South Florida PBS, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information
For the Years Ended June 30, 2026 and 2025

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, 2026 and 2025, 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, 2026 and 2025, 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 ("GAAS") 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.

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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 GAAS 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 GAAS 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.

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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.

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, 2026, 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, 2026

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FINANCIAL STATEMENTS

South Florida PBS, Inc. and Affiliates
Consolidated Statements of Financial Position
June 30, 2026 and 2025

	2026	2025
Assets:		
Current assets:		
Cash and cash equivalents	$ 1,220,837	$ 2,997,424
Promises to give, net	649,400	626,161
Other receivables	391,360	171,913
Beneficial interest in a charitable lead annuity trust	125,000	125,000
Prepaid expenses and other assets	367,599	522,232
Program broadcast rights, net of amortization	14,930	51,315
Total current assets	2,769,126	4,494,045
Deposits and other assets	36,478	31,199
Investments	61,041,194	65,224,992
Program broadcast rights, net of amortization and current portion	173	15,103
Property and equipment, net	21,220,779	16,795,574
Assets held under split-interest agreements	2,172,547	2,217,073
Beneficial interest in a charitable lead annuity trust, net of current portion	322,918	447,918
Promises to give, net	644,307	1,068,118
Net pension asset	6,455,316	4,916,718
FCC broadcast licenses	3,488,900	3,488,900
Total assets	$ 98,151,738	$ 98,699,640
Liabilities:		
Current liabilities:		
Accounts payable	$ 720,001	$ 1,274,638
Accrued expenses	506,334	964,236
Present value of annuity obligations	200,559	200,559
Line of credit	8,380,142	3,136,541
Note payable	418,147	381,385
Finance lease liability	116,457	142,989
Total current liabilities	10,341,640	6,100,348
Deferred revenue	271,978	299,024
Present value of annuity obligations, due beyond one year	1,719,959	1,764,652
Note payable, due beyond one year	989,863	1,408,009
Finance lease liability, due beyond one year	210,346	326,803
Total liabilities	13,533,786	9,898,836
Net Assets:		
Without donor restrictions:		
Board designated	53,431,667	56,002,119
Undesignated	19,826,527	17,775,118
	73,258,194	73,777,237
With donor restrictions:		
Purpose and time restrictions	2,139,390	5,803,199
Perpetual in nature	9,220,368	9,220,368
	11,359,758	15,023,567
Total net assets	84,617,952	88,800,804
Total liabilities and net assets	$ 98,151,738	$ 98,699,640

See accompanying notes to consolidated financial statements.

South Florida PBS, Inc. and Affiliates
Consolidated Statements of Activities
For the Years Ended June 30, 2026 and 2025

	2026	2025
Change in Net Assets Without Donor Restrictions:		
Revenues, gains and other support:		
Contract productions	$ 310,110	$ 287,288
Contributions and bequests	12,845,759	9,785,312
Events and exhibits	1,996,801	818,149
Satisfaction of program and time restrictions	4,308,157	2,290,049
Corporation for Public Broadcasting:		
Community service and other grants, net	37,980	4,727,869
State of Florida Department of Education:		
Community service grant	-	740,800
Program and production underwriting, net of commissions of $14,975 and $19,619, respectively	1,163,985	1,131,341
Net investment income	5,362,832	4,397,191
Other	143,105	234,474
Total revenues, gains and other support	26,168,729	24,412,473
Operating expenses:		
Program services:		
Programming and production	12,182,714	14,739,586
Broadcasting	4,127,817	4,125,949
Total program services	16,310,531	18,865,535
Supporting services:		
Management and general	4,348,731	3,673,736
Development and fundraising	7,567,107	6,092,651
Total supporting services	11,915,838	9,766,387
Total operating expenses	28,226,369	28,631,922
Pension Related Changes		
Periodic pension benefit	210,659	71,956
Pension asset adjustment	1,327,939	1,505,955
Total pension related changes	1,538,598	1,577,911
Change in net assets without donor restrictions	(519,042)	(2,641,538)
Change in Net Assets With Donor Restrictions:		
Contributions	562,295	2,851,758
Net investment income	87,107	48,019
Change in present value of annuity obligations	(5,055)	(39,445)
Net assets released from restrictions	(4,308,157)	(2,290,049)
Change in net assets with donor restrictions	(3,663,810)	570,283
Change in net assets	(4,182,852)	(2,071,255)
Net Assets, beginning of year	88,800,804	90,872,059
Net Assets, end of year	$ 84,617,952	$ 88,800,804

See accompanying notes to consolidated financial statements.

South Florida PBS, Inc. and Affiliates
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2026

	Program Services			Supporting Services			
	Programming and Production	Broadcasting	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	Total
Salaries and wages	$ 2,408,737	$ 1,045,901	$ 3,454,638	$ 1,452,237	$ 2,146,514	$ 3,598,751	$ 7,053,389
Employee benefits	779,383	227,090	1,006,473	469,792	566,879	1,036,671	2,043,144
Payroll taxes	216,266	81,140	297,406	103,260	162,525	265,785	563,191
Professional services	2,974,268	327,430	3,301,698	372,970	1,307,184	1,680,154	4,981,852
TV programming rights	2,876,533	-	2,876,533	-	-	-	2,876,533
Production supplies	379,084	4,169	383,253	-	2,256	2,256	385,509
Donor incentive and benefits	-	-	-	-	290,416	290,416	290,416
Advertising and promotion	313,620	-	313,620	150	649,010	649,160	962,780
Office expense	49,370	57,451	106,821	24,361	77,997	102,358	209,179
Postage and shipping	1,226	1,694	2,920	978	574,826	575,804	578,724
Information technology	100,731	146,527	247,258	83,123	220,058	303,181	550,439
Occupancy	15,184	948,646	963,830	362,767	103,759	466,526	1,430,356
Transmission expense	-	277,449	277,449	-	-	-	277,449
Rental and equipment maintenance	10,084	159,178	169,262	3,407	15,990	19,397	188,659
Travel	148,385	12,365	160,750	245,649	149,243	394,892	555,642
Meetings and events	126,684	240	126,924	156,410	816,971	973,381	1,100,305
Insurance	139,781	60,695	200,476	110,679	124,564	235,243	435,719
Other	360,713	-	360,713	723,316	-	723,316	1,084,029
Total expenses before depreciation, amortization, interest expense and periodic pension benefit	10,900,049	3,349,975	14,250,024	4,109,099	7,208,192	11,317,291	25,567,315
Depreciation and amortization	994,859	661,664	1,656,523	92,823	137,198	230,021	1,886,544
interest expense	191,873	83,313	275,186	115,681	170,984	286,665	561,851
Total expenses before periodic pension benefit	12,086,781	4,094,952	16,181,733	4,317,603	7,516,374	11,833,977	28,015,710
Periodic pension benefit	95,933	32,865	128,798	31,128	50,733	81,861	210,659
Total expenses	$ 12,182,714	$ 4,127,817	$ 16,310,531	$ 4,348,731	$ 7,567,107	$ 11,915,838	$ 28,226,369

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
Donor incentive and benefits	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, interest expense and periodic pension benefit	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 before periodic pension benefit	14,704,437	4,115,093	18,819,530	3,660,850	6,079,586	9,740,436	28,559,966
Periodic pension benefit	35,149	10,856	46,005	12,886	13,065	25,951	71,956
Total expenses	$ 14,739,586	$ 4,125,949	$ 18,865,535	$ 3,673,736	$ 6,092,651	$ 9,766,387	$ 28,631,922

See accompanying notes to consolidated financial statements.

South Florida PBS, Inc. and Affiliates
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2026 and 2025

	2026	2025
Operating Activities:		
Cash received from supporters, customers and grant agencies	$ 17,532,562	$ 22,553,352
Cash received from interest	2,657,223	3,848,657
Cash paid for interest	(543,813)	(350,895)
Cash paid for support services to suppliers and employees	(26,806,984)	(29,277,177)
Net cash used in operating activities	(7,161,012)	(3,226,063)
Investing Activities:		
Cash received from sales or maturities of investments	7,830,428	11,443,465
Cash paid for property and equipment	(6,332,795)	(7,350,861)
Cash paid for investments	(832,436)	(4,255,192)
Net cash provided by (used in) investing activities	665,197	(162,588)
Financing Activities:		
Repayment of borrowings from financial institutions	(524,373)	(500,389)
Proceeds from borrowings from financial institutions	5,243,601	3,164,398
Net cash provided by financing activities	4,719,228	2,664,009
Net decrease in cash and cash equivalents	(1,776,587)	(724,642)
Cash and Cash Equivalents, beginning of year	2,997,424	3,722,066
Cash and Cash Equivalents, end of year	$ 1,220,837	$ 2,997,424

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, broadcasting 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.

- *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).

Note 2 - Summary of Significant Accounting Policies (continued)

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

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

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

Generally, investment securities held by the Foundation have been classified as long-term assets in the accompanying consolidated statements of financial position because they have been designated by the Board of Directors as a quasi-endowment fund for the long-term support of SFPBS (Notes 4 and 7) 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, 2026 and 2025, management recorded approximately $17,000 in provision for uncollectible receivables. The Organization had no material conditional promises to give as of June 30, 2026 or 2025.

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

Donations of property and equipment are reported as support without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Without donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service, reclassifying net assets with donor restrictions to net assets without donor restrictions at that time. For the years ended June 30, 2026 and 2025, 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, 2026 and 2025, no impairment losses were recorded by management.

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.

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.

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 had no refundable advances as of June 30, 2026 and 2025.

Note 2 - Summary of Significant Accounting Policies (continued)

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

Contract production revenue is recognized at the point in time the related program is aired, which is when the Organization satisfies its performance obligation under the contract. Program underwriting revenue is recognized over time on a prorated basis during the broadcast period covered by the underwriting agreement. Payments are generally due within 30 to 60 days of the invoice date.

Revenues from special events are considered exchange transactions and are recognized when the special event takes place.

The Organization periodically presents themed immersive events and exhibits that are available to the public for a limited period of time. Revenue from events and exhibits consists primarily of admission ticket sales and related merchandise sales and is recognized at the point of sale. Payments are generally collected at the time of purchase.

Amounts received in advance for contract production, program underwriting, special events, and events and exhibits that are accounted for as exchange transactions are recorded as deferred revenue until the related performance obligations are satisfied.

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, 2026 and 2025, the Organization recorded no contributed services. Donated facilities are discussed in Note 15.

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, and are allocated on the basis of estimates of time and effort and square footage.

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.

Reclassifications: Prior year financial statement amounts have been reclassified to conform to the current period presentation. Total net assets and change in net assets are unchanged due to these reclassifications.

Note 2 - Summary of Significant Accounting Policies (continued)

Leases: The Organization determines whether an arrangement is or contains a lease at inception. Right-of-use assets and lease liabilities are recognized for leases with terms greater than 12 months. Lease liabilities are measured based on the present value of future lease payments, and right-of-use assets are measured based on the lease liability adjusted for applicable lease-related items. Lease expense for operating leases is recognized on a straight-line basis over the lease term. For finance leases, the Organization recognizes amortization of the right-of-use asset and interest expense on the related lease liability over the lease term. The Organization does not recognize right-of-use assets and lease liabilities for short-term leases (those with an initial term of 12 months or less). Lease payments for short-term leases are recognized as expense on a straight-line basis over the lease term.

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, 2026 and 2025, the Organization's cash balances exceeded FDIC limits by $825,588 and $2,553,000, 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.

Date of management review: Management has evaluated subsequent events through October 29, 2026, which is the date the consolidated financial statements were available for issuance. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.

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:

	2026	2025
Financial assets, at year-end:		
Cash and cash equivalents	$ 1,220,837	$ 2,997,424
Promises to give, net	1,293,707	1,694,279
Other receivables	391,360	171,913
Beneficial interest in a charitable lead annuity trust	447,918	572,918
Investments	61,041,194	65,224,992
Assets held under split-interest agreements	2,172,547	2,217,073
Financial assets, at year-end	66,567,563	72,878,599
Less: those unavailable for general expenditures within one year, due to:		
Purpose and time restrictions by donor	(2,139,390)	(5,803,199)
Perpetual restrictions by donor	(9,220,368)	(9,220,368)
Board designated less amount expected to be appropriated in the next year	(52,631,667)	(55,202,119)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,576,138	$ 2,652,913

Note 3 - Liquidity and Availability (continued)

Included in the previous table is approximately $53,000,000 in Board designated funds. Distribution of these funds may be adjusted at the discretion of the Board based on the liquidity needs of the Organization.

In the event of an unanticipated liquidity need, the Organization could draw upon approximately $2,335,000 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 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 $53,431,667 and $56,002,119 at June 30, 2026 and 2025, respectively, and are classified as Board designated in the accompanying consolidated statements of financial position.

Consistent with the terms of the endowment, SFPBS appropriated $645,879 and $610,393 during the years ended June 30, 2026 and 2025, respectively, from the True endowment for specific programming purposes, and SFPBS also appropriated $171,785 and $162,910 during the years ended June 30, 2026 and 2025, 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.

Note 4 - Net Assets (continued)

Net assets with donor restrictions are as follows as of June 30, 2026 and 2025:

	2026	2025
Subject to expenditure for specified purpose:		
Program production	$ 597,768	$ 774,000
Other program support	87,259	3,249,229
	685,027	4,023,229
Subject to passage of time:		
Assets held under split-interest agreements	267,056	340,933
Promises to give	1,011,267	1,350,104
	1,278,323	1,691,037
Endowments:		
Subject to appropriation and expenditure when a specified event occurs:		
Environmental education content	176,040	88,933
	2,139,390	5,803,199
Endowments:		
Required to be held in perpetuity by the donor	9,220,368	9,220,368
Total	$ 11,359,758	$ 15,023,567

For the years ended June 30, 2026 and 2025, approximately $4,308,000 and $2,290,000, respectively, were released from other programs and time restrictions.

Note 5 - Investments

Investments at June 30, 2026 and 2025, consist of the following:

	2026	2025
Investments of endowment funds in equity funds	$ 7,795,497	$ 6,610,355
Investments of endowment funds in fixed income securities	3,718,211	3,871,131
Investments of endowment funds in mutual funds	1,202,870	1,066,041
Other investments in equity funds	11,824,295	9,710,537
Other investments in fixed income securities	7,994,041	7,770,409
Other investments in mutual funds	4,389,640	8,806,982
Other investments in private equities	24,116,640	27,389,537
Total investments	$ 61,041,194	$ 65,224,992

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).

Bonds classified within Level 2 are valued using pricing models and other observable market data. Such inputs may include benchmark yields, reported trades, broker/dealer quotations, credit spreads, interest rates, yield curves, and other market-corroborated information. The inputs or valuation methodologies used to measure fair value are not necessarily indicative 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 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 years ended June 30, 2026 and 2025, management determined that certain private equity investments measured at both cost and NAV as a practical expedient, had declined in value. As a result, the Organization recorded impairment losses of approximately $2,312,000 and $2,146,000, respectively, which are 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.

Note 6 - Fair Value Measurement (continued)

Investments held by the Organization are classified at June 30, 2026, as follows:

	Level 1	Level 2	Level 3	Net Asset Value (NAV)	Cost	Total 2026
Operating investments:						
Stocks and ETFs	$ 19,619,792	$ -	$ -	$ -	$ -	$ 19,619,792
Fixed income securities	-	11,712,252	-	-	-	11,712,252
Mutual funds	5,592,510	-	-	-	-	5,592,510
Private equities	-	-	-	2,919,981	21,196,659	24,116,640
	$ 25,212,302	$ 11,712,252	$ -	$ 2,919,981	$ 21,196,659	$ 61,041,194
Assets held under split-interest agreements:						
Stocks and ETFs	$ 1,340,159	$ -	$ -	$ -	$ -	$ 1,340,159
Fixed income securities	-	709,424	-	-	-	709,424
Mutual funds	122,964	-	-	-	-	122,964
	$ 1,463,123	$ 709,424	$ -	$ -	$ -	$ 2,172,547
Beneficial interest in a charitable lead annuity trust	$ -	$ -	$ 447,918	$ -	$ -	$ 447,918

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

Note 6 - Fair Value Measurement (continued)

The fair value of beneficial interest in charitable lead annuity trust is based on the fair value of the underlying investments reported by the trustee and is classified as a Level 3 measurements. Changes in Level 3 assets measured at fair value are as follows for the year ended June 30:

	2026	2025
Balance as of July 1,	$ 572,918	$ 697,918
Distributions	(125,000)	(125,000)
Balance as of June 30,	$ 447,918	$ 572,918

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

	As of June 30, 2026		As of June 30, 2025		Manager's Anticipation of Commitment	Redemption	Redemption
	Total	Unfunded Commitments	Total	Unfunded Commitments	Timing	Frequency	Notice Period
Private equities (a)	$ 2,919,981	$ -	$ 3,067,296	$ -	Closely held companies 10 to 15 years	Ineligible	N/A

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

The following shows the Organization's carrying value of private equities valued at cost and amounts recognized in the change in net assets for the years ended June 30:

	2026	2025
Balance as of July 1,	$ 24,322,241	$ 23,444,824
Upward change for contributions	-	1,159,427
Downward change for return of capital, distributions and impairments	(3,125,582)	(282,010)
Balance as of June 30,	$ 21,196,659	$ 24,322,241

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.

Note 7 - Endowments (continued)

Investment policies: The Foundation's investment objective is to provide a stable and sustainable source of funding for SFPBS while preserving and growing the real value of endowment assets over time. The Foundation seeks to achieve a total return, through a combination of income and capital appreciation, sufficient to support its spending policy, preserve purchasing power, and cover investment management expenses. To manage investment risk, assets are diversified among asset classes, investment strategies, industries, and issuers to reduce the impact of significant declines in any single investment or market sector. The Foundation maintains a long-term investment horizon and an overall risk tolerance designed to balance current spending needs with long-term preservation of capital.

Spending policies: The Foundation has a policy of appropriating for distribution an amount equal to 7% of the total available funds within certain endowments. In establishing this policy, the Board considered the Foundation's long-term expected investment return, the preservation of purchasing power, general economic conditions, and the need to provide ongoing support to SFPBS. SFPBS may withdraw up to the full amount appropriated in any fiscal year (Note 4) or defer receipt to 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, 2026, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total 2026
Donor-restricted endowment funds corpus	$ -	$ 9,220,368	$ 9,220,368
Donor-restricted endowment funds accumulated investment earnings	-	176,040	176,040
Board-designated endowment funds	53,431,667	-	53,431,667
Total funds	$ 53,431,667	$ 9,396,408	$ 62,828,075

Changes in endowment net assets for the year ended June 30, 2026, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total 2026
Endowment net assets, at beginning of year	$ 56,002,119	$ 9,309,301	$ 65,311,420
Net investment income	5,355,374	87,107	5,442,481
Contributions	377	-	377
Appropriations	(7,926,203)	-	(7,926,203)
Endowment net assets, at end of year	$ 53,431,667	$ 9,396,408	$ 62,828,075

Note 7 - Endowments (continued)

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
Appropriations	(11,259,408)	-	(11,259,408)
Endowment net assets, at end of year	$ 56,002,119	$ 9,309,301	$ 65,311,420

Note 8 - Property and Equipment

Property and equipment consist of the following as of June 30, 2026 and 2025:

	2026	2025	Estimated Useful Lives in Years
Engineering and production equipment	$ 6,521,718	$ 4,118,110	5-7
Computer, office furniture and equipment	2,072,498	1,328,056	3-5
Transmitter, tower and antenna	2,956,618	2,956,618	15
Leasehold improvements	17,981,978	5,749,246	7-15
Vehicles	50,806	85,537	5
	29,583,618	14,237,567	
Less: accumulated depreciation	8,494,902	6,612,082	
	21,088,716	7,625,485	
Construction in progress	132,063	9,170,089	
	$ 21,220,779	$ 16,795,574	

Depreciation/amortization expense was approximately $1,887,000 and $1,205,000 for the years ended June 30, 2026 and 2025, respectively.

Note 9 - FCC Broadcast Licenses

The Federal Communications 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 license was donated to SFPBS in 2018 by a Miami station that sold its spectrum through the 2017 broadcast incentive auction. As of June 30, 2026 and 2025, 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, 2026 and 2025, management has determined that no impairment exists.

Note 10 - Line of Credit

Previously, the Organization 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 available for additional borrowing is determined by a specified percentage of the market value of each asset type. As of June 30, 2026, the Organization had approximately $2,335,000 of additional borrowing capacity. The approximate loan balance at June 30, 2026 and 2025 was $8,380,000 and $3,137,000, respectively.

The interest rate is variable and is based on the Secured Overnight Financing Rate (SOFR) plus a spread determined by the relationship and dollar amount of assets under management (4.92% at June 30, 2026). The loan does not have a stated maturity date or required principal repayment schedule. Subject to maintaining sufficient collateral, principal and accrued interest may be repaid at the Organization's discretion. Interest may be paid periodically or added to the outstanding loan balance. The loan is collateralized by investments, including cash equivalents, with a fair value of approximately $14,940,000 at June 30, 2026.

For the years ended June 30, 2026 and 2025, interest expense related to the margin loan totaled approximately $319,000 and $14,000, 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 $1,920,518 and $1,965,211 at June 30, 2026 and 2025, respectively, using discount rates ranging from 0.4% to 6.2% and applicable mortality tables.

Note 11 - Split-Interest Agreements (continued)

On a quarterly basis, the Organization reevaluates the amount of estimated future payments. For the years ended June 30, 2026 and 2025, the Organization reported a change in value of split-interest agreements of approximately $(5,000) and $(39,000), respectively. Amounts recognized under split-interest agreements are generally classified as net assets with donor restrictions until the passage of time required under the agreement has occurred. 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 years ended June 30, 2026 and 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, 2026 and 2025, 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, 2027.

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:

	2026	2025
Fair value of Plan assets	$ 16,700,342	$ 15,231,969
Projected benefit obligation	(10,245,026)	(10,315,251)
Net pension asset	$ 6,455,316	$ 4,916,718

There were benefits of $1,021,232 and $1,002,391 paid during the years ended June 30, 2026 and 2025, respectively. Further, the Organization recorded a pension expense of $(210,659) and $(71,956) for the years ended June 30, 2026 and 2025, respectively.

Note 12 - Employee Benefit Plans (continued)

Asset allocation by asset category based on fair value (measured using level 1 inputs) at June 30, 2026 and 2025, is as follows:

	2026	2025
Equity securities	$ 10,966,253	$ 9,795,685
Debt securities	4,582,505	4,349,519
Cash and cash equivalents	358,681	421,596
Other	792,903	665,169
	$ 16,700,342	$ 15,231,969

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

	2026	2025
Weighted-average assumptions:		
Discount rate to determine benefit obligation	5.70%	5.58%
Discount rate to determine net periodic pension costs	5.58%	5.35%
Expected rate of return on Plan assets	6.00%	6.00%
Measurement date	June 30, 2026	June 30, 2025

For the years ended June 30, 2026 and 2025, 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, 2026 and 2025, using the above assumptions:

	2026	2025
Net pension (asset) liability, beginning of year	$ (4,916,718)	$ (3,338,807)
Experience gains, including assumption changes	(2,349,171)	(2,508,346)
Benefits paid	1,021,232	1,002,391
Net periodic benefit cost	(210,659)	(71,956)
Net pension (asset) liability, end of year	$ (6,455,316)	$ (4,916,718)

The net periodic benefit cost for the years ended June 30, 2026 and 2025, is included with employee benefits in the consolidated statement of functional expenses and is calculated as follows:

	2026	2025
Interest cost	$ 548,288	$ 564,609
Net loss amortization	71,162	148,045
Expected return on assets	(830,109)	(784,610)
	$ (210,659)	$ (71,956)

Note 12 - Employee Benefit Plans (continued)

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

Year Ending June 30,	Amount
2027	$ 995,100
2028	978,516
2029	950,062
2030	918,420
2031	895,312
2032-2036	3,993,452

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 a nonelective contribution. Total expense in conjunction with these matching contributions for the years ended June 30, 2026 and 2025, was approximately $348,800 and $302,800, respectively.

Note 13 - Income Taxes

SFPBS and the Foundation have qualified as nonprofit organizations under Internal Revenue Code Section 501(a) as organizations described in Section 501(c)(3) and are exempt from income taxes. Comtel is organized as a for-profit entity and, as such, is subject to income taxes. Income taxes for Comtel are accounted for using the liability method under which deferred tax liabilities and assets are recognized based on the expected future tax consequences of the differences between the consolidated financial statements and tax bases of assets and liabilities using enacted rates in effect for the year in which the differences are expected to reverse. A valuation allowance is established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. Comtel did not have a material provision or credit for income taxes for the years ended June 30, 2026 and 2025. At June 30, 2026 and 2025, Comtel had a deferred tax asset of approximately $159,500 and $159,000, respectively, primarily related to net operating loss carryforwards of approximately $760,000. The deferred tax assets have been offset in full by a valuation allowance at June 30, 2026 and 2025 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, 2026 and 2025.

	2026	2025
Note payable for projection equipment requiring monthly installments of approximately $15,500, including interest of 7.75%, through June 2029.	$ 497,064	$ 638,749
Note payable for projection equipment requiring monthly installments of approximately $28,800, including interest of 4%, through August 2029.	910,946	1,150,645
	1,408,010	1,789,394
Less: current portion	(418,147)	(381,385)
Long-term debt	$ 989,863	$ 1,408,009

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

Year Ending June 30,	Amount
2027	$ 418,100
2028	458,500
2029	502,800
2030	28,500
	$ 1,407,900

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, 2025 and is included with promises to give in the consolidated statement of financial position (Note 18). At June 30, 2026, the related promises to give totaled $1,293,707, of which $649,400 is due within one year. The estimated annual fair rental value of the Boynton Beach facilities was approximately $338,800 and $312,900 for the years ended June 30, 2026 and 2025, respectively, and is valued based on similar space in the same geographic region. 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 equipment leases expired during the year ended June 30, 2026.

The finance leases required aggregate monthly installments of approximately $19,000 in fiscal year 2025, including implied interest ranging from approximately 5.75% to 22.39%. Following the expiration of the equipment leases during fiscal year 2026, the remaining finance lease requires monthly installments of approximately $14,600, including implied interest at approximately 22.39%, through October 2028. The finance lease liabilities, included in the consolidated statements of financial position, totaled approximately $327,000 and $470,000 as of June 30, 2026 and 2025, respectively. Interest expense on the finance lease liabilities totaled approximately $84,000 and $107,000 for the years ended June 30, 2026 and 2025, respectively, and is included in interest expense in the consolidated statements of functional expenses. Total cash paid for the finance lease liabilities was approximately $143,000 and $249,000 for the years ended June 30, 2026 and 2025, respectively.

Finance lease right-of-use assets totaled approximately $90,000 and $180,500, net of accumulated amortization of approximately $510,000 and $769,000, as of June 30, 2026 and 2025, respectively, and are included with property and equipment, net, in the consolidated statements of financial position. Amortization of finance lease right-of-use assets totaled approximately $90,500 and $109,900 for the years ended June 30, 2026 and 2025, respectively, and is included in depreciation and amortization in the consolidated statements of functional expenses. The weighted average remaining lease term was 2.3 years and 2.5 years as of June 30, 2026 and 2025, respectively, and the weighted average discount rate was 22.4% and 21.0%, respectively.

Approximate future minimum estimated finance lease payments at June 30, 2026:

Years Ending June 30,		Amount
2027	$	178,300
2028		183,600
2029		61,800
Total lease payments		423,700
Less: amount representing interest		(96,900)
Present value of finance lease liabilities	$	326,800

Construction commitment: The Organization entered into various agreements with contractors for numerous improvement projects. The contracts for these projects total approximately $92,000. As of June 30, 2026, the remaining commitment under these contracts is approximately $62,000.

Funding commitments: The Organization has entered into various separate funding commitments on certain alternative investments. The remaining commitment as of June 30, 2026, is disclosed in Note 6 to the financial statements.

Note 17 - Related Party Transactions

During the years ended June 30, 2026 and 2025, the Organization recorded approximately $2,825,400 and $1,230,800, 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, 2026 and 2025, amounted to approximately $72,800 and $73,400, respectively.

Note 18 - Promises to Give

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

	2026	2025
Receivable in less than one year	$ 649,400	$ 626,161
Receivable in one to five years	755,757	1,275,331
Total promises to give	1,405,157	1,901,492
Less: present value discount	(111,450)	(207,213)
Promises to give, net	$ 1,293,707	$ 1,694,279

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, 2026 and 2025:

	2026	2025
Acquisition of property and equipment -		
Cost of property and equipment	$ 6,332,795	$ 8,701,013
Less: applicable financing	-	(1,350,152)
Cash paid for property and equipment	$ 6,332,795	$ 7,350,861

SUPPLEMENTARY INFORMATION

South Florida PBS, Inc. and Affiliates
Supplementary Consolidating Schedule of Financial Position
June 30, 2026

	South Florida PBS, Inc.	South Florida PBS Foundation, Inc.	Comtel	Eliminating Entries	Consolidated Totals
Assets:					
Current assets:					
Cash and cash equivalents	$ 351,984	$ 804,806	$ 64,047	$ -	$ 1,220,837
Promises to give, net	649,400	-	-	-	649,400
Other receivables	206,275	155,685	29,400	-	391,360
Beneficial interest in a charitable lead annuity trust	-	125,000	-	-	125,000
Prepaid expenses and other assets	351,841	15,758	-	-	367,599
Program broadcast rights, net of amortization	14,930	-	-	-	14,930
Total current assets	1,574,430	1,101,249	93,447	-	2,769,126
Deposits and other assets	36,478	-	-	-	36,478
Investments	-	61,506,194	-	(465,000)	61,041,194
Program broadcast rights, net of amortization and current portion	173	-	-	-	173
Property and equipment, net	21,220,779	-	-	-	21,220,779
Assets held under split-interest agreements	-	2,172,547	-	-	2,172,547
Beneficial interest in a charitable lead annuity trust, net of current portion	-	322,918	-	-	322,918
Promises to give, net	644,307	-	-	-	644,307
Net pension asset	6,455,316	-	-	-	6,455,316
FCC broadcast licenses	3,488,900	-	-	-	3,488,900
Total assets	$ 33,420,383	$ 65,102,908	$ 93,447	$ (465,000)	$ 98,151,738
Liabilities:					
Current liabilities:					
Accounts payable	$ 713,470	$ -	$ 6,531	$ -	$ 720,001
Accrued expenses	506,334	-	-	-	506,334
Present value of annuity obligations	-	200,559	-	-	200,559
Line of credit	8,380,142	-	-	-	8,380,142
Note payable	418,147	-	-	-	418,147
Finance lease liability	116,457	-	-	-	116,457
Total current liabilities	10,134,550	200,559	6,531	-	10,341,640
Deferred revenue	271,978	-	-	-	271,978
Present value of annuity obligations, due beyond one year	-	1,719,959	-	-	1,719,959
Note payable, due beyond one year	989,863	-	-	-	989,863
Finance lease liability, due beyond one year	210,346	-	-	-	210,346
Total liabilities	11,606,737	1,920,518	6,531	-	13,533,786
Net Assets:					
Without donor restrictions:					
Board designated	-	53,431,667	-	-	53,431,667
Undesignated	20,204,611	-	(378,084)	-	19,826,527
Common stock	-	-	5,000	(5,000)	-
Paid in capital	-	-	460,000	(460,000)	-
With donor restrictions:					
Purpose and time restrictions	1,609,035	530,355	-	-	2,139,390
Perpetual in nature	-	9,220,368	-	-	9,220,368
Total net assets	21,813,646	63,182,390	86,916	(465,000)	84,617,952
Total liabilities and net assets	$ 33,420,383	$ 65,102,908	$ 93,447	$ (465,000)	$ 98,151,738

See independent auditor's report.

South Florida PBS, Inc. and Affiliates
Supplementary Consolidating Schedule of Activities
For the Year Ended June 30, 2026

	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	$ -	$ -	$ 310,110	$ -	$ 310,110
Contributions and bequests	12,845,382	377	-	-	12,845,759
Events and exhibits	1,996,801	-	-	-	1,996,801
Satisfaction of program and time restrictions	1,077,365	3,230,792	-	-	4,308,157
Corporation for Public Broadcasting:					
Community service and other grants, net	37,980	-	-	-	37,980
Program and production underwriting, net of commissions	1,163,985	-	-	-	1,163,985
Net investment income	7,458	5,355,374	-	-	5,362,832
Other	143,105	-	-	-	143,105
Total revenues, gains and other support	17,272,076	8,586,543	310,110	-	26,168,729
Operating Expenses:					
Program services:					
Programming and production	11,466,707	-	716,007	-	12,182,714
Broadcasting	4,127,817	-	-	-	4,127,817
Total program services	15,594,524	-	716,007	-	16,310,531
Supporting services:					
Management and general	4,011,927	336,804	-	-	4,348,731
Development and fundraising	7,567,107	-	-	-	7,567,107
Total supporting services	11,579,034	336,804	-	-	11,915,838
Total operating expenses	27,173,558	336,804	716,007	-	28,226,369
Pension Related Changes					
Periodic pension benefit	210,659	-	-	-	210,659
Pension asset adjustment	1,327,939	-	-	-	1,327,939
Total pension related changes	1,538,598	-	-	-	1,538,598
Change in net assets without donor restrictions	(8,362,884)	8,249,739	(405,897)	-	(519,042)
Change in Net Assets With Donor Restrictions:					
Contributions	562,295	-	-	-	562,295
Net investment income	-	87,107	-	-	87,107
Change in present value of annuity obligations	-	(5,055)	-	-	(5,055)
Net assets released from restrictions	(1,077,365)	(3,230,792)	-	-	(4,308,157)
Change in net assets with donor restrictions	(515,070)	(3,148,740)	-	-	(3,663,810)
Change in net assets before other items	(8,877,954)	5,100,999	(405,897)	-	(4,182,852)
Other items:					
Intercompany transfers and contributions	10,418,502	(10,820,191)	401,689	-	-
Change in net assets	1,540,548	(5,719,192)	(4,208)	-	(4,182,852)
Net Assets, beginning of year	20,273,098	68,901,582	(373,876)	-	88,800,804
Net Assets, end of year	$ 21,813,646	$ 63,182,390	$ (378,084)	$ -	$ 84,617,952

See independent auditor's report.

South Florida PBS, Inc. and Affiliates
Supplementary Consolidating Schedule of Cash Flows
For the Year Ended June 30, 2026

	South Florida PBS, Inc.	South Florida PBS Foundation, Inc.	Comtel	Eliminating Entries	Consolidated Totals
Operating Activities:					
Cash received from supporters, customers and grant agencies	$ 17,030,798	$ 212,654	$ 289,110	$ -	$ 17,532,562
Cash received from interest	-	2,657,223	-	-	2,657,223
Cash paid for interest	(543,813)	-	-	-	(543,813)
Cash paid for support services to suppliers and employees	(25,708,475)	(386,552)	(711,957)	-	(26,806,984)
Net cash provided by (used in) operating activities	(9,221,490)	2,483,325	(422,847)	-	(7,161,012)
Investing Activities:					
Cash received from sales or maturities of investments	-	7,830,428	-	-	7,830,428
Cash paid for property and equipment	(6,332,795)	-	-	-	(6,332,795)
Cash paid for investments	-	(832,436)	-	-	(832,436)
Net cash provided by (used in) investing activities	(6,332,795)	6,997,992	-	-	665,197
Financing Activities:					
Proceeds from borrowings from financial institutions	5,243,601	-	-	-	5,243,601
Repayment of borrowings from financial institutions	(524,373)	-	-	-	(524,373)
Advances from (to) affiliate, net	10,418,502	(10,820,191)	401,689	-	-
Net cash provided by (used in) financing activities	15,137,730	(10,820,191)	401,689	-	4,719,228
Net decrease in cash and cash equivalents	(416,555)	(1,338,874)	(21,158)	-	(1,776,587)
Cash and Cash Equivalents, beginning of year	768,539	2,143,680	85,205	-	2,997,424
Cash and Cash Equivalents, end of year	$ 351,984	$ 804,806	$ 64,047	$ -	$ 1,220,837

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, 2026, 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, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the South Florida PBS, Inc. and Affiliates' 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.

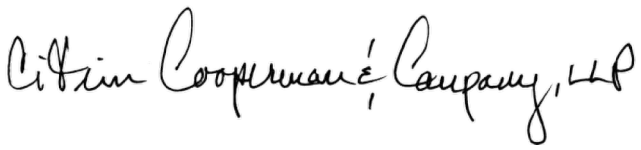
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Report on Compliance and Other Matters

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.



Fort Lauderdale, Florida
October 29, 2026

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