PUBLIC MEDIA GROUP OF SOUTHERN CALIFORNIA DBA PBS SOCAL

FINANCIAL REPORT

JUNE 30, 2024

PUBLIC MEDIA GROUP OF SOUTHERN CALIFORNIA
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SingerLewak
Accountants & Consultants

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, 2024, 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, 2024, 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 issued or 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 5, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Singer Lewak LLP

December 16, 2024

PUBLIC MEDIA GROUP OF SOUTHERN CALIFORNIA

STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	2024	2023
Current assets		
Cash and cash equivalents	$ 6,974,680	$ 7,049,898
Escrow fund	303,606	291,870
Investments	58,886,761	63,798,699
Grants receivable	554,550	4,131,354
Accounts receivable, net	843,405	749,751
Tenant improvement allowance receivable	2,512,274	3,998,775
Prepaid expenses and other assets	977,636	984,600
Total current assets	71,052,912	81,004,947
Noncurrent assets		
Grants receivable	129,000	279,000
Beneficial interest in charitable remainder trusts	616,534	537,494
Investment in partnership	10,640	10,640
Investment in SoCal Facilities, LLC	1,332,720	1,473,024
Broadcasting license, net	13,939,575	13,939,575
Other intangible assets, net	1,230,000	1,230,000
Property and equipment, net	8,170,270	4,666,552
Right of use assets - operating	24,208,524	26,500,784
Deposits	341,852	465,877
Endowment investments	15,030,953	13,326,912
Total noncurrent assets	65,010,068	62,429,858
Total assets	**$ 136,062,980**	**$ 143,434,805**

See notes to financial statements.

LIABILITIES AND NET ASSETS

	2024	2023
Current liabilities		
Accounts payable and accrued expenses	$ 3,939,848	$ 4,080,057
Notes payable	750,000	750,000
Charitable gift annuities payable	65,054	59,300
Advances	172,988	249,902
Operating lease liabilities	1,987,281	1,773,774
Total current liabilities	6,915,171	6,913,033
Noncurrent liabilities		
Notes payable	5,312,235	5,757,055
Operating lease liabilities	27,117,562	29,198,424
Charitable gift annuities payable	70,709	80,188
Total noncurrent liabilities	32,500,506	35,035,667
Total liabilities	39,415,677	41,948,700
Net assets		
Without donor restrictions	74,661,634	76,509,096
With donor restrictions	21,985,669	24,977,009
Total net assets	96,647,303	101,486,105
Total liabilities and net assets	**$ 136,062,980**	**$ 143,434,805**

See notes to financial statements.

PUBLIC MEDIA GROUP OF SOUTHERN CALIFORNIA

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Contributions, grants, and contracts	$ 30,515,116	$ 3,900,752	$ 34,415,868	$ 32,057,627	$ 1,644,258	$ 33,701,885
In-kind contributions	161,608	-	161,608	354,113	-	354,113
Facility and other rental income	2,361,568	-	2,361,568	3,249,387	-	3,249,387
Net investment return	7,140,453	1,704,041	8,844,494	5,761,560	1,314,352	7,075,912
Educational programs	55,733	-	55,733	341,250	-	341,250
Other	373,518	-	373,518	476,327	-	476,327
Net assets released from restrictions	8,596,133	(8,596,133)	-	7,153,957	(7,153,957)	-
Total support and revenue	49,204,129	(2,991,340)	46,212,789	49,394,221	(4,195,347)	45,198,874
Expenses						
Program services						
Programming and production	14,959,025	-	14,959,025	16,622,102	-	16,622,102
Broadcasting	13,683,038	-	13,683,038	11,727,525	-	11,727,525
Underwriting and grant solicitation	2,816,381	-	2,816,381	2,821,021	-	2,821,021
Total program services	31,458,444	-	31,458,444	31,170,648	-	31,170,648
Supporting services						
Fundraising and development	6,779,512	-	6,779,512	7,785,686	-	7,785,686
General and administrative	12,813,635	-	12,813,635	11,584,949	-	11,584,949
Total supporting services	19,593,147	-	19,593,147	19,370,635	-	19,370,635
Total expenses	51,051,591	-	51,051,591	50,541,283	-	50,541,283
Change in net assets	(1,847,462)	(2,991,340)	(4,838,802)	(1,147,062)	(4,195,347)	(5,342,409)
Net assets, beginning	76,509,096	24,977,009	101,486,105	77,656,158	29,172,356	106,828,514
Net assets, ending	**$ 74,661,634**	**$ 21,985,669**	**$ 96,647,303**	**$ 76,509,096**	**$ 24,977,009**	**$ 101,486,105**

See notes to financial statements.

PUBLIC MEDIA GROUP OF SOUTHERN CALIFORNIA
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024
(Summarized Information for the Year Ended June 30, 2023)

	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	2024	2023
Wages, taxes, and benefits	$ 7,068,907	$ 1,721,420	$ 2,265,833	$ 11,056,160	$ 2,038,315	$ 5,528,273	$ 7,566,588	$ 18,622,748	17,488,525
On air programming	1,111,369	7,375,169	16,543	8,503,081	13,236	-	13,236	8,516,317	7,651,092
Professional fees	1,458,210	695,753	247,613	2,401,576	917,764	1,599,954	2,517,718	4,919,294	5,776,680
Lease expenses	247,601	891,596	72,956	1,212,153	195,795	2,237,194	2,432,989	3,645,142	3,669,149
Contracted production services	2,832,771	-	-	2,832,771	-	-	-	2,832,771	2,553,534
Mail processing and printing	-	-	10,163	10,163	1,930,995	-	1,930,995	1,941,158	1,867,000
Depreciation and amortization	337,169	805,241	18,662	1,161,072	34,831	563,237	598,068	1,759,140	2,521,449
Advertising	414,918	-	-	414,918	2,150	1,170,933	1,173,083	1,588,001	1,604,727
General office supplies and equipment	410,132	173,923	49,199	633,254	775,830	177,542	953,372	1,586,626	1,663,018
Utilities	122,740	853,037	31,814	1,007,591	55,620	297,776	353,396	1,360,987	1,294,450
Other	350,772	40,237	31,609	422,618	741,980	183,627	925,607	1,348,225	1,456,795
Engineering infrastructure	395,243	588,156	-	983,399	3,475	-	3,475	986,874	987,940
Travel	193,838	44,508	68,516	306,862	61,185	388,498	449,683	756,545	826,177
Insurance	-	-	-	-	-	546,531	546,531	546,531	496,107
Repairs and maintenance	15,355	188,818	3,473	207,646	8,336	120,070	128,406	336,052	358,279
Interest	-	305,180	-	305,180	-	-	-	305,180	326,361
Total expenses by function	**$ 14,959,025**	**$ 13,683,038**	**$ 2,816,381**	**$ 31,458,444**	**$ 6,779,512**	**$ 12,813,635**	**$ 19,593,147**	**$ 51,051,591**	**$ 50,541,283**

See notes to financial statements.

PUBLIC MEDIA GROUP OF SOUTHERN CALIFORNIA

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	$ (4,838,802)	$ (5,342,409)
Adjustments to reconcile change in net assets to net cash flows used in operating activities:		
Depreciation and amortization of property and equipment	1,759,140	2,521,449
Allowance for credit losses	(6,000)	-
Amortization of discount on note payable – CCCD	305,180	326,361
Net realized and unrealized gain on investments	(7,131,288)	(5,456,753)
Contributions received in the form of investments	204,106	85,686
Change in value of split-interest agreements	(3,725)	35,423
Noncash lease expense	2,459,566	2,830,616
(Increase) decrease in:		
Escrow fund	(11,736)	(5,534)
Grants receivable	3,726,804	3,997,268
Accounts receivable	(87,654)	(343,696)
Tenant improvement allowance receivable	1,486,501	-
Prepaid expenses and other current assets	6,964	328,510
Deposits	124,025	(79,615)
Increase (decrease) in:		
Accounts payable and accrued expenses	(140,209)	(218,468)
Advances	(76,914)	175,463
Net cash flows used in operating activities	(2,224,042)	(1,145,699)
Cash flows from investing activities		
Purchase of property and equipment	(5,262,858)	(1,885,449)
Distributions from SoCal Facilities, LLC	140,304	56,870
Reinvestment of investment income	(1,792,246)	(1,679,198)
Purchases of investments	(32,490,742)	(24,780,767)
Sales of investments	44,339,027	24,266,298
Net cash flows provided by (used in) investing activities	4,933,485	(4,022,246)

See notes to financial statements.

	2024	2023
Cash flows from financing activities		
Principal payments on note payable – Coast Community College District (CCCD)	(750,000)	(750,000)
Principal payments on operating lease liabilities	(2,034,661)	(4,164,795)
Net cash flows used in financing activities	(2,784,661)	(4,914,795)
Net change in cash and cash equivalents	(75,218)	(10,082,740)
Cash and cash equivalents, beginning	7,049,898	17,132,638
Cash and cash equivalents, ending	**$ 6,974,680**	**$ 7,049,898**
Supplemental schedule of noncash financing activities		
Noncash change in operating lease liabilities at date of adoption of ASC 842	**$ -**	**$ 12,766,875**
Noncash change in operating lease right-of-use asset at the date of adoption of ASC 842	**$ -**	**$ 10,960,057**
Removal of deferred rent and lease incentive at the date of adoption of ASC 842	**$ -**	**$ 1,806,818**
Noncash change in tenant improvement allowance receivable from modification of existing leases	**$ -**	**$ 3,998,775**
Noncash change in operating lease liabilities from modification of existing leases	**$ 46,075**	**$ 22,103,358**
Noncash change in operating lease right-of-use asset from modification of existing leases	**$ 46,075**	**$ 18,104,583**
Noncash change in operating lease right-of-use asset and operating lease liabilities from measurment of new lease	**$ 121,231**	**$ 266,760**

See 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 7 local channels that reach nearly 18 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).

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Contributions and Revenue Recognition</u> (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, 2024 and 2023, there were no conditional contributions that were not recognized in the accompanying statement of activities.

<u>Cash and Cash Equivalents</u>
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.

<u>Grants Receivable</u>
Grants receivable consist primarily of monies due for grants. There was no allowance established at June 30, 2024 and 2023, as all outstanding grants were deemed collectible by management.

<u>Accounts Receivable and Allowance for Credit Losses</u>
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 adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as of July 1, 2023, with the cumulative-effect transition method with the required prospective approach. The measurement of expected credit losses under the current expected credit loss ("CECL") methodology is applicable to financial assets measured at amortized cost, which include accounts receivables and non-current receivables.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Allowance for Credit Losses (Continued)
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, 2024 was $66,217, and the change in the allowance for credit losses during the year ended June 30, 2024 was $6,000.

Prior to adoption of ASU 2016-13, the Organization maintained an allowance for doubtful accounts to reserve for potentially uncollectible receivables. The allowance for doubtful accounts as of June 30, 2023 was $72,217.

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, 2024 and 2023, 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.

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, 2024 and 2023.

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.

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.

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 9 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.

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, 2024 and 2023, 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.

Change in Accounting Principles

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial instruments. The existing incurred loss model will be replaced with a CECL model for both originated and acquired financial instruments carried at amortized cost and off-balance sheet credit exposures, including loans, loan commitments, held-to-maturity debt securities, financial guarantees, net investment in leases, and most receivables. Recognized amortized cost financial assets will be presented at the net amount expected to be collected through an allowance for credit losses. Expected credit losses on off-balance sheet credit exposures will be recognized through a liability.

Expanded disclosures are also required. In November 2018, the FASB issued ASU 2018-19, *Codification Improvements to Topic 326*, *Financial Instruments—Credit Losses*. ASU 2018-19 clarifies that receivables from operating leases are accounted for using the lease guidance and not as financial instruments. The Organization's management has adopted these ASUs effective July 1, 2023. The adoption of these ASUs did not have a material impact on the Organization's financial statements but did require further disclosures.

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.

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.

NOTE 3 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

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.

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 (5.6% and 4.2% as of June 30, 2024 and 2023, 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, 2024 and 2023 was 5.6% and 4.2%, 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 $194,428 and $181,687 as of June 30, 2024 and 2023, 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, 2024 and 2023, the annuities payable totaled $135,763 and $139,488, 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.

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. 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.

	Level 1	Level 2	Level 3	Total
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	33,966,443	-	-	33,966,443
Total investments	38,351,902	24,743,720	-	63,095,622
Other financial assets				
Beneficial interest in charitable remainder trust	-	-	616,534	616,534
Total assets	**$ 38,351,902**	**$24,743,720**	**$ 616,534**	**$63,712,156**
Financial liabilities				
Charitable gift annuities payable	$ -	$ -	$ (135,763)	$ (135,763)
Total liabilities	**$ -**	**$ -**	**$ (135,763)**	**$ (135,763)**

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, 2023:

	Level 1	Level 2	Level 3	Total
Investments				
Money market funds	$ 3,955,893	$ -	$ -	$ 3,955,893
Equity securities	3,159,109	-	-	3,159,109
Fixed income securities - government bonds	19,718,871	-	-	19,718,871
Fixed income securities - corporate bonds	-	5,495,614	-	5,495,614
Registered investment companies	83,602	-	-	83,602
Public equity	34,867,181	-	-	34,867,181
Total investments	61,784,656	5,495,614	-	67,280,270
Other financial assets				
Beneficial interest in charitable remainder trust	-	-	537,494	537,494
Total assets	**$ 61,784,656**	**$ 5,495,614**	**$ 537,494**	**$ 67,817,764**
Financial liabilities				
Charitable gift annuities payable	$ -	$ -	$ (139,488)	$ (139,488)
Total liabilities	**$ -**	**$ -**	**$ (139,488)**	**$ (139,488)**

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, 2024.

Investment	Number of Investments	Fair Value	Redemption Frequency	Redemption Notice Period
Hedge funds	2	$ 5,922,192	(a)	(a)
Private equity	8	4,065,346	(b)	(b)
Other pooled investment funds	4	1,764,194	(c)	(c)
Total		**$ 11,751,732**		

(a) The fair value of hedge funds has been estimated using net asset values per share of the investments and can be redeemed annually on January 1 or quarterly/annually 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) and full redemption over twelve quarters (3 years).

(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.

NOTE 3 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

Investments consisted of the following at June 30, 2024 and 2023:

	2024	2023
Endowment investments	$ 15,030,953	$ 13,326,912
Investments available for general operations	58,692,333	63,617,012
Charitable gift annuities	194,428	181,687
	$73,917,714	**$ 77,125,611**

For the years ended June 30, 2024 and 2023, 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, 2022	$ 477,455	$ 104,065
Payments	-	(9,060)
Change in value	60,039	44,483
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**

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:

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range
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 3 – FAIR VALUE MEASUREMENTS AND INVESTMENTS (Continued)

The following table represents the Organization's Level 3 financial instruments for the year ended June 30, 2023, 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	$ 537,494	Income Approach	Discount Rate	7%
Charitable gift annuities payable	$ 139,488	Disbursement Approach	Discount Rate	4.2%

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.

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, 2024 and 2023, property and equipment consisted of the following:

	2024	2023
Leasehold improvements	$ 16,917,405	$ 14,635,970
Broadcasting equipment	15,938,574	15,555,125
Office furniture, fixtures, computers, production equipment and automobiles	8,245,523	7,932,681
	41,101,502	38,123,776
Less accumulated depreciation and amortization	(35,457,035)	(33,804,879)
Net depreciable property and equipment	5,644,467	4,318,897
Construction-in-process	2,525,803	347,655
Total	**$ 8,170,270**	**$ 4,666,552**

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

As of June 30, 2024 and 2023, accounts payable and accrued expenses consisted of the following:

	2024	2023
Accounts payable	$ 1,920,554	$ 2,075,596
Accrued vacation	1,238,314	1,072,032
Accrued payroll	755,501	758,687
Lease abandonment liability	-	150,251
Other accrued expenses	25,479	23,491
Total	**$ 3,939,848**	**$ 4,080,057**

NOTE 7 – LINE OF CREDIT

In June 2021, the Organization entered into a secured revolving line of credit agreement with a bank, to borrow up to $5,000,000 with no stated maturity date. The line of credit is secured by the investments without donor restrictions held at the same bank, which totaled $15,521,304 and $15,692,344 as of June 30, 2024 and 2023, respectively. Outstanding balances bear interest at 1.50% plus Secured Overnight Financing Rate (SOFR). The prevailing SOFR rate as of June 30, 2024 and 2023 was 5.33% and 5.09%, respectively. As of June 30, 2024, there was no outstanding balance on the line of credit.

NOTE 8 – 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, 2024 and 2023, the Organization amortized $305,180 and $326,361 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:

Year Ending June 30,	
2025	$ 750,000
2026	750,000
2027	750,000
2028	750,000
2029	750,000
Thereafter	3,938,500
Total future payments	7,688,500
Less total discount on CCCD note payable	(1,626,265)
Total	6,062,235
Less current portion	(750,000)
Long-term portion	**$ 5,312,235**

NOTE 9 – IN-KIND CONTRIBUTIONS

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statement of activities included the following:

	2024	2023
Advertising expenses	$ 161,608	$ 354,113

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 10 – NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2024 and 2023, net assets with donor restrictions are restricted for the following purposes:

	2024	2023
Subject to expenditure for specified purposes:		
Productions	$ 5,471,130	$ 10,275,484
Education	780,000	747,392
Beneficial interest in charitable remainder trust	616,534	537,494
Charitable gift annuities, net	87,052	89,727
Total	6,954,716	11,650,097
Gifts subject to restrictions in perpetuity:		
General operations	10,042,269	10,042,269
Unappropriated endowment earnings	4,988,684	3,284,643
Total	15,030,953	13,326,912
Total assets with donor restrictions	**$ 21,985,669**	**$ 24,977,009**

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During the years ended June 30, 2024 and 2023, net assets released from donor restrictions by incurring expenses satisfying the restricted purposes are as follows:

	2024	2023
Productions	$ 7,250,999	$ 5,340,381
Education	1,338,299	1,804,516
Charitable gift annuities	6,835	9,060
Total	**$ 8,596,133**	**$ 7,153,957**

NOTE 11 – 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, 2024 and 2023.

As of June 30, 2024 and 2023, the Organization had the following endowment net asset composition by type of fund:

	2024	2023
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ 10,042,269	$ 10,042,269
Accumulated investment gains	4,988,684	3,284,643
	$ 15,030,953	**$ 13,326,912**

NOTE 11 – ENDOWMENT INVESTMENTS (Continued)

During the years ended June 30, 2024 and 2023, the donor-restricted endowment funds had the following activity:

Balance at June 30, 2022	$ 12,012,560
Net investment return	1,314,352
Balance at June 30, 2023	13,326,912
Net investment return	1,704,041
Balance at June 30, 2024	**$ 15,030,953**

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

NOTE 11 – 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 12 – AVAILABLE RESOURCES AND LIQUIDITY

The following table reflects the Organization's financial assets as of June 30, 2024 and 2023, 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.

	2024	2023
Cash and cash equivalents	$ 6,974,680	$ 7,049,898
Investments available for general operations	58,886,761	63,798,699
Less alternative investments that have redemption restrictions	(11,751,732)	(9,845,341)
Less charitable gift annuities	(194,428)	(181,687)
Accounts receivable, net	843,405	749,751
Financial assets available to meet cash needs for general expenditures within one year	**$ 54,758,686**	**$ 61,571,320**

NOTE 12 – AVAILABLE RESOURCES AND LIQUIDITY (Continued)

In addition, the Organization has access to the $5,000,000 unused line of credit in the event of cash shortfalls.

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 13 – COMMITMENTS AND CONTINGENCIES

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

Weighted-average remaining lease term	9.36 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 $325,413.

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

Operating Leases (Continued)
The following is a schedule by years of undiscounted future minimum lease payments as of June 30, 2024:

Year Ending June 30,	Transmitter Leases	Equipment Leases	Facilities Leases	Total
2025	$ 252,453	$ 290,718	$ 2,634,497	$ 3,177,668
2026	201,814	300,893	3,327,438	3,830,145
2027	209,576	311,424	3,427,221	3,948,221
2028	217,639	322,324	3,529,999	4,069,962
2029	226,014	333,605	3,635,840	4,195,459
Thereafter	2,661,507	2,470,214	10,131,642	15,263,363
Total lease payments	3,769,003	4,029,178	26,686,637	34,484,818
Less: Interest	(1,063,662)	(663,717)	(3,652,596)	(5,379,975)
Present value of lease liabilities	**$ 2,705,341**	**$ 3,365,461**	**$23,034,041**	**$29,104,843**

For the years ended June 30, 2024 and 2023, total transmission sites, equipment and facilities and equipment rent expense amounted to $3,645,142 and $3,669,149, 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 $118,448.

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

Operating Leases (Continued)
Future minimum payments due from lessees and sublessees under noncancelable leases with initial terms of one year or more at June 30, 2024 were as follows:

Year Ending June 30,	Airspace Lease	Transmitter Subleases	Total
2025	$ 618,604	$ 819,734	$ 1,438,338
2026	609,639	413,868	1,023,507
2027	609,639	-	609,639
2028	50,804	-	50,804
Total	**$ 1,888,686**	**$ 1,233,602**	**$ 3,122,288**

For the years ended June 30, 2024 and 2023, total airspace, transmitter, and facilities rental income amounted to $2,361,568 and $3,249,387, respectively.

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, 2024 and 2023, the Organization received $159,279 and $149,367, 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 14 – 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, 2024 and 2023, the Organization's contribution expenses amounted to $512,108 and $463,335, respectively.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated all activity through December 16, 2024 (the issuance date of the financial statements) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.