

**88.5 FM Radio,  
A Programming Collaboration between  
KCSN and KSBR**

**Financial Statements  
and Independent Auditor's Report**

**June 30, 2024 and 2023**

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**88.5 FM Radio,  
A Programming Collaboration between KCSN and KSBR**

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## Independent Auditor's Report

The Advisory Committee  
88.5 FM Radio, A Programming Collaboration between KCSN and KSBR

### *Opinion*

We have audited the accompanying financial statements of 88.5 FM Radio, A Programming Collaboration between KCSN and KSBR, 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 88.5 FM Radio, A Programming Collaboration between KCSN and KSBR 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 accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits 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 88.5 FM Radio, A Programming Collaboration between KCSN and KSBR, 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 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 88.5 FM Radio, A Programming Collaboration between KCSN and KSBR's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 88.5 FM Radio, A Programming Collaboration between KCSN and KSBR'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 88.5 FM Radio, A Programming Collaboration between KCSN and KSBR'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.

*CohnReznick LLP*

Los Angeles, California  
December 19, 2024

**88.5 FM Radio,  
A Programming Collaboration between KCSN and KSBR**

**Statements of Financial Position  
June 30, 2024 and 2023**

|                            | <u>Assets</u>                      | <u>2024</u>        | <u>2023</u>        |
|----------------------------|------------------------------------|--------------------|--------------------|
| Cash and cash equivalents  | \$                                 | 250                | \$ 250             |
| Pledges receivable, net    |                                    | 5,000              | 7,500              |
| Sponsorships receivable    |                                    | 62,735             | 61,623             |
| Prepaid expenses           |                                    | -                  | 4,445              |
|                            |                                    | <u>          </u>  | <u>          </u>  |
| Total                      | \$                                 | <u>67,985</u>      | \$ <u>73,818</u>   |
|                            |                                    |                    |                    |
|                            | <u>Liabilities and Net Deficit</u> |                    |                    |
| Liabilities                |                                    |                    |                    |
| Accounts payable           | \$                                 | 8,799              | \$ 12,986          |
| Unearned revenue           |                                    | 2,300              | 3,655              |
| Due to the University      |                                    | 4,727,858          | 4,102,498          |
| Due to Saddleback College  |                                    | 334,766            | 300,118            |
|                            |                                    | <u>          </u>  | <u>          </u>  |
| Total liabilities          |                                    | <u>5,073,723</u>   | <u>4,419,257</u>   |
| Contingencies              |                                    |                    |                    |
| Net assets (deficit)       |                                    |                    |                    |
| Without donor restrictions |                                    | (5,010,738)        | (4,352,939)        |
| With donor restrictions    |                                    | 5,000              | 7,500              |
|                            |                                    | <u>          </u>  | <u>          </u>  |
| Total net deficit          |                                    | <u>(5,005,738)</u> | <u>(4,345,439)</u> |
|                            |                                    |                    |                    |
| Total                      | \$                                 | <u>67,985</u>      | \$ <u>73,818</u>   |

See Notes to Financial Statements.

**88.5 FM Radio,  
A Programming Collaboration between KCSN and KSBR**

**Statement of Activities  
Year Ended June 30, 2024**

|                                       | Without donor<br>restrictions | With donor<br>restrictions | Total                        |
|---------------------------------------|-------------------------------|----------------------------|------------------------------|
| Revenue and support                   |                               |                            |                              |
| Contributions and sponsorships        | \$ 1,506,386                  | \$ -                       | \$ 1,506,386                 |
| In-kind contributions                 | 31,565                        | -                          | 31,565                       |
| Program income                        | 112,959                       | -                          | 112,959                      |
| Net assets released from restrictions |                               |                            |                              |
| Passage of time                       | 2,500                         | (2,500)                    | -                            |
|                                       | <u>1,653,410</u>              | <u>(2,500)</u>             | <u>1,650,910</u>             |
| Total revenue and support             |                               |                            |                              |
| Expenses                              |                               |                            |                              |
| Program services                      |                               |                            |                              |
| Engineering                           | 332,746                       | -                          | 332,746                      |
| Programming                           | 1,036,065                     | -                          | 1,036,065                    |
|                                       | <u>1,368,811</u>              | <u>-</u>                   | <u>1,368,811</u>             |
| Total program services                |                               |                            |                              |
| Supporting services                   |                               |                            |                              |
| Development and membership            | 499,604                       | -                          | 499,604                      |
| General and administrative            | 251,706                       | -                          | 251,706                      |
| Marketing                             | 191,088                       | -                          | 191,088                      |
|                                       | <u>942,398</u>                | <u>-</u>                   | <u>942,398</u>               |
| Total supporting services             |                               |                            |                              |
| Total expenses                        | <u>2,311,209</u>              | <u>-</u>                   | <u>2,311,209</u>             |
| Change in net assets (deficit)        | (657,799)                     | (2,500)                    | (660,299)                    |
| Net assets (deficit), beginning       | <u>(4,352,939)</u>            | <u>7,500</u>               | <u>(4,345,439)</u>           |
| Net assets (deficit), end             | <u><u>\$ (5,010,738)</u></u>  | <u><u>\$ 5,000</u></u>     | <u><u>\$ (5,005,738)</u></u> |

See Notes to Financial Statements.

**88.5 FM Radio,  
A Programming Collaboration between KCSN and KSBR**

**Statement of Activities  
Year Ended June 30, 2023**

|                                       | Without donor<br>restrictions | With donor<br>restrictions | Total                 |
|---------------------------------------|-------------------------------|----------------------------|-----------------------|
| Revenue and support                   |                               |                            |                       |
| Contributions and sponsorships        | \$ 1,242,627                  | \$ 7,500                   | \$ 1,250,127          |
| In-kind contributions                 | 19,321                        | -                          | 19,321                |
| Program income                        | 82,997                        | -                          | 82,997                |
| Net assets released from restrictions |                               |                            |                       |
| Passage of time                       | 5,000                         | (5,000)                    | -                     |
| Total revenue and support             | <u>1,349,945</u>              | <u>2,500</u>               | <u>1,352,445</u>      |
| Expenses                              |                               |                            |                       |
| Program services                      |                               |                            |                       |
| Engineering                           | 319,226                       | -                          | 319,226               |
| Programming                           | 762,889                       | -                          | 762,889               |
| Total program services                | <u>1,082,115</u>              | <u>-</u>                   | <u>1,082,115</u>      |
| Supporting services                   |                               |                            |                       |
| Development and membership            | 444,961                       | -                          | 444,961               |
| General and administrative            | 267,025                       | -                          | 267,025               |
| Marketing                             | 204,895                       | -                          | 204,895               |
| Total supporting services             | <u>916,881</u>                | <u>-</u>                   | <u>916,881</u>        |
| Total expenses                        | <u>1,998,996</u>              | <u>-</u>                   | <u>1,998,996</u>      |
| Change in net assets (deficit)        | (649,051)                     | 2,500                      | (646,551)             |
| Net assets (deficit), beginning       | <u>(3,703,888)</u>            | <u>5,000</u>               | <u>(3,698,888)</u>    |
| Net assets (deficit), end             | <u>\$ (4,352,939)</u>         | <u>\$ 7,500</u>            | <u>\$ (4,345,439)</u> |

See Notes to Financial Statements.

**88.5 FM Radio,  
A Programming Collaboration between KCSN and KSBR**

**Statement of Functional Expenses  
Year Ended June 30, 2024**

|                                | Program services  |                     |                     | Supporting services        |                            |                   | Total expenses      |
|--------------------------------|-------------------|---------------------|---------------------|----------------------------|----------------------------|-------------------|---------------------|
|                                | Engineering       | Programming         | Total               | Development and membership | General and administrative | Marketing         |                     |
| Administrative fees            | \$ -              | \$ -                | \$ -                | \$ -                       | \$ 74,952                  | \$ -              | \$ 74,952           |
| Advertising and marketing      | -                 | -                   | -                   | 4,000                      | -                          | 287               | 4,287               |
| Computer and software          | 4,997             | 48,010              | 53,007              | 17,519                     | 3,313                      | -                 | 73,839              |
| Contract and legal services    | 12,596            | 29,170              | 41,766              | 31,827                     | 25,104                     | -                 | 98,697              |
| Contributed goods              | -                 | -                   | -                   | 31,565                     | -                          | -                 | 31,565              |
| Dues and subscriptions         | 2,010             | 45,690              | 47,700              | 1,214                      | 9,731                      | -                 | 58,645              |
| Equipment acquisition          | 6,761             | 130                 | 6,891               | 2,223                      | 1,345                      | 2,029             | 12,488              |
| Facility and equipment rentals | 95,561            | -                   | 95,561              | -                          | -                          | -                 | 95,561              |
| Hospitality                    | -                 | -                   | -                   | 1,409                      | 72                         | 480               | 1,961               |
| Office supplies                | 4,529             | 315                 | 4,844               | 447                        | 2,481                      | 6                 | 7,778               |
| Other expense                  | 2,538             | 19                  | 2,557               | 32,888                     | 2,775                      | -                 | 38,220              |
| Payroll services               | -                 | -                   | -                   | -                          | 12,930                     | -                 | 12,930              |
| Printing and postage           | 108               | 510                 | 618                 | 8,482                      | 73                         | -                 | 9,173               |
| Promotional items              | -                 | 2,861               | 2,861               | 17,333                     | -                          | -                 | 20,194              |
| Salaries and benefits          | 178,483           | 884,923             | 1,063,406           | 350,312                    | 117,217                    | 188,286           | 1,719,221           |
| Telephone                      | 23,700            | 200                 | 23,900              | 40                         | 900                        | -                 | 24,840              |
| Travel                         | 1,463             | 24,237              | 25,700              | 345                        | 813                        | -                 | 26,858              |
|                                | <u>\$ 332,746</u> | <u>\$ 1,036,065</u> | <u>\$ 1,368,811</u> | <u>\$ 499,604</u>          | <u>\$ 251,706</u>          | <u>\$ 191,088</u> | <u>\$ 2,311,209</u> |

See Notes to Financial Statements.



**88.5 FM Radio,  
A Programming Collaboration between KCSN and KSBR**

**Statement of Functional Expenses  
Year Ended June 30, 2023**

|                                | Program services  |                   |                     | Supporting services        |                            |                   | Total expenses      |
|--------------------------------|-------------------|-------------------|---------------------|----------------------------|----------------------------|-------------------|---------------------|
|                                | Engineering       | Programming       | Total               | Development and membership | General and administrative | Marketing         |                     |
| Administrative fees            | \$ -              | \$ -              | \$ -                | \$ -                       | \$ 66,748                  | \$ -              | \$ 66,748           |
| Advertising and marketing      | -                 | -                 | -                   | -                          | 200                        | 5,535             | 5,735               |
| Computer and software          | 1,147             | 61,273            | 62,420              | 3,173                      | 2,349                      | -                 | 67,942              |
| Contract and legal services    | 23,198            | 1,200             | 24,398              | 45,575                     | 33,945                     | -                 | 103,918             |
| Contributed goods              | -                 | -                 | -                   | 19,321                     | -                          | -                 | 19,321              |
| Dues and subscriptions         | -                 | 21,011            | 21,011              | 2,050                      | 16,750                     | 300               | 40,111              |
| Equipment acquisition          | 11,881            | 1,536             | 13,417              | 2,080                      | -                          | -                 | 15,497              |
| Facility and equipment rentals | 87,260            | -                 | 87,260              | -                          | -                          | -                 | 87,260              |
| Hospitality                    | -                 | 315               | 315                 | 1,730                      | 2,877                      | 258               | 5,180               |
| Office supplies                | 2,813             | 345               | 3,158               | 177                        | 3,676                      | 149               | 7,160               |
| Other expense                  | 2,655             | 10                | 2,665               | 22,769                     | 1,297                      | 809               | 27,540              |
| Payroll services               | -                 | -                 | -                   | -                          | 9,176                      | -                 | 9,176               |
| Printing and postage           | 218               | -                 | 218                 | 4,027                      | 711                        | 1,384             | 6,340               |
| Promotional items              | 43                | -                 | 43                  | 8,318                      | -                          | 1,414             | 9,775               |
| Salaries and benefits          | 173,687           | 667,209           | 840,896             | 331,104                    | 114,962                    | 194,441           | 1,481,403           |
| Telephone                      | 15,584            | 140               | 15,724              | -                          | 9,330                      | 572               | 25,626              |
| Travel                         | 740               | 9,850             | 10,590              | 4,637                      | 5,004                      | 33                | 20,264              |
|                                | <u>\$ 319,226</u> | <u>\$ 762,889</u> | <u>\$ 1,082,115</u> | <u>\$ 444,961</u>          | <u>\$ 267,025</u>          | <u>\$ 204,895</u> | <u>\$ 1,998,996</u> |

See Notes to Financial Statements.

**88.5 FM Radio,  
A Programming Collaboration between KCSN and KSBR**

**Statements of Cash Flows  
Years Ended June 30, 2024 and 2023**

|  | <u>2024</u>          | <u>2023</u>          |
|--|----------------------|----------------------|
| Cash flows from operating activities   |                      |                      |
| Change in net assets (deficit)   | \$ (660,299)         | \$ (646,551)         |
| Adjustments to reconcile change in net assets (deficit) to net cash provided by operating activities |                      |                      |
| Changes in operating assets and liabilities  |                      |                      |
| Pledges receivable   | 2,500                | (2,500)              |
| Sponsorships receivable  | (1,112)              | 17,680               |
| Prepaid expenses   | 4,445                | (4,445)              |
| Accounts payable   | (4,187)              | 7,707                |
| Unearned revenue   | (1,355)              | 1,205                |
| Due to the University  | 625,360              | 585,109              |
| Due to the Saddleback College  | <u>34,648</u>        | <u>41,795</u>        |
| Net cash provided by operating activities  | <u>-</u>             | <u>-</u>             |
| Net change in cash and cash equivalents  | -                    | -                    |
| Cash and cash equivalents, beginning   | <u>250</u>           | <u>250</u>           |
| Cash and cash equivalents, end   | <u><u>\$ 250</u></u> | <u><u>\$ 250</u></u> |

See Notes to Financial Statements.

**88.5 FM Radio,  
A Programming Collaboration between KCSN and KSBR**

**Notes to Financial Statements  
June 30, 2024 and 2023**

**Note 1 - Business activity and summary of significant accounting policies**

**Business activity**

88.5 FM Radio, a Programming Collaboration between KCSN and KSBR (the "Stations") are member-supported, public radio stations designed to serve a growing and significant audience in broadcast and other media platforms. Commencing July 1, 2017, California State University Northridge (the "University") and South Orange County Community College District ("SOCCCD") entered into a Programming Collaboration Agreement to operate the noncommercial educational stations. Within the Programming Collaboration Agreement, it states the University's and SOCCCD's commitment to provide collaborate programming, which addresses the needs and interests of the service area of both stations and may contain programs produced at either station and to participate in collaborative fundraising to support the programming for the Stations. California State University, Northridge Foundation (the "Foundation") is a nonprofit 501(c)(3) California corporation that serves as an auxiliary organization to the University with a goal of furthering its purposes and objectives. In accordance with the Programming Collaboration Agreement, the Foundation serves as the fiscal agent for the collaborative programming and collaborative fundraising of the Stations.

**Basis of accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Financial statement presentation**

The Stations are required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions, which are described as follows:

*Net Assets Without Donor Restrictions* - Net assets for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets for an operating reserve through a board-designated endowment.

*Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, purpose or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At June 30, 2024 and 2023, the Stations have net assets with donor restrictions of \$5,000 and \$7,500, respectively, which are restrictions due to time.

**Cash and cash equivalents**

Cash and cash equivalents include demand deposits and all highly-liquid investments with initial maturities of three months or less that are available for current use.

**88.5 FM Radio,  
A Programming Collaboration between KCSN and KSBR**

**Notes to Financial Statements  
June 30, 2024 and 2023**

**Receivables**

Pledges receivable are stated at unpaid balances, less an allowance for doubtful accounts and a discount on those pledges receivable due in greater than one year. The Stations provide for losses on receivables using the allowance method. The allowance is based on experience and other circumstances. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Stations' policy to charge off uncollectible receivables when management determines the receivable will not be collected. Sponsorships receivable are stated at unpaid balances and are all due within one year.

**Contributions**

Unconditional promises to give are recorded as pledges receivable when the promise is received. Unconditional promises to give with payments due in future periods are reported as restricted support.

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. Contributions with a donor-imposed time restriction or purpose restriction which limit the use of the donated assets are reported as contributions with donor restrictions if the restrictions are not met in the same reporting period. When such donor-imposed restrictions are met in subsequent reporting periods, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions of assets which donors have stipulated must be maintained in perpetuity, with only the income earned thereon available for current use, are classified as contributions with donor restrictions in perpetuity. Contributions for which donors have not stipulated restrictions, as well as contributions for which donors have stipulated restrictions but which are met within the same reporting period, are reported as net assets without donor restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. As of June 30, 2024 and 2023, the Stations did not have any conditional contributions.

**Sponsorships**

Sponsorships received are recorded as without donor restrictions and are derived through a sponsorship that results in an on-air announcement, endorsing the company or service.

**In-kind contributions**

The Stations receive various types of in-kind contributions. Contributions of tangible assets are recognized at fair value when received. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses.

For the years ended June 30, 2024 and 2023, in-kind contributions recognized within the statements of activities included gift cards and certificates of \$31,565 and \$19,321, respectively. All in-kind contributions received by the Stations were recorded at fair value and considered without donor restrictions to be used by the Stations as determined by management. The fair market value of in-kind contributions was determined through active markets of identical or similar items.

**88.5 FM Radio,  
A Programming Collaboration between KCSN and KSBR**

**Notes to Financial Statements  
June 30, 2024 and 2023**

In addition, in-kind support or non-cash support is provided to the Stations by the University and SOCCCD in the form of space, utilities and basic office supplies and equipment. As part of the Programming Collaboration Agreement, in-kind support will continue to be provided through June 30, 2037.

**Program income**

Program income is recorded as without donor restrictions and is derived through payments for programmatic activities. Revenue from program income is recorded at the time of the program.

**Functional allocation of expenses**

The costs of providing services have been summarized on a functional basis in the statements of activities. Identifiable expenses are charged to program and supporting services. Other functional services have been allocated between such categories related to personnel time and space utilized for activities. Accordingly, certain costs have been allocated among the program and supporting services utilizing the following framework:

*Engineering* - expenditures related to the Stations' studio equipment support services to operate and maintain the electrical equipment for radio broadcasts.

*Programming* - expenditures related to the Stations' program and research consulting, website maintenance and music rotation software for design and broadcasts.

*Marketing* - expenditures related to the Stations' advertising and marketing techniques.

*General and administration* - expenditures related to licenses and fees, data, and various overhead expenses incurred to further the Stations' mission and goals.

*Development and membership* - expenditures related to membership and underwriting software, subscription services and on-air fundraising expenses to attract more listeners to the Stations.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Adoption of new accounting pronouncement**

On July 1, 2023, the Stations adopted Accounting Standards Update ("ASU") 2016-13, *Measurement of Credit Losses on Financial Statements* ("ASC 326"), and its related amendments using the prospective method. The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including patient accounts receivable, from an incurred loss model to an expected loss model. Under the expected loss model, entities will recognize credit losses to be incurred over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred.

In accordance with ASC 326, the Stations evaluate certain criteria, including aging and historical write-offs, current economic condition of specific customers and future economic conditions to determine the appropriate allowance for credit losses. The adoption of ASC 326 did not result in any cumulative adjustments to the financial statements.

**88.5 FM Radio,  
A Programming Collaboration between KCSN and KSBR**

**Notes to Financial Statements  
June 30, 2024 and 2023**

**Subsequent events**

The Stations have evaluated subsequent events through December 19, 2024, which is the date the financial statements were available to be issued.

**Note 2 - Liquidity**

The Stations regularly monitor liquidity required to meet its operating needs and other contractual commitments. The Stations have various sources of liquidity at its disposal, including cash, pledges receivable and sponsorships receivable. The Stations have the following financial assets and liquidity resources available over the next 12 months at June 30, 2024 and 2023:

|   | 2024             | 2023             |
|---|------------------|------------------|
| Cash                                    | \$ 250           | \$ 250           |
| Pledges receivable, due within one year | 5,000            | 7,500            |
| Sponsorships receivable                 | 62,735           | 61,623           |
|   | <u>\$ 67,985</u> | <u>\$ 69,373</u> |

The University, Foundation, and SOCCCD have continued and will continue to fund the operating deficit of the Stations (see Note 5).

**Note 3 - Concentrations of credit risk**

At June 30, 2024 and 2023, three donors accounted for approximately 57% and 53% of the Stations' total receivables, respectively.

For the years ended June 30, 2024 and 2023, the Stations did not have any donors that accounted for more than 10% of the Stations' contributions and sponsorships.

**Note 4 - Pledges receivable**

At June 30, 2024 and 2023, pledges receivable consist of unconditional promises to give and have been recorded at their present values. Those receivables that are due in future periods have been discounted to their present values, using a discount rate of 5%. At June 30, 2024 and 2023, the gross undiscounted pledges receivable due in less than one year are \$5,000 and \$7,500, respectively, and there are no amounts due in greater than one year.

**Note 5 - Related party transactions**

The University will provide operational support as required in accordance with the Programming Collaboration Agreement. The University has also agreed to provide advances for operational support in an amount up to \$2,000,000. During the years ended June 30, 2024 and 2023, the advances extended by the University exceeded the initial commitment. While the University has exceeded the maximum initial commitment, the University and the Foundation will continue to provide operational support to the Stations through at least December 2025. At June 30, 2024 and 2023, the amounts due to the University are \$4,727,858 and \$4,102,498, respectively. The amounts are noninterest-bearing and repayable over 15 years, beginning with year 6, beginning July 1, 2022, of the Programming Collaboration Agreement. No repayments were made during the year ended June 30, 2024.

**88.5 FM Radio,  
A Programming Collaboration between KCSN and KSBR**

**Notes to Financial Statements  
June 30, 2024 and 2023**

In accordance with the Programming Collaboration Agreement, all operating costs and expenses related to producing and/or acquiring the collaborative programming and delivering it to the Stations shall be shared by the University and SOCCCD. At June 30, 2024 and 2023, the amounts due to Saddleback College of Mission Viejo, California, one of the three campuses of the SOCCCD, are \$334,766 and \$300,118, respectively.



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