Baltimore Public Media Corporation and Subsidiaries

Consolidated Financial Statements

For the Years Ended June 30, 2024 and 2023

BALTIMORE PUBLIC MEDIA
COMMUNITY AMPLIFIED

Baltimore Public Media Corporation and Subsidiaries
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For the Years Ended June 30, 2024 and 2023

K.L. HOFFMAN & COMPANY, PC Certified Public Accountant
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AICPA GAQC Member

Independent Auditor's Report

To the Board of Directors
Baltimore Public Media Corporation and Subsidiaries
Baltimore, Maryland

Opinion

We have audited the accompanying consolidated financial statements of Baltimore Public Media Corporation and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, the related consolidated statements of activities and change in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Baltimore Public Media Corporation and Subsidiaries 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Baltimore Public Media Corporation and Subsidiaries 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Baltimore Public Media Corporation and Subsidiaries' 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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Baltimore Public Media Corporation and Subsidiaries' 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.

K.L. Hoffman & Company, PC

CERTIFIED PUBLIC ACCOUNTANT

January 9, 2025

Baltimore Public Media Corporation and Subsidiaries

Consolidated Statements of Financial Position

June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash	$ 1,357,943	$ 468,017
Investments	945,553	854,659
Accounts receivable, net of allowance for credit losses of $32,567 and $26,397 in 2024 and 2023	459,527	315,947
Contributions receivable	250,192	944,263
Membership sustainers receivable	2,303,488	2,210,077
Grant receivable	-	150,279
Prepaid expenses and deposits	92,182	93,611
Property and equipment - net	1,219,114	1,320,532
Right-of-use asset	399,283	344,210
Derivative - interest rate swap	256,459	324,764
Licenses	9,399,494	9,399,494
Total assets	16,683,235	16,425,853
LIABILITIES AND NET ASSETS		
Accounts payable	948,990	614,378
Accrued payroll	420,691	414,011
Deferred revenue	10,039	143,160
Lease liability	417,472	363,303
Loan payable	2,914,833	3,250,957
Total liabilities	4,712,025	4,785,809
Net assets:		
Donor undesignated -		
Available for general activities	11,205,708	11,067,845
Donor designated	765,502	572,199
Total net assets	11,971,210	11,640,044
Total liabilities and net assets	$ 16,683,235	$ 16,425,853

Baltimore Public Media Corporation and Subsidiaries
Consolidated Statements of Activities and Change in Net Assets
Years Ended June 30, 2024 and 2023

	2024			2023		
	Donor Undesignated	Donor Designated	Total	Donor Undesignated	Donor Designated	Total
Revenues, gains, and other support:						
Underwriting	$ 2,691,004	$ -	$ 2,691,004	$ 2,414,916	$ -	$ 2,414,916
Public Support:						
Contributions and grants	1,173,038	461,094	1,634,132	1,832,643	292,791	2,125,434
Member support	1,220,873	-	1,220,873	1,573,547	-	1,573,547
Sustainers membership	2,364,919	-	2,364,919	2,210,255	-	2,210,255
Special promotions	112,868	-	112,868	115,690	-	115,690
Total public support	4,871,698	461,094	5,332,792	5,732,135	292,791	6,024,926
Grants from governmental agencies	1,250,622	-	1,250,622	1,433,007	-	1,433,007
Other revenue:						
Program fees	7,312	-	7,312	5,162	-	5,162
Investment income	91,065	-	91,065	63,907	-	63,907
Total other revenue	98,377	-	98,377	69,069	-	69,069
Net assets released from donor designations	267,791	(267,791)	-	20,833	(20,833)	-
Total revenues, gains and other support	9,179,492	193,303	9,372,795	9,669,960	271,958	9,941,918
Expenses:						
Program services:						
Programming	4,648,988	-	4,648,988	4,874,058	-	4,874,058
Underwriting	1,304,464	-	1,304,464	1,387,504	-	1,387,504
Supporting services:						
Management and general	1,444,175	-	1,444,175	1,836,703	-	1,836,703
Membership	1,135,206	-	1,135,206	1,075,580	-	1,075,580
Fund raising	440,491	-	440,491	461,865	-	461,865
	8,973,324	-	8,973,324	9,635,710	-	9,635,710
Change in net assets before gain on interest rate swap	206,168	193,303	399,471	34,250	271,958	306,208
(Loss) gain on interest rate swap	(68,305)	-	(68,305)	100,622	-	100,622
Change in net assets	137,863	193,303	331,166	134,872	271,958	406,830
Net assets - beginning of year	11,067,845	572,199	11,640,044	10,932,973	300,241	11,233,214
Net assets - end of year	$ 11,205,708	$ 765,502	$ 11,971,210	$ 11,067,845	$ 572,199	$ 11,640,044

See the independent auditor's report and accompanying notes.

Baltimore Public Media Corporation and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	$ 331,166	$ 406,830
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	114,435	83,604
Bond issue cost amortization	-	6,003
Amortization of right-of-use asset	(55,073)	73,446
Donated stock	(227,403)	(9,479)
Loss (gain) on interest rate swap	68,305	(100,622)
Realized and unrealized gains on investments	(64,387)	(33,873)
Deferred rent expense	-	(105,491)
Provision for credit losses	36,379	61,882
(Increase) decrease in:		
Accounts receivable	(161,164)	470,317
Contributions receivable	675,276	(423,689)
Membership sustainers receivable	(93,411)	(432,151)
Grant receivable	150,279	(5,875)
Prepaid expenses and deposits	1,429	6,823
Increase (decrease) in:		
Accounts payable	334,612	98,172
Deferred revenue	(133,121)	143,160
Accrued payroll	6,680	(26,866)
Lease liability	54,169	(54,353)
Net cash provided by operating activities	1,038,171	157,838
Cash flows from investing activities:		
Sales of investments	477,138	964,996
Purchase of investments	(276,242)	(985,538)
Capital expenditures	(13,017)	(256,593)
Net cash provided by (used in) investing activities	187,879	(277,135)
Cash flows from financing activities:		
Payments on long-term debt	(336,124)	(193,195)
Net cash used in financing activities	(336,124)	(193,195)
Net increase (decrease) in cash	889,926	(312,492)
Cash - beginning of year	468,017	780,509
Cash - end of year	$ 1,357,943	$ 468,017

See the independent auditor's report and accompanying notes.

Baltimore Public Media Corporation and Subsidiaries
Consolidated Statements of Functional Expenses
Years Ended June 30, 2024 and 2023

2024

	Program Services		Supporting Services			
	Programming	Underwriting	Management and General	Membership	Fund Raising	Total
Payroll and payroll related	$ 2,434,414	$ 1,002,598	$ 934,855	$ 688,130	$ 127,624	$ 5,187,621
Professional services	32,776	13,700	87,315	20,840	61	154,692
Occupancy	567,562	61,195	106,572	24,932	3,886	764,147
Supplies and office expense	221,491	59,969	177,247	31,883	3,899	494,489
Programming fees	1,257,565	94,898	-	-	-	1,352,463
Interest	45,522	22,761	23,281	22,761	-	114,325
Travel and entertainment	30,857	23,755	3,488	20,482	394	78,976
Promotion	-	-	-	127,450	296,335	423,785
Miscellaneous	462	-	56,580	188,303	6,667	252,012
Provision for credit losses	-	-	36,379	-	-	36,379
Depreciation	58,339	25,588	18,458	10,425	1,625	114,435
	$ 4,648,988	$ 1,304,464	$ 1,444,175	$ 1,135,206	$ 440,491	$ 8,973,324

2023

	Program Services		Supporting Services			
	Programming	Underwriting	Management and General	Membership	Fund Raising	Total
Payroll and payroll related	$ 2,693,598	$ 1,084,811	$ 1,159,266	$ 504,996	$ 70,754	$ 5,513,425
Professional services	31,606	14,693	227,463	17,007	122	290,891
Occupancy	559,656	64,731	98,045	26,373	4,111	752,916
Supplies and office expense	200,606	70,328	154,284	229,099	4,292	658,609
Programming fees	1,254,375	60,663	-	-	-	1,315,038
Interest	49,368	24,684	30,894	24,684	-	129,630
Travel and entertainment	41,500	47,377	12,954	31,281	635	133,747
Promotion	-	1,523	-	43,142	380,764	425,429
Miscellaneous	727	-	78,430	191,382	-	270,539
Provision for credit losses	-	-	61,882	-	-	61,882
Depreciation	42,622	18,694	13,485	7,616	1,187	83,604
	$ 4,874,058	$ 1,387,504	$ 1,836,703	$ 1,075,580	$ 461,865	$ 9,635,710

See the independent auditor's report and accompanying notes.

NOTE 1 - NATURE OF ORGANIZATION

Baltimore Public Media Corporation (Organization) operates non-commercial radio stations, WYPR and WTMD, serving the Metropolitan Baltimore area and the State of Maryland. In January 2024, Your Public Radio Corporation amended the name of the corporation to Baltimore Public Media Corporation.

The mission of Baltimore Public Media Corporation is to provide rich programming in news, music, arts and culture - across expanding radio and digital formats - that connects, enriches and elevates the residents and communities of Baltimore and the region.

On November 10, 2021, Your Public Radio Corporation acquired WTMD-FM 89.7. The acquisition will benefit the community by being able to serve audiences with expanded news, journalism, music and cultural programming, while preserving WTMD's license, music discovery format and service to the community.

The mission of Your Public Radio is to inform, connect, and even challenge the listeners we serve in the metropolitan Baltimore area and the State of Maryland by broadcasting programs of intellectual integrity and cultural merit so as to provide an unbiased perspective of the events of today and to enrich the minds and spirits of our audience.

WTMD is the most trusted source for music and cultural programming in the region and Baltimore's home for Total Music Discovery. We believe a rich, vibrant, thriving and diverse music and arts scene can elevate a city and enrich the lives of its residents. With listener support, WTMD strengthens communities and provides unmatched opportunities for Baltimore musicians and artists. WTMD connects artists with audiences through significant and meaningful airplay, live concerts, art openings, film screenings and more.

The radio stations support themselves in the following manners:

A) Underwriting;
B) Membership contributions;
C) Major gifts and foundation grants; and
D) Support from the Corporation of Public Broadcasting

WYPR License Holding, LLC, a limited liability company holds the non-commercial federal communications commission licenses of WYPR-FM Baltimore, Maryland and WTMD-FM Towson, Maryland. WYPR-FM Baltimore, Maryland broadcasts at 88.1 megahertz. WTMD-FM Towson, Maryland broadcasts at 89.7 megahertz. WYPR License Holding, LLC is a guarantor of the bank loan and has no other transactions. 2216 North Charles Street, LLC, a limited liability company, owns the building in which the Organization operates and has no other transactions. Baltimore Public Media Corporation is the single member of WYPR License Holding, LLC and 2216 North Charles Street, LLC.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Promises to Give

Unconditional promises to give that are expected to be collected within one (1) year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimates future cash flows. When material, the discounts on those amounts are computed using rates applicable to the facts and circumstances applicable to each of the promises to give. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers cash equivalents to include time deposits, certificates of deposits, and all highly liquid debt instruments purchased with maturities of three (3) months or less.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Beginning in July 2019, management provides for probable uncollectible amounts through a provision for credit losses and an adjustment to an allowance for credit losses based on 1% of underwriting revenue. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the credit losses allowance and a reduction to accounts receivable.

Investments

Investments consist of cash, exchange-traded funds, and mutual funds. Investments are reported at fair value based upon quoted or published market prices or estimated fair value using net asset value (NAV) provided by external investment managers. Interest and dividend income and realized and unrealized gains or losses on investments are recorded in the period in which the investment income or gains or losses occur and are included in the financial statements as undesignated activities unless designated by the donor. If investment income and gains are designated by donor and designations are met in the same reporting period, they are reported as undesignated. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near-term would materially affect the amounts reported in the consolidated financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative Financial Instruments

The Organization makes limited use of derivative instruments for the purpose of managing interest rate risks. Interest rate swap agreements are used to convert the Organization's floating rate long-term debt to a fixed rate. The differentials paid or received on interest rate swap agreements are accrued and recognized as adjustments to interest expense; gains and losses realized upon settlement of those agreements are deferred until the underlying hedged instrument is settled. Cash flows from interest rate swap agreements are classified as an operating activity on the consolidated statements of cash flows.

Property and Equipment

The Organization capitalizes substantial expenditures for property and equipment having a useful life of five (5) or more years. Expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed over the estimated useful life of five (5) - thirty (30) years using the straight-line method. The Organization uses the direct expensing method to account for planned major maintenance activities.

Donated Services and Tangible Personal Property

Donations of services and tangible personal property are recorded as support at their estimated fair value at the date of donation. Such donations are reported as undesignated support unless the donor has designated the donated asset to a specific purpose. Assets donated with explicit designations regarding their use and contributions of cash that must be used to acquire tangible personal property are reported as designated support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor designations when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies donor designated net assets to undesignated net assets at that time.

The Organization recognizes donated services that creates or enhances nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. These contributions are used in providing services to listeners and staff. The contributions are recognized at comparable current rates for services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Long-Lived Assets

The Organization reviews its property and tangible licenses for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the years ended June 30, 2024 and 2023.

Leases

The Organization determines if an arrangement is a lease or contains a lease at inception. Operating leases are included as right-of-use assets (ROU) assets and lease liabilities in the statement of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liability represents the Organization's obligation to make lease payments arising from the lease. ROU assets and payables are recognized at the commencement date of the lease based on present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain the Organization will exercise the option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of twelve (12) months or less as expense as incurred and these leases are not included as lease liability or ROU assets on statements of financial position. The Organization has elected to use a risk free discount rate to measure the lease for all leases classified as operating leases.

Contributions and Revenue

Contributions received are recorded as donor undesignated or donor designated support, depending on the existence and/or nature of any donor designation.

Support that is designated by the donor is reported as an increase in donor undesignated net assets if the designation expires in the reporting period in which the support is recognized. All other donor designated support is reported as an increase in donor designated net assets, depending on the nature of the designation. When a designation expires (that is, when a stipulated time designation ends or purpose designation is accomplished), donor designated net assets are reclassified to donor undesignated net assets and reported in the consolidated statement of activities and change in net assets as net assets released from designations. Governmental grant awards are classified as refundable advances until expended for the purpose of the grants since they are conditional promises to give.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Membership Dues/Sustainer Memberships

Membership dues are recognized when received and are classified as contributions since there are no significant monetary membership benefits received by members.

Sustainer memberships are classified as contributions since there are no significant monetary membership benefits received by members. The Organization records sustainer membership revenue and receivables as promises to give that are collectible within one (1) year of the statement of financial position date.

Use of Estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cost Allocation

The consolidated financial statements report certain categories of expenses that are attributable to program or supporting services. Management's estimate of the allocations of expenses to program service, management and general, and fund raising is based on appropriate allocation factors such as estimated time spent in those areas or square footage used.

Principles of Consolidation

The consolidated financial statements include the accounts of the Organization and the LLC's. Intra-entity transactions and balances have been eliminated in consolidation for the years ended June 30, 2024 and 2023.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The Organization has a cash balance with one (1) bank in excess of $250,000 as of June 30, 2024. Cash balances in excess of $250,000 with one (1) bank are not insured by the FDIC.

NOTE 4 - INCOME TAXES

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (Code) and comparable State law, and contributions to them are tax deductible within the limitations prescribed by the Code. The Organization has been classified as publicly-supported organizations which is not a private foundation under Section 509(a) of the Code.

NOTE 4 - INCOME TAXES (continued)

The Internal Revenue Service has not examined (audited) any of the Organization's income tax returns thus the previous three (3) years are subject to examination. The Organization has not taken any questionable tax positions with respect to unrelated business income tax or anything that would jeopardize their 501(c)(3) status.

WYPR License Holding, LLC, is a for-profit organization. The limited liability company holds the non-commercial federal communications commission licenses for WYPR-FM and WTMD-FM and has no other assets or transactions. Under applicable tax laws, income and losses and income tax credits of a LLC pass through directly to the member. Since there were no transactions, no income tax was incurred which would be passed directly to Baltimore Public Media Corporation. 2216 North Charles Street, LLC, is a for-profit organization. The limited liability company owns the building in which the Organization operates and has no other assets or transactions. Under applicable tax laws, income and losses and income tax credits of an LLC pass through directly to the member. Since there were no transactions, no income tax was incurred which would be passed directly to Baltimore Public Media Corporation.

NOTE 5 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following unconditional promises to give at June 30,:

	2024	2023
Collectible in less than 1 year	$ 215,192	$ 944,263
Collectible in 1 - 5 years	35,000	-
	$ 250,192	$ 944,263

Membership sustainers' receivable consists of unconditional promises to give monthly, all due within one (1) year.

NOTE 6 - RETIREMENT PLAN

The Organization maintains a SIMPLE IRA plan covering substantially all employees. Employees who are at least twenty-one (21) years of age and are expected to earn at least $5,000 are eligible to participate in the plan. Entry dates into the plan are the first day of each calendar quarter. The Organization will match the employee's contribution up to 3% of the employee's salary. Retirement plan expense was approximately $70,810 and $79,700 for the years ended June 30, 2024 and 2023, respectively.

NOTE 7 - SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest -

Total cash paid for interest for the years ended June 30, 2024 and 2023 was $113,806 and $123,421, respectively.

NOTE 8 - INTANGIBLE ASSETS

The Organization has obtained licenses to broadcast in Baltimore, Frederick, and Ocean City, Maryland. The original purchase price and legal fees associated with these licenses have been capitalized. Since the licenses are considered to have indefinite lives, GAAP does not allow amortization. However, the licenses are subject to an annual impairment test. As of June 30, 2024 and 2023, there was no impairment of the licenses.

Intangible assets consisted of the following at June 30,:

	2024	2023
Unamortized intangible assets - Licenses	$ 9,399,494	$ 9,399,494

NOTE 9 - LOAN PAYABLE

In November 2021, the Organization obtained a loan in the amount of $3,278,419 with PNC Bank to finance the purchase of the FCC License for WTMD(FM), Towson, MD and consolidate the HVAC system loan. The loan is secured by the property held in 2216 North Charles Street, LLC in the amount of $800,000 and guaranteed by WYPR License Holding LLC. The interest rate will be the sum of the Libor rate in effect on each reset date plus two hundred fifteen (215 basis points). The loan maturity date is November 2026. The loan balance was $2,914,833 and $3,250,957 at June 30, 2024 and 2023, respectively.

Aggregate maturities of the loan payable will be as follows at June 30,:

Fiscal 2025	$ 348,600
Fiscal 2026	361,539
Fiscal 2027	$ 2,204,694

NOTE 10 - INTEREST RATE SWAP

The Organization has entered into an interest rate swap agreement to reduce the impact of changes in interest rates on its floating long-term debt. At June 30, 2022 the Organization had an outstanding interest rate swap agreement with a commercial bank, having an initial notional principal amount of $3,278,419 and then declining with the amortization schedule ($2,914,833 at June 30, 2024). The agreement effectively changes the Organization's interest rate exposure on its floating rate note due November 2026 to a fixed rate of 3.65%. The interest rate swap agreement matures November 10, 2031.

GAAP requires derivative instruments; such as interest rate swap agreements, to be recognized at fair value as either assets or liabilities in the consolidated statement of financial position. Accordingly, the value of the swap agreement at June 30, 2024, is $256,459. This reflects a $68,305 decrease in the asset (i.e., decrease in value of swap) since the prior year. The value has been measured based on estimates of the amount needed to settle the agreement as calculated by the counterparty to the swap agreement. Such calculations were based on changes in market conditions and/or assumptions underlying valuation models using significant unobservable inputs (Level 3).

NOTE 11 - DONOR DESIGNATED NET ASSETS

Donor designated net assets consisted of the following at June 30,:

	2024	2023
Anthony Brandon Fellowship Fund	$ 245,638	$ 240,638
Programming	63,770	161,561
Time	141,792	150,000
Film Festival	-	20,000
Transmitter/Broadcasting Project	314,302	-
	$ 765,502	$ 572,199

NOTE 12 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30,:

	2024	2023
Land	$ 86,506	$ 86,506
Building	396,488	396,488
Equipment	1,576,288	1,559,758
Building improvements	1,378,063	1,381,576
Software	12,866	12,866
Website	30,188	30,188
Total property and equipment	3,480,399	3,467,382
Less: accumulated depreciation	2,261,285	2,146,850
Property and equipment - net	$ 1,219,114	$ 1,320,532

NOTE 13 - DONOR DESIGNATED NET ASSETS RELEASED FROM DESIGNATIONS

Net assets released from designations consisted of the following for the years ended June 30,:

	2024	2023
Time	$ 150,000	$ -
Film Festival	20,000	-
Programming	97,791	20,833
	$ 267,791	$ 20,833

NOTE 14 - COMMITMENTS AND CONTINGENCIES

The Organization is committed under various operating lease agreements for office space and tower space with lease terms expiring through May 31, 2028. Total lease expense was approximately $429,000 and $416,300 for the years ended June 30, 2024 and 2023, respectively. The lease agreement does not contain information amount the discount rate implicit in the lease. The Organization has elected to use a risk-free discount rates of 4.42% and .22% based on the five (5) year zero coupon U.S. Treasury instrument at the lease agreements inception date.

NOTE 14 - COMMITMENTS AND CONTINGENCIES (continued)

Future maturities for the operating lease liability for the years ending June 30,;

2025	$ 163,541
2026	169,484
2027	60,023
2028	49,678
2029	38,854
Total minimum future lease payments	481,580
Less: amount representing interest	64,108
Total obligation under lease liability	$ 417,472

Future rental commitments for leases not applicable to ASU 2016-02 for the years ending June 30,:

2025	$ 22,717
2026	23,398
2027	24,100
2028	$ 22,698

The Organization also has a revolving line of credit in the amount of $150,000. Interest will accrue on amounts outstanding at a variable rate equal to prime plus 0%. The balance of the line of credit was $0 as of June 30, 2024 and 2023. The loan is secured by all assets and cross-collateralized with the existing debt.

NOTE 15 - BARTER TRANSACTIONS

Materials and services in exchange for underwriting consisted of the following for the years ended June 30,:

	2024	2023
Marketing	$ 14,864	$ 18,526
Information technology	42,550	24,500
Travel and entertainment	13,810	46,615
Equipment maintenance	38,155	-
	$ 109,379	$ 89,641

NOTE 16 - FAIR VALUE MEASUREMENTS

The accounting codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value. The fair value hierarchy gives priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different level of hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the assets or liabilities. The hierarchy requires the use of observable market data when available. The three levels of fair value hierarchy are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets.

Level 2 - Inputs to the valuation methodology are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities and market-corroborated inputs.

If the assets or liabilities has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the assets or liabilities.

Level 3 - Inputs to valuation methodology are unobservable for the assets or liabilities and are significant to the fair value measurement.

The asset or liabilities' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization recognizes transfers into and out of levels at the end of the reporting period. There were no transfers between levels in the years ended June 30, 2024 and 2023.

NOTE 16 - FAIR VALUE MEASUREMENTS (continued)

Fair values of assets and liabilities measured on a recurring basis at June 30, 2024 and 2023 are as follows:

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2024				
Cash	$ 201,966	$ 201,966	$ -	$ -
Exchange-traded funds	743,587	-	743,587	-
Interest rate swap agreement	256,459	-	-	256,459
	1,202,012	201,966	743,587	256,459
June 30, 2023				
Cash	181,925	181,925	-	-
Exchange-traded funds	672,734	-	672,734	-
Interest rate swap agreement	324,764	-	-	324,764
	$ 1,179,423	$ 181,925	$ 672,734	$ 324,764

NOTE 17 - INVESTMENTS

Fair value of investments measured on a recurring basis of quoted prices in an active market at June 30,:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Cash	$ 201,966	$ 201,966	$ 181,925	$ 181,925
Exchange-traded funds	741,647	743,587	741,647	672,734
	$ 943,613	$ 945,553	$ 923,572	$ 854,659

Investment income consists of the following at June 30,:

	2024	2023
Unrealized (losses) gains	$ 64,387	$ 33,873
Interest and dividends	26,678	30,034
	$ 91,065	$ 63,907

NOTE 18 - ACCOUNTING PRONOUNCEMENTS

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326), which introduced the expected credit loss model. In November 2019, the FASB issued ASU 2019-10 Financial Instruments - Credit Losses (Topic 626, 815 and 842) which extended the effective date of ASU 2016-13 for certain entities to fiscal years beginning after December 15, 2022. The Organization adopted the requirements of the guidance effective July 1, 2023.

NOTE 19 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general use because of contractual or donor-imposed designations within one year of the statement of financial position date.

	2024	2023
Financial assets at year-end	$ 5,316,703	$ 4,943,242
Less those unavailable for general expenditures within one year:		
due to donor designations	765,502	572,199
due to contributions receivable due in more than one year	35,000	-
Financial assets available to meet cash needs for general expenditures within one year	$ 4,516,201	$ 4,371,043

As part of Baltimore Public Media's liquidity management, any excess cash is maintained in the Organization's operating account and short-term investments, typically in exchange-traded funds.

NOTE 20 - RELATED PARTY TRANSACTIONS

A board member's business provides human resource services for the Organization. Total fees were approximately $2,300 and $37,000 for the years ended June 30, 2024 and 2023, respectively.

NOTE 21 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date the consolidated financial statements were available to be issued on January 9, 2025, and determined no transactions to be disclosed.