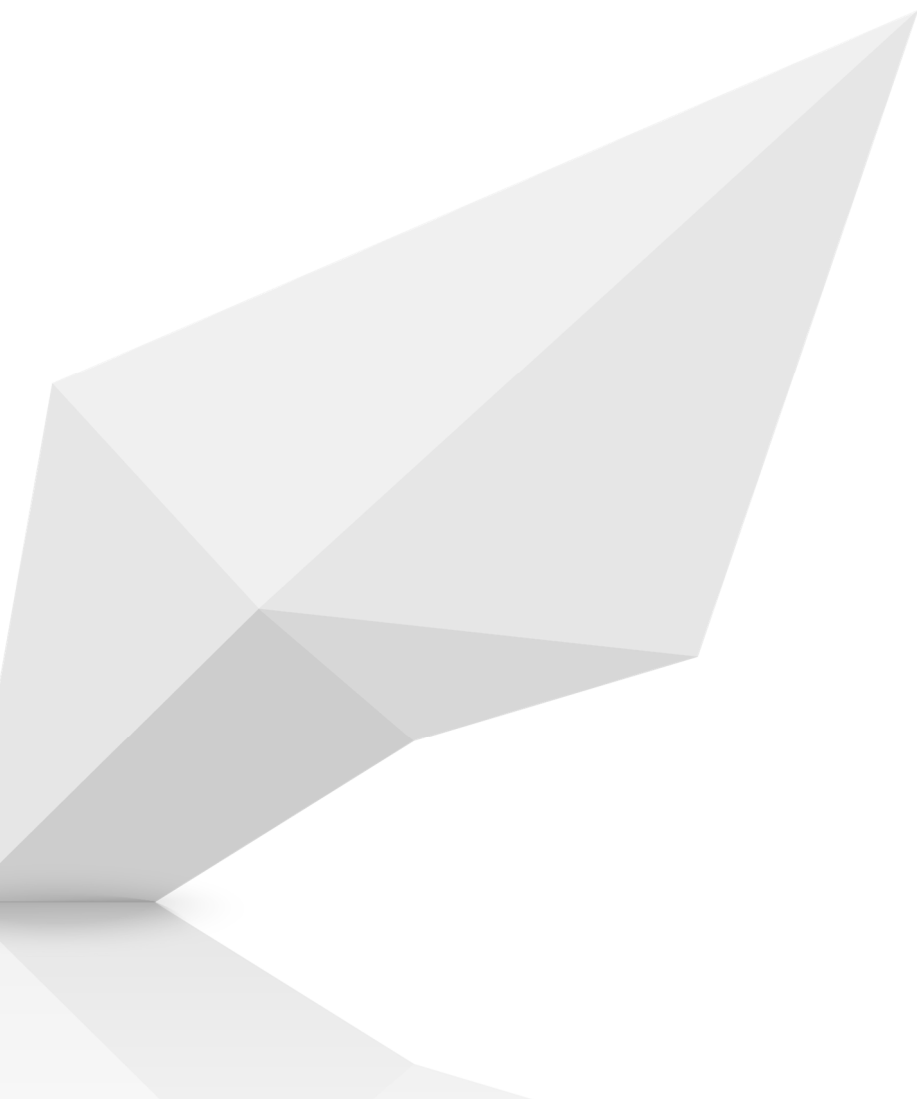


# Redwood Empire Public Television, Inc.

Financial Statements

Years Ended June 30, 2024 and 2023



**WIPFLI**

## **Independent Auditor's Report**

Board of Directors  
Redwood Empire Public Television, Inc.  
Eureka, California

### ***Opinion***

We have audited the accompanying financial statements of Redwood Empire Public Television, Inc. (the "Station"), a nonprofit 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 financial statements.

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

### ***Basis for Opinion***

We conducted our audit 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 Redwood Empire Public Television, Inc. 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 financial statements of Redwood Empire Public Television, Inc. as of and for the year ended June 30, 2023 were audited by other auditors whose report dated February 13, 2024, expressed an unmodified opinion on those financial statements.

### ***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 Redwood Empire Public Television, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

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

In performing an audit in accordance with GAAS, we:

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

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

South Portland, Maine

February 13, 2025

# Redwood Empire Public Television, Inc.

## Statements of Financial Position

<i>June 30,</i>	2024	2023
<b>ASSETS</b>		
Cash	\$ 119,731	\$ 465,213
Accounts receivable	78,845	50,335
Contributions receivable	6,338	8,317
Prepaid expenses and other	65,301	40,006
Investments	129,200	256,583
Property and equipment, net	570,713	443,251
Right of use asset - operating leases	58,924	6,152
Right of use asset - financing lease	254,732	275,412
<b>Total assets</b>	<b>\$ 1,283,784</b>	<b>\$ 1,545,269</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Line of credit	\$ 160,425	\$ 170,425
Accounts payable	12,825	26,076
Accrued salary and benefits	46,545	36,290
Deferred revenue	11,176	31,786
Operating lease liability	58,924	6,212
Financing lease liability	38,264	78,385
<b>Total liabilities</b>	<b>328,159</b>	<b>349,174</b>
Net assets		
Without donor restrictions	949,287	868,187
With donor restrictions	6,338	327,908
<b>Total net assets</b>	<b>955,625</b>	<b>1,196,095</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,283,784</b>	<b>\$ 1,545,269</b>

See accompanying notes to financial statements.

# Redwood Empire Public Television, Inc.

## Statement of Activities

<i>Year Ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
CPB grants	\$ 870,900	\$ -	\$ 870,900
Other grants	32,800	-	32,800
Membership	529,701	14,310	544,011
Underwriting	61,343	-	61,343
In-kind and trade contributions	24,034	-	24,034
Lease income	281,886	-	281,886
Power reimbursement	112,862	-	112,862
Miscellaneous	29,167	-	29,167
Investment income	15,580	-	15,580
Net assets released from restrictions	335,880	(335,880)	-
Total revenue	2,294,153	(321,570)	1,972,583
Expenses			
Program services			
Programming and production	869,431	-	869,431
Broadcasting	401,853	-	401,853
Program information and promotion	26,020	-	26,020
Total program services	1,297,304	-	1,297,304
Fundraising and membership	363,453	-	363,453
Management and general	552,296	-	552,296
Total expenses	2,213,053	-	2,213,053
Change in net assets	81,100	(321,570)	(240,470)
Net assets, beginning of year	868,187	327,908	1,196,095
Net assets, end of year	\$ 949,287	\$ 6,338	\$ 955,625

See accompanying notes to financial statements.

# Redwood Empire Public Television, Inc.

## Statement of Activities

<i>Year Ended June 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
CPB grants	\$ 783,798	\$ -	\$ 783,798
Other grants	28,500	-	28,500
Membership	495,856	-	495,856
Underwriting	87,905	-	87,905
In-kind and trade contributions	49,345	-	49,345
Lease income	271,950	-	271,950
Power reimbursement	93,449	-	93,449
Miscellaneous	68,078	-	68,078
Investment income	12,782	-	12,782
Net assets released from restrictions	10,983	(10,983)	-
Total revenue	1,902,646	(10,983)	1,891,663
Expenses			
Program services			
Programming and production	921,875	-	921,875
Broadcasting	312,337	-	312,337
Program information and promotion	40,977	-	40,977
Total program services	1,275,189	-	1,275,189
Fundraising and membership	374,705	-	374,705
Management and general	619,002	-	619,002
Total expenses	2,268,896	-	2,268,896
Change in net assets	(366,250)	(10,983)	(377,233)
Net assets, beginning of year	1,234,437	338,891	1,573,328
Net assets, end of year	\$ 868,187	\$ 327,908	\$ 1,196,095

See accompanying notes to financial statements.

# Redwood Empire Public Television, Inc.

## Statement of Functional Expenses

<i>Year Ended June 30, 2024</i>	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Fundraising and Membership	Management and General	Total Expenses
Salaries	\$ 335,999	\$ -	\$ -	\$ 335,999	\$ 228,326	\$ 205,792	\$ 770,117
Benefits	35,939	-	-	35,939	24,770	16,507	77,216
Payroll taxes	24,979	-	-	24,979	17,897	15,048	57,924
Programming	342,201	-	-	342,201	-	-	342,201
Professional fees	80,118	-	3,085	83,203	-	89,265	172,468
Utilities	-	240,432	-	240,432	-	9,662	250,094
Repairs and maintenance	12,615	97,112	-	109,727	5,818	28,825	144,370
Depreciation	-	4,860	-	4,860	-	56,246	61,106
Insurance	-	-	-	-	-	44,505	44,505
Membership campaign expense	-	-	-	-	48,027	-	48,027
Advertising and promotion	10,623	-	12,535	23,158	1,087	1,343	25,588
Travel and training	7,451	207	1,529	9,187	2,298	14,407	25,892
Dues and subscriptions	929	1,559	727	3,215	1,650	14,047	18,912
Short-term lease	440	32,702	4,100	37,242	-	4,009	41,251
Telephone	-	-	-	-	-	21,316	21,316
Amortization - financing lease	-	20,680	-	20,680	-	-	20,680
Supplies and office expenses	10,756	2,313	3,834	16,903	8,329	5,223	30,455
Bank fees	-	3	-	3	11,831	2,985	14,819
Interest expense	-	-	-	-	-	16,953	16,953
Commissions	-	-	-	-	10,299	-	10,299
Operating lease	7,074	-	-	7,074	-	-	7,074
Miscellaneous	307	1,985	210	2,502	144	580	3,226
Taxes and licenses	-	-	-	-	50	5,583	5,633
Premiums	-	-	-	-	2,927	-	2,927
<b>Totals</b>	<b>\$ 869,431</b>	<b>\$ 401,853</b>	<b>\$ 26,020</b>	<b>\$ 1,297,304</b>	<b>\$ 363,453</b>	<b>\$ 552,296</b>	<b>\$ 2,213,053</b>

# Redwood Empire Public Television, Inc.

## Statement of Functional Expenses

<i>Year Ended June 30, 2023</i>	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Fundraising and Membership	Management and General	Total Expenses
Salaries	\$ 319,328	\$ -	\$ -	\$ 319,328	\$ 206,047	\$ 193,418	\$ 718,792
Benefits	68,998	-	-	68,998	44,521	41,792	155,311
Payroll taxes	23,630	-	-	23,630	15,248	14,313	53,191
Programming	345,701	-	-	345,701	-	-	345,701
Professional fees	103,168	-	7,779	110,947	-	108,003	218,950
Utilities	-	192,593	-	192,593	-	11,800	204,393
Repairs and maintenance	21,636	37,307	-	58,943	19,784	52,129	130,856
Depreciation	7,760	11,889	-	19,649	-	57,604	77,253
Insurance	-	-	-	-	-	46,250	46,250
Membership campaign expense	-	-	-	-	45,553	-	45,553
Advertising and promotion	15,925	-	26,447	42,372	1,548	462	44,382
Travel and training	7,173	685	2,956	10,814	6,611	20,081	37,506
Dues and subscriptions	617	1,258	597	2,472	1,324	9,787	13,583
Short-term lease	1,010	20,772	1,130	22,912	-	8,591	31,503
Telephone	-	-	-	-	-	23,079	23,079
Amortization - financing lease	-	22,376	-	22,376	-	-	22,376
Supplies and office expenses	6,101	2,675	745	9,521	3,327	8,055	20,903
Bank fees	-	-	-	-	11,259	2,694	13,953
Interest expense	-	-	-	-	-	13,937	13,937
Commissions	-	-	-	-	13,448	-	13,448
Operating lease	-	16,993	-	16,993	-	-	16,993
Miscellaneous	593	5,789	1,323	7,705	82	1,030	8,817
Taxes and licenses	235	-	-	235	-	5,977	6,212
Premiums	-	-	-	-	5,954	-	5,954
<b>Totals</b>	<b>\$ 921,875</b>	<b>\$ 312,337</b>	<b>\$ 40,977</b>	<b>\$ 1,275,189</b>	<b>\$ 374,705</b>	<b>\$ 619,002</b>	<b>\$ 2,268,896</b>



# Redwood Empire Public Television, Inc.

## Statements of Cash Flows

<i>Years Ended June 30,</i>	2024	2023
Change in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ (240,470)	\$ (377,233)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	61,106	77,253
Amortization, right of use asset - finance lease	20,680	34,420
Gain on investments	(12,137)	(10,070)
Operating lease	12,437	-
Changes in operating assets and liabilities:		
Accounts receivable	(28,510)	(8,750)
Contributions receivable	1,979	3,426
Prepaid expenses and other	(25,295)	6,169
Accounts payable and other accrued expenses	(2,996)	(14,916)
Operating lease liability	(12,497)	(11,984)
Deferred revenues	(20,610)	649
Net cash flows from operating activities	(246,313)	(301,036)
Cash flows from investing activities:		
Proceeds from sale of investments	139,520	210,497
Purchase of investments	-	(5,967)
Purchase of property and equipment	(188,568)	(108,909)
Net cash flows from investing activities	(49,048)	95,621
Cash flows from financing activities:		
Net repayments on line-of-credit	(10,000)	-
Principal payments on finance leases	(40,121)	(44,109)
Net cash flows from financing activities	(50,121)	(44,109)
Net changes in cash and cash equivalents	(345,482)	(249,524)
Cash and cash equivalents, beginning of year	465,213	714,737
Cash and cash equivalents, end of year	\$ 119,731	\$ 465,213

See accompanying notes to financial statements.

# Redwood Empire Public Television, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies**

#### **Nature of Activities**

Redwood Empire Public Television, Inc. (the Station), a not-for-profit corporation, which is committed to providing alternative and educational television to the general public.

#### **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.

#### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time and effort.

# Redwood Empire Public Television, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Cash and Cash Equivalents**

The Station considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

#### **Investments**

The endowment funds are held and managed by the Humboldt Area Foundation (HAF) in an investment pool. HAF typically distributes amounts in accordance with HAF's spending policy which the Station can elect to receive or reinvest. The Station utilized the net asset value (NAV) reported by HAF as a practical expedient for determining the fair value of the investment.

#### **Accounts Receivable**

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 Station uses an aging method to estimate allowances for credit losses.

#### **Contributions 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.

# Redwood Empire Public Television, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Property and Equipment**

Purchased property and equipment 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.

#### **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.

#### **Revenue and Revenue Recognition**

The Station recognizes lease revenue on a straight-line basis over the lease term.

#### **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.

# Redwood Empire Public Television, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Contribution Revenue** (Continued)

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

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 underwriting revenue is deferred and recognized over the period to which the fees relate.

#### **Advertising Costs**

The Station expenses advertising costs as incurred. Advertising expense totaled \$25,588 and \$44,382 for the years ended 2024 and 2023, respectively.

# Redwood Empire Public Television, Inc.

## Notes to Financial Statements

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### **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, 2024 and 2023.

#### **Leases**

The Station is a lessee in certain noncancelable operating and financing type leases. If the contract provides the Station 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 asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is 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 Station 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 leases are amortized on a straight-line basis over the lease term.

For all underlying classes of assets, the Station 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 Station 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 Station recognizes short-term lease cost on a straight-line basis over the lease term.

The Station 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 Station separates lease and non-lease components to determine the lease payment.

#### **Subsequent Events**

The Stations have evaluated events and transactions for potential recognition or disclosure in the financial statements through February 13, 2025, which is the date the financial statements were available to be issued.

# Redwood Empire Public Television, Inc.

## Notes to Financial Statements

### 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>	2024	2023
Cash	\$ 119,731	\$ 465,213
Accounts receivable	78,845	50,335
Contributions receivable	6,338	8,317
 Total financial assets	 204,914	 523,865
Less: amounts not available to be used within one year		
Net assets with donor restrictions	(6,338)	(327,908)
 Financial assets available to meet general expenditures	 \$ 198,576	 \$ 195,957

The Station 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, 2024, the Station has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

### Note 4: Concentration of Grants

In 2024 the Station received approximately 44% of its annual budget from the Corporation for Public Broadcasting.

### Note 5: Accounts Receivable

Accounts receivable were comprised of the following:

<i>As of June 30,</i>	2024	2023	2022
Trade receivables	\$ 85,089	\$ 56,579	\$ 47,847
Less: allowance for doubtful accounts	(6,244)	(6,244)	11,743
 Totals	 \$ 78,845	 \$ 50,335	 \$ 59,590

# Redwood Empire Public Television, Inc.

## Notes to Financial Statements

### Note 6: Investments

#### Board-Designated Endowment

The board of directors has set aside certain net assets without donor restrictions for endowment purposes. As these amounts are not restricted by the donor, but are restricted only by board policy, the amounts have been classified as net assets without donor restrictions. The board may designate additional amounts from time to time to be added to the endowment.

The endowment fund is held and invested at the Humboldt Area Foundation (HAF). The endowment was established to provide the Station with predictable and growing investment income through the prudent selection of quality investments. Income generated from the endowment fund is allowed to be used for the support of the Station's current needs. The endowment fund is invested in HAF's socially responsible pool.

Investment income consists of the following for the years ended June 30:

<i>Years Ended June 30</i>	2024	2023
Interest and dividends	\$ 2,475	\$ 5,774
Net realized and unrealized gains	12,137	10,070
Investment fees paid	(1,435)	(3,062)
<b>Total investment return</b>	<b>\$ 13,177</b>	<b>\$ 12,782</b>

The Station's board-designated endowment net assets as of June 30, 2024 and 2023, and the changes in endowment net assets for the years then ended are as follows:

Endowment net assets, June 30, 2022	\$ 451,043
Investment return	12,782
Amounts appropriated for expenditure	(207,242)
Endowment net assets, June 30, 2023	256,583
Investment return	13,177
Amounts appropriated for expenditure	(140,560)
<b>Endowment net assets, June 30, 2024</b>	<b>\$ 129,200</b>



# Redwood Empire Public Television, Inc.

## Notes to Financial Statements

### Note 7: Property and Equipment

Property and equipment consist of the following:

<i>As of June 30,</i>	2024	2023
Land and land improvements	\$ 175,637	\$ 175,637
Buildings and building improvements	483,299	448,629
Engineering building and equipment	2,049,143	2,984,757
Studio equipment	1,104,949	2,045,753
Office furniture and equipment	134,170	214,311
Vehicles	160,715	211,355
Construction in progress	51,000	104,661
	4,158,913	6,185,103
Accumulated depreciation and amortization	(3,588,200)	(5,741,852)
Total	\$ 570,713	\$ 443,251

### Note 8: Line of Credit

The Station has a secured bank line of credit for borrowings to a maximum of \$200,000. Interest is variable based on the bank's prime rate plus 1.5%. The line of credit is secured by real estate and is subject to renewal in September 2025. The outstanding balance was \$160,425 and \$170,425 as of June 30, 2024 and 2023.

### Note 9: Leases

The Station leased land under an operating lease for approximately \$13,000 per year with a 5% increase per annum in rent. The lease entered into does not include options to renew.

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

The Station lease transmitter equipment under a finance lease. The Station entered into a finance lease to finance the remainder balance for the acquisition of the Digital Television Transmitter for five years with an option to purchase the equipment at 5% of the original financed amount.

# Redwood Empire Public Television, Inc.

## Notes to Financial Statements

### Note 9: Leases (Continued)

Components of lease expense were as follows:

<i>Years Ended June 30,</i>	2024	2023
Operating lease cost	\$ 12,497	\$ 12,376
Short-term lease costs	41,251	31,503
Amortization of financing right-of-use asset	20,680	22,376
Interest on lease liabilities	4,450	4,617
<b>Total</b>	<b>\$ 78,878</b>	<b>\$ 70,872</b>

Supplemental information related to leases is as follows:

<i>Years Ended June 30</i>	2024	2023
Weighted-average remaining lease term - operating lease	4.5	0.5
Weighted-average discount rate - operating lease	4.2%	2.8%
Weighted-average remaining lease term - finance lease	1.1	2.1
Weighted-average discount rate - finance lease	5.19%	5.19%

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

	Operating	Finance
2025	\$ 13,504	\$ 39,156
2026	14,180	-
2027	14,889	-
2028	15,633	-
2029	6,646	-
	64,852	39,156
Less interest	(5,928)	(892)
<b>Total</b>	<b>\$ 58,924</b>	<b>\$ 38,264</b>

# Redwood Empire Public Television, Inc.

## Notes to Financial Statements

### Note 10: Tower Leases

The Station leases broadcasting tower space under a lease agreements with initial terms of three to twenty years. The Station recognizes lease revenue on a straight-line basis over the life of term of the lease. Lease revenue was approximately \$282,000 and \$272,000 for the years ended 2024 and 2023, respectively.

Future minimum lease revenues, are as follows at June 30, 2024:

<i>Years Ending June 30,</i>	Amount
2025	\$ 200,200
2026	230,000
2027	185,500
2028	186,000
2029	180,100
<b>Total</b>	<b>\$ 981,800</b>

### Note 11: Net Assets with Donor Restriction

Net assets with donor restrictions are restricted for the following purposes or periods.

<i>As of June 30,</i>	2024	2023
ARPA grant	\$ -	\$ 319,591
Contributions receivable for general purposes	6,338	8,317
<b>Total</b>	<b>\$ 6,338</b>	<b>\$ 327,908</b>

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>	2024	2023
Programming and general operations	\$ 335,880	\$ 10,983
<b>Total</b>	<b>\$ 335,880</b>	<b>\$ 10,983</b>

# Redwood Empire Public Television, Inc.

## Notes to Financial Statements

### Note 12: Contributed Nonfinancial Assets

Contributed nonfinancial assets consist of the following:

<i>Years Ended June 30,</i>	2024	2023
Utilities, custodial services and security services	\$ 12,000	\$ 13,320
Professional services	5,456	20,100
Fundraising activities	6,578	15,925
<b>Total contributed nonfinancial assets</b>	<b>\$ 24,034</b>	<b>\$ 49,345</b>

The contributed utilities, custodial services and security services are reported at the estimated share of operating costs related to the leased property.

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

It is the Station's policy to sell all contributed vehicles immediately upon receipt at auction or for salvage unless the vehicle is restricted for use in a specific program by the donor. All vehicles were sold and valued according to the actual cash proceeds on their disposition.

### Note 13: Supplemental Cash Flow Information

<i>Supplemental cash flow disclosures are as follows:</i>	2024	2023
Cash paid during the year for:		
Interest	\$ 16,953	\$ 13,937
Noncash investing and financing activities:		
Acquisition of operating lease right-of-use asset and liability	\$ 65,209	\$ -