White Ash Broadcasting, Inc. | Clovis, CA

Financial Statements

For the Years Ended September 30, 2024 and 2023

PRICE PAIGE & COMPANY
Certified Public Accountants

TABLE OF CONTENTS

PAGE

PRICE PAIGE & COMPANY
Certified Public Accountants

The Place to Be

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
White Ash Broadcasting, Inc.
Clovis, California

Opinion

We have audited the accompanying financial statements of White Ash Broadcasting, Inc. (the Organization), a nonprofit organization, which comprise the statements of financial position as of September 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 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 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 financial statements.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

www.ppc.cpa

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

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

Price Paige & Company

Clovis, California
January 27, 2025

FINANCIAL STATEMENTS

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,900,403	$ 2,000,130
Pledges receivable	369,026	349,752
Prepaid expenses	38,610	42,818
Total current assets	2,308,039	2,392,700
Long-term assets:		
Pledges receivable	-	5,000
Investments	829,364	732,319
Property and equipment, net	3,170,899	3,298,698
Total long-term assets	4,000,263	4,036,017
Total assets	$ 6,308,302	$ 6,428,717
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 9,095	$ 7,042
Vacation payable	74,676	65,584
Other accrued expenses	21,681	19,966
Unearned revenue	397,202	383,423
Note payable, current portion	29,694	28,546
Total current liabilities	532,348	504,561
Long-term liabilities:		
Note payable, long-term portion	673,664	703,268
Total long-term liabilities	673,664	703,268
Total liabilities	1,206,012	1,207,829
Net assets:		
With donor restrictions	795,176	683,274
Total with donor restrictions	795,176	683,274
Without donor restrictions:		
Designated by the Board for endowment	47,862	75,776
Undesignated	4,259,252	4,461,838
Total without donor restrictions	4,307,114	4,537,614
Total net assets	5,102,290	5,220,888
Total liabilities and net assets	$ 6,308,302	$ 6,428,717

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Contributions	$ 1,373,985	$ 14,028	$ 1,388,013
Grants	627,630	44,089	671,719
Special events, net of direct expenses of $85,487	78,466	-	78,466
Investment income (loss), net	20,885	131,370	152,255
Interest and dividend income	29,287	-	29,287
Other income	24,442	-	24,442
Total revenues and support before net assets released from restrictions	2,154,695	189,487	2,344,182
Net assets released from restrictions	77,585	(77,585)	-
Total revenues and support after net assets released from restrictions	2,232,280	111,902	2,344,182
Expenses:			
Program services:			
Programming and production	1,174,650	-	1,174,650
Broadcasting and technical	524,816	-	524,816
Public information	168,465	-	168,465
Total program expenses	1,867,931	-	1,867,931
Supporting services:			
General administration	344,000	-	344,000
Fundraising and membership development	239,380	-	239,380
Total supporting expenses	583,380	-	583,380
Total expenses	2,451,311	-	2,451,311
Other (revenue) and expenses:			
(Gain)/loss on disposition of fixed assets	2,767	-	2,767
Credit loss expense	8,702	-	8,702
Total other (revenue) and expenses	11,469	-	11,469
Changes in net assets	(230,500)	111,902	(118,598)
Net assets, beginning of year	4,537,614	683,274	5,220,888
Net assets, end of year	$ 4,307,114	$ 795,176	$ 5,102,290

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support:			
Contributions	$ 1,437,804	$ 170,630	$ 1,608,434
Grants	512,175	69,682	581,857
Special events, net of direct expenses of $80,473	96,210	-	96,210
Investment income (loss), net	7,597	48,990	56,587
Interest and dividend income	19,145	-	19,145
Employee retention credit	198,999	-	198,999
Other income	40,081	-	40,081
Total revenues and support before net assets released from restrictions	2,312,011	289,302	2,601,313
Net assets released from restrictions	247,782	(247,782)	-
Total revenues and support after net assets released from restrictions	2,559,793	41,520	2,601,313
Expenses:			
Program services:			
Programming and production	1,126,960	-	1,126,960
Broadcasting and technical	426,906	-	426,906
Public information	258,181	-	258,181
Total program expenses	1,812,047	-	1,812,047
Supporting services:			
General administration	359,728	-	359,728
Fundraising and membership development	170,191	-	170,191
Total supporting expenses	529,919	-	529,919
Total expenses	2,341,966	-	2,341,966
Other (revenue) and expenses:			
Credit loss expense	10,045	-	10,045
Total other (revenue) and expenses	10,045	-	10,045
Changes in net assets	207,782	41,520	249,302
Net assets, beginning of year	4,329,832	641,754	4,971,586
Net assets, end of year	$ 4,537,614	$ 683,274	$ 5,220,888

See Independent Auditor’s Report and Notes to the Financial Statements.

	Program Services			Supporting Services		
	Programming and Production	Broadcasting and Technical	Public Information	General Administration	Fundraising and Membership Development	Total
Expenses:						
Salaries and related costs:						
Salary and wages	$ 499,669	$ 265,538	$ 94,223	$ 185,591	$ 154,185	$ 1,199,206
Employer taxes and benefits	86,728	46,090	16,354	32,213	26,763	208,148
Total salaries and related costs	586,397	311,628	110,577	217,804	180,948	1,407,354
Other expenses:						
Contractual services	-	23,891	-	-	-	23,891
Office expenses	8,731	4,641	16,007	3,243	2,693	35,315
Interest expense	12,028	6,392	2,268	4,467	3,711	28,866
Utilities	21,806	52,335	5,234	4,361	3,489	87,225
Telephone	7,338	3,900	1,384	2,726	2,264	17,612
Tower rental	-	13,200	-	-	-	13,200
General insurance	13,957	7,417	2,632	5,184	4,307	33,497
Repair and maintenance	19,399	10,309	3,658	7,205	5,986	46,557
Training and travel	5,333	2,834	1,006	1,981	1,645	12,799
Program fees	378,720	-	-	-	-	378,720
Advertising and promotion	-	-	-	8,234	-	8,234
Dues and subscriptions	6,143	1,396	931	838	-	9,308
Professional fees	21,733	15,674	8,273	54,503	6,529	106,712
Miscellaneous	3,531	17,677	665	1,311	1,091	24,275
Data processing	17,455	15,217	2,238	5,371	4,475	44,756
Depreciation expense	72,079	38,305	13,592	26,772	22,242	172,990
Total other expenses	588,253	213,188	57,888	126,196	58,432	1,043,957
Total expenses	$ 1,174,650	$ 524,816	$ 168,465	$ 344,000	$ 239,380	$ 2,451,311

	Program Services			Supporting Services		
	Programming and Production	Broadcasting and Technical	Public Information	General Administration	Fundraising and Membership Development	Total
Expenses:						
Salaries and related costs:						
Salary and wages	$ 459,018	$ 214,208	$ 153,006	$ 186,389	$ 100,149	$ 1,112,770
Employer taxes and benefits	80,709	37,664	26,903	32,774	17,609	195,659
Total salaries and related costs	539,727	251,872	179,909	219,163	117,758	1,308,429
Other expenses:						
Contractual services	-	22,891	-	19,860	-	42,751
Office expenses	7,988	3,728	16,544	6,331	6,807	41,398
Interest expense	12,433	5,802	4,144	5,049	2,713	30,141
Utilities	32,510	37,928	8,127	8,128	3,612	90,305
Telephone	4,326	2,019	1,442	1,757	944	10,488
Tower rental	-	13,200	-	-	-	13,200
General insurance	13,257	6,187	4,419	5,383	2,892	32,138
Repair and maintenance	18,189	8,488	6,063	7,385	3,970	44,095
Training and travel	5,677	2,649	1,892	2,305	1,239	13,762
Program fees	371,986	-	-	-	-	371,986
Advertising and promotion	-	-	-	3,529	7,218	10,747
Dues and subscriptions	2,965	674	449	404	-	4,492
Professional fees	30,740	8,592	6,137	45,045	4,017	94,531
Miscellaneous	8,347	21,186	411	3,077	479	33,500
Data processing	14,331	11,597	7,149	6,128	4,473	43,677
Depreciation expense	64,484	30,093	21,495	26,184	14,069	156,325
Total other expenses	587,233	175,034	78,272	140,565	52,433	1,033,537
Total expenses	$ 1,126,960	$ 426,906	$ 258,181	$ 359,728	$ 170,191	$ 2,341,966

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ (118,598)	$ 249,302
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	172,990	156,325
Credit loss expenses	8,702	10,045
Unrealized gain/loss on investments	(118,464)	(22,362)
Loss on disposition of fixed assets	2,767	-
Changes in operating assets and liabilities:		
Pledges receivable	(22,976)	(36,874)
Prepaid expenses	4,208	(1,938)
Accounts payable	2,053	(5,922)
Vacation payable	9,092	10,661
Other accrued expenses	1,715	1,082
Unearned revenue	13,779	(8,111)
Net cash provided by (used in) operating activities	(44,732)	352,208
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(47,958)	(327,667)
Proceeds from sale of investments	111,549	50,626
Purchase of investments	(90,130)	(54,300)
Net cash provided by (used in) investing activities	(26,539)	(331,341)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on note payable	(28,456)	(27,181)
Net cash provided by (used in) financing activities	(28,456)	(27,181)
Net increase (decrease) in cash and cash equivalents	(99,727)	(6,314)
Cash and cash equivalents, beginning of year	2,000,130	2,006,444
Cash and cash equivalents, end of year	$ 1,900,403	$ 2,000,130
Supplemental disclosures of cash flow information:		
Interest paid	$ 28,866	$ 30,141
Unrelated business income taxes paid	$ 667	$ 3,657

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND OPERATIONS

Organization

White Ash Broadcasting, Inc. (the Organization) is a nonprofit corporation which operates public radio stations in Clovis and Bakersfield, California, under the call letters KVPR and KPRX.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Pronouncements

In June 2016, the FASB issued guidance FASB ASU 2016-13 – *Financial Instruments – Credit Losses* which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through change in net assets or net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing the Organization's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASU 2016-13 were accounts receivable. The Organization adopted the standard effective October 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Classification of Net Assets

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Organization maintains cash balances with various financial institutions insured by the Federal Deposit Insurance Corporation. The uninsured portions of these balances were $1,094,789 and $1,288,926 as of September 30, 2024 and 2023, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are carried at fair value. Realized and unrealized gains and losses are reflected in the Statements of Activities. The fair values of investments are based on quoted market prices. The Organization's investment policy authorizes investments in United States government obligations, corporate bonds, common stock and mutual funds.

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition or fair market value at the date of the donation. The Organization's policy is to capitalize all purchases in excess of $2,500. Any purchases of less than $2,500 for property and equipment are expensed through operations unless the items are to be kept for three years or more. Routine repairs and maintenance, including planned major maintenance activities are expensed when incurred. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	7 - 27.5 years
Radio equipment	3 - 15 years
Office furniture and fixtures	3 - 15 years
Leasehold improvements	3 - 15 years

Compensated Absences

The Organization accrues personal time off for its qualified employees. The Organization's policy allows for up to 216 hours per year of paid time off. Personal time off accrued has been recorded and is included in vacation payable at year-end.

Revenue Recognition

The Organization recognizes revenues when earned, regardless of the timing of cash receipts. Revenue is considered earned when the Organization has substantially met its obligation to be entitled to the benefits represented by the revenue. Deposits, advance payments and progress payments for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenues and are recognized as revenue only when the revenue-producing event has occurred.

Support and Expenses

Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose for restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. Donor restricted contributions or grants received and expended in the same fiscal year are reported as temporarily restricted net assets and releases from restriction, respectively, in the Statements of Activities.

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Nonfinancial Assets

The Organization recognized contributed nonfinancial assets within revenue, including donated materials and professional services. Many individuals have donated time and services to advance the Organization's programs and objectives. The value of these services has not been recorded in the financial statements because they do not meet the definition for recognition under generally accepted accounting principles.

Contributed services comprise professional services that would otherwise be purchased. Contributed services are valued and reported at the estimated fair value based on current rates for similar services.

Contributed materials and supplies are used for the benefit of various programs within the Organization. The Organization estimates the value based on the fair value that would be paid for similar material and supplies in the Central Valley.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expenses for the years ended September 30, 2024 and 2023 were $8,234 and 3,529, respectively.

Income Taxes

The Organization has qualified as a nonprofit organization and has been granted tax-exempt status pursuant to Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d) and is exempt from Federal and State of California income taxes. However, income from rental activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. Income taxes for such unrelated business income totaled approximately $667 and $3,657 for the years ended September 30, 2024 and 2023, respectively.

Generally accepted accounting principles provide accounting and disclosures guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Organization's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.

Fair Value of Financial Instruments

The Organization considers its cash, pledges receivable, prepaid expenses, accounts payable, vacation payable, other accrued expenses and unearned revenue to be short-term in nature, and therefore their fair value approximates their carrying values.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities of the Organization have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the program services and supporting activities based on management's estimate of the personnel resources utilized in the function.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salary and wages	Time and effort
Employer taxes and benefits	Time and effort
Office expenses	Time and effort
Interest expense	Time and effort
Telephone	Time and effort
General insurance	Time and effort
Repair and maintenance	Time and effort
Training and travel	Time and effort
Miscellaneous	Time and effort
Depreciation expense	Time and effort

NOTE 3 – AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure within one year consist of the following at September 30:

	2024	2023
Cash and cash equivalents	$ 1,900,403	$ 2,000,130
Pledges receivable	369,026	354,752
Investments	829,364	732,319
	3,098,793	3,087,201
Less amounts not available to be used within one year:		
Donor-restricted with liquidity horizons greater than one year	(775,176)	(653,274)
Financial assets available to meet general expenditures within one year	$ 2,323,617	$ 2,433,927

The Organization has not adopted an official liquidity management plan or cash maintenance policy. However, cash, cash equivalents, and investments are reviewed on a regular basis and adjusted, as needed, to account for immediate cash needs, assess risk, and maximize return. Consistent with previous years, the Organization conservatively maintains sufficient liquidity to meet its operating requirements and perform its mission.

NOTE 4 – PLEDGES RECEIVABLE

Pledges receivable represent promises to give which have been made by donors but have not yet been received by the Organization.

Pledges receivable were as follows at September 30:

	2024	2023
Underwriters receivable	$ 51,478	$ 53,278
Subscribers receivable	312,548	291,474
Capital campaign receivable	5,000	10,000
Total pledges receivable	$ 369,026	$ 354,752

NOTE 5 – INVESTMENTS

Investments include funds with donor restrictions and funds without donor restrictions.

The fair value of investments is as follows at September 30:

	2024	2023
Corporate bond funds	$ 309,716	$ 359,296
Equity funds	176,214	373,023
Exchange traded funds	343,434	-
Total investments	$ 829,364	$ 732,319

Investment income (loss) consists of the following at September 30:

	2024	2023
Investment earnings	$ 33,791	$ 34,225
Unrealized gain (loss)	118,464	22,362
Total investment income (loss)	$ 152,255	$ 56,587

NOTE 5 – INVESTMENTS (Continued)

Generally accepted accounting principles define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles establishes 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 measurements) and the lowest priority to measurements involving significant observable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Valuations are for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly. Valuations are for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities. The Organization has no financial assets or liabilities of this category.

Level 3 – Inputs are unobservable. Valuations are for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discount cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining fair value assigned to such assets or liabilities. The Organization has no financial assets or liabilities in this category.

The table below presents the level within the fair value hierarchy at which investments are measured at September 30, 2024:

Description	Level 1	Level 2	Level 3	Total
Equity funds	$ 176,214	$ -	$ -	$ 176,214
Corporate bond funds	309,716	-	-	309,716
Exchange traded funds	343,434	-	-	343,434
Total	$ 829,364	$ -	$ -	$ 829,364

The table below presents the level within the fair value hierarchy at which investments are measured at September 30, 2023:

Description	Level 1	Level 2	Level 3	Total
Equity funds	$ 373,023	$ -	$ -	$ 373,023
Corporate bond funds	359,296	-	-	359,296
Total	$ 732,319	$ -	$ -	$ 732,319

NOTE 6 – PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following at September 30:

	2024	2023
Land	$ 411,650	$ 411,650
Radio equipment	573,723	423,684
Office furniture and fixtures	109,713	102,106
Leasehold improvements	57,034	57,034
Buildings and improvements	4,104,117	4,099,142
Construction in progress	-	134,234
Property and equipment	5,256,237	5,227,850
Accumulated depreciation	(2,085,338)	(1,929,152)
Property and equipment, net	$ 3,170,899	$ 3,298,698

Depreciation expense for the years ended September 30, 2024 and 2023 was $172,990 and $156,325, respectively.

NOTE 7 – LINE OF CREDIT

The Organization has a line of credit agreement with the United Security Bank that provides for borrowings of up to $150,000 at the bank's prime rate (8.00% at September 30, 2024). Any borrowings under this line are collateralized by the Organization's savings account, deposits, receivables and fixed assets. At September 30, 2024 and 2023, the Organization did not carry a balance on the line of credit. The Organization did not pay any interest for the year ended September 30, 2024 and 2023. The line expired in October 2023 and was renewed with comparable terms and a maturity of October 2024.

NOTE 8 – LONG-TERM DEBT

Note Payable

The Organization has a note payable to United Security Bank payable in monthly installment of $4,777 including interest at 3.95% secured by assets of the Organization. The note has a principal balance of $703,358 and $731,814 at September 30, 2024 and 2023, respectively.

Principal payments consist of the following for years ending September 30:

2025	$ 29,694
2026	673,664
Total	$ 703,358

Total interest expense on the note payable was $28,866 and $30,141 for the years ended September 30, 2024 and 2023, respectively.

NOTE 9 – ENDOWMENTS

Generally accepted accounting principles provide guidance on the net asset classification of donor restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and also required disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Organization's endowment consists of approximately seven individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the Organization to classify as endowments (included with Net Assets with Donor Restrictions), the fair value of the original gift as of the gift date, the original value of subsequent gifts, including any accumulations to the donor-restricted endowments made in accordance with the applicable gift instruments. Accumulated earnings above or deficits below the original gift values in each endowment fund are reported as an increase or decrease to each fund within Net Assets with Donor Restrictions.

The remaining portion of endowment funds that are not classified as Net Assets with Donor Restrictions are not subject to explicit donor restriction and are subject to the Organization's spending policy. The following represents the composition of endowment funds that have explicit donor stipulations prohibiting the spending of principal and endowment funds that do not have specific donor stipulations, however, are subject to the Organization's endowment spending policies.

The Organization's endowment funds by composition consist of the following at September 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 795,176	$ 795,176
Board-designated endowment funds	47,862	-	47,862
Total endowed net assets	$ 47,862	$ 795,176	$ 843,038

The Organization's endowment funds by composition consist of the following at September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 661,571	$ 661,571
Board-designated endowment funds	75,776	-	75,776
Total endowed net assets	$ 75,776	$ 661,571	$ 737,347

NOTE 9 – ENDOWMENTS (Continued)

Changes in Endowment Net Assets

The following schedule shows changes in endowment net assets for the year ended September 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, October 1, 2023	$ 75,776	$ 661,571	$ 737,347
Investment return:			
Investment income	4,627	29,165	33,792
Net appreciation (depreciation)	16,259	102,205	118,464
Total investment return	20,886	131,370	152,256
Contributions	1,200	2,235	3,435
Appropriation of endowment assets for expenditure	(50,000)	-	(50,000)
Endowment net assets, September 30, 2024	$ 47,862	$ 795,176	$ 843,038

The following schedule shows changes in endowment net assets for the year ended September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, October 1, 2022	$ 86,379	$ 629,666	$ 716,045
Investment return:			
Investment income	4,612	29,613	34,225
Net appreciation (depreciation)	2,985	19,377	22,362
Total investment return	7,597	48,990	56,587
Contributions	1,800	2,915	4,715
Appropriation of endowment assets for expenditure	(20,000)	(20,000)	(40,000)
Endowment net assets, September 30, 2023	$ 75,776	$ 661,571	$ 737,347

NOTE 9 – ENDOWMENTS (Continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in net assets with donor restrictions. There were no deficiencies in the Organization's endowment funds for the years ended September 30, 2024 and 2023.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 3.5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on bond-based investments to achieve its long-term return objectives within prudent risk constraints. The investment committee meets quarterly to assess the investment assets and the returns from the assets. As of September 30, 2024, the Organization had an investment policy of approximately 40% bonds, 60% stocks in order to be conservative in an uncertain market.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Board of Directors shall comply with state and federal laws requiring minimum distributions applicable to non-profit organizations as well as the laws relating to maximum distributions that are presumptively excessive. Under this policy the Board of Directors retains full discretion with respect to principal and income of the endowments that are consistent with the laws governing such funds. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average of three percent annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 10 – EMPLOYEE RETENTION CREDIT

The Employee Retention Credit (ERC) is a refundable tax credit against certain employment taxes established under the CARES Act. Employers are eligible for the refundable tax credit if they meet certain requirements under the program guidelines, which includes either reduced gross receipts based on various metrics under the qualified period or there was a full or partial suspension and impact to the entity's operations due to a government order limiting commerce, travel, or others. The Organization determined that it was eligible for ERC and has recognized revenue of $0 and $198,999 for the years ended September 30, 2024 and 2023, respectively.

NOTE 11 – NET ASSETS

The detail of the Organization's net asset categories at September 30, is as follows:

	2024	2023
With donor restrictions:		
Perpetual in nature	$ 508,171	$ 505,936
Purpose restricted	287,005	177,338
Total net assets with donor restrictions	795,176	683,274
Without donor restrictions:		
Designated by the Board for mortgage payments	47,862	75,776
Undesignated	4,259,252	4,461,838
Total net assets without donor restrictions	4,307,114	4,537,614
Total net assets	$ 5,102,290	$ 5,220,888

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The Organization participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE 13 – SUBSEQUENT EVENTS

Federal Funding

A memo issued by the White House Office of Management and Budget on January 27, 2025 placed a temporary hold on federal loan and grant distributions. This impacts a reimbursable grant which was issued to White Ash Broadcasting, Inc on November 19, 2024. The grant is from FEMA's Next Generation Warning System (NGWS) grant program, to support the construction of an auxiliary transmitter site for KVPR. The station has paused work on this grant until further notice. The grant is administered by the Corporation for Public Broadcasting (CPB) on behalf of FEMA. As of January 27, 2025, the station had not yet expended any funds connected to the NGWS project, which has a maximum reimbursable amount of $38,607. The OMB pause of funding memo of January 27, 2025 does not impact the station's other funding from CPB, which comes in the form of a CPB Community Service Grant.

Management has evaluated and concluded that there are no other subsequent events that have occurred from September 30, 2024 through the date the financial statements were available to be issued at January 27, 2025 that would require additional disclosure or adjustment.