South Florida PBS, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information
For the Years Ended June 30, 2025 and 2024

South Florida PBS, Inc. and Affiliates

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of South Florida PBS, Inc. and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated 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 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, 2025 and 2024, and the changes in their net assets and their 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 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 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 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, changes in net assets, and cash flows of the individual affiliates and are 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 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 October 29, 2025, 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
October 29, 2025

FINANCIAL STATEMENTS

South Florida PBS, Inc. and Affiliates
Consolidated Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets:		
Current assets:		
Cash and cash equivalents	$ 2,997,424	$ 3,722,066
Promises to give, net	647,994	1,893,934
Other receivables	150,080	294,845
Beneficial interest in a charitable lead annuity trust	125,000	125,000
Prepaid expenses and other assets	522,232	624,936
Program broadcast rights, net of amortization	51,315	59,416
Total current assets	4,494,045	6,720,197
Deposits and other assets	31,199	38,600
Investments	65,224,992	71,869,276
Program broadcast rights, net of amortization and current portion	15,103	11,967
Property and equipment, net	16,795,574	9,313,863
Assets held under split-interest agreements	2,217,073	2,158,865
Beneficial interest in a charitable lead annuity trust, net of current portion	447,918	572,918
Promises to give, net	1,068,118	1,428,457
Net pension asset	4,916,718	3,338,807
FCC broadcast licenses	3,488,900	3,488,900
Total assets	$ 98,699,640	$ 98,941,850
Liabilities:		
Current liabilities:		
Accounts payable	$ 1,274,638	$ 3,551,966
Accrued expenses	964,236	801,327
Present value of annuity obligations	200,559	200,559
Line of credit	3,136,541	-
Note payable	381,385	131,152
Finance lease liability	142,989	141,873
Total current liabilities	6,100,348	4,826,877
Deferred revenue and refundable advances	299,024	326,070
Present value of annuity obligations, due beyond one year	1,764,652	1,808,303
Note payable, due beyond one year	1,408,009	638,749
Finance lease liability, due beyond one year	326,803	469,792
Total liabilities	9,898,836	8,069,791
Net Assets:		
Without donor restrictions:		
Board designated	56,002,119	62,873,273
Undesignated	17,775,118	13,545,503
	73,777,237	76,418,776
With donor restrictions:		
Purpose and time restrictions	5,803,199	5,232,915
Perpetual in nature	9,220,368	9,220,368
	15,023,567	14,453,283
Total net assets	88,800,804	90,872,059
Total liabilities and net assets	$ 98,699,640	$ 98,941,850

See accompanying notes to consolidated financial statements.

South Florida PBS, Inc. and Affiliates
Consolidated Statements of Activities
For the Years Ended June 30, 2025 and 2024

	2025	2024
Change in Net Assets Without Donor Restrictions:		
Revenues, gains and other support:		
Contract productions	$ 287,288	$ 461,458
Contributions and bequests	10,603,461	12,938,368
Contributions and bequests of non-financial assets	-	2,137,332
Satisfaction of program restrictions	2,290,049	1,322,739
Corporation for Public Broadcasting:		
Community service and other grants, net	4,727,869	3,996,518
State of Florida Department of Education:		
Community service grant	740,800	740,800
Program and production underwriting, net of commissions of $19,619 and $14,998, respectively	1,131,341	1,078,952
Gain on life insurance policy	-	550,056
Net investment income	4,397,191	4,382,379
Other	234,474	206,641
Total revenues, gains and other support	24,412,473	27,815,243
Operating expenses:		
Program services:		
Programming and production	14,704,437	16,168,458
Broadcasting	4,115,093	3,358,670
Total program services	18,819,530	19,527,128
Supporting services:		
Management and general	3,660,850	3,140,206
Development and fundraising	6,079,586	5,279,853
Total supporting services	9,740,436	8,420,059
Total operating expenses	28,559,966	27,947,187
Pension Asset Adjustment	1,505,955	3,140,633
Change in net assets without donor restrictions	(2,641,538)	3,008,689
Change in Net Assets With Donor Restrictions:		
Contributions	2,851,758	2,882,124
Net investment income	48,019	32,190
Change in present value of annuity obligations	(39,445)	(47,185)
Net assets released from restrictions	(2,290,049)	(1,322,739)
Change in net assets with donor restrictions	570,283	1,544,390
Change in net assets	(2,071,255)	4,553,079
Net Assets, beginning of year	90,872,059	86,318,980
Net Assets, end of year	$ 88,800,804	$ 90,872,059

See accompanying notes to consolidated financial statements.

South Florida PBS, Inc. and Affiliates
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2025

	Program Services			Supporting Services			
	Programming and Production	Broadcasting	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	Total
Salaries and wages	$ 3,119,229	$ 1,077,814	$ 4,197,043	$ 1,479,385	$ 1,838,746	$ 3,318,131	$ 7,515,174
Employee benefits	717,811	198,718	916,529	396,054	430,924	826,978	1,743,507
Payroll taxes	228,329	75,413	303,742	90,261	134,521	224,782	528,524
Professional services	4,485,519	295,169	4,780,688	453,480	1,147,072	1,600,552	6,381,240
TV programming rights	3,445,254	-	3,445,254	-	-	-	3,445,254
Production supplies	240,717	5,014	245,731	-	3,394	3,394	249,125
Premiums	6,368	-	6,368	-	256,429	256,429	262,797
Advertising and promotion	367,386	-	367,386	290	458,852	459,142	826,528
Office expense	13,940	39,689	53,629	11,033	26,853	37,886	91,515
Postage and shipping	3,844	1,140	4,984	1,956	409,767	411,723	416,707
Information technology	562,188	171,232	733,420	46,968	166,898	213,866	947,286
Occupancy	190,740	845,535	1,036,275	154,879	144,206	299,085	1,335,360
Transmission expense	-	267,050	267,050	-	-	-	267,050
Rental and equipment maintenance	56,753	552,019	608,772	2,928	10,461	13,389	622,161
Travel	206,770	13,629	220,399	239,353	115,921	355,274	575,673
Meetings and events	142,314	2,173	144,487	159,771	659,387	819,158	963,645
Insurance	170,860	59,038	229,898	110,466	100,719	211,185	441,083
Other	3,938	-	3,938	372,876	-	372,876	376,814
Total expenses before depreciation, amortization, and interest expense	13,961,960	3,603,633	17,565,593	3,519,700	5,904,150	9,423,850	26,989,443
Depreciation and amortization	590,899	459,084	1,049,983	69,259	86,082	155,341	1,205,324
Interest expense	151,578	52,376	203,954	71,891	89,354	161,245	365,199
Total expenses	$ 14,704,437	$ 4,115,093	$ 18,819,530	$ 3,660,850	$ 6,079,586	$ 9,740,436	$ 28,559,966

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 programming rights	8,724,223	-	8,724,223	-	-	-	8,724,223
Production supplies	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 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
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 Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Operating Activities:		
Cash received from supporters, customers and grant agencies	$ 22,553,352	$ 24,873,719
Cash received from interest	3,848,657	3,739,576
Cash paid for interest	(350,895)	(120,960)
Cash paid for support services to suppliers and employees	(29,277,177)	(24,752,810)
Net cash provided by (used in) operating activities	(3,226,063)	3,739,525
Investing Activities:		
Cash received from sales or maturities of investments	4,778,286	13,798,411
Cash paid for property and equipment	(7,350,861)	(1,987,164)
Cash paid for investments	2,409,987	(13,944,896)
Net cash used in investing activities	(162,588)	(2,133,649)
Financing Activities:		
Repayment of borrowings from financial institutions	(500,389)	(119,930)
Proceeds from borrowings from financial institutions	3,164,398	-
Net cash provided by (used in) financing activities	2,664,009	(119,930)
Net increase (decrease) in cash and cash equivalents	(724,642)	1,485,946
Cash and Cash Equivalents, beginning of year	3,722,066	2,236,120
Cash and Cash Equivalents, end of year	$ 2,997,424	$ 3,722,066

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 United 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.

Note 2 - Summary of Significant Accounting Policies (continued)

- *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 7).

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) or are perpetually restricted by the donor.

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. 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, 2025 and 2024, management recorded approximately $17,000 in provision for doubtful accounts. The Organization had no material conditional promises to give as of June 30, 2025 or 2024.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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, 2025 and 2024, 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, 2025 and 2024, 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.

Assets held and liabilities under split agreements (gift annuities): Under gift annuity contracts, the Organization receives immediate and unrestricted title to contributed assets and agrees to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability is recorded as a contribution with donor restrictions. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect amortization of the discount and changes in actuarial assumptions at the end of the year.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

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, 2025, the Organization recorded no contributed services, and approximately $40,000 in contributed services recorded for the year ended June 30, 2024. Donated facilities are discussed in Note 15.

Note 2 - Summary of Significant Accounting Policies (continued)

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.

Leases: The Organization has entered into several 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.

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.

Concentration of credit risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, equivalents, and investments. 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, 2025 and 2024, the Organization’s cash balances exceeded FDIC limits by approximately $2,553,000 and $2,372,000, respectively. 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.

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 October 29, 2025 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:

	2025	2024
Financial assets, at year-end:		
Cash and cash equivalents	$ 2,997,424	$ 3,722,066
Promises to give, net	1,716,112	3,322,391
Other receivables	150,080	294,845
Beneficial interest in a charitable lead annuity trust	572,918	697,918
Investments	65,224,992	71,869,276
Assets held under split-interest agreements	2,217,073	2,158,865
Board-designated quasi-endowment spending rate distributions and appropriations	800,000	700,000
Financial assets, at year-end	73,678,599	82,765,361
Less those unavailable for general expenditures within one year, due to:		
Purpose and time restrictions by donor	$ (5,803,199)	$ (5,232,915)
Perpetual restrictions by donor	(9,220,368)	(9,220,368)
Board designated	(56,002,119)	(62,873,273)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,652,913	$ 5,438,805

Included in the previous table is approximately $56,000,000 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 $6,936,000 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 $56,002,119 and $62,873,273 at June 30, 2025 and 2024, respectively, and are classified as Board designated in the accompanying consolidated statements of financial position.

Note 4 - Net Assets (continued)

Consistent with the terms of the endowment, SFPBS appropriated $610,393 and $573,213 during the years ended June 30, 2025 and 2024, respectively, from the True endowment for specific programming purposes, and SFPBS also appropriated $162,910 and $153,638 during the years ended June 30, 2025 and 2024, respectively, from the Vernon Julianne Trust.

Net assets with donor purpose and time restrictions reflect the Organization's interest in a charitable lead annuity trust, other split interest agreements, and funds received 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.

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

	2025	2024
Learning and cultural arts center and capital campaign	$ -	$ 1,262,714
Restricted earnings from endowments	88,933	40,914
Other programs and time restrictions	5,714,266	3,929,287
	5,803,199	5,232,915
Endowments:		
Required to be held in perpetuity by the donor	9,220,368	9,220,368
Total	$ 15,023,567	$ 14,453,283

For the years ended June 30, 2025 and 2024, approximately $2,290,000 and $1,323,000, respectively, were released from other programs and time restrictions.

Note 5 - Investments

Investments at June 2025 and 2024 consist of the following:

	2025	2024
Investments of endowment funds in equity funds	$ 6,610,355	$ 6,221,212
Investments of endowment funds in fixed income securities	3,871,131	3,744,725
Investments of endowment funds in mutual funds	1,066,041	930,128
Investments of gifts of future interest in fixed income securities	-	1,119,936
Investment of gifts of future interest in mutual funds	-	986,953
Other investments in equity funds	9,710,537	10,143,673
Other investments in fixed income securities	7,770,409	8,752,703
Other investments in mutual funds	8,806,982	9,222,918
Other investments in private equities	27,389,537	30,747,028
Total investments	$ 65,224,992	$ 71,869,276

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).

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.

During the year ended June 30, 2025, management determined that a private equity fund measured using NAV as a practical expedient, had declined in value. As a result, the Organization recorded an impairment loss of approximately $2,146,000, which is included with net investment income in the consolidated statement of activities.

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.

The fair value of beneficial interest in charitable lead annuity trust is based on the fair value of fund investments reported by the trust. These are considered Level 3 measurements.

Note 6 - Fair Value Measurement (continued)

Investments held by the Organization are classified at June 30, 2025, as follows:

	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Cost	Total 2025
Operating investments:						
Stocks and ETFs	$ 16,320,892	$ -	$ -	$ -	$ -	$ 16,320,892
Fixed income securities	-	11,641,540	-	-	-	11,641,540
Mutual funds	9,873,023	-	-	-	-	9,873,023
Private equities	-	-	-	3,067,296	24,322,241	27,389,537
	$ 26,193,915	$ 11,641,540	$ -	$ 3,067,296	$ 24,322,241	$ 65,224,992
Assets held under split-interest agreements:						
Stocks and ETFs	$ 1,406,586	$ -	$ -	$ -	$ -	$ 1,406,586
Fixed income securities	-	637,688	-	-	-	637,688
Mutual funds	172,799	-	-	-	-	172,799
	$ 1,579,385	$ 637,688	$ -	$ -	$ -	$ 2,217,073
Beneficial interest in a charitable lead annuity trust	$ -	$ -	$ 572,918	$ -	$ -	$ 572,918

Investments held by the Organization are classified at June 30, 2024, as follows:

	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Cost	Total 2024
Operating investments:						
Stocks and ETFs	$ 16,364,885	$ -	$ -	$ -	$ -	$ 16,364,885
Fixed income securities	-	13,617,364	-	-	-	13,617,364
Mutual funds	11,139,999	-	-	-	-	11,139,999
Private equities	-	-	-	7,302,204	23,444,824	30,747,028
	$ 27,504,884	$ 13,617,364	$ -	$ 7,302,204	$ 23,444,824	$ 71,869,276
Assets held under split-interest agreements:						
Stocks and ETFs	$ 1,336,361	$ -	$ -	$ -	$ -	$ 1,336,361
Fixed income securities	-	667,149	-	-	-	667,149
Mutual funds	155,355	-	-	-	-	155,355
	$ 1,491,716	$ 667,149	$ -	$ -	$ -	$ 2,158,865
Beneficial interest in a charitable lead annuity trust	$ -	$ -	$ 697,918	$ -	$ -	$ 697,918

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, 2025 Total	As of June 30, 2025 Unfunded Commitments	As of June 30, 2024 Total	As of June 30, 2024 Unfunded Commitments	Manager's Anticipation of Commitment Timing	Redemption Frequency	Redemption Notice Period
Private equities (a)	$ 27,389,537	$ 3,000,000	$ 30,747,028	$ 4,501,529	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 the private equities valued at cost and amounts recognized in the change in net assets for the years ended June 30:

	2025	2024
Balance as of July 1,	$ 23,444,824	$ 23,883,500
Upward change for contributions	1,159,427	400,000
Downward change for return of capital and distributions	(282,010)	(838,676)
Balance as of June 30,	$ 24,322,241	$ 23,444,824

Note 7 - Endowments

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 (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, 2025, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total 2025
Donor-restricted endowment funds corpus	$ -	$ 9,220,368	$ 9,220,368
Donor-restricted endowment funds accumulated investment earnings	-	88,933	88,933
Board-designated endowment funds	56,002,119	-	56,002,119
Total funds	$ 56,002,119	$ 9,309,301	$ 65,311,420

Changes in endowment net assets for the fiscal year ended June 30, 2025, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total 2025
Endowment net assets, at beginning of year	$ 62,873,273	$ 9,261,282	$ 72,134,555
Net investment income	4,387,848	48,019	4,435,867
Contributions	406	-	406
Satisfaction of program restrictions, net	893,957	-	893,957
Appropriations	(12,153,365)	-	(12,153,365)
Endowment net assets, at end of year	$ 56,002,119	$ 9,309,301	$ 65,311,420

Note 7 - Endowments (continued)

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 corpus	$ -	$ 9,220,368	$ 9,220,368
Donor-restricted endowment funds accumulated investment earnings	-	40,914	40,914
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

Note 8 - Property and Equipment

Property and equipment consists of the following as of June 30, 2025 and 2024:

	2025	2024	Estimated Useful Lives in Years
Engineering and production equipment	$ 4,118,110	$ 1,951,455	5-7
Computer, office furniture and equipment	1,328,056	1,162,861	3-5
Transmitter, tower and antenna	2,956,618	2,956,618	15
Leasehold improvements	5,749,246	4,762,294	7-15
Vehicles	85,537	85,537	5
	14,237,567	10,918,765	
Less accumulated depreciation	6,612,082	5,395,865	
	7,625,485	5,522,900	
Construction in progress	9,170,089	3,790,963	
	$ 16,795,574	$ 9,313,863	

Depreciation/amortization expense was approximately $1,205,000 and $840,000 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024, 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, 2025 and 2024, 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 $ 6,936,000 at June 30, 2025) is determined by a certain percentage of the market value of each asset type. The approximate loan balance at June 30, 2025, was $3,137,000 and no amount outstanding as of June 30, 2024. 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 (5.60% as of June 30, 2025). The loan is collateralized by investments, including cash equivalents, with a fair value of $13,890,000 at June 30, 2025. For the years ended June 30, 2025 and 2024, interest expense in connection with this margin loan totaled approximately $14,000 and $0, respectively.

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. 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 $1,965,211 and $2,008,862 at June 30, 2025 and 2024, 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, 2025 and 2024, the Organization reported a change in value of split-interest agreements of approximately $(39,000) and $(47,000), 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. The Organization was in compliance with the reserve requirement for the year ended June 30, 2025.

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, 2025 and 2024, 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, 2025.

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:

	2025	2024
Fair value of Plan assets	$ 15,231,969	$ 14,400,668
Projected benefit obligation	(10,315,251)	(11,061,861)
Net pension asset (liability)	$ 4,916,718	$ 3,338,807

Note 12 - Employee Benefit Plans (continued)

There were benefits of $1,002,391 and $1,003,664 paid during the years ended June 30, 2025 and 2024, respectively. Further, the Organization recorded a pension expense of $(71,956) and $162,300 for the years ended June 30, 2025 and 2024, respectively.

Asset allocation by asset category based on fair value (measured using level 1 inputs) at June 30, 2025 and 2024 is as follows:

	2025	2024
Equity securities	$ 9,795,685	$ 9,200,101
Debt securities	4,349,519	4,013,695
Cash and cash equivalents	421,596	510,011
Other	665,169	676,861
	$ 15,231,969	$ 14,400,668

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

	2025	2024
Weighted-average assumptions:		
Discount rate to determine benefit obligation	5.58%	5.35%
Discount rate to determine net periodic pension costs	5.35%	4.92%
Expected rate of return on Plan assets	6.00%	6.00%
Measurement date	6/30/25	6/30/24

For the years ended June 30, 2025 and 2024, 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, 2025 and 2024, using the above assumptions:

	2025	2024
Net pension (asset) liability, beginning of year	$ (3,338,807)	$ (360,474)
Experience gains, including assumption changes	(503,564)	(2,136,969)
Benefits paid	(1,002,391)	(1,003,664)
Net periodic benefit cost	(71,956)	162,300
Net pension (asset) liability, end of year	$ (4,916,718)	$ (3,338,807)

Note 12 - Employee Benefit Plans (continued)

The net periodic benefit cost for the years ended June 30, 2025 and 2024, is included with employee benefits in the consolidated statement of functional expenses and is calculated as follows:

	2025	2024
Interest cost	$ 564,609	$ 618,555
Net loss amortization	148,045	280,667
Expected return on assets	(784,610)	(736,922)
	$ (71,956)	$ 162,300

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

Year Ending June 30,	Amount
2026	$ 1,239,752
2027	$ 1,160,514
2028	$ 1,004,656
2029	$ 831,697
2030	$ 778,155
2031-2035	$ 3,750,791

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, 2025 and 2024, was approximately $302,800 and $223,900, 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, 2025 and 2024. At June 30, 2025 and 2024, Comtel had a deferred tax asset of approximately $159,000 and $151,000, respectively, primarily related to net operating loss carryforwards of approximately $757,000. The deferred tax assets have been offset in full by a valuation allowance at June 30, 2025 and 2024 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, 2025 and 2024.

	2025	2024
Note payable for projection equipment requiring monthly installments of approximately $15,500, including interest of 7.75%, through June 2029.	$ 638,749	$ 769,901
Note payable for projection equipment requiring monthly installments of approximately $28,800, including interest of 4%, through August 2029.	1,150,645	-
	1,789,394	769,901
Less current portion	(381,385)	(131,152)
Long-term debt	$ 1,408,009	$ 638,749

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

Year Ending June 30,	Amount
2026	$ 381,400
2027	$ 415,900
2028	$ 456,100
2029	$ 500,100
2030	$ 35,900

Note 15 - Donated Facilities

The Organization's Boynton Beach facilities are located on land donated by the City of Boynton Beach, Florida, under a 50-year agreement expiring in February 2069. The deed includes a restriction requiring the property to be used for nonprofit educational and/or public broadcasting purposes. Management has determined that the unconditional portion of this contribution spans a five-year period beginning February 16, 2024 and is included with promises to give in the consolidated statement of financial position (Note 18). The estimated annual fair rental value of the Boynton Beach facilities was approximately $312,900 and $434,600 for the years ended June 30, 2025 and 2024, respectively. These amounts are included in occupancy expense in the consolidated statements of activities and functional expenses.

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 $19,000, including implied interest ranging from approximately 5.75% to 22.39%, through December 2025 and at lesser amounts thereafter through October 2028. The finance lease liability, included in the consolidated statements of financial position, at June 30, 2025 and 2024 totaled approximately $470,000 and $612,000, respectively. Interest on the finance lease liabilities totaling approximately $107,000 and $124,000 for the years ended June 30, 2025 and 2024, respectively, is included in the interest expense in the consolidated statement of functional expenses. Total cash paid for the finance lease liabilities was approximately $249,000 and $244,000, respectively, for the years ended June 30, 2025 and 2024.

Finance lease right-of-use assets totaled approximately $180,500, net of accumulated amortization of approximately $769,000 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, 2025. The weighted average remaining lease term and discount rate on finance leases is 2.5 years and 21.0%, respectively.

Approximate future minimum estimated finance lease payments at June 30, 2025:

Years Ending June 30,	Amount
2026	$ 228,700
2027	178,300
2028	183,600
2029	61,900
Total lease payments	652,500
Less amount representing interest	(182,700)
Present value of finance lease liabilities	$ 469,800

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, 2025 and 2024, 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 $10.8 million. As of June 30, 2025, the remaining commitment on this contract is approximately $3.8 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, 2025, is disclosed in Note 6 to the financial statements.

Note 17 - Related Party Transactions

During the years ended June 30, 2025 and 2024, the Organization recorded approximately $1,230,800 and $943,000, 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, 2025 and 2024 amounted to approximately $73,400 and $76,200, respectively.

Note 18 - Promises to Give

Unconditional promises to give consisted of the following at June 30:

	2025	2024
Receivable in less than one year	$ 664,911	$ 1,989,204
Receivable in one to five years	1,275,331	1,679,048
Total promises to give	1,940,242	3,668,252
Less allowance for uncollectible promises to give	$ (16,917)	$ (16,917)
Less present value discount	(207,213)	(328,944)
Promises to give, net	$ 1,716,112	$ 3,322,391

Unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 8.00%.

Note 19 - Supplemental Cash Flow Information

Noncash investing and financing activities for the years ended June 30, 2025 and 2024:

		2025		2024
Acquisition of property and equipment -				
Cost of property and equipment	$	8,701,013	$	2,757,065
Less applicable financing		(1,350,152)		(769,901)
Cash paid for property and equipment	$	7,350,861	$	1,987,164

Note 20 - Subsequent Events

Subsequent to June 30, 2025, federal legislation was passed eliminating funding for the Corporation for Public Broadcasting ("CPB") beginning in fiscal year 2026. CPB has announced plans to wind down operations. While this event does not affect the current consolidated financial statements, it may have a material effect on future operations, since the Organization has historically received significant support (represents 19% of total revenues for fiscal year ending 2025) through CPB grants. In anticipation of the funding cut, management initiated immersive shows over one year ago that are already driving new and growing revenues while exploring other alternative funding sources and cost-saving measures.

SUPPLEMENTARY INFORMATION

South Florida PBS, Inc. and Affiliates
Supplementary Consolidating Schedule of Financial Position
June 30, 2025

	South Florida PBS, Inc.	South Florida PBS Foundation, Inc.	Comtel	Eliminating Entries	Consolidated Totals
Assets:					
Current assets:					
Cash and cash equivalents	$ 768,539	$ 2,143,680	$ 85,205	$ -	$ 2,997,424
Promises to give, net	560,717	87,277	-	-	647,994
Other receivables	1,585	140,095	8,400	-	150,080
Beneficial interest in a charitable lead annuity trust	-	125,000	-	-	125,000
Prepaid expenses and other assets	506,474	15,758	-	-	522,232
Program broadcast rights, net of amortization	51,315	-	-	-	51,315
Total current assets	1,888,630	2,511,810	93,605	-	4,494,045
Deposits and other assets	31,199	-	-	-	31,199
Investments	-	65,689,992	-	(465,000)	65,224,992
Program broadcast rights, net of amortization and current portion	15,103	-	-	-	15,103
Property and equipment, net	16,795,574	-	-	-	16,795,574
Assets held under split-interest agreements	-	2,217,073	-	-	2,217,073
Beneficial interest in a charitable lead annuity trust, net of current portion	-	447,918	-	-	447,918
Promises to give, net	1,068,118	-	-	-	1,068,118
Net pension asset	4,916,718	-	-	-	4,916,718
FCC broadcast licenses	3,488,900	-	-	-	3,488,900
Total assets	$ 28,204,242	$ 70,866,793	$ 93,605	$ (465,000)	$ 98,699,640
Liabilities:					
Current liabilities:					
Accounts payable	$ 1,272,157	$ -	$ 2,481	$ -	$ 1,274,638
Accrued expenses	964,236	-	-	-	964,236
Present value of annuity obligations	-	200,559	-	-	200,559
Line of credit	3,136,541	-	-	-	3,136,541
Note payable	381,385	-	-	-	381,385
Finance lease liability	142,989	-	-	-	142,989
Total current liabilities	5,897,308	200,559	2,481	-	6,100,348
Deferred revenue	299,024	-	-	-	299,024
Present value of annuity obligations, due beyond one year	-	1,764,652	-	-	1,764,652
Note payable, due beyond one year	1,408,009	-	-	-	1,408,009
Finance lease liability, due beyond one year	326,803	-	-	-	326,803
Total liabilities	7,931,144	1,965,211	2,481	-	9,898,836
Net Assets:					
Without donor restrictions:					
Board designated	-	56,002,119	-	-	56,002,119
Undesignated	18,148,994	-	(373,876)	-	17,775,118
Common stock	-	-	5,000	(5,000)	-
Paid in capital	-	-	460,000	(460,000)	-
With donor restrictions:					
Purpose and time restrictions	2,124,104	3,679,095	-	-	5,803,199
Perpetual in nature	-	9,220,368	-	-	9,220,368
Total net assets	20,273,098	68,901,582	91,124	(465,000)	88,800,804
Total liabilities and net assets	$ 28,204,242	$ 70,866,793	$ 93,605	$ (465,000)	$ 98,699,640

See independent auditor’s report.

South Florida PBS, Inc. and Affiliates
Supplementary Consolidating Schedule of Activities
For the Year Ended June 30, 2025

	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	$ 2,828	$ -	$ 284,460	$ -	$ 287,288
Contributions and bequests	10,603,055	406	-	-	10,603,461
Satisfaction of program restrictions	1,396,092	893,957	-	-	2,290,049
Corporation for Public Broadcasting:					
Community service and other grants, net	4,727,869	-	-	-	4,727,869
State of Florida Department of Education:					
Community service grant	740,800	-	-	-	740,800
Program and production underwriting, net of commissions	1,131,341	-	-	-	1,131,341
Net investment income	9,343	4,387,848	-	-	4,397,191
Other	234,474	-	-	-	234,474
Total revenues, gains and other support	18,845,802	5,282,211	284,460	-	24,412,473
Operating Expenses:					
Program services:					
Programming and production	13,965,264	-	739,173	-	14,704,437
Broadcasting	4,115,093	-	-	-	4,115,093
Total program services	18,080,357	-	739,173	-	18,819,530
Supporting services:					
Management and general	3,552,310	108,540	-	-	3,660,850
Development and fundraising	6,079,586	-	-	-	6,079,586
Total supporting services	9,631,896	108,540	-	-	9,740,436
Total operating expenses	27,712,253	108,540	739,173	-	28,559,966
Pension Asset Adjustment	1,505,955	-	-	-	1,505,955
Change in net assets without donor restrictions	(7,360,496)	5,173,671	(454,713)	-	(2,641,538)
Change in Net Assets With Donor Restrictions:					
Contributions	835,572	2,016,186	-	-	2,851,758
Net investment income	-	48,019	-	-	48,019
Change in present value of annuity obligations	-	(39,445)	-	-	(39,445)
Net assets released from restrictions	(1,396,092)	(893,957)	-	-	(2,290,049)
Change in net assets with donor restrictions	(560,520)	1,130,803	-	-	570,283
Change in net assets before other items	(7,921,016)	6,304,474	(454,713)	-	(2,071,255)
Other items:					
Intercompany transfers and contributions	11,631,005	(12,044,825)	413,820	-	-
Change in net assets	3,709,989	(5,740,351)	(40,893)	-	(2,071,255)
Net Assets, beginning of year	16,563,109	74,641,933	(332,983)	-	90,872,059
Net Assets, end of year	$ 20,273,098	$ 68,901,582	$ (373,876)	$ -	$ 88,800,804

See independent auditor's report.

South Florida PBS, Inc. and Affiliates
Supplementary Consolidating Schedule of Cash Flows
For the Year Ended June 30, 2025

	South Florida PBS, Inc.	South Florida PBS Foundation, Inc.	Comtel	Eliminating Entries	Consolidated Totals
Operating Activities:					
Cash received from supporters, customers and grant agencies	$ 20,109,756	$ 2,141,186	$ 302,410	$ -	$ 22,553,352
Cash received from interest	-	3,848,657	-	-	3,848,657
Cash paid for interest	(350,895)	-	-	-	(350,895)
Cash paid for support services to suppliers and employees	(28,326,484)	(200,560)	(750,133)	-	(29,277,177)
Net cash provided by (used in) operating activities	(8,567,623)	5,789,283	(447,723)	-	(3,226,063)
Investing Activities:					
Cash received from sales or maturities of investments	-	4,778,286	-	-	4,778,286
Cash paid for property and equipment	(7,350,861)	-	-	-	(7,350,861)
Cash paid for investments	-	2,409,987	-	-	2,409,987
Net cash provided by (used in) investing activities	(7,350,861)	7,188,273	-	-	(162,588)
Financing Activities:					
Proceeds from borrowings from financial institutions	3,164,398	-	-	-	3,164,398
Repayment of borrowings from financial institutions	(500,389)	-	-	-	(500,389)
Advances from (to) affiliate, net	11,631,005	(12,044,825)	413,820	-	-
Net cash provided by (used in) financing activities	14,295,014	(12,044,825)	413,820	-	2,664,009
Net increase (decrease) in cash and cash equivalents	(1,623,470)	932,731	(33,903)	-	(724,642)
Cash and Cash Equivalents, beginning of year	2,392,009	1,210,949	119,108	-	3,722,066
Cash and Cash Equivalents, end of year	$ 768,539	$ 2,143,680	$ 85,205	$ -	$ 2,997,424

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, 2025, 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 October 29, 2025.

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
October 29, 2025