

WIPFLI

Blue Ridge Public Television, Inc.

Financial Statements

Years Ended June 30, 2025 and 2024

Independent Auditor's Report

To the Trustees
Blue Ridge Public Television, Inc.
Roanoke, Virginia

Opinion

We have audited the accompanying financial statements of Blue Ridge Public Television, Inc. (the "Station"), a nonprofit organization, which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Blue Ridge Public Television, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Blue Ridge Public Television, Inc. 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 Blue Ridge Public Television, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be used.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

Wipfli LLP

Wipfli LLP
South Portland, Maine

December 10, 2025

Blue Ridge Public Television, Inc.

Statements of Financial Position

<i>June 30,</i>	2025	2024
ASSETS		
Cash	\$ 319,584	\$ 504,587
Accounts receivable	53,110	32,201
Grants receivable	-	247,326
Prepaid expenses and other	58,865	82,948
Right of use asset - operating leases	80,449	16,387
Right of use asset - financing lease	11,438	17,156
Investments	3,079,237	3,722,752
Property and equipment, net	4,621,260	1,204,458
Total assets	\$ 8,223,943	\$ 5,827,815
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 204,402	\$ 131,295
Accounts payable - construction	841,074	445,300
Accrued expenses	17,024	17,105
Notes payable	950,171	68,064
Line of credit	400,000	-
Deferred revenue	28,456	31,778
Operating lease liability	80,449	16,886
Financing lease liability	11,932	17,646
Total liabilities	2,533,508	728,074
Net assets:		
Without donor restrictions	5,690,435	5,099,741
Total net assets	5,690,435	5,099,741
Total liabilities and net assets	\$ 8,223,943	\$ 5,827,815

See accompanying notes to financial statements.

Blue Ridge Public Television, Inc.

Statement of Activities

<i>Year Ended June 30, 2025</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Member contributions	\$ 1,127,411	\$ -	\$ 1,127,411
In-kind contributions	107,036	-	107,036
Underwriting	269,515	-	269,515
In-kind - underwriting	32,644	-	32,644
Special events	43,148	-	43,148
State of Virginia grants	1,453,865	-	1,453,865
CPB grants	1,108,642	-	1,108,642
Other grants	661,552	-	661,552
Production revenue	199,046	-	199,046
Lease income	166,384	-	166,384
Miscellaneous	5,610	-	5,610
Investment income	356,082	-	356,082
Total revenue	5,530,935	-	5,530,935
Expenses			
Program services:			
Programming and production	2,146,861	-	2,146,861
Broadcasting	340,763	-	340,763
Public information	671,914	-	671,914
Total program services	3,159,538	-	3,159,538
Development and underwriting	719,860	-	719,860
Management and general	1,060,843	-	1,060,843
Total expenses	4,940,241	-	4,940,241
Change in net assets	590,694	-	590,694
Net assets, beginning of year	5,099,741	-	5,099,741
Net assets, end of year	\$ 5,690,435	\$ -	\$ 5,690,435

See accompanying notes to financial statements.

Blue Ridge Public Television, Inc.

Statement of Activities

<i>Year Ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Member contributions	\$ 1,036,874	\$ -	\$ 1,036,874
In-kind contributions	91,309	-	91,309
Underwriting	198,737	-	198,737
In-kind - underwriting	35,899	-	35,899
Special events	28,374	-	28,374
State of Virginia grants	502,154	-	502,154
CPB grants	953,056	-	953,056
Other grants	145,009	-	145,009
Production revenue	144,249	-	144,249
Lease income	163,613	-	163,613
Miscellaneous	2,405	-	2,405
Investment income	517,115	-	517,115
Net assets released from restrictions	71,650	(71,650)	-
Total revenue	3,890,444	(71,650)	3,818,794
Expenses			
Program services:			
Programming and production	2,406,033	-	2,406,033
Broadcasting	220,222	-	220,222
Public information	49,037	-	49,037
Total program services	2,675,292	-	2,675,292
Development and underwriting	726,829	-	726,829
Management and general	900,286	-	900,286
Total expenses	4,302,407	-	4,302,407
Change in net assets	(411,963)	(71,650)	(483,613)
Net assets, beginning of year	5,511,704	71,650	5,583,354
Net assets, end of year	\$ 5,099,741	\$ -	\$ 5,099,741

See accompanying notes to financial statements.

Blue Ridge Public Television, Inc.

Statement of Functional Expenses

<i>Year Ended June 30, 2025</i>	Programming and Production		Broadcasting		Program Information		Total Program Services		Development and Underwriting		Management and General		Total Expenses	
Salaries	\$	597,453	\$	113,597	\$	385,478	\$	1,096,528	\$	308,854	\$	424,223	\$	1,829,605
Benefits		136,201		25,896		87,876		249,973		70,409		96,709		417,091
Retirement		26,951		5,124		17,389		49,464		13,932		19,136		82,532
Payroll taxes		45,484		8,648		29,346		83,478		23,513		32,296		139,287
Programming		731,203		-		-		731,203		-		-		731,203
Professional fees		147,189		19,078		7,430		173,697		121,271		192,585		487,553
Depreciation		208,968		18,374		16,315		243,657		-		14,152		257,809
Telephone and utilities		11,034		51,236		3,936		66,206		3,149		111,164		180,519
Auto and travel		67,707		3,407		7,473		78,587		6,715		23,859		109,161
Building, equipment and land rental		45,417		5,498		28,737		79,652		17,991		20,498		118,141
Leases		-		16,387		-		16,387		-		5,718		22,105
Printing and publications		95		-		4,736		4,831		12,787		53		17,671
Repairs and maintenance		16,785		31,777		10,408		58,970		7,087		12,812		78,869
General supplies		24,891		7,328		13,916		46,135		6,073		40,363		92,571
Membership dues and subscriptions		31,297		9,973		3,111		44,381		2,489		16,571		63,441
Insurance		22,696		4,444		14,804		41,944		11,846		16,553		70,343
Member premiums		-		-		-		-		28,415		-		28,415
Postage and shipping		231		264		4,799		5,294		35,317		-		40,611
Technology		3,272		17,401		4,890		25,563		901		1,065		27,529
Program services		29,987		-		9,253		39,240		1,390		1,617		42,247
Brokerage and financing fees		-		-		-		-		37,005		18,936		55,941
Other expenses		-		2,331		22,017		24,348		10,716		12,533		47,597
Totals	\$	2,146,861	\$	340,763	\$	671,914	\$	3,159,538	\$	719,860	\$	1,060,843	\$	4,940,241

Blue Ridge Public Television, Inc.

Statement of Functional Expenses

<i>Year Ended June 30, 2024</i>	Programming and Production		Broadcasting	Program Information	Total Program Services	Development and Underwriting		Management and General	Total Expenses
Salaries	\$ 884,290	\$ 59,194	\$ 12,778	\$ 956,262	\$ 315,928	\$ 352,629	\$ 1,624,819		
Benefits	210,047	21,020	2,581	233,648	44,777	69,907	348,332		
Retirement	38,713	2,907	-	41,620	13,254	17,507	72,381		
Payroll taxes	66,917	4,469	992	72,378	24,589	26,139	123,106		
Programming	599,424	-	-	599,424	-	-	599,424		
Professional fees	169,209	4,429	231	173,869	113,019	182,293	469,181		
Depreciation	134,544	17,277	-	151,821	-	16,233	168,054		
Telephone and utilities	67,405	52,568	837	120,810	20,395	49,776	190,981		
Auto and travel	36,714	638	7,219	44,571	12,494	31,834	88,899		
Building, equipment and land rental	41,361	3,766	3,661	48,788	13,784	16,069	78,641		
Leases	-	15,912	-	15,912	-	5,718	21,630		
Printing and publications	201	-	8,277	8,478	15,065	182	23,725		
Repairs and maintenance	31,346	16,916	2,729	50,991	10,859	15,903	77,753		
General supplies	15,381	4,849	6,452	26,682	3,809	6,768	37,259		
Membership dues and subscriptions	38,960	6,130	1,308	46,398	5,095	33,506	84,999		
Insurance	34,200	2,497	466	37,163	11,359	13,519	62,041		
Member premiums	-	-	-	-	18,598	-	18,598		
Postage and shipping	488	-	1,401	1,889	30,368	3,334	35,591		
Technology	6,582	6,801	-	13,383	-	1,308	14,691		
Program services	25,341	-	-	25,341	-	-	25,341		
Brokerage and financing fees	699	739	-	1,438	30,779	45,467	77,684		
Other expenses	4,211	110	105	4,426	42,657	12,194	59,277		
Totals	\$ 2,406,033	\$ 220,222	\$ 49,037	\$ 2,675,292	\$ 726,829	\$ 900,286	\$ 4,302,407		

Blue Ridge Public Television, Inc.

Statements of Cash Flows

Years Ended June 30,	2025	2024
Change in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 590,694	\$ (483,613)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	257,809	168,054
Gains on investments	(317,820)	(438,423)
Right-of-use asset amortization	22,105	21,630
Changes in operating assets and liabilities:		
Accounts receivable	(20,909)	(13,905)
Grant receivable	247,326	(247,326)
Prepaid expenses and other	24,083	(56,143)
Accounts payable and accrued expenses	73,026	4,738
Deferred revenues	(3,322)	10,766
Operating lease liability	(16,886)	(16,158)
Net cash flows from operating activities	856,106	(1,050,380)
Cash flows from investing activities:		
Proceeds from sale of investments	1,704,613	2,449,813
Purchase of investments	(743,278)	(829,108)
Purchase of property and equipment	(3,278,837)	(46,422)
Net cash flows from investing activities	(2,317,502)	1,574,283
Cash flows from financing activities:		
Proceeds and repayments from line-of-credit, net	400,000	(54,555)
Principal payments on financing lease liability	(5,714)	(5,552)
Proceeds from notes payable	900,000	-
Principal payments on notes payable	(17,893)	(17,202)
Net cash flows from financing activities	1,276,393	(77,309)
Net changes in cash and cash equivalents	(185,003)	446,594
Cash and cash equivalents, beginning of year	504,587	57,993
Cash and cash equivalents, end of year	\$ 319,584	\$ 504,587

See accompanying notes to financial statements.

Blue Ridge Public Television, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Activities

Blue Ridge Public Television, Inc. (the Station), a not-for-profit corporation, formed in 1967. The Station provides educational and informational programming for southwest Virginia and instructional television to area schools. In fiscal year 2023 PBS Appalachia was created as a digital entity which includes a storefront and digital delivery system. PBS Appalachia is not a separate legal entity and is part of the Station. The Station is committed to extensive local programming, educational services and community involvement opportunities for the coverage area of twenty counties in Virginia as well as four in West Virginia and two in North Carolina. The Station provides radio programming and cultural performances for the community.

The Station receives significant grant funding from the State of Virginia and the Corporation of Public Broadcasting ("CPB"). Reductions in these and other such support could have a significant effect on the Station's activities and financial position.

Basis of Accounting

The financial statements of the Station are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

Net assets, revenue, 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.

Net assets with donor restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restriction expires within the same reporting period in which the contribution is received. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue, support, and expenses during the reporting period. Actual results could differ from those estimates.

Blue Ridge Public Television, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Blue Ridge Public Television, Inc. considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable consist primarily of underwriting and other various receivables. The carrying amount of accounts receivable are reduced by an allowance that reflects management's best estimate of the current expected credit losses. The estimate of the allowance for credit losses is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and expected changes during a reasonable and supportable forecast period. The Blue Ridge Public Television, Inc. uses an aging method to estimate allowances for credit losses. Management assesses collectability by pooling receivables with similar risk characteristics and evaluates receivables individually when specific customer balances no longer share those risk characteristics. At June 30, 2025 and 2024, the allowance for credit losses was \$4,893 and \$4,893, respectively.

Contributions and Grants Receivable

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions. Unrestricted promises to give to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without restrictions when received, unless the donor's intention is to support current-period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge.

Management individually reviews all past due promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts.

Investments

The Blue Ridge Public Television, Inc.'s carry investments in marketable securities with readily determined fair values and all investments in debt securities at their fair values in the statement of financial position. Quoted market prices in active markets are used as the basis of measurement. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Blue Ridge Public Television, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Investments (Continued)

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Investments are generally recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value. Investment income is included in the statements of activities as revenue without donor restrictions unless the income is restricted by donor or law.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Property and Equipment

Purchased property and equipment in excess of \$5,000 are recorded at cost and donated equipment are recorded at fair value at the date of donation. Maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed. Depreciation is provided on a straight-line basis over the estimated lives of the respective assets ranging from three to forty years.

Blue Ridge Public Television, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

- Grant Awards That Are Contributions - Grants awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.
- Grant Awards That Are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability. The Blue Ridge Public Television, Inc. did not have any grant awards that were considered exchange transactions in 2025 and 2024.

Revenue and Revenue Recognition

The Blue Ridge Public Television, Inc. recognizes revenue from ticket sales at the time of the event. The Station records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place over time.

Revenues from production contracts, lease agreements, other rentals and services are recognized in the period earned or stipulated in the agreement, as performance obligations are satisfied over time.

Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Blue Ridge Public Television, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Contribution Revenue (Continued)

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Underwriting revenues are contributions to the Station to support its programming or activities in the form of underwriting credit. Nothing of commensurate value is exchanged for underwriting credit, and the Station provides refunds for any underwriting revenues collected if the spots are not aired. Therefore, underwriting revenues contain a barrier to overcome and a right of return or a right of release of the obligation, and are recognized as revenue when the related underwriting credits are aired.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Station. Contributed advertising and promotion are recorded at the fair value of the contribution portion of the total value received.

Contributed materials, supplies, facilities, and property are recorded at their estimated fair value at the date of donation. The Station reports gifts of equipment, professional services, materials and other nonmonetary contributions as support in the accompanying statements of activities. If the fair value of contributed materials, supplies, facilities, and property cannot be reasonably determined they are not recorded.

Deferred Revenue

Income from advance rental payments and the unearned portions of education and program revenue is deferred and recognized over the period to which the dues and fees relate.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis in the statements of activities. The statements of functional expenses present the natural classification details of expenses by function. Expenses which directly benefit the program, and management and general are charged to the respective functional area on the basis of actual cost. Accordingly, certain other personnel, office, and building costs have been allocated across functional groups based on salaries and benefits per functional classification.

Advertising Costs

The Station expenses advertising costs as incurred. Advertising expense totaled \$28,415 and \$18,598 for the years ended 2025 and 2024, respectively.

Blue Ridge Public Television, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Income Tax Status

The Station is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law, though it is subject to tax on income unrelated to its exempt purpose. Accordingly, no provision or liability for income taxes has been included in the financial statements. Management does not believe there are any uncertain tax positions as of June 30, 2025 and 2024.

Right-of-Use Assets and Leases Obligations

The Blue Ridge Public Television, Inc. is a lessee in an operating lease and a noncancelable financing lease. If the contract provides the Blue Ridge Public Television, Inc. the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

Lease liabilities are initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The Blue Ridge Public Television, Inc. has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for operating and finance leases is amortized on a straight-line basis over the lease term.

For all underlying classes of assets, the Blue Ridge Public Television, Inc. has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Blue Ridge Public Television, Inc. is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Blue Ridge Public Television, Inc. recognizes short-term lease cost on a straight-line basis over the lease term.

The Blue Ridge Public Television, Inc. made an accounting policy election for buildings to not separate the lease components of a contract and its associated non-lease components (i.e. lessor-provided maintenance and other services). For all other underlying classes of assets, the Blue Ridge Public Television, Inc. separates lease and non-lease components to determine the lease payment.

Blue Ridge Public Television, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 10, 2025, which is the date the financial statements were available to be issued.

Note 2: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

<i>As of June 30,</i>	2025	2024
Cash	\$ 319,584	\$ 504,587
Accounts receivable	53,110	32,201
Grants receivable	-	247,326
Financial assets available to meet general expenditures over the next twelve months	\$ 372,694	\$ 784,114

The Blue Ridge Public Television, Inc. manages its liquidity and reserves following three principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Note 3: Concentration of Credit Risk

The Station maintains cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At certain times during the year, cash balances may be in excess of FDIC coverage. As of June 30, 2025 and 2024, the Station has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Blue Ridge Public Television, Inc.

Notes to Financial Statements

Note 4: Property and Equipment

Property and equipment consist of the following:

<i>As of June 30,</i>	2025	2024
Broadcasting and related equipment	\$ 5,686,458	\$ 3,583,064
Studio buildings and parking lot	3,105,854	1,572,483
Transmitter buildings	324,046	324,046
Furniture and fixtures	272,364	254,471
Vehicles	201,664	108,083
Construction in progress	397,608	471,236
	9,987,994	6,313,383
Accumulated depreciation	(5,366,734)	(5,108,925)
Totals	\$ 4,621,260	\$ 1,204,458

Note 5: Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value.

- Quoted market prices are used to determine the fair value of investments in publicly traded equity securities (common and preferred stock).
- Money market funds, equity funds, and fixed income funds are valued using quotes from pricing vendors based on recent trading activity and other observable market data.
- Fixed income securities are valued using quotes from pricing vendors based on recent trading activity and other observable market data.

The following table presents the balances of assets measured at fair value on a recurring basis by level within the fair value hierarchy:

<i>As of June 30, 2025</i>	Fair Value of Assets			Total
	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 35,891	\$ -	\$ -	\$ 35,891
Mutual funds	694,123	-	-	694,123
Fixed income securities	-	1,044,432	-	1,044,432
Equity securities	1,304,791	-	-	1,304,791
Totals	\$ 2,034,805	\$ 1,044,432	\$ -	\$ 3,079,237

Blue Ridge Public Television, Inc.

Notes to Financial Statements

Note 5: Fair Value Measurements (Continued)

<i>As of June 30, 2024</i>	Fair Value of Assets			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 47,484	\$ -	\$ -	\$ 47,484
Mutual funds	926,496	-	-	926,496
Fixed income	-	1,280,317	-	1,280,317
Equity Securities	1,468,455	-	-	1,468,455
Totals	\$ 2,442,435	\$ 1,280,317	\$ -	\$ 3,722,752

There were no assets or liabilities measured at fair value on a nonrecurring basis as of June 30, 2025 and 2024.

Note 6: Line of Credit

The Station has a secured bank line of credit for borrowings to a maximum of \$400,000. Interest is variable based on the bank's prime rate (7.5% as of June 30, 2025) plus .5%, with a floor rate of 5%. The line of credit is secured by all Station's assets. The line of credit matured July 25, 2025. The balances were \$400,000 and \$0 for the years ended 2025 and 2024, respectively.

Note 7: Leases

The Blue Ridge Public Television, Inc. leases land under an operating lease and equipment under a finance lease. There are no renewal options under both the leases.

The depreciable life of assets are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Blue Ridge Public Television, Inc.'s lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments and variable payment. These variable lease payments are not included in lease payments used to determine the lease liability and are recognized as variable costs when incurred.

Components of lease expense were as follows for the years ended June 30:

	2025	2024
Lease cost:		
Finance lease cost:		
Interest	\$ 433	\$ 595
Amortization of right-of-use asset	5,718	5,718
Operating lease cost	15,954	15,317
Total lease cost	\$ 22,105	\$ 21,630

Blue Ridge Public Television, Inc.

Notes to Financial Statements

Note 7: Leases (Continued)

Supplemental statement of financial position information related to leases is as follows as of June 30:

	2025	2024
Weighted-average remaining lease term - finance leases	2	3
Weighted-average remaining lease term - operating leases	5	1
Weighted-average discount rate - finance leases	2.88 %	2.88 %
Weighted-average discount rate - operating leases	3.84 %	2.88 %

Maturities of lease liabilities are as follows as of June 30, 2025:

<i>Years Ending</i>	Operating	Finance
2026	\$ 17,150	\$ 6,147
2027	17,408	6,147
2028	17,670	-
2029	17,934	-
2030	18,200	-
Total lease payments	88,362	12,294
Less imputed interest	(7,913)	(362)
Totals	\$ 80,449	\$ 11,932

Note 8: Notes Payable

Notes payable consisted of the following:

<i>As of June 30,</i>	2025	2024
Note payable to a financial institution with quarterly payments totaling approximately \$5,500, including interest of 6.275%, maturing on November 2027.	\$ 50,171	\$ 68,064
Note payable to a financial institution with balloon payment of \$900,000, including interest of 6.50%, maturing on November 2025 .	900,000	-
Total notes payable	950,171	68,064
Less current portion	(919,281)	(18,117)
Long-term portion	\$ 30,890	\$ 49,947

Blue Ridge Public Television, Inc.

Notes to Financial Statements

Note 8: Notes Payable (Continued)

Approximate future annual minimum principal and interest payments as of June 30, 2025 are as follows:

Years Ending	Amount
2026	\$ 919,281
2027	20,519
2028	10,371
Total	\$ 950,171

Note 9: Lease Income

The Station leases broadcasting tower space to a nonaffiliated entity under a lease agreement. The terms of the agreement extend through January 2027 and provide the lessee the right to broadcast excess capacity on the Channels. The lessee has the option to renew the lease agreement for four successive five-year periods. Revenue from this lease was approximately \$128,922 and \$125,167 for the years ended 2025 and 2024, respectively.

The Station also receives revenue under two separate leases for space rental totaling \$37,462 and \$38,446 for fiscal years ended June 30, 2025 and 2024, respectively. The first rental agreement requires monthly payments of approximately \$2,200 with a 2% annual increase, and extends through April 2028, with an option for renewal of three-year periods upon mutual agreement by the parties. The second rental agreement requires monthly payments of approximately \$500 with an annual increase or decrease in the payment based on the Consumer Price Index, and extends through December 2030, with an option for renewal of one five-year period.

Future minimum lease revenues, are as follows at June 30, 2025:

<i>Years Ending June 30,</i>	
2026	\$ 170,835
2027	107,020
2028	34,090
2029	8,300
2030	8,300
Thereafter	4,160
Total	\$ 332,705

Blue Ridge Public Television, Inc.

Notes to Financial Statements

Note 10: Net Assets with Donor Restriction

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

<i>Years Ended June 30,</i>	2025	2024
Programming and general operations	\$ -	\$ 71,650
Totals	\$ -	\$ 71,650

Note 11: Contributed Nonfinancial Assets

Contributed nonfinancial assets consist of the following:

<i>Years Ended June 30,</i>	2025	2024
Facilities	\$ 92,750	\$ 74,750
Professional services	14,286	8,770
Advertising	32,644	35,899
Vehicle	-	4,889
Equipment	-	2,900
Total contributed nonfinancial assets	\$ 139,680	\$ 127,208

The facilities comprise the fair value of the usage of land owned by the City of Roanoke and the Bristol studio location for which no lease agreements are currently in force and are based on appraisal reports.

Contributed services recognized comprise professional and advertising services are reported at the estimated fair value based on current rates for similar services.

Computer equipment and vehicle are valued using the fair market value of the these contributed items.

Note 12: Retirement Plan

The Blue Ridge Public Television, Inc. sponsors a defined contribution plan (the Plan) covering substantially all employees. The Blue Ridge Public Television, Inc. matches participants' contributions to the Plan up to 2% of the individual participant's compensation. Total expense was \$82,532 and \$72,381 for the years ended 2025 and 2024, respectively.

Blue Ridge Public Television, Inc.

Notes to Financial Statements

Note 13: Supplemental Cash Flow Information

<i>Supplemental cash flow disclosures are as follows:</i>	2025	2024
Cash paid during the year for:		
Interest	\$ 5,957	\$ 39,661
Supplemental disclosure of non-cash investing and financing activities		
Right-of-use asset obtained in exchange for operating lease liability	\$ 80,449	\$ -

Note 14: Accounts Receivable and Contract Balances

Opening and closing balances for contract liabilities, and accounts receivable arising from contracts with customers include:

<i>As of June 30,</i>	2025	2024	2023
Accounts receivable	\$ 53,110	\$ 32,201	\$ 18,296
Contract liabilities - deferred revenue	\$ 28,456	\$ 31,778	\$ 21,012

Note 15: Subsequent Event

In July 2025, the federal government ceased all funding from the Corporation for Public Broadcasting (CPB) to public broadcasting stations. CPB has been shut down effective September 30, 2025. Accordingly the Station will no longer receive funding from CPB in 2026.

The loss of CPB funding is expected to have a material impact on the Station's operating budget and financial position in the upcoming fiscal year. Management is currently evaluating alternative funding sources and cost-reduction strategies to mitigate the financial impact and ensure continued service to the community.