UNIVERSITY RADIO FOUNDATION, INC.

Financial Statements for the Years
Ended June 30, 2024 and 2023 and
Independent Auditors' Report

GreerWalker

GreerWalker

INDEPENDENT AUDITORS' REPORT

Board of Directors
University Radio Foundation, Inc.

Opinion

We have audited the financial statements of University Radio Foundation, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with generally accepted accounting principles in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits in accordance with generally accepted auditing standards in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' 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 audits. 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 GAAP; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 the Board of Directors 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.

Certified Public Accountants
November 30, 2024
Charlotte, NC

UNIVERSITY RADIO FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

ASSETS	2024	2023
CURRENT ASSETS:		
Cash and cash equivalents	$ 296,397	$ 338,242
Accounts receivable, net	230,893	233,193
Pledges receivable, net	653,315	387,181
Employee retention credit receivable	262,316	-
Prepaid expenses and other current assets	106,175	111,122
Total current assets	1,549,096	1,069,738
NONCURRENT ASSETS:		
Investments	3,667,635	4,417,092
Operating lease right-of-use assets, net	629,329	1,210,523
Property, net	287,091	364,510
Total noncurrent assets	4,584,055	5,992,125
TOTAL	$ 6,133,151	$ 7,061,863
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Line of credit	$ -	$ 502,316
Current portion of operating lease liabilities	426,328	633,534
Accounts payable	282,840	161,255
Accrued expenses	277,833	308,380
Deferred revenue	434,828	194,458
Total current liabilities	1,421,829	1,799,943
OPERATING LEASE LIABILITIES, NET OF CURRENT PORTION	339,799	766,127
NET ASSETS:		
Without donor restrictions	3,577,375	3,805,678
With donor restrictions	794,148	690,115
Total net assets	4,371,523	4,495,793
TOTAL	$ 6,133,151	$ 7,061,863

See notes to financial statements.

UNIVERSITY RADIO FOUNDATION, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT AND RECLASSIFICATIONS:						
Contributions	$ 3,995,702	$ 1,003,353	$ 4,999,055	$ 3,921,916	$ 1,000,694	$ 4,922,610
Corporation for Public Broadcasting	408,987	-	408,987	421,587	-	421,587
Underwriting fees	1,486,869	-	1,486,869	1,659,969	-	1,659,969
Return on investments, net	452,223	-	452,223	364,706	-	364,706
Employee retention credit income	262,316	-	262,316	-	-	-
Special events (net of related expenses of $121,449 and $0 at June 30, 2024 and 2023, respectively)	53,162	-	53,162	-	-	-
Other income	11,033	-	11,033	15,469	-	15,469
Reclassifications:						
Contributions and grants released from restrictions	899,320	(899,320)	-	971,001	(971,001)	-
Total revenue, support and reclassifications	7,569,612	104,033	7,673,645	7,354,648	29,693	7,384,341
EXPENSES:						
Program services:						
Programming and production	3,745,998	-	3,745,998	4,318,626	-	4,318,626
Broadcast engineering	348,090	-	348,090	473,904	-	473,904
Program information	88,112	-	88,112	269,527	-	269,527
Total program services	4,182,200	-	4,182,200	5,062,057	-	5,062,057
Supporting services:						
General and administrative	1,161,820	-	1,161,820	1,709,060	-	1,709,060
Fundraising	1,312,819	-	1,312,819	1,150,807	-	1,150,807
Underwriting and grants	1,141,076	-	1,141,076	929,970	-	929,970
Total support services	3,615,715	-	3,615,715	3,789,837	-	3,789,837
Total expenses	7,797,915	-	7,797,915	8,851,894	-	8,851,894
CHANGE IN NET ASSETS	(228,303)	104,033	(124,270)	(1,497,246)	29,693	(1,467,553)
NET ASSETS, BEGINNING OF YEAR	3,805,678	690,115	4,495,793	5,302,924	660,422	5,963,346
NET ASSETS, END OF YEAR	$ 3,577,375	$ 794,148	$ 4,371,523	$ 3,805,678	$ 690,115	$ 4,495,793

See notes to financial statements.

UNIVERSITY RADIO FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program			Supporting			
	Program and Production	Broadcast Engineering	Program Information	General and Administrative	Fundraising	Underwriting and Grants	Total
Salaries and wages	$ 1,727,810	$ 134,220	$ 22,055	$ 681,471	$ 530,559	$ 754,039	$ 3,850,154
Payroll taxes	128,005	9,465	1,324	51,397	35,108	51,261	276,560
Employee benefits	164,807	9,506	959	66,895	54,859	54,474	351,500
Retirement plan contributions	25,654	1,969	330	10,008	3,471	9,385	50,817
Professional fees	7,445	8,803	18,900	95,709	74,008	14,858	219,723
Program fees	1,055,353	-	-	-	-	-	1,055,353
Outreach and promotion	-	-	-	511	98,819	-	99,330
Office expenses	904	116	-	4,029	2,476	944	8,469
Computer and IT	81,419	11,363	9,734	33,601	51,648	24,551	212,316
Occupancy	387,132	129,031	27,780	122,789	70,176	84,241	821,149
Postage and printing	326	177	-	22	118,103	229	118,857
Travel and entertainment	14,524	366	-	14,507	10,806	2,223	42,426
Conferences and meetings	-	175	-	500	1,398	147	2,220
Depreciation	32,069	26,991	2,443	10,237	5,735	6,845	84,320
Insurance	29,736	1,074	1,748	9,664	5,399	6,479	54,100
Dues and subscriptions	75,448	-	148	10,926	489	24,741	111,752
Bad debt (income) expense	-	-	-	-	152,444	(4,590)	147,854
Transaction fees	-	-	-	13,900	92,219	12,339	118,458
Miscellaneous	15,366	14,834	2,691	35,654	5,102	98,910	172,557
Total expenses	$ 3,745,998	$ 348,090	$ 88,112	$ 1,161,820	$ 1,312,819	$ 1,141,076	$ 7,797,915

See notes to financial statements.

UNIVERSITY RADIO FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program			Supporting			
	Program and Production	Broadcast Engineering	Program Information	General and Administrative	Fundraising	Underwriting and Grants	Total
Salaries and wages	$ 2,289,902	$ 128,465	$ 136,663	$ 1,085,028	$ 457,417	$ 653,333	$ 4,750,808
Payroll taxes	165,254	9,441	11,542	83,743	30,731	46,102	346,813
Employee benefits	223,105	9,113	16,612	68,844	36,161	51,379	405,214
Retirement plan contributions	96,268	7,537	4,737	31,442	4,400	6,471	150,855
Professional fees	31,620	51,294	31,933	193,281	118,706	16,716	443,550
Program fees	1,046,662	-	-	-	-	-	1,046,662
Outreach and promotion	3,350	-	18,871	111	89,534	-	111,866
Office expenses	5,875	-	-	7,836	3,697	1,674	19,082
Computer and IT	34,984	39,088	6,119	15,247	34,694	9,684	139,816
Occupancy	271,244	128,377	17,090	78,696	48,470	55,917	599,794
Postage and printing	2,877	82	1,870	1,028	189,574	590	196,021
Travel and entertainment	31,972	1,523	1,520	45,945	10,277	3,170	94,407
Conferences and meetings	737	420	-	30,377	5,255	-	36,789
Depreciation	9,899	72,413	2,575	2,315	1,882	1,796	90,880
Insurance	17,056	6,905	1,168	22,703	2,307	2,658	52,797
Dues and subscriptions	87,781	600	827	26,034	3,699	14,888	133,829
Bad debt expense	-	-	-	-	27,843	9,490	37,333
Transaction fees	40	-	-	11,814	81,160	10,140	103,154
Miscellaneous	-	18,646	18,000	4,616	5,000	45,962	92,224
Total expenses	$ 4,318,626	$ 473,904	$ 269,527	$ 1,709,060	$ 1,150,807	$ 929,970	$ 8,851,894

See notes to financial statements.

UNIVERSITY RADIO FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (124,270)	$ (1,467,553)
Adjustments to reconcile change in net assets to net cash applied to operating activities:		
Change in allowance for pledges and accounts receivable	41	(7,067)
Depreciation	84,320	90,880
Amortization of operating lease right-of-use assets	581,194	445,162
Return on investments, net	(452,223)	(364,706)
Changes in operating assets and liabilities:		
Accounts receivable	11,790	(27,043)
Pledges receivable	(275,665)	15,568
Employee retention credit receivable	(262,316)	-
Prepaid expenses and other current assets	4,947	(5,286)
Operating lease liabilities	(633,534)	(237,041)
Accounts payable	121,585	46,905
Accrued expenses	(30,547)	(23,886)
Deferred revenue	240,370	87,249
Net cash applied to operating activities	(734,308)	(1,446,818)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	1,201,680	-
Purchases of property	(6,901)	(65,238)
Net cash provided by (applied to) investing activities	1,194,779	(65,238)
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Repayments) borrowings on line of credit, net	(502,316)	502,316
NET CHANGE IN CASH AND CASH EQUIVALENTS	(41,845)	(1,009,740)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	338,242	1,347,982
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 296,397	$ 338,242

See notes to financial statements.

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Operations - University Radio Foundation, Inc. ("WFAE" or the "Organization") operates independent public radio stations located in Charlotte (WFAE-FM) and Hickory (WFHE-FM), North Carolina.

Financial Statement Presentation - The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets that are not restricted by donors or for which donor-imposed restrictions have expired.

Net assets with donor restrictions - Net assets that contain donor-imposed time or purpose restrictions that have not currently been met and restrictions stipulating that the amounts be maintained by the Organization in perpetuity. For net assets held in perpetuity, the Organization may expend part or all of the income earned according to donor stipulations.

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains cash deposits with financial institutions that, at times, may exceed federally insured limits.

Adoption of New Accounting Standard - On July 1, 2023, the Organization adopted Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASC 326"). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of expected credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

The Organization adopted ASC 326 and all related subsequent amendments thereto using the modified retrospective approach for all financial assets measured at amortized cost and off-balance sheet credit exposures. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures.

Accounts Receivable - The Organization extends credit to its underwriters under standard payment terms, generally requiring payment within 30 days from the invoice date. Accounts receivable are reduced by an allowance for credit losses ($10,474 and $19,964 as of June 30, 2024 and 2023, respectively), which reflects management's estimate of the risk of loss due to credit default. The Organization recognizes the amount of change in current expected credit losses as bad debt expense or income in the accompanying statements of functional expenses (recovery of $4,590 and expense of $9,490 for the years ended June 30, 2024 and 2023, respectively). Accounts are written-off against the allowance when the Company has no reasonable expectation of recovering the receivable, either in its entirety or a portion thereof.

Management estimates the allowance for credit losses by applying historical credit loss rates to underwriting accounts receivable aging categories. Management considers historical loss information to be a reasonable basis for its estimate as the composition of underwriting accounts receivable and the risk characteristics of its underwriting contracts and lending practices have not changed significantly over time. In addition, accounts are pooled by aging category as the change in risk characteristics is similar as accounts age. Management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information.

Pledges Receivable - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if restrictions expire in the same fiscal year. All other donor-restricted net assets are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions receivable are recorded at their net realizable value. An allowance for uncollectible pledges receivable is provided based on management's review of outstanding receivables and prior collection history.

Property - Property that is purchased is recorded at cost. Property that is contributed is recorded at approximate fair value at the time of donation. Depreciation is computed using straight-line methods based on the estimated useful lives of the respective assets. The Organization has determined that items purchased with a value exceeding $1,000 are to be treated as capitalized assets.

Leases - The Organization assesses whether an arrangement is a lease, or contains a lease, upon inception of the contract. This assessment is based on: (1) whether the contract explicitly or implicitly involves the use of a distinct asset, (2) whether the Organization obtains substantially all of the economic benefits from the use of that underlying asset during the term of the contract, and (3) whether the Organization has the right to direct the use of the asset. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization recognizes most leases on its statements of financial position as a right-of-use ("ROU") asset representing the right to use an underlying asset and lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of activities. All current leases are classified and accounted for as operating leases. Lease expense for operating leases, consisting of lease payments, is recognized on a straight-line basis over the lease term and is included in expenses in the statements of activities.

ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease. The ROU assets also include any initial direct costs incurred and lease payments made on or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization uses the rate explicit or implicit in the lease. For leases where the explicit rate is not stated in the contract and implicit rate is not readily determinable, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date.

Investments - Investments are recorded at fair value with realized and unrealized gains and losses included in the statements of activities as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations. The fair value of investment securities is determined by reference to exchange or dealer-quoted market prices. If a quoted market price is not available, fair value is estimated using quoted market prices for similar investment securities.

Revenue Recognition

Revenues from Underwriting Contracts

The Organization enters into contracts with customers to provide underwriting spots and related services. Revenue is recognized ratably over time as the Organization satisfies its performance obligation to provide underwriting spots and related services at amounts that reflect the consideration the Organization expects to receive in exchange for those services. The Organization's standard terms and conditions require payment within 30 days of the invoice date, though timing of payment with specific customers may be separately negotiated. Revenues from underwriting contracts are labeled in the accompanying statements of activities as underwriting fees. Net accounts receivable related to underwriting fees of $230,893, $233,193, and $215,640 was recorded at June 30, 2024, 2023, and 2022, respectively.

Contributions

The Organization recognizes contributions that are given unconditionally in the period the contributions are received or promised, whichever is earlier. Pledges receivable are recorded net of estimated uncollectible amounts and discounted to net present value when applicable. Conditional promises to give are not included in support until such time as the conditions are substantially met.

The Organization may receive contributions of cash or other assets which it reports as restricted support if such contributions are received with donor restrictions that limit the use of the donated assets. When a donor restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions of assets other than cash are recorded at their estimated fair value.

Deferred Revenue

Underwriting consideration received in advance of services rendered is recognized as deferred revenue. Consideration received for conditional contributions is recognized as deferred revenue until such time as the conditions are substantially met. Accordingly, these considerations are categorized as deferred revenue in the accompanying statements of financial position. Deferred revenue related to underwriting fees of approximately $95,000, $36,000, and $49,000 was recorded at June 30, 2024, 2023, and 2022, respectively.

Donated Services and Goods - The Organization receives donated services and goods and engages in trade transactions, in the ordinary course of business. Such transactions involve donation of goods or services or the exchange of underwriting time for certain goods or services. These goods and services are recorded at the estimated market value of the related goods or services received on the date that they are received. These goods and services are recorded as support in the accompanying statements of activities and in the corresponding functional expense category on the accompanying statements of functional expenses and totaled approximately $129,000 and $99,000 for the years ended June 30, 2024 and 2023, respectively.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with program services, management and general, and fundraising efforts. The value of this contributed time does not meet the criteria for recognition of donated services and, accordingly, is not reflected as support in the accompanying financial statements.

Income Taxes - The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for income taxes has been recognized in the accompanying financial statements.

The Organization records liabilities for income tax positions taken or expected to be taken when those positions are deemed uncertain to be upheld in an examination by taxing authorities. No liabilities for uncertain income tax positions were recorded as of June 30, 2024 and 2023.

Advertising Expense - The Organization expenses the cost of advertising as incurred. The accompanying statements of activities include advertising expense in the amount of approximately $12,000 and $7,000 for the years ended June 30, 2024 and 2023, respectively.

Functional Expense Classification - The Organization's functional expense classification and allocation policy is based on a review of the current organizational structure, and the identification, reclassification and allocation of certain employee, facility, and departmental expenses, which serve multiple functional areas. The compensation of certain members of management is allocated based on time and effort spent on program and supporting services. Occupancy, insurance and supply expenses are allocated based on employee headcount. All remaining expenses are categorized according to natural classification.

Subsequent Events - In preparing its financial statements, the Organization has evaluated subsequent events through November 30, 2024, which is the date the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY

The table below represents financial assets available for general expenditures within one year as of June 30, 2024:

Financial assets at year-end:	
Cash and cash equivalents	$ 296,397
Accounts and pledges receivable, net	884,208
Employee retention credit receivable	262,316
Investments	3,667,635
Total financial assets	5,110,556
Less amounts not available to be used for general expenditures within one year:	
Restricted by donors with purpose restrictions	140,833
Financial assets not available to be used within one year	140,833
Financial assets available to meet general expenditures within one year	$ 4,969,723

As part of the Organization's liquidity management, the Organization maintains at least three months of monthly expenses in cash and cash equivalents and appropriate short-term liquid investments, which may include unused availability on a line of credit issued by a commercial bank. As detailed in Note 7, the Organization has a line of credit for an amount up to $750,000.

3. PLEDGES RECEIVABLE

Pledges outstanding consisted of the following as of June 30, 2024 and 2023:

	2024	2023
Pledges receivable	$ 705,866	$ 430,201
Less allowance for uncollectible pledges	52,551	43,020
Pledges receivable, net	653,315	387,181
Current portion, net	653,315	387,181
Long-term, net	$ -	$ -

4. EMPLOYEE RETENTION CREDIT

During the year ended June 30, 2024, the Organization determined that it met the requirements to apply for Employer Retention Tax Credits ("ERTC") under the Coronavirus Aid, Relief and Economic Security Act, which was enacted to provide financial relief to certain businesses impacted by the coronavirus pandemic. The Organization recognized ERTC income of $262,316, including interest income of $49,697, in the accompanying statement of activities for the year ended June 30, 2024, once it determined its eligibility to participate in the program, calculated its credit, and filed the required forms. At June 30, 2024, ERTC refunds of $262,316, were outstanding and recognized as an employee retention credit receivable in the accompanying statement of financial position.

5. INVESTMENTS

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

	2024	2023
Money market funds	$ 213,600	$ 202,746
Equity funds	1,002,820	1,555,784
Exchange-traded products	967,500	1,379,620
Fixed-income funds	1,483,715	1,278,942
Total	$ 3,667,635	$ 4,417,092

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

The inputs used for valuing investments are summarized in the three broad levels listed below:

- Level 1 - quoted prices in active markets for identical assets
- Level 2 - other significant observable inputs either directly or indirectly (including quoted prices for similar securities, interest rates, yield curves, credit risk, etc.)
- Level 3 - significant unobservable inputs

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

- Money Market Funds: Valued at the net asset value (“NAV”) per share which is $1 per share.
- Mutual Funds (Fixed-Income and Equity Funds): Valued at the NAV of the shares held by the Organization at year end, as listed on publicly traded exchanges.
- Exchange-Traded Products: Valued at an index, a commodity or a basket of assets like an index fund that is listed on publicly traded exchanges.

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. All of the Organization’s investments are considered Level 1 investments within the fair value hierarchy as of June 30, 2024 and 2023.

Return on investments in the accompanying statements of activities is comprised of the following for the years ended June 30, 2024 and 2023, respectively:

	2024	2023
Realized gains (losses)	$ 450,721	$ (6,959)
Unrealized gains (losses)	(118,774)	259,592
Dividends and interest, net	120,276	112,073
Return on investments, net	$ 452,223	$ 364,706

Dividends and interest income is presented net of investment fees of approximately $14,000 and $12,000 for the years ended June 30, 2024 and 2023, respectively.

6. PROPERTY

Property consisted of the following as of June 30, 2024 and 2023:

	2024	2023
Land	$ 28,432	$ 28,432
Transmitters, antenna, and tower	1,421,084	1,421,084
Equipment - studio and broadcast	484,650	484,650
Furniture and fixtures	114,018	109,617
Leasehold improvements	133,187	130,687
Subtotal	2,181,371	2,174,470
Less accumulated depreciation and amortization	1,894,280	1,809,960
Total, net	$ 287,091	$ 364,510

7. LINE OF CREDIT

The Organization has a line of credit agreement with a bank for an amount up to $750,000. The line of credit is payable in full on demand and may be terminated without notice to WFAE by the bank. Interest is payable monthly at the secured overnight financing rate (5.34% as of June 30, 2024) plus 2.36%, subject to a floor of 3.25%. There were no outstanding borrowings under this agreement at June 30, 2024. There were outstanding borrowings of $502,316 under this agreement at June 30, 2023.

8. OPERATING LEASES

The Organization leases building space and a transmitter from unrelated third parties under agreements classified as operating leases for remaining terms ranging from two to three years. These leases do not contain any material restrictive covenants or residual value guarantees.

The components of lease expense were as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Operating lease expense	$ 621,296	$ 482,403
Variable lease expense	70,822	-
Total lease expense	$ 692,118	$ 482,403

Supplemental balance sheet information related to operating leases was as follows for the years ended June 30, 2024 and 2023:

	2024	2023
ROU asset, equipment	$ 23,871	$ 70,586
ROU asset, buildings	605,458	1,139,937
Total ROU assets	$ 629,329	$ 1,210,523
Current lease liabilities, equipment	$ 24,439	$ 47,138
Current lease liabilities, buildings	401,889	586,396
Total current lease liabilities	$ 426,328	$ 633,534
Noncurrent lease liabilities, equipment	$ -	$ 24,439
Noncurrent lease liabilities, buildings	339,799	741,688
Total noncurrent lease liabilities	$ 339,799	$ 766,127

	2024	2023
Weighted-average remaining lease term	1.75 years	2.45 years
Weighted-average discount rate	3.92%	3.73%

Future undiscounted cash flows under operating leases and a reconciliation to the lease liabilities recognized on the statement of financial position as of June 30, 2024, was as follows:

Year ending June 30:	
2025	$ 447,010
2026	344,927
Total undiscounted cash flows	791,937
Less present value discount	(25,810)
Total lease liabilities	$ 766,127

In July 2024, the Organization amended its existing building lease agreement to extend its term through January 31, 2026 and to reduce the leased space by approximately 6,000 square feet. As the lease amendment date was subsequent to the year ended June 30, 2024, the related ROU asset and lease liability will not be remeasured until July 2024. The amendment will require the following approximate future minimum lease payments, which are in addition to the future undiscounted cash flows presented in the table above:

Year ending June 30:	
2025	$ 92,565
2026	102,831
2027	34,848
Total	$ 230,244

In October 2022, the Organization executed a lease agreement directly with the owner of a building the Organization currently sublets. The term of this lease will begin in May 2026 and extend through June 2031. As the two leasing arrangements are governed by separate agreements with different lessors, the second lease will not be measured until its commencement date in May 2026. The execution of the lease in October 2022 will require the following approximate future minimum lease payments, which are in addition to the future undiscounted cash flows presented in the table above:

Year ending June 30:	
2027	$ 460,000
2028	474,000
2029	488,000
2030	502,000
2031	518,000
Total	$ 2,442,000

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of June 30, 2024 and 2023:

	2024	2023
Restricted by donors with time restrictions	$ 653,315	$ 387,181
Restricted by donors with purpose restrictions:		
American Journalism Project	140,833	302,934
Net assets with donor restrictions	$ 794,148	$ 690,115

Net assets with donor restrictions are released from restriction by satisfaction of time and purpose. Restrictions released during the years ended June 30, 2024 and 2023 consisted of the following:

	2024	2023
Released from time restrictions	$ 387,181	$ 386,192
Released from purpose restrictions	512,139	584,809
Total	$ 899,320	$ 971,001

10. CONDITIONAL PROMISES TO GIVE

As of June 30, 2024, the Organization has been awarded conditional promises to give from grantors of approximately $530,000. The Organization has received $330,000 of the awarded amount as of June 30, 2024, which is included in deferred revenue on the accompanying statement of financial position. Future payments are contingent upon the Organization carrying out certain activities related to meeting grantor-imposed performance barriers stipulated by the grants. The awarded amounts will be recognized as contribution revenue as the Organization overcomes these performance barriers, which include staffing specific positions, implementing technology systems, and meeting other specified performance metrics.

11. RETIREMENT PLAN

The Organization maintains a 403(b) retirement plan (the “Plan”), which covers full time employees of the Organization that have been employed for at least one year. The Plan requires employees to contribute 6% of salary following the completion of one year of service. The Organization makes discretionary contributions. Discretionary contributions were made by the Organization for the years ended June 30, 2024 and 2023 totaling approximately $51,000 and $151,000, respectively.

12. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2024 and 2023, the Organization received contributions from the Board of Directors and employees totaling approximately $226,000 and $188,000, respectively.

13. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information for the years ended June 30, 2024 and 2023 was as follows:

	2024	2023
Cash payments for operating lease liabilities	$ 673,636	$ 274,282
Cash payments for interest	$ 34,759	$ 2,160
Non-cash transactions:		
Operating lease ROU asset obtained in exchange for new lease liability	$ -	$ 1,636,702
Prepaid rent	$ -	$ 18,983