the leases for the years ended December 31, 2019 and 2018 was $152,529 and $165,641, respectively. The following is a schedule of future minimum lessee payments under the existing noncancelable operating leases at December 31, 2019:

Years Ending December 31,	
2020	$ 153,516
2021	122,615
2022	61,177
	$ 337,308

Note 8—Joint costs

During the years ended December 31, 2019 and 2018, the Corporation conducted broadcast production activities that included requests for contributions, as well as program and administrative components. The costs of conducting those activities included a total of $2,280,557 and $2,121,880 of joint costs for the years ended December 31, 2019 and 2018, respectively. These joint costs are not specifically attributable to particular components of the activities and were allocated on the accompanying statements of functional expenses as follows:

	2019	2018
Program expenses	$ 1,647,668	$ 1,552,776
Fundraising	334,327	301,393
General and administrative	298,562	267,711
Total allocated expenses	$ 2,280,557	$ 2,121,880

Note 9—Employee benefit plan

The Corporation sponsors a defined contribution plan, which is maintained by BGEA. The benefits are provided based on salary and hours worked for each year of service. Employer contributions are 3% of each participant's eligible salary plus a matching provision whereby the Corporation may match the participant's contributions up to an additional 3% of the participant's salary. The plan also includes a provision whereby the BGEA's Board of Directors can approve additional contributions of up to 2%. The additional 2% discretionary contribution was approved for both 2019 and 2018. The total contributions for the years ended December 31, 2019 and 2018, were $120,216 and $112,963, respectively.

Note 10—Leases

The Corporation entered into an operating lease agreement in 2011 for tower space that includes two options to renew for five years. In October 2016, the Corporation used an option to renew through 2021. Rent expense under this lease totaled $22,560 in 2019 and 2018. The Corporation entered into a translator operating lease agreement in 2017 for $1,800 a month that expires in 2022. Rent expense under this lease totaled $22,680 and $21,600 for the years ended December 31, 2019 and 2018, respectively. The Corporation also entered into an operating lease agreement at the end of 2019 for $800 a month that expires in 2026.

Total future minimum lease payments with terms of one year or more are as follows:

Years Ending December 31,		
2020	$	55,430
2021		51,368
2022		12,075
2023		10,490
2024 and thereafter		33,397
	$	162,760

Note 11—Related party transactions

BGEA maintains the payroll functions and is reimbursed by the Corporation for the related payroll and benefit expenses. Total related payroll and benefit expense for the years ended December 31, 2019 and 2018 was approximately $2,230,000 and $2,084,000, respectively.

To gain efficiencies over certain administrative services, the Corporation and BGEA entered into shared services agreements to provide a meaningful structure for regulating and overseeing the shared services and expenses. In accordance with the shared services agreements, the Corporation reimbursed BGEA approximately $231,000 and $127,000 in 2019 and 2018, respectively.

Total amounts due to BGEA at December 31, 2019 and 2018 were $103,855 and $77,117, respectively, and are reported in accounts payable and accrued expenses in the accompanying statements of financial position.

Note 12—Subsequent events

The Corporation evaluated the effect subsequent events would have on the financial statements through March 12, 2020, which is the date the financial statements were available to be issued.