



**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA DBA PBS SOCAL
FINANCIAL REPORT
JUNE 30, 2025**

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Public Media Group of Southern California

Opinion

We have audited the financial statements of Public Media Group of Southern California (the Organization), which comprise the statement of financial position as of June 30, 2025, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Board of Trustees
Public Media Group of Southern California
Independent Auditor's Report
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Report on Summarized Comparative Information

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Singer Lewak LLP

December 9, 2025

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA**
STATEMENTS OF FINANCIAL POSITION
June 30,

ASSETS

	2025	2024
Current assets		
Cash and cash equivalents	\$ 1,813,822	\$ 6,974,680
Escrow fund	305,528	303,606
Investments	64,490,716	58,886,761
Grants receivable	3,644,065	554,550
Contributions receivable	780,158	-
Accounts receivable, net	340,580	843,405
Tenant improvement allowance receivable	-	2,512,274
Prepaid expenses and other assets	1,110,688	977,636
Total current assets	72,485,557	71,052,912
Noncurrent assets		
Grants receivable	702,000	129,000
Beneficial interest in charitable remainder trusts	659,373	616,534
Investment in partnership	10,640	10,640
Investment in SoCal Facilities, LLC	1,407,835	1,332,720
Broadcasting license, net	13,939,575	13,939,575
Other intangible assets, net	1,230,000	1,230,000
Property and equipment, net	12,127,613	8,170,270
Right-of-use assets – operating	21,651,328	24,208,524
Deposits	274,934	341,852
Endowment investments	16,672,494	15,030,953
Total noncurrent assets	68,675,792	65,010,068
Total assets	\$ 141,161,349	\$ 136,062,980

See notes to financial statements.

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA**
STATEMENTS OF FINANCIAL POSITION
June 30,

LIABILITIES AND NET ASSETS

	2025	2024
Current liabilities		
Accounts payable and accrued expenses	\$ 3,920,008	\$ 3,939,848
Notes payable	750,000	750,000
Charitable gift annuities payable	57,690	65,054
Advances	7,464	172,988
Operating lease liabilities	2,907,305	1,987,281
Total current liabilities	7,642,467	6,915,171
Noncurrent liabilities		
Notes payable	4,845,176	5,312,235
Operating lease liabilities	24,005,080	27,117,562
Charitable gift annuities payable	68,912	70,709
Total noncurrent liabilities	28,919,168	32,500,506
Total liabilities	36,561,635	39,415,677
Net assets		
Without donor restrictions	78,870,928	74,661,634
With donor restrictions	25,728,786	21,985,669
Total net assets	104,599,714	96,647,303
Total liabilities and net assets	\$ 141,161,349	\$ 136,062,980

See notes to financial statements.

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2025 and 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Contributions, grants, and contracts	\$ 33,890,900	\$ 12,994,506	\$ 46,885,406	\$ 30,515,116	\$ 3,900,752	\$ 34,415,868
In-kind contributions	29,481	-	29,481	161,608	-	161,608
Facility and other rental income	1,400,031	-	1,400,031	2,361,568	-	2,361,568
Net investment return	6,036,408	1,641,541	7,677,949	7,140,453	1,704,041	8,844,494
Other	370,090	-	370,090	429,251	-	429,251
Net assets released from restrictions	10,892,930	(10,892,930)	-	8,596,133	(8,596,133)	-
Total support and revenue	52,619,840	3,743,117	56,362,957	49,204,129	(2,991,340)	46,212,789
Expenses						
Program services						
Programming and production	14,437,521	-	14,437,521	14,959,025	-	14,959,025
Broadcasting	13,273,214	-	13,273,214	13,683,038	-	13,683,038
Underwriting and grant solicitation	3,628,752	-	3,628,752	2,816,381	-	2,816,381
Total program services	31,339,487	-	31,339,487	31,458,444	-	31,458,444
Supporting services						
Fundraising and development	7,169,595	-	7,169,595	6,779,512	-	6,779,512
General and administrative	9,901,464	-	9,901,464	12,813,635	-	12,813,635
Total supporting services	17,071,059	-	17,071,059	19,593,147	-	19,593,147
Total expenses	48,410,546	-	48,410,546	51,051,591	-	51,051,591
Change in net assets	4,209,294	3,743,117	7,952,411	(1,847,462)	(2,991,340)	(4,838,802)
Net assets, beginning	74,661,634	21,985,669	96,647,303	76,509,096	24,977,009	101,486,105
Net assets, ending	\$ 78,870,928	\$ 25,728,786	\$ 104,599,714	\$ 74,661,634	\$ 21,985,669	\$ 96,647,303

See notes to financial statements.

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2025
(Summarized Information for the Year Ended June 30, 2024)**

	Program Services				Supporting Services			Totals	
	Programming and Production	Broadcasting	Underwriting and Grant Solicitation	Total Program Services	Fundraising and Development	General and Administrative	Total Supporting Services	2025	2024
Wages, taxes, and benefits	\$ 6,849,117	\$ 1,699,748	\$ 2,530,178	\$ 11,079,043	\$ 2,064,248	\$ 5,124,781	\$ 7,189,029	\$ 18,268,072	\$ 18,622,748
On air programming	771,549	6,519,618	1,715	7,292,882	199,573	820	200,393	7,493,275	8,516,317
Professional fees	1,370,997	238,758	235,279	1,845,034	951,434	1,622,859	2,574,293	4,419,327	4,919,294
Lease expenses	1,130,518	1,049,702	523,903	2,704,123	427,139	710,883	1,138,022	3,842,145	3,645,142
Contracted production services	1,828,336	-	-	1,828,336	-	-	-	1,828,336	2,832,771
Depreciation and amortization	519,625	987,161	59,846	1,566,632	104,696	132,727	237,423	1,804,055	1,759,140
Mail processing and printing	-	-	-	-	1,759,313	-	1,759,313	1,759,313	1,941,158
Engineering infrastructure	506,330	1,115,728	-	1,622,058	-	-	-	1,622,058	986,874
Utilities	252,306	894,647	97,179	1,244,132	100,422	152,228	252,650	1,496,782	1,360,987
Other	453,539	47,164	33,218	533,921	773,700	100,926	874,626	1,408,547	1,348,225
General office supplies and equipment	372,179	109,612	34,901	516,692	715,522	151,758	867,280	1,383,972	1,586,626
Advertising	144,251	-	-	144,251	1,429	1,055,494	1,056,923	1,201,174	1,588,001
Insurance	-	-	-	-	-	606,468	606,468	606,468	546,531
Travel	185,207	42,139	82,823	310,169	57,183	212,026	269,209	579,378	756,545
Repairs and maintenance	53,567	285,996	29,710	369,273	14,936	30,494	45,430	414,703	336,052
Interest	-	282,941	-	282,941	-	-	-	282,941	305,180
Total expenses by function	\$ 14,437,521	\$ 13,273,214	\$ 3,628,752	\$ 31,339,487	\$ 7,169,595	\$ 9,901,464	\$ 17,071,059	\$ 48,410,546	\$ 51,051,591

See notes to financial statements.

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2025 and 2024**

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ 7,952,411	\$ (4,838,802)
Adjustments to reconcile change in net assets to net cash flows provided by (used in) operating activities:		
Depreciation and amortization of property and equipment	1,804,055	1,759,140
Allowance for credit losses	(11,550)	(6,000)
Amortization of discount on note payable – CCCD	282,941	305,180
Net realized and unrealized gain on investments	(5,942,941)	(7,131,288)
Contributions received in the form of investments	695,132	204,106
Change in value of split-interest agreements	(9,161)	(3,725)
Gain on lease termination	(10,923)	-
Noncash lease expense	2,550,556	2,459,566
(Increase) decrease in:		
Escrow fund	(1,922)	(11,736)
Grants receivable	(3,662,515)	3,726,804
Contributions receivable	(780,158)	-
Accounts receivable	514,375	(87,654)
Tenant improvement allowance receivable	2,512,274	1,486,501
Prepaid expenses and other current assets	(133,052)	6,964
Deposits	66,918	124,025
Increase (decrease) in:		
Accounts payable and accrued expenses	(19,840)	(140,209)
Advances	(165,524)	(76,914)
Operating lease liabilities	(2,174,895)	(2,034,661)
Net cash flows provided by (used in) operating activities	3,466,181	(4,258,703)
Cash flows from investing activities		
Purchase of property and equipment	(5,761,398)	(5,262,858)
Investments in SoCal Facilities, LLC	(75,115)	-
Distributions from SoCal Facilities, LLC	-	140,304
Reinvestment of investment income	(1,777,847)	(1,792,246)
Purchases of investments	(58,216,447)	(32,490,742)
Sales of investments	57,953,768	44,339,027
Net cash flows (used in) provided by investing activities	(7,877,039)	4,933,485

See notes to financial statements.

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA**
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from financing activities		
Principal payments on note payable – Coast Community College District (CCCD)	(750,000)	(750,000)
Net cash flows used in financing activities	(750,000)	(750,000)
Net change in cash and cash equivalents	(5,160,858)	(75,218)
Cash and cash equivalents, beginning	6,974,680	7,049,898
Cash and cash equivalents, ending	\$ 1,813,822	\$ 6,974,680
Supplemental schedule of noncash financing activities		
Noncash change in operating lease liabilities from modification of existing leases	\$ 161,999	\$ 46,075
Noncash change in operating lease right-of-use asset from modification of existing leases	\$ 161,999	\$ 46,075
Noncash change in operating lease liabilities from termination of an existing lease	\$ 179,562	\$ -
Noncash change in operating lease right-of-use asset from termination of an existing lease	\$ 168,639	\$ -
Noncash change in operating lease right-of-use asset and operating lease liabilities from measurement of new lease	\$ -	\$ 121,231

See notes to financial statements.

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – GENERAL

Public Media Group of Southern California (“PMGSC” or the “Organization”) owns and operates the primary PBS channels in the region: PBS SoCal (KOCE 50.1) and PBS SoCal Plus (28.1).

PMGSC channels are the home of award winning, original local arts, culture and news programming, along with PBS programming. The Organization delivers the entire PBS schedule, including popular and acclaimed hit drama series and crucial educational resources.

The Organization is an important cultural and educational institution for the community. Its mission is to strengthen the fabric of our communities and enrich the lives of all Southern Californians by delivering media for the public good. It delivers on this mission by providing distinctive PBS programming, locally produced, award winning programs such as Artbound, Lost LA, EarthFocus and Variety: Actors on Actors, as well as person-to-person experiences in the classroom and in the community, diverse cultural and community partnerships, and content that is for, about and by Southern Californians.

PMGSC manages seven local channels that reach nearly 19 million people across six diverse counties – Los Angeles, Orange, Riverside, San Bernardino, Ventura and Santa Barbara – across all distribution platforms including: broadcast (over-the-air), OTT streaming devices (Roku, FireTV), the PBS Passport app and digitally through our websites and YouTube.

PMGSC is a locally operated non-profit organization committed specifically to serving the Southern California community, and its primary sources of revenue are contributions from membership of local individuals, as well as grants and contributions from foundations, corporations, and the Corporation for Public Broadcasting (CPB). See Note 14 for additional information.

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The accompanying financial statements include the statements of financial position that present amounts for each of the two classes of net assets: without donor restrictions and with donor restrictions. These net assets are classified based on the existence or absence of donor-imposed restrictions and any changes in these classifications are reflected in the statement of activities.

Net assets without donor restrictions are either not restricted by donors or the donor-imposed restrictions have been fulfilled. Net assets with donor restrictions include those assets whose use by the Organization has been limited by donors to later periods of time, in perpetuity, or for specified purposes. The investment return from assets held in perpetuity may be used for purposes as specified by the donor or, if the donor has not specified a purpose, for purposes approved by the board of trustees.

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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Contributions and Revenue Recognition

The Organization records as revenue the following types of contributions under Financial Accounting Standards Board (FASB) ASC 958-605 when they are received unconditionally at their estimated fair value: cash, promises to give (pledges in the form of grants and contracts), and gifts of long-lived and other assets. Contributions received are recorded as with or without restrictions depending on the existence and/or nature of any donor restrictions. Conditional contributions are recorded as support in the period the condition is met. Such contributions are required to be reported as donor-restricted support and are reclassified to net assets without donor restrictions upon expiration of the restriction, usually when the funds are spent. Pledges for future contributions are recognized and recorded as receivables at their estimated realizable value in the year for which they are promised to the Organization.

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Revenue Recognition (Continued)

Conditional promises to give that are conditioned upon future events or future matching are not recorded until the condition has been satisfied. If funds are received from such gifts, they are recorded as refundable advances until the condition is satisfied. When the condition has been satisfied, the gift is recognized as either with or without donor restrictions, depending on the intent of the donor. As of June 30, 2025 and 2024, there were no conditional contributions that were not recognized in the accompanying statement of activities.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to permanent endowments or other long-term purposes are excluded from this definition.

Grants Receivable

Grants receivable consist primarily of monies due for grants. The following is a schedule by years of when these grants receivable are expected to be collected:

<u>Year Ending June 30,</u>	
2026	\$ 3,644,065
2027	552,000
2028	<u>150,000</u>
Total	<u>\$ 4,346,065</u>

There was no allowance established at June 30, 2025 and 2024, as all outstanding grants were deemed collectible by management.

Contributions Receivable

Contributions receivable consist primarily of unconditional promises to give. There was no allowance established at June 30, 2025 as all outstanding promises to give were deemed collectible by management.

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist primarily of monies due for underwriting services. Credit losses are provided for in the financial statements based on management's evaluation of historical collection trends, the age of outstanding receivables, and existing economic conditions. Although the Organization expects to collect amounts due, actual collections may differ from estimated amounts.

The Organization offsets gross accounts receivable with an allowance for credit losses. The allowance for credit losses is the Organization's best estimate of the amount of probable credit losses in the Organization's existing accounts receivable and is based upon historical loss patterns, the number of days that billings are past due, and an evaluation of the potential risk of loss associated with specific accounts. The Organization reviews and updates, when necessary, its historical risk characteristics that are meaningful to estimating credit losses, any new risk characteristics that arise in the natural course of business and the estimated life of its financial assets. Account balances are charged against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Provisions for allowances for credit losses are recorded in general and administrative expenses.

The allowance for credit losses as of June 30, 2025 was \$54,667, and the change in the allowance for credit losses during the year ended June 30, 2025 was \$11,550.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return (loss) is reported in the statement of activities as increases or decreases in net assets with or without donor restrictions.

Dividend and interest income are accrued when earned. Interest and investment income and dividends are presented net of related investment expenses.

Intangible Asset – Broadcast License

The Organization owns several public broadcast licenses, which management has determined all have indefinite lives. One such license was acquired on November 1, 2004 and stated at fair market value at the date of acquisition. As of June 30, 2025 and 2024, the broadcast license, net of purchase price allocation discounts of \$10,261,661, amounted to \$16,238,339. Through June 30, 2010, the Organization applied the amortization guidance in U.S. GAAP to their license and recorded accumulated amortization of \$2,298,764. Effective July 1, 2010, the Organization conformed with a change in U.S. GAAP and stopped amortizing their license. Other public broadcast licenses were obtained at no cost and no value has been attributed to them.

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value at the date of the donation, less accumulated depreciation. Depreciation and amortization is computed, using the straight-line method over the estimated useful lives of the various classes of assets as follows:

Leasehold improvements	Lesser of useful life or term of lease
Broadcasting equipment	5 to 20 years
Office furniture, fixtures, production equipment and automobiles	5 to 10 years

Contributions received that contain donor restrictions for capital projects are classified as net assets with donor restrictions; those restrictions expire when the capital projects are placed in service.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. At the time of retirement or disposition of property and equipment, the cost and related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is reflected in the change in net assets.

Impairment of Long-lived Assets

Impairment losses are recorded on long-lived assets and intangible assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Management has determined that no indicators of impairment have occurred during the years ended June 30, 2025 and 2024.

Leases

Lease obligations consists of transmission sites, equipment and facilities operating leases used in operations. For any lease with an initial term in excess of 12 months, the related lease assets and liabilities are recognized on the statement of financial position as either operating or finance leases at the inception of an agreement where it is determined that a lease exists. Lease and non-lease components, where the payment is based on a fixed amount, index or rate, are separated and allocated based on their stand-alone price for all classes of assets. Non-lease components, where the payment is not based on a fixed amount, index or rate are excluded from the calculation of the lease liability and right of use asset are accounted for based on the underlying principles of the incurred charges.

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Organization has elected the practical expedient that permits an entity not to recognize short-term leases on the statement of financial position. As this practical expedient has been elected, leases with an initial term of 12 months or less are not recorded on the statement of financial position; lease expense for these leases is recognized on a straight-line basis over the lease term.

Operating lease assets represent the right to use an underlying asset for the lease term and operating lease liabilities represent the obligation to make lease payments arising from the lease. These assets and liabilities are recognized based on the present value of future payments over the lease term at the commencement date. Since the leases generally do not provide an implicit rate, the Organization uses the risk-free rate for a period comparable to the lease term published by U.S. Treasury on the lease commencement date. Subsequent to adoption, operating lease assets include prepaid lease payments and initial direct costs and are reduced by lease incentives. Lease terms generally do not include options to extend or terminate the lease unless it is reasonably certain that the option will be exercised. Fixed payments may contain predetermined fixed rent escalations. The Organization recognizes the related rent expense on a straight-line basis from the commencement date to the end of the lease term.

Advances

Amounts collected in advance of services provided by the Organization are reflected as advances in the accompanying statement of financial position.

Production Costs and Grants

Production costs are expensed as incurred. Direct production costs are funded by grants from individuals, corporations, foundations and federal, state and other governmental agencies. Under certain conditions, amounts received under these types of grants are recorded as advances and recognized as revenue as the related costs are incurred. Otherwise, all other grants are recorded as contributions and are accounted for as described above.

Amounts received under these arrangements are reported in the accompanying statements of activities as contributions, grants and contracts, along with other contributions received by the Organization.

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Contributions

Contributed nonfinancial assets included donated professional services and other in-kind contributions, which are recorded in the accompanying statements at their respective fair values of the goods or services received. Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Other volunteer services that do not meet the recognition criteria prescribed by U.S. GAAP are not recognized in the financial statements, as there is no objective basis of deriving their value. Contributed nonfinancial assets are recorded at fair value at the date of donation. See Note 8 for more details.

Split-interest Agreements

The Organization is the beneficiary of charitable remainder trusts, for which its beneficial interest is expressed as either a percentage or a dollar amount of the trusts' assets' fair value. Trust assets are recorded at net present value, discounted using a market interest rate at each year end and an annual yield over the remaining life expectancy of the donors.

The Organization is also the beneficiary of charitable gift annuities, which the Organization records as assets, although these assets are held in a custodial account at a financial institution. The Organization records these assets, which are held as investments, at fair value at each year end, and records an annuity payment liability for an amount equal to the present value of the estimated future cash flows to be distributed to the income beneficiaries over their expected lives. The difference between the fair value of the assets received and the annuity payment liability is recognized as revenue.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include lease expenses, repairs and maintenance, general office equipment rentals and purchases, office supplies, professional fees, utilities, depreciation and amortization, which are allocated based on an employee head count as of a specific date, typically at the mid-point of the fiscal year.

Advertising Costs

The Organization expenses advertising and promotional costs as incurred.

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from taxation under Internal Revenue Code §501(c)(3) and California Revenue and Taxation Code §23701(d) and is generally not subject to federal or state income taxes.

However, the Organization is subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption; the Organization does engage in certain activities that are statutorily defined as unrelated business.

U.S. GAAP clarifies the accounting for uncertainty in income taxes. U.S. GAAP prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. U.S. GAAP requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. U.S. GAAP also provides guidance related to derecognition, classification, interest and penalties, accounting in interim periods and disclosure. During the years ended June 30, 2025 and 2024, the Organization performed an evaluation of uncertain tax positions and did not have any matters that require recognition in the financial statements or which may have an effect on its tax-exempt status.

NOTE 3 – FAIR VALUE MEASUREMENTS AND INVESTMENTS

As defined in FASB Accounting Standards Codification (“ASC”) Topic No. 820, “Fair Value Measurements and Disclosures” (“ASC 820”), fair value is the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses the market or income approach. Based on this approach, the Organization utilizes certain assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and the reliability of the information used to determine fair values.

**PUBLIC MEDIA GROUP OF
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NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Following are descriptions of the valuation methodologies used for assets measured at fair value:

Equity, Money Market, Public Equity and Fixed Income Securities – Government Bonds

The fair value of equity, money market, public equity and government bonds is the market value based on quoted prices for identical assets in an active market. They are classified within Level 1 of the fair value hierarchy.

Registered Investment Companies

The fair value of registered investment companies is at the daily closing price as reported by the fund. Registered investment companies held by the Organization are open-end registered investment companies that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (“NAV”) and to transact at that price. The registered investment companies held by the Organization are deemed to be actively traded.

Fixed Income Securities – Corporate Bonds

The fair value of corporate bonds is generally priced by independent pricing services and are based on observable market inputs rather than market quotes. They are classified within Level 2 of the fair value hierarchy.

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NOTE 3 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

Beneficial Interests in Charitable Remainder Trusts

The Organization's beneficial interest in charitable remainder trusts is expressed as either a percentage or a dollar amount of the trusts' assets' fair value. The present value of the remainder is revalued each year end based on the trusts' assets, current fair market value, current market interest rate (5.0% and 5.6% as of June 30, 2025 and 2024, respectively), and an annual yield of 7% over the remaining life expectancy of the donors.

Beneficial interests in charitable remainder trusts are classified within Level 3 of the fair value hierarchy.

Charitable Gift Annuities

For charitable gift annuities, Organization's future payment liability is recorded in the statement of financial position as charitable gift annuities payable. Corresponding assets are held and recorded as investments, with any contribution in excess of the initial liability recognized as contribution revenue. The liability for each gift annuity is revalued each year under actuarial tables and market interest rates.

The current market interest rate used at June 30, 2025 and 2024 was 5.0% and 5.6%, respectively. Charitable gift annuities payable are classified within Level 3 of the fair value hierarchy.

The Organization received \$117,476 under charitable gift annuities in prior years and these investments have a carrying amount of \$207,244 and \$194,428 as of June 30, 2025 and 2024, respectively. In accordance with the terms of the agreements, the Organization pays annual annuities of approximately \$28,000 to the donors during the remainder of their lives. As of June 30, 2025 and 2024, the annuities payable totaled \$126,602 and \$135,763, respectively.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**PUBLIC MEDIA GROUP OF
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NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

The following tables set forth, by level within the fair value hierarchy, the Organization’s investment assets at fair value as of June 30, 2025. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Money market funds	\$ 283,238	\$ -	\$ -	\$ 283,238
Equity securities	3,069,801	-	-	3,069,801
Fixed income securities				
- government bonds	112,395	-	-	112,395
Fixed income securities				
- corporate bonds	-	31,678,033	-	31,678,033
Registered investment companies	83,154	-	-	83,154
Public equity	<u>33,669,759</u>	<u>-</u>	<u>-</u>	<u>33,669,759</u>
 Total investments	 <u>37,218,347</u>	 <u>31,678,033</u>	 <u>-</u>	 <u>68,896,380</u>
 Other financial assets				
Beneficial interest in charitable remainder trust	<u>-</u>	<u>-</u>	<u>659,373</u>	<u>659,373</u>
 Total assets	 <u>\$ 37,218,347</u>	 <u>\$31,678,033</u>	 <u>\$ 659,373</u>	 <u>\$69,555,753</u>
 Financial liabilities				
Charitable gift annuities payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (126,602)</u>	<u>\$ (126,602)</u>
 Total liabilities	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ (126,602)</u>	 <u>\$ (126,602)</u>

**PUBLIC MEDIA GROUP OF
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NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

The following tables set forth, by level within the fair value hierarchy, the Organization's investment assets at fair value as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments				
Money market funds	\$ 1,055,051	\$ -	\$ -	\$ 1,055,051
Equity securities	3,144,845	-	-	3,144,845
Fixed income securities				
- government bonds	98,306	-	-	98,306
Fixed income securities				
- corporate bonds	-	24,743,720	-	24,743,720
Registered investment companies	87,257	-	-	87,257
Public equity	<u>33,966,443</u>	<u>-</u>	<u>-</u>	<u>33,966,443</u>
 Total investments	 <u>38,351,902</u>	 <u>24,743,720</u>	 <u>-</u>	 <u>63,095,622</u>
 Other financial assets				
Beneficial interest in charitable remainder trust	<u>-</u>	<u>-</u>	<u>616,534</u>	<u>616,534</u>
 Total assets	 <u>\$ 38,351,902</u>	 <u>\$24,743,720</u>	 <u>\$ 616,534</u>	 <u>\$ 63,712,156</u>
 Financial liabilities				
Charitable gift annuities payable	\$ -	\$ -	\$ (135,763)	\$ (135,763)
 Total liabilities	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ (135,763)</u>	 <u>\$ (135,763)</u>

**PUBLIC MEDIA GROUP OF
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NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

The following table summarizes the Organization’s financial assets which are valued using the fair value practical expedient of net asset value as of June 30, 2025.

<u>Investment</u>	<u>Number of Investments</u>	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Hedge funds	2	\$ 4,942,774	(a)	(a)
Private equity	10	5,592,510	(b)	(b)
Other pooled investment funds	5	<u>2,028,314</u>	(c)	(c)
Total		<u>\$ 12,500,598</u>		

- (a) The fair value of hedge funds has been estimated using net asset values per share of the investments and can be redeemed quarterly depending on share class with a 65-day, 90-day or 91-day notice period, respectively. Restrictions include full redemption over four quarters (1 year).
- (b) The fair value of private equity investments without a readily determinable fair value, are generally valued at net asset value per share, or its equivalent, such as member units or an ownership interest in partner’s capital, as a practical expedient. Investments in private equity companies are not readily redeemable; however, a secondary market does exist. Distributions normally are received through the liquidation of the underlying assets in the fund.
- (c) The fair value of other pooled investment funds (i.e., limited partner or non-managing member interests (“LP/LLC Interests”)) without a readily determinable fair value, are generally valued at net asset value per share, or its equivalent, such as member units or an ownership interest in partner’s capital, as a practical expedient. Investments in other pooled investment funds are not readily redeemable; however, a secondary market does exist. Distributions normally are received through the liquidation of the underlying assets in the fund.

**PUBLIC MEDIA GROUP OF
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NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

Investments consisted of the following at June 30, 2025 and 2024:

	2025	2024
Endowment investments	\$ 16,672,494	\$ 15,030,953
Investments available for general operations	64,283,472	58,692,333
Charitable gift annuities	207,244	194,428
	\$81,163,210	\$ 73,917,714

For the years ended June 30, 2025 and 2024, the change in investments and related liabilities classified as Level 3 are as follows:

	Beneficial Interest in Charitable Remainder Trust	Charitable Gift Annuities Payable
Balance, June 30, 2023	\$ 537,494	\$ 139,488
Payments	-	(6,835)
Change in value	79,040	3,110
Balance, June 30, 2024	616,534	135,763
Payments	-	(5,180)
Change in value	42,839	(3,981)
Balance, June 30, 2025	\$ 659,373	\$ 126,602

The following table represents the Organization's Level 3 financial instruments for the year ended June 30, 2025, the valuation technique used to measure the fair value of the financial instruments, and the significant unobservable inputs and the ranges of values for those inputs:

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range
Beneficial interest in charitable remainder trust	\$ 659,373	Income Approach	Discount Rate	7%
Charitable gift annuities payable	\$ 126,602	Disbursement Approach	Discount Rate	5.0%

**PUBLIC MEDIA GROUP OF
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NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

The following table represents the Organization’s Level 3 financial instruments for the year ended June 30, 2024, the valuation technique used to measure the fair value of the financial instruments, and the significant unobservable inputs and the ranges of values for those inputs:

<u>Instrument</u>	<u>Fair Value</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>	<u>Range</u>
Beneficial interest in charitable remainder trust	\$ 616,534	Income Approach	Discount Rate	7%
Charitable gift annuities payable	\$ 135,763	Disbursement Approach	Discount Rate	5.6%

NOTE 4 – CONCENTRATIONS OF RISK

Concentration of Credit Risk

Certain financial instruments held by the Organization potentially subject the Organization to concentrations of credit risk. Financial instruments which potentially subject the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents, investments, grants receivable, accounts receivable and contribution revenues. Cash and cash equivalents and investments are placed with high-credit, quality financial institutions.

Cash and Cash Equivalents

The Organization maintains its cash and cash equivalent balances in several financial institutions that, from time to time, exceed amounts insured by the Federal Deposit Insurance Corporation. Deposits held in noninterest-bearing transaction accounts are aggregated with any interest-bearing deposits the owner may hold in the same ownership category and the combined total insured up to at least \$250,000. The Organization utilizes deposit accounts that sweep funds into partner banking institutions in unique \$250,000 increments to reduce its FDIC uninsured risk. The organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments

The Organization maintains its investments in several financial institutions that, from time to time, exceed amounts covered by the Securities Investor Protection Corporation (“SIPC”). The limit of SIPC protection is \$500,000, which includes a \$250,000 limit in cash. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk.

**PUBLIC MEDIA GROUP OF
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NOTES TO FINANCIAL STATEMENTS**

NOTE 4 – CONCENTRATIONS OF RISK (Continued)

Contribution Revenue

The Organization receives grants from individuals, corporations, and federal, state, and local governmental agencies. The Organization has developed long-term relationships with many of its grantors and continually evaluates their financial position to determine the risk of uncollectible grants. In recent history, uncollectible grants have not been significant to the financial position of the Organization.

NOTE 5 – PROPERTY AND EQUIPMENT

As of June 30, 2025 and 2024, property and equipment consisted of the following:

	2025	2024
Leasehold improvements	\$ 20,858,373	\$ 16,917,405
Broadcasting equipment	12,052,844	15,938,574
Office furniture, fixtures, computers, production equipment and automobiles	5,106,786	8,245,523
	38,018,003	41,101,502
Less accumulated depreciation and amortization	(27,089,875)	(35,457,035)
Net depreciable property and equipment	10,928,128	5,644,467
Construction-in-process	1,199,485	2,525,803
Total	\$ 12,127,613	\$ 8,170,270

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of June 30, 2025 and 2024, accounts payable and accrued expenses consisted of the following:

	2025	2024
Accounts payable	\$ 1,744,818	\$ 1,920,554
Accrued vacation	1,277,170	1,238,314
Accrued payroll	839,107	755,501
Other accrued expenses	58,913	25,479
Total	\$ 3,920,008	\$ 3,939,848

**PUBLIC MEDIA GROUP OF
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NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – NOTES PAYABLE

In connection with the purchase of the KOCE Station’s broadcasting license and related equipment in November 2004, KOCE paid \$1,300,000 in cash and acquired financing from a financial institution for \$6,700,000. The remaining balance was financed by Coast Community College District (CCCD) through a secured, noninterest-bearing note payable in the amount of \$20,000,000. Imputed interest on the note payable amounts to \$10,261,660 based on the equivalent financing rate available to KOCE at the time of acquisition of LIBOR (2.02% on November 1, 2004) plus 2.75%. For the years ended June 30, 2025 and 2024, the Organization amortized \$282,941 and \$305,180 of the discount to interest expense, respectively. The note is payable in quarterly cash payments of \$187,500 until the note is paid off on August 1, 2034.

Future minimum annual payments under these notes payable are as follows:

<u>Year Ending June 30,</u>		
2026	\$	750,000
2027		750,000
2028		750,000
2029		750,000
2030		750,000
Thereafter		<u>3,188,500</u>
Total future payments		6,938,500
Less total discount on CCCD note payable		<u>(1,343,324)</u>
Total		5,595,176
Less current portion		<u>(750,000)</u>
Long-term portion		<u>\$ 4,845,176</u>

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NOTES TO FINANCIAL STATEMENTS**

NOTE 8 – IN-KIND CONTRIBUTIONS

For the years ended June 30, 2025 and 2024, contributed nonfinancial assets recognized within the statement of activities included the following:

	2025	2024
Advertising expenses	\$ 29,481	\$ 161,608

Contributed advertising is valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed advertising is used for general and administrative purposes.

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2025 and 2024, net assets with donor restrictions are restricted for the following purposes:

	2025	2024
Subject to expenditure for specified purposes:		
Productions	\$ 3,626,239	\$ 5,471,130
Education	2,325,493	780,000
Capital expenditures and special projects	2,357,263	-
Beneficial interest in charitable remainder trust	659,373	616,534
Charitable gift annuities, net	87,924	87,052
Total	9,056,292	6,954,716
Gifts subject to restrictions in perpetuity:		
General operations	10,042,269	10,042,269
Unappropriated endowment earnings	6,630,225	4,988,684
Total	16,672,494	15,030,953
Total assets with donor restrictions	\$ 25,728,786	\$ 21,985,669

**PUBLIC MEDIA GROUP OF
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NOTES TO FINANCIAL STATEMENTS**

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During the years ended June 30, 2025 and 2024, net assets released from donor restrictions by incurring expenses satisfying the restricted purposes are as follows:

	2025	2024
Productions	\$ 5,679,390	\$ 7,250,999
Education	1,411,875	1,338,299
Capital expenditures and special projects	3,796,485	-
Charitable gift annuities	5,180	6,835
Total	\$ 10,892,930	\$ 8,596,133

NOTE 10 – ENDOWMENT INVESTMENTS

Endowment investments are comprised of funds established by donors to provide funding for the Organization’s general operations. The earnings of the endowment funds support the mission of the Organization.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in net assets without donor restrictions, but there were no such deficiencies as of June 30, 2025 and 2024.

As of June 30, 2025 and 2024, the Organization had the following endowment net asset composition by type of fund:

	2025	2024
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ 10,042,269	\$ 10,042,269
Accumulated investment gains	6,630,225	4,988,684
	\$ 16,672,494	\$ 15,030,953

**PUBLIC MEDIA GROUP OF
SOUTHERN CALIFORNIA
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 – ENDOWMENT INVESTMENTS (Continued)

During the years ended June 30, 2025 and 2024, the donor-restricted endowment funds had the following activity:

Balance at June 30, 2023	\$ 13,326,912
Net investment return	<u>1,704,041</u>
Balance at June 30, 2024	15,030,953
Net investment return	<u>1,641,541</u>
Balance at June 30, 2025	<u>\$ 16,672,494</u>

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization's endowment spending policy is based on the trailing market value of its endowment. The total annual distribution to be made from the fund each year shall not exceed 5% of the total fair market value of the fund, less all liabilities and accrued expenses of the fund. The spending rate will be applied to a twelve-quarter rolling average fair market value of the fund. After consultation with the Organization's finance committee and investment committee, the administrator may decide not to make a distribution from the fund.

The spending policy is reviewed by the finance committee and investment committee of the board of trustees periodically. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts. The Organization considers the following factors in making a determination to appropriate funds for distribution:

1. The duration and preservation of the fund
2. The purposes of the donor-restricted endowment funds
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

**PUBLIC MEDIA GROUP OF
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NOTES TO FINANCIAL STATEMENTS**

NOTE 10 – ENDOWMENT INVESTMENTS (Continued)

Return Objectives and Risk Parameters

As delegated authority by the full board, the finance committee and investment committee of the board has adopted investment policies that govern the management and oversight of the endowment funds and other investments. The policies set forth the objectives for the investments of the Organization, the strategies to achieve the objectives, procedures for monitoring and control, and the delineation of responsibilities for the finance committee, investment committee, consultant, investment managers, staff, and custodian in relation to the portfolio. The policies are intended to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while at the same time setting forth reasonable risk control parameters that a prudent person would take in the execution of the investment program. Investment assets are managed on a total return basis, with emphasis on both preservation of capital and acceptance of investment risk necessary to achieve favorable performance on a risk-adjusted basis.

Investment Policy

The Organization’s primary investment objective is to provide for distributions and to preserve capital, adjusted for the rate of inflation as determined by the Consumer Price Index. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy, in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization has chosen a diversified asset allocation that targets 60% of equity-based investments and 40% of cash and fixed-income investments. Within the equity-based portion of the portfolio, the Organization has additionally allocated investments between large-capitalization and small/mid-capitalization investments, between growth and value objectives, and between domestic and international investments.

NOTE 11 – AVAILABLE RESOURCES AND LIQUIDITY

The following table reflects the Organization’s financial assets as of June 30, 2025 and 2024, that are without donor or other contractual restrictions limiting their use and are available to meet general expenditures within one year of the date of the statement of financial position.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,813,822	\$ 6,974,680
Investments available for general operations	64,490,716	58,886,761
Less alternative investments that have redemption restrictions	(12,500,598)	(11,751,732)
Less charitable gift annuities	(207,244)	(194,428)
Accounts receivable, net	<u>340,580</u>	<u>843,405</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 53,937,276</u>	<u>\$ 54,758,686</u>

**PUBLIC MEDIA GROUP OF
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NOTES TO FINANCIAL STATEMENTS**

NOTE 11 – AVAILABLE RESOURCES AND LIQUIDITY (Continued)

Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

When establishing the budget for each year, the Organizations' management and directors evaluate financial assets available to meet general expenditures over the next twelve months and the following sources of earned revenue:

Individual giving revenues:	Estimated on historical giving data
Grant revenues:	Estimated grants awarded and to be awarded from historical data
Corporate Sponsorship:	Estimated from historical data
Facility and other rental income:	Estimated based off on signed contracts

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Operating Leases

Lease term and discount rate for operating leases were as follows:

Weighted-average remaining lease term	8.57 years
Weighted-average discount rate	3.54%

The Organization leases certain transmission sites, equipment and facilities under noncancelable lease agreements. The leases expire on various dates through February 2051 and require minimum monthly payments of \$312,020.

**PUBLIC MEDIA GROUP OF
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NOTE 12 – COMMITMENTS AND CONTINGENCIES (Continued)

Operating Leases (Continued)

The following is a schedule by years of undiscounted future minimum lease payments as of June 30, 2025:

<u>Year Ending June 30,</u>	<u>Transmitter Leases</u>	<u>Equipment Leases</u>	<u>Facilities Leases</u>	<u>Total</u>
2026	\$ 180,393	\$ 300,893	\$ 3,321,773	\$ 3,803,059
2027	187,298	311,424	3,421,387	3,920,109
2028	194,470	322,324	3,523,990	4,040,784
2029	201,918	333,605	3,629,650	4,165,173
2030	209,655	345,281	3,738,542	4,293,478
Thereafter	<u>2,508,957</u>	<u>2,124,933</u>	<u>6,380,157</u>	<u>11,014,047</u>
Total lease payments	3,482,691	3,738,460	24,015,499	31,236,650
Less: Interest	<u>(918,324)</u>	<u>(564,597)</u>	<u>(2,841,344)</u>	<u>(4,324,265)</u>
Present value of lease liabilities	<u>\$ 2,564,367</u>	<u>\$ 3,173,863</u>	<u>\$ 21,174,155</u>	<u>\$ 26,912,385</u>

For the years ended June 30, 2025 and 2024, total transmission sites, equipment and facilities and equipment rent expense amounted to \$3,842,145 and \$3,645,142, respectively.

The Organization also leases airspace and transmitters under noncancelable lease agreements. The leases expire on various dates through July 2027 and requires minimum monthly payments to the Organization of \$119,781.

Future minimum payments due from lessees and sublessees under noncancelable leases with initial terms of one year or more at June 30, 2025 were as follows:

<u>Year Ending June 30,</u>	<u>Airspace Lease</u>	<u>Transmitter Subleases</u>	<u>Total</u>
2026	\$ 609,639	\$ 413,868	\$ 1,023,507
2027	609,639	-	609,639
2028	<u>50,803</u>	<u>-</u>	<u>50,803</u>
Total	<u>\$ 1,270,081</u>	<u>\$ 413,868</u>	<u>\$ 1,683,949</u>

For the years ended June 30, 2025 and 2024, total airspace, transmitter, and facilities rental income amounted to \$1,400,031 and \$2,361,568, respectively.

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NOTE 12 – COMMITMENTS AND CONTINGENCIES (Continued)

Reimbursement of Shared Costs

The Organization subleases bandwidth from their broadcasting license to an unrelated third party. The Organization is reimbursed by the third party for all direct and certain indirect costs incurred for the use of the bandwidth. During the years ended June 30, 2025 and 2024, the Organization received \$128,004 and \$159,279, respectively, in reimbursed costs, which are recorded as an offset to broadcasting expenses in the accompanying statements of activities.

Litigation

The Organization, from time to time, is involved in certain legal matters which arise in the normal course of operations. Management believes that the resolution of such matters will not have a material adverse effect on the financial position of the Organization.

NOTE 13 – RETIREMENT PLAN

All employees are able to participate in the Teachers' Insurance and Annuity Association and College Retirement Equity Fund defined-contribution plan, which includes an employer match. For the years ended June 30, 2025 and 2024, the Organization's contribution expenses amounted to \$472,172 and \$512,108, respectively.

NOTE 14 – SUBSEQUENT EVENTS

In July 2025, federal funding that supports public broadcasting through the Corporation for Public Broadcasting (CPB) was eliminated by the U.S. Congress effective October 1, 2025. The elimination of CPB funding is expected to have a broad range of impacts across the PBS system and on local stations. Management is actively monitoring the effects of these changes on the Organization including the production, availability, cost of programming and distribution. CPB funding provided directly to the Organization was \$5,594,837 and \$4,019,513 for the years ended June 30, 2025 and 2024, respectively.

Management has evaluated all activity through December 9, 2025 (the issuance date of the financial statements), and concluded that, other than the matter discussed above, no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.