South Florida PBS, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information
For the Years Ended June 30, 2024 and 2023

South Florida PBS, Inc. and Affiliates

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
South Florida PBS, Inc. and Affiliates

Opinion

We have audited the accompanying consolidated financial statements of South Florida PBS, Inc. and Affiliates (collectively, the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of South Florida PBS, Inc. and Affiliates as of June 30, 2024, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. 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 South Florida PBS, Inc. and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The consolidated financial statements of South Florida PBS, Inc. and Affiliates as of June 30, 2023 were audited by other auditors whose report dated October 27, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management for the 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.

Responsibilities of Management for the Financial Statements (Continued)

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 South Florida PBS, Inc. and Affiliates' 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 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 and *Government 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 auditing standards generally accepted in the United States of America and *Government 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 South Florida PBS, Inc. and Affiliates' 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 South Florida PBS, Inc. and Affiliates' ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual affiliates, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2024, on our consideration of South Florida PBS, Inc. and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of South Florida PBS, Inc. and Affiliates' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering South Florida PBS, Inc. and Affiliates' internal control over financial reporting and compliance.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
November 6, 2024

South Florida PBS, Inc. and Affiliates
Consolidated Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets:		
Current assets:		
Cash and cash equivalents	$ 3,722,066	$ 2,236,120
Promises to give, net	3,322,391	2,399,888
Other receivables	294,845	277,970
Beneficial interest in a charitable lead annuity trust	125,000	125,000
Prepaid expenses and other assets	624,936	298,684
Program broadcast rights, net of amortization	59,416	124,728
Total current assets	8,148,654	5,462,390
Deposits and other assets	38,600	46,384
Investments	74,028,141	73,435,142
Cash surrender value and premiums receivable on life insurance policies	-	863,339
Program broadcast rights, net of amortization and current portion	11,967	40,419
Property and equipment, net	9,313,863	7,416,679
Beneficial interest in a charitable lead annuity trust, net of current portion	572,918	697,918
Net pension asset	3,338,807	360,474
FCC broadcast licenses	3,488,900	3,488,900
Total assets	$ 98,941,850	$ 91,811,645
Liabilities:		
Current liabilities:		
Accounts payable	$ 3,551,966	$ 339,044
Accrued expenses	801,327	622,347
Refundable program advances	-	1,392,984
Present value of annuity obligations	200,559	200,559
Note payable	131,152	-
Finance lease liability	141,873	119,930
Total current liabilities	4,826,877	2,674,864
Deferred revenue and refundable advances	326,070	353,116
Present value of annuity obligations, due beyond one year	1,808,303	1,853,020
Note payable, due beyond one year	638,749	-
Finance lease liability, due beyond one year	469,792	611,665
Total liabilities	8,069,791	5,492,665
Net Assets:		
Without donor restrictions:		
Board designated	62,873,273	64,272,971
Undesignated	13,545,503	9,137,116
	76,418,776	73,410,087
With donor restrictions:		
Purpose and time restrictions	5,232,915	3,738,525
Perpetual in nature	9,220,368	9,170,368
	14,453,283	12,908,893
Total net assets	90,872,059	86,318,980
Total liabilities and net assets	$ 98,941,850	$ 91,811,645

See accompanying notes to consolidated financial statements.

South Florida PBS, Inc. and Affiliates
Consolidated Statements of Activities
For the Years Ended June 30, 2024 and 2023

	2024	2023
Change in Net Assets Without Donor Restrictions:		
Revenues, gains and other support:		
Contract productions	$ 461,458	$ 279,198
Contributions and bequests	12,938,368	13,946,833
Contributions and bequests of non-financial assets	2,137,332	1,019,753
Satisfaction of program restrictions	1,322,739	758,510
Corporation for Public Broadcasting:		
Community service and other grants, net	3,996,518	1,917,760
CARES Act Employee Retention Credits	-	1,402,372
State of Florida Department of Education:		
Community service grant	740,800	740,800
Program and production underwriting, net of commissions of $14,998 and $21,976, respectively	1,078,952	1,189,452
Gain on life insurance policy	550,056	-
Net investment income	4,382,379	17,643,257
Other	206,641	233,067
Total revenues, gains and other support	27,815,243	39,131,002
Operating expenses:		
Program services:		
Programming and production	16,168,458	11,001,836
Broadcasting	3,358,670	3,102,589
Total program services	19,527,128	14,104,425
Supporting services:		
Management and general	3,140,206	3,256,855
Development and fundraising	5,279,853	4,764,809
Total supporting services	8,420,059	8,021,664
Total operating expenses	27,947,187	22,126,089
Pension Asset Adjustment	3,140,633	1,357,354
Change in net assets without donor restrictions	3,008,689	18,362,267
Change in Net Assets With Donor Restrictions:		
Contributions	2,882,124	1,631,718
Net investment income	32,190	412,867
Change in present value of annuity obligations	(47,185)	(47,833)
Net assets released from restrictions	(1,322,739)	(758,510)
Change in net assets with donor restrictions	1,544,390	1,238,242
Change in net assets	4,553,079	19,600,509
Net Assets, beginning of year	86,318,980	66,718,471
Net Assets, end of year	$ 90,872,059	$ 86,318,980

See accompanying notes to consolidated financial statements.

South Florida PBS, Inc. and Affiliates
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services			Supporting Services			
	Programming and Production	Broadcasting	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	Total
Salaries and wages	$ 2,540,197	$ 934,887	$ 3,475,084	$ 1,350,915	$ 1,665,572	$ 3,016,487	$ 6,491,571
Employee benefits	615,748	194,119	809,867	348,213	335,679	683,892	1,493,759
Payroll taxes	187,553	72,600	260,153	92,791	124,184	216,975	477,128
Professional services	2,295,131	306,922	2,602,053	436,339	1,188,571	1,624,910	4,226,963
TV program acquisition	8,724,223	-	8,724,223	-	-	-	8,724,223
Production costs	134,297	5,473	139,770	-	4,388	4,388	144,158
Premiums	1,076	-	1,076	863	228,114	228,977	230,053
Advertising and promotion	459,725	-	459,725	127	270,621	270,748	730,473
Office expense	28,044	29,193	57,237	13,630	31,134	44,764	102,001
Postage and shipping	1,370	3,158	4,528	2,801	323,450	326,251	330,779
Information technology	230,947	125,788	356,735	35,507	163,211	198,718	555,453
Occupancy	186,679	661,667	848,346	101,750	242,286	344,036	1,192,382
Transmission expense	-	329,330	329,330	-	-	-	329,330
Rental and equipment maintenance	24,463	169,739	194,202	1,794	9,375	11,169	205,371
Travel	206,274	15,908	222,182	160,845	114,177	275,022	497,204
Meetings and events	112,364	3,325	115,689	166,434	401,486	567,920	683,609
Insurance	116,762	38,224	154,986	85,193	68,100	153,293	308,279
Other	1,494	-	1,494	254,186	-	254,186	255,680
Total expenses before provision for depreciation, amortization, and interest expense	15,866,347	2,890,333	18,756,680	3,051,388	5,170,348	8,221,736	26,978,416
Provision for depreciation and amortization	253,316	450,379	703,695	62,868	77,511	140,379	844,074
Interest expense	48,795	17,958	66,753	25,950	31,994	57,944	124,697
Total expenses	$ 16,168,458	$ 3,358,670	$ 19,527,128	$ 3,140,206	$ 5,279,853	$ 8,420,059	$ 27,947,187

See accompanying notes to consolidated financial statements.

South Florida PBS, Inc. and Affiliates
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services			Supporting Services			
	Programming and Production	**Broadcasting**	**Total Program Services**	**Management and General**	**Development and Fundraising**	**Total Supporting Services**	**Total**
Salaries and wages	$ 2,277,956	$ 913,590	$ 3,191,546	$ 1,160,221	$ 1,495,425	$ 2,655,646	$ 5,847,192
Employee benefits	337,798	129,937	467,735	263,515	219,223	482,738	950,473
Payroll taxes	174,309	67,338	241,647	78,388	113,273	191,661	433,308
Professional services	2,226,570	44,316	2,270,886	759,804	1,018,624	1,778,428	4,049,314
TV program acquisition	4,104,897	-	4,104,897	-	-	-	4,104,897
Production costs	145,161	6,030	151,191	-	1,173	1,173	152,364
Premiums	2,242	-	2,242	6,038	299,292	305,330	307,572
Advertising and promotion	349,450	-	349,450	1,712	192,148	193,860	543,310
Office expense	30,538	34,081	64,619	9,522	28,890	38,412	103,031
Postage and shipping	1,693	337	2,030	2,656	252,588	255,244	257,274
Information technology	192,903	124,671	317,574	26,466	166,810	193,276	510,850
Occupancy	413,911	731,835	1,145,746	221,750	407,513	629,263	1,775,009
Transmission expense	-	319,260	319,260	-	-	-	319,260
Rental and equipment maintenance	8,185	195,003	203,188	683	7,869	8,552	211,740
Travel	152,916	13,509	166,425	114,216	104,039	218,255	384,680
Meetings and events	107,436	1,198	108,634	174,701	269,540	444,241	552,875
Insurance	96,379	33,344	129,723	70,726	54,580	125,306	255,029
Other	17,162	-	17,162	262,651	-	262,651	279,813
Total expenses before provision for depreciation, amortization, and interest expense	10,639,506	2,614,449	13,253,955	3,153,049	4,630,987	7,784,036	21,037,991
Provision for depreciation and amortization	273,345	452,452	725,797	58,484	75,406	133,890	859,687
Interest expense	88,985	35,688	124,673	45,322	58,416	103,738	228,411
Total expenses	$ 11,001,836	$ 3,102,589	$ 14,104,425	$ 3,256,855	$ 4,764,809	$ 8,021,664	$ 22,126,089

See accompanying notes to consolidated financial statements.

South Florida PBS, Inc. and Affiliates
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
Operating Activities:		
Cash received from supporters, customers and grant agencies	$ 24,873,719	$ 41,734,318
Cash received from interest	-	4,377
Cash paid for interest	(120,960)	(222,105)
Cash paid for support services to suppliers and employees	(24,752,810)	(19,768,242)
Net cash provided by (used in) operating activities	(51)	21,748,348
Investing Activities:		
Cash received from sales or maturities of investments	17,537,987	33,351,439
Cash paid for property and equipment	(1,987,164)	(1,302,014)
Cash paid for investments	(13,944,896)	(50,252,544)
Net cash provided by (used in) investing activities	1,605,927	(18,203,119)
Financing Activities:		
Repayment of borrowings from financial institutions	(119,930)	(7,322,027)
Proceeds from borrowings from financial institutions	-	90,846
Net cash used in financing activities	(119,930)	(7,231,181)
Net increase (decrease) in cash and cash equivalents	1,485,946	(3,685,952)
Cash and Cash Equivalents, beginning of year	2,236,120	5,922,072
Cash and Cash Equivalents, end of year	$ 3,722,066	$ 2,236,120

See accompanying notes to consolidated financial statements.

Note 1 - Organization and Operations

South Florida PBS, Inc. (SFPBS) was created by the merger of WXEL Public Broadcasting Corporation (WXEL) and Community Television Foundation of South Florida, Inc. (WPBT) on September 30, 2015. SFPBS operates television stations on Channel 2 and on Channel 42, televising to the seven-county South Florida service area. These are noncommercial television stations and are affiliated with the Public Broadcasting Service. SFPBS also produces program features and series for national and international distribution.

In May 2018, SFPBS launched a new 24-hour Health Channel, the first television channel of its kind that connects viewers with medical and well-being specialists in real time. SFPBS is also developing the Health Channel as a significant online presence and health information resource. The financial results of the Health Channel are included within the SFPBS entity for financial reporting purposes.

Note 2 - Summary of Significant Accounting Policies

Basis of accounting: The financial statements are prepared using the accrual basis of accounting for reporting purposes, which is in accordance with accounting principles generally accepted in the Unites States of America (U.S. GAAP). Revenues are recognized when earned and expenses are recognized when incurred.

Principles of consolidation: The consolidated financial statements include the accounts of SFPBS, South Florida PBS Foundation, Inc. (the Foundation) and the Foundation's wholly-owned affiliate, Comtel, Inc. (Comtel) (collectively referred to hereinafter as the "Organization"). All significant intercompany balances and transactions have been eliminated in consolidation.

The Foundation was created for the purpose of providing support to SFPBS; and substantially all of its members of the Board of Directors are members of SFPBS's Board of Directors. The Foundation's funding is obtained primarily through investment earnings and contributions. Comtel is a for-profit entity, which derives revenue primarily from the production of television material for commercial distribution. Comtel's Board of Directors consists of nine members, seven of which are also members of SFPBS's Board of Directors.

Basis of presentation: Financial statement presentation follows U.S. GAAP which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets: Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets as described in Note 7.

- *Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Note 2 - Summary of Significant Accounting Policies (continued)

Generally, contributions restricted by donors are reported as increases in net assets without donor restrictions if the restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. All contributions are considered available for general use, unless specifically restricted by the donor or subject to other legal restrictions.

Cash and cash equivalents: The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains cash balances at financial institutions which may, at times, exceed Federally insured amounts.

Investments: Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment income is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Generally, investment securities held by the Foundation have been classified as long-term assets in the accompanying consolidated statements of financial position because they have been designated by the Board of Directors as a quasi-endowment fund for the long-term support of SFPBS (Notes 4 and 7).

Promises to give, grants, bequests, beneficial interest in a charitable lead annuity trust, and other receivables: Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques based on a risk-free rate of return. In subsequent years, amortization of the discounts is included in contribution revenue in the consolidated statements of activities. At June 30, 2024, the Organization’s unconditional promises to give are expected to be collected within one year. An allowance for uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. As of June 30, 2024 and 2023, management recorded approximately $17,000 in provision for doubtful accounts. The Organization had no material conditional promises to give as of June 30, 2024 or 2023.

Program broadcast rights: Program broadcast rights are recorded at the lower of unamortized cost or estimated net realizable value. Program broadcast rights are amortized over the contract period generally using the straight-line method. The estimated cost of program broadcast rights to be charged to operations during the next year has been classified as a current asset.

Property and equipment: Property and equipment are stated at cost less accumulated depreciation, except that donated property and equipment used in the normal course of business are stated at their approximate fair value at the date of donation. Depreciation is computed using principally the straight-line method over the estimated useful lives (Note 8) of the assets. Costs of repairs and maintenance are charged to operating expense as incurred; improvements and betterments are capitalized. When items are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any resulting gains or losses are credited or charged to operations.

Note 2 - Summary of Significant Accounting Policies (continued)

Donations of property and equipment are reported as support without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Without donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service, reclassifying net assets with donor restrictions to net assets without donor restrictions at that time. For the years ended June 30, 2024 and 2023, there were no such material donations.

Impairment of long-lived assets: The Organization periodically reviews the carrying value of its long-lived assets for impairment when management makes a decision to dispose of the assets or circumstances indicate that the carrying amount of the asset may not be recoverable. The Organization compares the carrying amount of the asset to the estimated undiscounted future cash flows that an asset is expected to generate. The impairment is recognized to the extent that the carrying value is greater than future cash flows. During the years ended June 30, 2024 and 2023, no impairment losses were recorded by management.

Deferred revenue and refundable advances: Grants and contract revenue received in advance that are not recognized because the allowable costs, as defined by the individual grant or contract, have not been incurred, the unit of service has not been provided, and/or the conditions of release have not been substantially met or explicitly waived are considered refundable advances (non-exchange transaction). In addition, revenues received in advance from special events and other program income that are considered exchange transactions are deferred to the applicable period.

Revenue and revenue recognition: The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. 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 or explicitly waived. Assets received before the barrier is overcome are accounted for as refundable advances.

Contribution revenue related to the fair value of interests in an estate is recognized when the Organization is notified by the probate court that the related will is valid, unless the amounts and timing of the distributions from the estate are uncertain, in which case the related revenue is recorded upon receipt.

Contributions under split interest agreements, including charitable lead annuity trusts, are recorded at the estimated fair value of the future interest, taking into account the present value of any related payments to be made to other beneficiaries. Present value computations are made using published mortality tables and a discount rate commensurate with the risk involved. Changes in the present value of annuity obligations are recognized in the consolidated statements of activities and classified by appropriate net asset class to reflect the accretion of interest and changes in mortality assumptions.

Grant revenue, including governmental contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses are recognized when the allowable costs as defined by the individual grant are incurred and/or the unit of service has been provided in compliance with specific contract or grant provisions. Amounts received prior to incurring qualified expenditures are reported as refundable advances in the consolidated statements of financial position.

Note 2 - Summary of Significant Accounting Policies (continued)

The Organization recognizes revenue from royalties when the amount earned is readily determinable and the receipt of funds is reasonably certain as estimated by management.

Contract production revenue is recognized as the related program is aired or when the contract obligation is fulfilled. Revenue for program underwriting is recognized on a prorated basis over the period covered.

Revenues from special events that are considered exchange transactions are not recognized until the special event takes place.

Contributions and bequests of non-financial assets: Contributions and bequests of non-financial assets, including facilities, are recorded as revenue and expense in the accompanying consolidated statements of activities. Contributed services are recognized at estimated fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals with those skills, and would otherwise need to be purchased if not provided by donation. During the year ended June 30, 2024 the Organization recorded approximately $40,000 in contributed services. The Organization did not record any contributed services for the year ended June 30, 2023. Donated facilities are discussed in Note 16.

Fundraising appeals: The Organization utilizes various pamphlets, brochures and informational methods to inform the general public of its activities and to solicit funds. These costs are charged to development and fundraising.

Functional allocation of expenses: The costs of providing the various programs and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Program and supporting services are charged with their direct expenses. Certain categories of expenses are attributed to more than one program or supporting function. The expenses allocated include personnel and occupancy costs, among other expenses; which are allocated on the basis of estimates of time and effort, square footage basis, as well as other methods as determined by management.

Recently adopted accounting standards: In June 2016, FASB issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments-Credit Losses (Topic 326)* ("ASC 326"), along with subsequently issued related ASUs, which requires financial assets (or groups of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected, among other provisions. ASC 326 eliminates the probable initial threshold for recognition of credit losses for financial assets recorded at amortized cost, which could result in earlier recognition of credit losses. It utilizes a lifetime expected credit loss measurement model for the recognition of credit losses at the time the financial assets is originated or acquired. The Organization's financial instruments include accounts receivable. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The Organization adopted ASC 326 using the modified retrospective approach at July 1, 2023, and it did not have a material impact on the consolidated financial statements.

Concentration of credit risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, equivalents, receivables (including beneficial interest in charitable lead annuity trust), and investments, (including surrender values of life insurance policies). SFPBS has cash in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC). Deposit and investment accounts are maintained with what management believes to be quality financial institutions. At June 30, 2024 and 2023, the Organization's cash balances exceeded federally insured limits by approximately $2,372,000 and $1,362,000, respectively.

Note 2 - Summary of Significant Accounting Policies (continued)

Investments are held in brokerage accounts protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to applicable limits. The SIPC insurance does not protect against market losses in investments. Credit risk associated with receivables is considered by management to be limited due to adequate historical collection rates and because substantial portions of the outstanding amounts are due from customers and/or donors supportive of the Organization's mission. Receivables are unsecured.

Estimates and assumptions: The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of consolidated financial statements and revenues and expenses recognized during the reporting period. Actual results could differ from those estimates and assumptions.

Leases: The Organization has entered into a variety of finance leases for equipment. The obligations associated with these leases have been recognized as a liability in the consolidated statements of financial position based on future lease payments and discounted by the rate implicit in the lease. The Organization determines if an arrangement is or contains a lease at inception. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report right-of-use assets and lease liabilities for its short-term leases (leases with a term of 12 months or less) and leases deemed to be below certain thresholds. Instead, the lease payments of those leases are generally reported as lease expense on a straight-line basis over the lease term.

Reclassifications: Certain accounts in the prior year consolidated financial statements have been reclassified to conform with the presentation in the current year consolidated financial statements.

Date of management review: Subsequent events have been evaluated through November 6, 2024, which is the date the consolidated financial statements were available to be issued.

Note 3 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the consolidated statements of financial position date, comprise the following at June 30:

	2024	2023
Financial assets, at year-end:		
Cash and cash equivalents	$ 3,722,066	$ 2,236,120
Promises to give, net	3,322,391	2,399,888
Other receivables	294,845	277,970
Beneficial interest in a charitable lead annuity trust	697,918	822,918
Investments	74,028,141	73,435,142
Endowment spending-rate distributions and appropriations	700,000	700,000
Financial assets, at year-end	82,765,361	79,872,038

Note 3 - Liquidity and Availability (continued)

	2024	2023
Less those unavailable for general expenditures within one year, due to:		
Purpose and time restrictions by donor	$ (5,232,915)	$ (3,738,525)
Perpetual restrictions by donor	(9,220,368)	(9,170,368)
Board designated	(62,873,273)	(64,272,971)
Financial assets available to meet cash needs for general expenditures within one year	$ 5,438,805	$ 2,690,174

Included in the previous table is approximately $62,870,000 in Board designated funds. Distribution of these funds may be adjusted, at their discretion, based on the liquidity needs of the Organization.

In the event of an unanticipated liquidity need, the Organization could draw upon approximately $9,687,000 of available line of credit (Note 10).

The Organization's endowment funds (Note 7) consist of donor-restricted endowments and funds designated by the Board as endowments.

Note 4 - Net Assets

Net assets without donor restrictions include Board-designated quasi-endowment funds, together with interest thereon, which, in accordance with the provisions of the endowment fund established by the Foundation for the support of SFPBS, are required to remain in the endowment investment fund except as follows:

An annual amount equal to 7% of certain funds within the endowment shall be paid out at the direction of SFPBS. Eligible funds consist of such funds without donor restrictions, including earnings of the True and Vernon Julianne Trust endowments. At its option, SFPBS may withdraw the entire 7% in any fiscal year or defer payment thereof until future years.

The net assets without donor restrictions of the quasi-endowment amounted to $62,873,273 and $64,272,971 at June 30, 2024 and 2023, respectively, and are classified as Board designated in the accompanying consolidated statements of financial position.

Net assets with donor purpose and time restrictions reflect the Foundation's interest in a charitable lead annuity trust, other split interest agreements, and funds established for specific programming and capital campaign purposes. Under the terms of certain annuity agreements, the Foundation is required to pay the donor, or the donor's designee, an annual return on the underlying assets during their lifetime. Upon the death of the donor or designee, such amounts will revert to the Foundation and will be reclassified from net assets with donor restrictions to net assets without donor restrictions.

Investment returns on endowment funds which are required to be added to the related endowment by donor stipulations or by law are also classified as net assets with donor restrictions. Consistent with the terms of the endowment, SFPBS received $573,213 and $527,636 during the years ended June 30, 2024 and 2023, respectively, from the True endowment for specific programming purposes, and SFPBS also received $153,638 and $148,870 during the years ended June 30, 2024 and 2023, respectively, from the Vernon Julianne Trust.

Note 5 - Investments

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

	2024	2023
Investments of endowment funds in equity funds	$ 6,221,212	$ 5,542,161
Investments of endowment funds in fixed income securities	3,744,725	4,475,427
Investments of endowment funds in mutual funds	930,128	624,172
Investments of gifts of future interest in equity funds	1,336,361	1,069,133
Investments of gifts of future interest in fixed income securities	1,787,085	3,296,850
Investment of gifts of future interest in mutual funds	1,142,308	92,877
Other investments in equity funds	10,143,673	8,838,982
Other investments in fixed income securities	8,752,703	8,272,224
Other investments in mutual funds	9,222,918	8,068,136
Other investments in private equities	30,747,028	33,155,180
Total investments	$ 74,028,141	$ 73,435,142

Note 6 - Fair Value Measurement

U.S. GAAP has defined and established a framework for measuring fair value and expanded disclosures about fair value measurements. Various inputs are used in determining the value of the Organization's investments. These inputs are summarized in three levels listed below:

- Level 1 - inputs are quoted market prices (unadjusted) in active markets for identical investments that the reporting entity can access at the measurement date.
- Level 2 - inputs are other than quoted prices included with Level 1 that are observable for the investments, either directly or indirectly (e.g., quoted prices in active markets for similar securities, securities valuations based on commonly quoted benchmarks, interest rates and yield curves, and/or securities indices).
- Level 3 - inputs are significant unobservable inputs (e.g., information about assumptions, including risk, market participants would use in pricing a security).

Note 6 - Fair Value Measurement (continued)

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

The Organization uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate the fair values of certain private equity funds, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy. The Organization also accounts for certain private equity funds at cost less impairment, with realized gains and losses on private equity funds sold or impaired recognized in the consolidated statement of activities as increases or decreases in net assets. The Organization adjusts the carrying value of the certain private equity funds up or down for observable price changes in orderly transactions for identical or similar investments of the same issuer and for impairment, if any (referred to as the measurement alternative). All gains and losses on private equity funds, realized and unrealized, are recognized in the consolidated statement of activities as changes in net assets.

Determining whether an observed transaction is similar to a security within the Organization’s portfolio requires judgment based on the rights and obligations of the securities. Recording upward and downward adjustments to the carrying value of the Organization’s equity securities as a result of observable price changes requires quantitative assessments of the fair value of its securities using various valuation methodologies and involves the use of estimates.

Fair values of investments held by the Organization are classified at June 30, 2024, as follows:

	Level 1	Level 2	Net Asset Value (NAV)	Cost	Total 2024
Asset Class:					
Stocks and ETFs	$ 17,701,246	$ -	$ -	$ -	$ 17,701,246
Fixed income securities	-	14,284,513	-	-	14,284,513
Mutual funds	11,295,354	-	-	-	11,295,354
Private equities	-	-	7,302,204	23,444,824	30,747,028
Total	$ 28,996,600	$ 14,284,513	$ 7,302,204	$ 23,444,824	$ 74,028,141

Fair values of investments held by the Organization are classified at June 30, 2023, as follows:

	Level 1	Level 2	Net Asset Value (NAV)	Cost	Total 2023
Asset Class:					
Stocks and ETFs	$ 15,450,276	$ -	$ -	$ -	$ 15,450,276
Fixed income securities	-	16,044,501	-	-	16,044,501
Mutual funds	8,785,185	-	-	-	8,785,185
Private equities	-	-	9,271,680	23,883,500	33,155,180
Total	$ 24,235,461	$ 16,044,501	$ 9,271,680	$ 23,883,500	$ 73,435,142

Note 6 - Fair Value Measurement (continued)

The following summary represents the funds reported at NAV and Cost as of June 30:

	As of June 30, 2024		As of June 30, 2023		Manager's Anticipation of Commitment Timing	Redemption Frequency	Redemption Notice Period
	Total	Unfunded Commitments	Total	Unfunded Commitments			
Private equities (a)	$ 30,747,028	$ 4,501,529	$ 33,155,180	$ 4,953,000	Closely held company 10 to 15 years	Ineligible	N/A

(a) Private equity funds include limited partnership interests held by the Organization in real estate and venture capital. The investment objective of the funds is to maintain sustained levels of growth while making distributions on a regular basis.

The following shows the Organization's carrying value of private equities as of June 30, 2024 and amounts recognized in the change in net assets for the year ended June 30, 2024:

	2024	2023
Balance as of July 1,	$ 23,883,500	$ -
Upward change for contributions	400,000	23,883,500
Downward change for return of capital and distributions	(838,676)	-
Balance as of June 30,	$ 23,444,824	$ 23,883,500

Note 7 - Endowments and Other Restricted Net Assets

The Foundation has endowed funds established for the support of SFPBS. The endowment includes both donor restricted endowment funds and funds designated by the Foundation's Board to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated 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 interprets the State of Florida's Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the following are classified as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Investment policies: The goal of the investment program for the endowment is to provide an annual level of support for the current programs of SFPBS consistent with the preservation of the Foundation's purchasing power over time. Assets held shall be diversified to control the risk of loss resulting from the over-concentration of funds in a specific maturity, issue or type/class of securities.

Note 7 - Endowments and Other Restricted Net Assets (continued)

Spending policies: The Foundation has a policy of appropriating, for distribution, an amount equal to 7% of the total available funds within certain endowments. SFPBS has the option to withdraw the entire 7% (Note 4) in any fiscal year or defer payment thereof until future years. At the discretion of the Board, the Foundation may grant SFPBS additional funding. From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law ("underwater endowments"). The Board has interpreted FUPMIFA to permit spending from underwater endowments in accordance with prudent measures required under the law.

Endowment net asset composition by type of fund as of June 30, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total 2024
Donor-restricted endowment funds	$ -	$ 9,261,282	$ 9,261,282
Board-designated endowment funds	62,873,273	-	62,873,273
Total funds	$ 62,873,273	$ 9,261,282	$ 72,134,555

Changes in endowment net assets for the fiscal year ended June 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total 2024
Endowment net assets, at beginning of year	$ 64,272,971	$ 9,179,094	$ 73,452,065
Net investment income	4,359,182	32,190	4,391,372
Contributions	1,778,186	49,998	1,828,184
Satisfaction of program restrictions, net	82,736	-	82,736
Appropriations	(7,619,802)	-	(7,619,802)
Endowment net assets, at end of year	$ 62,873,273	$ 9,261,282	$ 72,134,555

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total 2023
Donor-restricted endowment funds	$ -	$ 9,179,094	$ 9,179,094
Board-designated endowment funds	64,272,971	-	64,272,971
Total funds	$ 64,272,971	$ 9,179,094	$ 73,452,065

Note 7 - Endowments and Other Restricted Net Assets (continued)

Changes in endowment net assets for the fiscal year ended June 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total 2023
Endowment net assets, at beginning of year	$ 52,375,689	$ 8,745,368	$ 61,121,057
Net investment income	17,632,668	8,726	17,641,394
Contributions	3,915,901	425,000	4,340,901
Satisfaction of program restrictions, net	758,510	-	758,510
Appropriations	(10,409,797)	-	(10,409,797)
Endowment net assets, at end of year	$ 64,272,971	$ 9,179,094	$ 73,452,065

Net assets with donor restrictions are as follows as of June 30:

	2024	2023
Learning and cultural arts center and capital campaign	$ 1,262,714	$ 2,648,755
Restricted earnings from endowments	40,914	8,726
Other programs and time restrictions	3,929,287	1,081,044
	5,232,915	3,738,525
Endowments:		
Required to be held in perpetuity by the donor	9,220,368	9,170,368
Total	$ 14,453,283	$ 12,908,893

For the years ended June 30, 2024 and 2023, approximately $1,188,000 and $759,000, respectively, were released from other programs and time restrictions.

Note 8 - Property and Equipment

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

	2024	2023	Estimated Useful Lives in Years
Engineering and production equipment	$ 1,951,455	$ 1,710,376	5-7
Computer, office furniture and equipment	1,162,861	1,026,781	3-5
Transmitter, tower and antenna	2,956,618	2,956,618	15
Leasehold improvements	4,762,294	4,762,294	7-15
Vehicles	85,537	85,537	5
	10,918,765	10,541,606	
Less accumulated depreciation	5,395,865	4,540,956	
	5,522,900	6,000,650	
Construction in progress	3,790,963	1,416,029	
	$ 9,313,863	$ 7,416,679	

Provision for depreciation/amortization was approximately $840,000 and $860,000 for the years ended June 30, 2024 and 2023, respectively.

Note 9 - FCC Broadcast Licenses

The Federal Communication Commission (FCC) broadcast licenses are assets with indefinite lives that are not amortized. The Organization owns two broadcast licenses. The original broadcast license was valued as part of a previous acquisition. The second was donated to SFPBS by a Miami station which sold its spectrum in 2017's broadcast incentive auction in 2018. As of June 30, 2024 and 2023, the two licenses are reported on the consolidated statements of financial position at $3,488,900.

The Organization performs impairment testing on the FCC broadcast licenses annually or when an event triggering impairment may have occurred. An impairment is considered to exist if the fair value of the FCC broadcast license is less than the carrying amount. If an impairment exists, the impairment loss is measured by the difference between the fair value and carrying amount. The Organization's estimate of fair value is based upon, among other things, market conditions including other acquisitions of FCC broadcast licenses. Assumptions underlying fair value estimates are subject to significant risks and uncertainties. For the years ended June 30, 2024 and 2023, management has determined that no impairment exists.

Note 10 - Line of Credit

Previously, the Foundation entered into an agreement with an investment firm to borrow against certain investment holdings. The margin loan is collateralized by certain endowment assets held by the investment firm, and the amount of credit available (approximately $ 9,687,000 at June 30, 2024) is determined by a certain percentage of the market value of each asset type. The loan balance at June 30, 2024 and 2023 was $0. The rate of interest varies and is the Secured Overnight Financing Rate plus a spread based on the relationship and dollar amount of assets under management (7.83% as of June 30, 2024). The loan is collateralized by investments, including cash equivalents, with a fair value of $15,440,000 at June 30, 2024. For the years ended June 30, 2024 and 2023, interest expense in the amounts of $0 and $90,800, respectively, was charged in connection with this margin loan.

Note 11 - Split Interest Agreements

The Organization accepts gifts subject to split interest agreements. A split interest agreement is created when a donor contributes assets to the Organization or places them in a trust for the benefit of the Organization, but the Organization is not the sole beneficiary of the assets' economic value. These gifts are in the form of charitable gift annuities or charitable remainder annuity trusts which provide that the Organization, as trustee, make payments to designated beneficiaries in accordance with the applicable donor's trust or contractual agreement. At the time of agreement, gifts are recorded at the fair market value of the asset received net of any applicable liability. These assets are valued at level 3 in the fair value hierarchy (Note 6). Liabilities include the present value of projected future distributions to the annuity or trust beneficiaries and are determined using the prevailing rate for computing charitable deductions for such gifts. The present value of the estimated future payments is $2,008,862 and $2,053,579 at June 30, 2024 and 2023, respectively, using discount rates ranging from 0.4% to 6.2% and applicable mortality tables. On a quarterly basis, the Organization reevaluates the amount of estimated future payments. For the years ended June 30, 2024 and 2023, the Organization reported a change in value of split-interest agreements of approximately $(47,000) and $(48,000), respectively. Split interest agreements are recorded as funds with donor restrictions depending on donor-imposed stipulations. The Organization is required to hold qualifying assets generally in excess of the minimum gift annuity reserves required by Florida law. The reserve amount is calculated following assumptions set forth by Florida Statute in Section 627.481(2)(a)1.b. For the years ended June 30, 2024 and 2023, the Organization was not in compliance with the reserve requirement, however, management does not anticipate this noncompliance to have a negative affect on the Organization.

Note 12 - Employee Benefit Plans

Defined Benefit Plan: The Organization sponsored a noncontributory defined benefit pension plan (the Plan) that covered substantially all of its employees that previously worked for WPBT. The Plan was amended effective March 30, 2006 to provide that there will be no further benefits after that date. Benefits previously accrued under the Plan will be preserved, but no additional increases in accrued benefits will occur after that date. Benefits are based on an employee's years of service and earnings during the ten years ending March 30, 2006. In accordance with its present annual funding policy, the Organization contributes the minimum amount required by regulations of the Employee Retirement Income Security Act ("ERISA"). For the years ended June 30, 2024 and 2023, the Organization was not required to make any contributions to the Plan. The actuarial valuation has determined that there is no amount due to be contributed to the Plan during the fiscal year ending June 30, 2024.

In accordance with U.S. GAAP, the Organization recognizes the funded status of a benefit plan, measured as the difference between plan assets at fair value and the benefit obligation, in the consolidated statements of financial position.

The following table displays the funding status of the Plan for the years ended June 30, 2024 and 2023:

	2024	2023
Fair value of Plan assets	$ 14,400,668	$ 13,443,753
Projected benefit obligation	(11,061,861)	(13,083,279)
Net pension asset (liability)	$ 3,338,807	$ 360,474

Note 12 - Employee Benefit Plans (continued)

There were benefits of $1,003,664 and $1,013,595 paid during the years ended June 30, 2024 and 2023, respectively. Further, the Organization recorded a pension expense of $162,300 and $14,376 for the years ended June 30, 2024 and 2023, respectively.

Asset allocation by asset category based on fair value at June 30, 2024 and 2023 is as follows:

	2024	2023
Equity securities	$ 9,200,101	$ 8,578,041
Debt securities	4,013,695	3,923,701
Cash and cash equivalents	510,011	218,078
Other	676,861	723,933
	$ 14,400,668	$ 13,443,753

The following assumptions were used to determine the benefit obligation and the net benefit costs:

	2024	2023
Weighted-average assumptions:		
Discount rate to determine benefit obligation	5.35%	4.92%
Discount rate to determine net periodic pension costs	4.92%	4.48%
Expected rate of return on Plan assets	6.00%	6.00%
Measurement date	6/30/24	6/30/23

For the years ended June 30, 2024 and 2023, the mortality assumptions are from the 2014 Society of Actuaries Basic Mortality Table (complete dataset) with full generational projection using the 2015 SOA Projection Scale.

The following table reflects the changes in the pension liability (asset) for the years ended June 30, 2024 and 2023 using the above assumptions:

	2024	2023
Net pension (asset) liability, beginning of year	$ (360,474)	$ 982,504
Experience gains, including assumption changes assumption changes	(2,136,969)	(343,759)
Benefits paid	(1,003,664)	(1,013,595)
Net periodic benefit cost	162,300	14,376
Net pension (asset) liability, end of year	$ (3,338,807)	$ (360,474)

Note 12 - Employee Benefit Plans (continued)

The net periodic benefit cost for the years ended June 30, 2024 and 2023 is included with employee benefits in the consolidated statement of functional expenses and is calculated as follows:

	2024	2023
Interest cost	$ 618,555	$ 604,818
Net loss amortization	280,667	239,019
Expected return on assets	(736,922)	(829,461)
	$ 162,300	$ 14,376

The estimated future benefit payments that are expected to be paid are as follows:

Year Ending June 30,	Amount
2025	$ 987,007
2026	$ 1,235,557
2027	$ 1,145,590
2028	$ 996,241
2029	$ 795,078
2030-2034	$ 3,503,753

Deferred Contribution Plan: In July of 2017, the Organization initiated the sponsorship of a salary reduction contribution plan pursuant to Section 403(b)(7) of the Internal Revenue Code, covering substantially all employees. This plan replaced the 401(k) and restated the 403(b) plans formerly offered to WPBT and WXEL employees, respectively. The plan allows the participant to make pre-tax and after-tax (Roth) contributions up to defined statutory limits. The Organization may, at its discretion, make a matching contribution based on a percentage of the participant's plan contributions, as well as non-elective contribution. Total expense in conjunction with these matching contributions for the years ended June 30, 2024 and 2023 was approximately $223,862 and $211,800, respectively.

Note 13 - Income Taxes

SFPBS and the Foundation have qualified as nonprofit organizations under Internal Revenue Code Section 501(a) as organizations described in Section 501(c)(3) and are exempt from income taxes. Comtel is organized as a for-profit entity and, as such, is subject to income taxes. Income taxes for Comtel are accounted for using the liability method under which deferred tax liabilities and assets are recognized based on the expected future tax consequences of the differences between the consolidated financial statements and tax bases of assets and liabilities using enacted rates in effect for the year in which the differences are expected to reverse. A valuation allowance is established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. Comtel did not have a material provision or credit for income taxes for the years ended June 30, 2024 and 2023. At June 30, 2024 and 2023, Comtel had a deferred tax asset of approximately $ 151,000 and $49,000, respectively, primarily related to net operating loss carryforwards of approximately $ 719,000. The deferred tax assets have been offset in full by a valuation allowance at June 30, 2024 and 2023 since, in the opinion of management, it is more likely than not that the deferred tax asset benefit will not be realized.

Note 14 - Note Payable

The Organization's note payable includes the following at June 30, 2024. There were no notes payable during the year ended June 30, 2023.

		2024
Note payable for projector equipment requiring monthly installments of approximately $15,500, including interest of 7.75%, through June 2029.	$	769,901
Less current portion		(131,152)
Long-term debt	$	638,749

Future approximate annual payments on the note payable are as follows:

Year Ending June 30,		Amount
2025	$	131,100
2026	$	141,700
2027	$	153,100
2028	$	165,400
2029	$	178,700

Note 15 - Donated Facilities

The land upon which the Organization's Boynton Beach facilities were constructed was donated to SFPBS by the City of Boynton Beach, Florida for a period of fifty years; set to expire in February 2069. A deed restriction required the property to be used as a nonprofit education and/or public broadcasting facility. The estimated annual fair rent value of the Boynton Beach facilities for the years ended June 30, 2024 and 2023 was approximately $434,600 and $992,800, respectively, which is recorded as a contribution of non-financial assets and is a component of occupancy expense in the accompanying consolidated statements of activities and functional expenses, respectively. Management has determined these amounts on a square footage basis in accordance with the applicable market rates established annually by the Florida Department of Management Services' Master Leasing Report. Management has determined that the unconditional portion of this contribution is for a period of five years beginning on February 16, 2024. Accordingly, during the year ended June 30, 2024, the Organization recorded a contribution of non-financial assets and corresponding promise to give of $ 1,798,057, net of a discount of $ 374,943, which is reflected in the accompanying consolidated statements of activities and financial position. The discount rate used was the prime rate at the date of the renewal, 8.00%. At June 30, 2024, the current portion of the promise to give was $ 312,869 and the long-term portion of the promise to give was $ 1,350,104.

Note 16 - Commitments and Contingencies

Finance leases: The Organization previously entered into finance lease agreements for the purchase of equipment. Additionally, following the sale of a broadcast tower and transmitter building in fiscal year 2014, SFPBS entered into an initial 15-year finance lease for space on the tower.

The leases are payable in aggregate monthly installments of approximately $20,800, including implied interest ranging from approximately 5.75% to 22.39%, through December 2025 and at lesser amounts thereafter. The finance lease liability, included in the consolidated statements of financial position, at June 30, 2024 and 2023 totaled approximately $612,000 and $732,000, respectively. Interest on the finance lease liabilities totaling approximately $124,000 and $138,000 for the years ended June 30, 2024 and 2023, respectively, is included in the interest expense in the consolidated statement of functional expenses. Total cash paid for the finance lease liabilities was approximately $120,000 and $102,000, respectively, for the years ended June 30, 2024 and 2023.

Finance lease right-of-use assets totaled approximately $290,400, net of accumulated amortization of approximately $659,100 and is included with property and equipment, net in the consolidated statements of financial position. Amortization of finance lease right-of-use assets totaling approximately $109,900 is included in provision for depreciation and amortization in the consolidated statement of functional expenses for the year ended June 30, 2024.The weighted average remaining lease term and discount rate on finance leases is 3.4 years and 19.9%, respectively.

Approximate future minimum estimated finance lease payments at June 30, 2024:

Years Ending June 30,		Amount
2025	$	249,100
2026		228,700
2027		178,300
2028		183,600
2029		61,800
Total lease payments		901,500
Less amount representing interest		(289,900)
Present value of finance lease liabilities	$	611,600

Grant and contract revenue: Grant, contract, and other award revenue received is subject to audit and adjustment by federal, state and/or local agencies. If any amount is disallowed by an awarding agency as a result of an audit, such amount becomes a liability of SFPBS regardless of whether or not management concurs with the ruling of the applicable agency. For the years ended June 30, 2024 and 2023, management is not aware of any disallowed amounts. Accordingly, no such accrued liabilities have been recorded in these consolidated financial statements.

Construction commitment: The Organization entered into an agreement with a contractor for the construction of the Learning and Cultural Arts Center. The contract for the project totals approximately $9.8 million. As of June 30, 2024, the remaining commitment on this contract is approximately $8.7 million.

Note 16 - Commitments and Contingencies (continued)

Funding commitments: The Organization has entered into various separate funding commitments on certain alternative investments. The remaining commitment as of June 30, 2024 is disclosed in Note 6 to the financial statements.

Note 17 - Joint Master Control

SFPBS is a founding member, along with other public television stations, of Digital Convergence Alliance (DCA). DCA is qualified as a nonprofit organization under Internal Revenue Code Section 501(a) as an organization described in Section 501(c)(3) and is exempt from income taxes. It serves as the governing body through which stations have combined their individual master control, traffic operations and delivery systems into a combined, centralized unit designed to achieve maximum performance and cost efficiency.

DCA was the recipient of a $7 million grant from the Corporation for Public Broadcasting for the purpose of financing DCA's purchase of equipment. Member stations contributed a combined total of $777,777; SFPBS's share was $70,707. The $70,707 is being amortized over the 10-year initial service period. The remaining balances of approximately $7,100 and $14,100 at June 30, 2024 and 2023, respectively, are included in other assets on the consolidated statements of financial position.

The member stations will pay annual fees to DCA to cover the cost of operating the master control services, administrative services, insurance, capital needs, etc. SFPBS incurred approximately $185,900 and $271,900 for the years ended June 30, 2024 and 2023, respectively. During each of the years ended June 30, 2024 and 2023, SFPBS expended approximately $0 and $22,700, respectively, for future services which are reflected as prepaid expenses. Member stations are required to continue their participation in the DCA for ten years in order to avoid penalty (at CPB's discretion, a penalty of 10% of the grant amount during the first five years and 5% of the grant amount during the second five years).

Note 18 - Related Party Transactions

During the years ended June 30, 2024 and 2023, the Organization recorded approximately $943,000 and $1,303,000, respectively, in contributions from board members and their related entities.

The Organization utilizes firms owned by certain board members to provide services such as investment management and legal representation. Fees paid to these firms during the years ended June 30, 2024 and 2023 amounted to approximately $76,200 and $428,200, respectively.

Note 19 - Employee Retention Credits

The Employee Retention Tax Credit (ERTC), as it existed under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, was not available to businesses that received a Paycheck Protection Program (PPP) loan. Provisions in the Consolidated Appropriations Act (CAA), which was signed into law on December 27, 2020, removed this restriction and allowed businesses that qualify for the ERTC to retroactively apply for the ERTC so long as the same wages are not used for both PPP loan forgiveness and the ERTC.

Management has determined that the Organization is eligible for and has met all the conditions to qualify for the ERTC. During the fiscal year ended June 30, 2023, the Organization recorded approximately $1,402,400 related to the ERTC in the consolidated statements of activities. As of June 30, 2024 and 2023, the Organization had approximately $112,000 relating to the ERTC in other receivables on the Organization's consolidated statements of financial position.

Note 20 - Supplemental Cash Flow Information

Noncash investing and financing activities for the year ending June 30:

		2024
Acquisition of property and equipment -		
Cost of property and equipment	$	2,757,065
Less applicable financing		(769,901)
Cash paid for property and equipment	$	1,987,164

SUPPLEMENTARY INFORMATION

South Florida PBS, Inc. and Affiliates
Supplementary Consolidating Schedule of Financial Position
June 30, 2024

	South Florida PBS, Inc.	South Florida PBS Foundation, Inc.	Comtel	Eliminating Entries	Consolidated Totals
Assets:					
Current assets:					
Cash and cash equivalents	$ 2,392,009	$ 1,210,949	$ 119,108	$ -	$ 3,722,066
Promises to give, net	3,244,038	78,353	-	-	3,322,391
Other receivables	113,413	155,082	26,350	-	294,845
Beneficial interest in a charitable lead annuity trust	-	125,000	-	-	125,000
Prepaid expenses and other assets	609,584	15,352	-	-	624,936
Program broadcast rights, net of amortization	59,416	-	-	-	59,416
Total current assets	6,418,460	1,584,736	145,458	-	8,148,654
Deposits and other assets	38,600	-	-	-	38,600
Investments	-	74,493,141	-	(465,000)	74,028,141
Program broadcast rights, net of amortization and current portion	11,967	-	-	-	11,967
Property and equipment, net	9,313,863	-	-	-	9,313,863
Beneficial interest in a charitable lead annuity trust, net of current portion	-	572,918	-	-	572,918
Promises to give, net		-	-	-	-
Net pension asset	3,338,807	-	-	-	3,338,807
FCC broadcast licenses	3,488,900	-	-	-	3,488,900
Total assets	$ 22,610,597	$ 76,650,795	$ 145,458	$ (465,000)	$ 98,941,850
Liabilities:					
Current liabilities:					
Accounts payable	$ 3,539,042	$ -	$ 12,924	$ -	$ 3,551,966
Accrued expenses	800,810	-	517	-	801,327
Present value of annuity obligations	-	200,559	-	-	200,559
Note payable	131,152	-	-	-	131,152
Finance lease liability	141,873	-	-	-	141,873
Total current liabilities	4,612,877	200,559	13,441	-	4,826,877
Deferred revenue	326,070	-	-	-	326,070
Present value of annuity obligations, due beyond one year	-	1,808,303	-	-	1,808,303
Note payable, due beyond one year	638,749	-	-	-	638,749
Finance lease liability, due beyond one year	469,792	-	-	-	469,792
Total liabilities	6,047,488	2,008,862	13,441	-	8,069,791
Net Assets:					
Without donor restrictions:					
Board designated	-	62,873,273	-	-	62,873,273
Undesignated	13,878,486	-	(332,983)	-	13,545,503
Common stock	-	-	5,000	(5,000)	-
Paid in capital	-	-	460,000	(460,000)	-
With donor restrictions:					
Purpose and time restrictions	2,684,623	2,548,292	-	-	5,232,915
Perpetual in nature	-	9,220,368	-	-	9,220,368
Total net assets	16,563,109	74,641,933	132,017	(465,000)	90,872,059
Total liabilities and net assets	$ 22,610,597	$ 76,650,795	$ 145,458	$ (465,000)	$ 98,941,850

See independent auditor’s report.

South Florida PBS, Inc. and Affiliates
Supplementary Consolidating Schedule of Activities
For the Year Ended June 30, 2024

	South Florida PBS, Inc.	South Florida PBS Foundation, Inc.	Comtel	Eliminating Entries	Consolidated Totals
Change in Net Assets Without Donor Restrictions:					
Revenues, gains and other support:					
Contract productions	$ -	$ -	$ 461,458	$ -	$ 461,458
Contributions and bequests	11,160,182	1,778,186	-	-	12,938,368
Contributions and bequests of non-financial assets	2,137,332	-	-	-	2,137,332
Satisfaction of program restrictions	1,240,003	82,736	-	-	1,322,739
Corporation for Public Broadcasting: Community service and other grants, net	3,996,518	-	-	-	3,996,518
State of Florida Department of Education: Community service grant	740,800	-	-	-	740,800
Program and production underwriting, net of commissions	1,078,952	-	-	-	1,078,952
Gain on life insurance policy	458,906	-	91,150	-	550,056
Net investment income	23,197	4,359,182	-	-	4,382,379
Other	206,641	-	-	-	206,641
Total revenues, gains and other support	21,042,531	6,220,104	552,608	-	27,815,243
Operating Expenses:					
Program services:					
Programming and production	15,495,541	-	672,917	-	16,168,458
Broadcasting	3,358,670	-	-	-	3,358,670
Total program services	18,854,211	-	672,917	-	19,527,128
Supporting services:					
Management and general	3,032,327	107,879	-	-	3,140,206
Development and fundraising	5,279,853	-	-	-	5,279,853
Total supporting services	8,312,180	107,879	-	-	8,420,059
Total operating expenses	27,166,391	107,879	672,917	-	27,947,187
Pension Asset Adjustment	3,140,633	-	-	-	3,140,633
Change in net assets without donor restrictions	(2,983,227)	6,112,225	(120,309)	-	3,008,689
Change in Net Assets With Donor Restrictions:					
Contributions	2,827,908	54,216	-	-	2,882,124
Net investment income (loss)	-	32,190	-	-	32,190
Change in present value of annuity obligations	-	(47,185)	-	-	(47,185)
Net assets released from restrictions	(1,240,003)	(82,736)	-	-	(1,322,739)
Change in net assets with donor restrictions	1,587,905	(43,515)	-	-	1,544,390
Change in net assets before other items	(1,395,322)	6,068,710	(120,309)	-	4,553,079
Other items:					
Intercompany transfers and contributions	7,818,931	(7,511,923)	(307,008)	-	-
Change in net assets	6,423,609	(1,443,213)	(427,317)	-	4,553,079
Net Assets, beginning of year	10,139,500	76,085,146	94,334	-	86,318,980
Net Assets, end of year	$ 16,563,109	$ 74,641,933	$ (332,983)	$ -	$ 90,872,059

See independent auditor's report.

South Florida PBS, Inc. and Affiliates
Supplementary Consolidating Schedule of Cash Flows
For the Year Ended June 30, 2024

	South Florida PBS, Inc.	South Florida PBS Foundation, Inc.	Comtel	Eliminating Entries	Consolidated Totals
Operating Activities:					
Cash received from supporters, customers and grant agencies	$ 20,247,680	$ 3,576,826	$ 1,049,213	$ -	$ 24,873,719
Cash paid for interest	(120,960)	-	-	-	(120,960)
Cash paid for support services to suppliers and employees	(23,891,047)	(199,898)	(661,865)	-	(24,752,810)
Net cash provided by (used in) operating activities	(3,764,327)	3,376,928	387,348	-	(51)
Investing Activities:					
Cash received from sales or maturities of investments	-	17,537,987	-	-	17,537,987
Cash paid for property and equipment	(1,987,164)	-	-	-	(1,987,164)
Cash paid for investments	-	(13,944,896)	-	-	(13,944,896)
Net cash provided by (used in) investing activities	(1,987,164)	3,593,091	-	-	1,605,927
Financing Activities:					
Repayment of borrowings from financial institutions	(119,930)	-	-	-	(119,930)
Advances from (to) affiliate, net	6,818,931	(6,511,923)	(307,008)	-	-
Net cash provided by (used in) financing activities	6,699,001	(6,511,923)	(307,008)	-	(119,930)
Net increase in cash and cash equivalents	947,510	458,096	80,340	-	1,485,946
Cash and Cash Equivalents, beginning of year	1,444,499	752,853	38,768	-	2,236,120
Cash and Cash Equivalents, end of year	$ 2,392,009	$ 1,210,949	$ 119,108	$ -	$ 3,722,066

See independent auditor's report.

INTERNAL CONTROLS AND COMPLIANCE

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
South Florida PBS, Inc. and Affiliates

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of South Florida PBS, Inc. and Affiliates (collectively, the "Organization"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 6, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
November 6, 2024