

**KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA**

FINANCIAL STATEMENTS

As of and for the Years Ended June 30, 2025 and 2024

And Report of Independent Auditor

KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
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Report of Independent Auditor

To the Board of Directors
Kentucky Public Radio, Inc. d/b/a Louisville Public Media
Louisville, Kentucky

Opinion

We have audited the financial statements of Kentucky Public Radio, Inc. d/b/a Louisville Public Media (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Louisville Public Media and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Louisville Public Media's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Louisville Public Media's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Louisville Public Media's ability to continue as a going concern for a reasonable period of time.

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

Cherry Bekaert LLP

Louisville, Kentucky
November 25, 2025

**KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
STATEMENTS OF FINANCIAL POSITION**

JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 479,163	\$ 756,213
Underwriting and other accounts receivable, net	361,513	578,776
Pledges and grants receivable, net	643,644	343,964
Prepaid expenses	62,531	82,623
Investments	570,455	1,108,704
Operating lease right-of-use asset	-	40,243
Property and equipment, net of accumulated depreciation	<u>2,733,340</u>	<u>3,039,755</u>
Total Assets	<u>\$ 4,850,646</u>	<u>\$ 5,950,278</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 645,357	\$ 456,151
Accrued liabilities	429,805	516,849
Deferred revenue	41,245	56,779
Operating lease liability	-	41,950
Total Liabilities	<u>1,116,407</u>	<u>1,071,729</u>
Net Assets:		
Net assets without donor restrictions:		
Designated for programming:		
Invested in property and equipment	2,733,340	3,039,755
Undesignated	<u>647,603</u>	<u>1,485,594</u>
Total Net Assets Without Donor Restrictions	3,380,943	4,525,349
Net assets with donor restrictions	<u>353,296</u>	<u>353,200</u>
Total Net Assets	<u>3,734,239</u>	<u>4,878,549</u>
Total Liabilities and Net Assets	<u>\$ 4,850,646</u>	<u>\$ 5,950,278</u>

The accompanying notes to the financial statements are an integral part of these statements.

KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues:						
Contributions and grants	\$ 4,189,656	\$ 857,116	\$ 5,046,772	\$ 3,269,437	\$ 1,231,753	\$ 4,501,190
Underwriting revenues	1,832,900	-	1,832,900	2,204,298	-	2,204,298
Investment return, net	82,231	-	82,231	183,778	-	183,778
Other income	196,781	-	196,781	335,249	-	335,249
Net assets released from program restrictions	857,020	(857,020)	-	1,645,388	(1,645,388)	-
Total Support and Revenues	7,158,588	96	7,158,684	7,638,150	(413,635)	7,224,515
Expenses:						
Program Services:						
Station programming and operations	6,277,583	-	6,277,583	6,767,358	-	6,767,358
Supporting Services:						
Management and general	1,173,678	-	1,173,678	1,076,409	-	1,076,409
Fundraising	851,733	-	851,733	839,105	-	839,105
Total Supporting Services	2,025,411	-	2,025,411	1,915,514	-	1,915,514
Total Expenses	8,302,994	-	8,302,994	8,682,872	-	8,682,872
Change in net assets available for benefits	(1,144,406)	96	(1,144,310)	(1,044,722)	(413,635)	(1,458,357)
Net assets available for benefits, beginning of year	4,525,349	353,200	4,878,549	5,570,071	766,835	6,336,906
Net assets available for benefits, end of year	\$ 3,380,943	\$ 353,296	\$ 3,734,239	\$ 4,525,349	\$ 353,200	\$ 4,878,549

The accompanying notes to the financial statements are an integral part of these statements.

KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024	
	Program Services	Management and General	Fundraising	Total	Totals
Banking expenses	\$ 27,530	\$ 8,080	\$ 58,609	\$ 94,219	\$ 88,594
Building expenses	129,133	138,983	477	268,593	256,478
Business expenses	304,910	125,971	76,949	507,830	373,404
Contract labor	240,893	1,800	400	243,093	156,532
Depreciation	209,686	99,131	21,618	330,435	398,393
Event expenses	258,128	20,784	219	279,131	238,945
Fees	49,545	145	9	49,699	53,047
Insurance	15,947	28,351	-	44,298	46,386
Marketing	53,561	-	-	53,561	46,955
Office expenses	22,388	36,013	43,690	102,091	97,444
Personnel	3,846	101,978	-	105,824	1,537
Professional fees	22,082	49,898	-	71,980	50,936
Programming purchases	681,793	38,449	-	720,242	751,612
Salaries and benefits	4,071,849	495,317	611,331	5,178,497	5,830,874
Technical expenses	156,758	18,023	35,524	210,305	210,163
Travel	29,534	10,755	2,907	43,196	81,572
Total Functional Expenses	<u>\$ 6,277,583</u>	<u>\$ 1,173,678</u>	<u>\$ 851,733</u>	<u>\$ 8,302,994</u>	<u>\$ 8,682,872</u>

The accompanying notes to the financial statements are an integral part of these statements.

KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

YEAR ENDED JUNE 30, 2024

	2024			
	Program Services	Management and General	Fundraising	Total
Banking expenses	\$ 28,177	\$ 5,480	\$ 54,937	\$ 88,594
Building expenses	123,011	132,986	481	256,478
Business expenses	182,567	94,390	96,447	373,404
Contract labor	146,996	9,536	-	156,532
Depreciation	250,700	119,518	28,175	398,393
Event expenses	232,193	1,789	4,963	238,945
Fees	52,592	430	25	53,047
Insurance	16,699	29,687	-	46,386
Marketing	46,955	-	-	46,955
Office expenses	20,309	36,706	40,429	97,444
Personnel	235	1,302	-	1,537
Professional fees	3,203	47,733	-	50,936
Programming purchases	751,612	-	-	751,612
Salaries and benefits	4,698,540	563,987	568,347	5,830,874
Technical expenses	158,051	11,324	40,788	210,163
Travel	55,518	21,541	4,513	81,572
Total Functional Expenses	<u>\$ 6,767,358</u>	<u>\$ 1,076,409</u>	<u>\$ 839,105</u>	<u>\$ 8,682,872</u>

The accompanying notes to the financial statements are an integral part of these statements.

**KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
STATEMENTS OF CASH FLOWS**

YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from underwriting activities	\$ 1,873,871	\$ 2,242,990
Cash received from donors and grants	4,731,558	4,368,680
Interest and dividends received	45,356	58,431
Cash received from other activities	373,073	246,005
Cash paid for personnel costs	(5,161,109)	(5,747,137)
Cash paid to vendors and others	<u>(2,690,903)</u>	<u>(2,133,784)</u>
Net cash flows from operating activities	<u>(828,154)</u>	<u>(964,815)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(24,020)	(32,553)
Purchases of investments	(718,601)	(2,306,689)
Proceeds from sale or maturity of investments	<u>1,293,725</u>	<u>3,150,056</u>
Net cash flows from investing activities	<u>551,104</u>	<u>810,814</u>
Net change in cash and cash equivalents	(277,050)	(154,001)
Cash and cash equivalents, beginning of year	<u>756,213</u>	<u>910,214</u>
Cash and cash equivalents, end of year	<u>\$ 479,163</u>	<u>\$ 756,213</u>

The accompanying notes to the financial statements are an integral part of these statements.

**KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2025 AND 2024

Note 1—Nature of organization and operations

Kentucky Public Radio, Inc. d/b/a Louisville Public Media (the “Organization”), located in Louisville, Kentucky, is a not-for-profit organization established to own and operate three public radio stations in Louisville, Kentucky (WFPL, WUOL, and WFPK) and provide programming and related public services for these stations. The Organization's broadcast focus is informational, educational, and cultural programs for the enhancement of the educational and cultural life of the region served. The Organization is primarily supported through contributions and underwriting revenues.

Note 2—Summary of significant accounting policies

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Accounting Standards Codification (“ASC”) as produced by the Financial Accounting Standards Board (“FASB”) is the sole source of authoritative accounting technical literature.

Accounting Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Donor-Imposed Restrictions – Under the FASB ASC, the Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization has no net assets that must be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets.

Cash and Cash Equivalents – The Organization considers all short-term investments with a maturity when purchased of three months or less, not designated for a specific purpose, to be cash equivalents. Amounts are insured by the Federal Deposit Insurance Corporation for up to \$250,000. The Organization typically maintains balances with its bank in excess of federally insured limits. As of June 30, 2025 and 2024, the Organization has approximately \$212,000 and \$423,000, respectively, in excess of these limits. The Organization has not experienced any losses in such accounts.

**KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2025 AND 2024

Note 2—Summary of significant accounting policies (continued)

Underwriting Accounts Receivable – Receivables from the sale of underwriting spots are based on contracted prices. The Organization grants credit based on the creditworthiness of the underwriter and amounts are typically unsecured. The Organization provides an allowance for credit losses which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. The allowance for credit losses is an amount that management believes will be adequate to absorb possible losses. Amounts are charged against the allowance when management determines that collectability is remote. Normal underwriting receivables are due 30 days after the date of sale. Underwriting receivables past due more than 120 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Underwriting accounts receivable are shown net of an allowance for credit losses. The allowance for credit losses is \$- and \$3,125 at June 30, 2025 and 2024, respectively. Underwriting accounts receivable at June 30, 2023 was \$528,224, net of an allowance of \$3,125.

Pledges and Grants Receivable – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected after one year are recorded at the present value of their expected cash flows. The discounts on those amounts are computed using risk free interest rates applicable to the years in which the promises were received. Amortization of the discounts is included in contribution revenue.

There is no allowance for uncollectible pledges at June 30, 2025 and 2024 as management has determined all amounts are fully collectible.

Investments – Investments in marketable securities are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Net realized and unrealized gains and losses are reflected in the statements of activities and changes in net assets. Receipt of donated investments is recorded at the quoted market value of the investment at the time of donation.

Property and Equipment – Property and equipment, consisting of a building, production and transmitter equipment, and office equipment, are recorded at cost. The Organization typically capitalizes items costing or valued over \$1,000. Lesser amounts are expensed.

Depreciation is provided on a straight-line method over the estimated useful lives of the respective assets ranging from 5 to 50 years.

Revenue Recognition – The Organization's earned revenue sources primarily consist of sustainer membership dues and underwriting sales from businesses that provide support in exchange for brief on-air acknowledgments.

The Organization recognizes revenue from underwriting sales when the performance obligation is satisfied which typically occurs upon the Organization's provision of on-air acknowledgments. Membership dues which are nonrefundable, are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between total dues paid and the exchange element. The Organization recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately. The exchange portion of membership dues includes immediate benefits such as a subscription to Louisville Magazine, Organization logo items and tickets to events. The Organization assigns a value to the event admission based on the ticket price of the event and recognizes revenue when the event occurs. At July 1, 2023, the Organization discontinued the benefits provided under the exchange element. All membership dues received during the years ended June 30, 2025 and 2024 comprise entirely a contribution element.

**KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2025 AND 2024

Note 2—Summary of significant accounting policies (continued)

Deferred revenue reflected on the statements of financial position consists of advanced underwriting sales (see Note 9).

Underwriting revenues include \$72,853 and \$73,198 of revenues from barter transactions for the years ended June 30, 2025 and 2024, respectively.

The Organization also receives revenue from contributions and investment income, which are outside the scope of Topic 606. The Organization recognizes contributions when cash, securities or other assets, or an unconditional promise to give, is received.

Advertising – Advertising and promotion costs are expensed as incurred. These expenses were \$53,561 and \$46,955 for the years ended June 30, 2025 and 2024, respectively.

Expense Allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on time and effort, full time employee equivalent or square footage. Accordingly, certain costs, such as personnel, occupancy, depreciation, insurance, outside services and utilities, have been allocated among the program and supporting services benefited.

Leases – The Organization determines if an arrangement is a lease at inception. In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Operating leases are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities on the statements of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. For its leases, the Organization uses its incremental borrowing rate or a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreement does not contain residual value guarantees. The Organization's lease agreement does not contain any material restrictive covenants.

Income Tax Status – The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as an organization that is not a private foundation. Accordingly, no income tax expense is reflected in the accompanying financial statements.

The Organization recognizes uncertain income tax positions using the more-likely-than-not approach as defined in the ASC. No liability for uncertain tax positions has been recorded in the accompanying financial statements.

Subsequent Events – Subsequent events for the Organization have been considered through November 25, 2025, which represents the date the financial statements were available to be issued.

**KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2025 AND 2024

Note 3—Liquidity and availability of resources

The Organization's financial assets available within one year of the statements of financial position date for general expenditures as of June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 479,163	\$ 756,213
Underwriting and other accounts receivable, net	361,513	578,776
Pledges and grants receivable, net	643,644	343,964
Investments	570,455	1,108,704
Total financial assets	<u>2,054,775</u>	<u>2,787,657</u>
Less amounts not available to be used within one year restricted by donors due to purpose	<u>353,296</u>	<u>353,200</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,701,479</u>	<u>\$ 2,434,457</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 4—Pledges and grants receivable

Pledges and grants receivable consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Due in less than one year	\$ 398,333	\$ 220,000
Due in one to five years	257,000	130,000
Total gross pledges and grants receivable	655,333	350,000
Less discount to present value	<u>(11,689)</u>	<u>(6,036)</u>
Net pledges and grants receivable	<u>\$ 643,644</u>	<u>\$ 343,964</u>

Pledges and grants receivable due in more than one year are reflected at the present value of estimated future cash flows using discount rates ranging from 3.68% - 4.52%.

**KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2025 AND 2024

Note 5—Investments and fair value measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Quoted market prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which the transaction for the asset or liability occurs with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data, such as quoted prices for similar assets or liabilities or model-derived valuations.

Level 3 – Unobservable inputs that are not corroborated by market data. These inputs reflect a company's own assumptions about the assumptions a market participant would use in pricing the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

Money Market Funds and Common Stock – Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds and Exchange Traded Funds – Valued at the net asset value (“NAV”) of shares held by the Organization at year-end. NAV is based on the value of the underlying investment assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. NAV is a quoted price in an active market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 5—Investments and fair value measurements (continued)

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30:

	June 30, 2025			Total
	Level 1	Level 2	Level 3	
Investments:				
Money market funds	\$ 570,455	\$ -	\$ -	\$ 570,455
	June 30, 2024			Total
	Level 1	Level 2	Level 3	
Investments:				
Money market funds	\$ 103,761	\$ -	\$ -	\$ 103,761
Mutual funds	855,171	-	-	855,171
Exchange traded funds	149,772	-	-	149,772
	<u>\$ 1,108,704</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,108,704</u>

Investment return, net consists of the following for the years ended June 30:

	2025	2024
Interest and dividends	\$ 54,131	\$ 72,810
Realized gains	101,788	4,030
Unrealized (loss) gain	(64,913)	121,317
Investment fees	(8,775)	(14,379)
	<u>\$ 82,231</u>	<u>\$ 183,778</u>

Note 6—Property and equipment

Property and equipment at June 30 consists of the following:

	2025	2024
Buildings and improvements	\$ 6,477,767	\$ 6,477,767
Production equipment	443,474	438,028
Transmitter equipment	1,071,633	1,071,633
Computers and software	124,675	106,101
Web and app design	125,525	125,525
Furniture and fixtures	474,521	474,521
	<u>8,717,595</u>	<u>8,693,575</u>
Less accumulated depreciation	(5,984,255)	(5,653,820)
	<u>\$ 2,733,340</u>	<u>\$ 3,039,755</u>

Depreciation expense was \$330,435 and \$398,393 for the years ended June 30, 2025 and 2024, respectively.

**KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2025 AND 2024

Note 7—Line of credit

In May 2025 the Organization entered into a commercial line of credit agreement with Republic Bank & Trust Company (the “Bank”), which provides for borrowings up to \$350,000 and matures in May 2026. Outstanding balances on the line of credit bear interest at the Prime Rate plus 1.00% (8.50% as of June 30, 2025) and the interest rate will never be less than 6.57%. There was no balance outstanding on the line of credit as of June 30, 2025. The line of credit is secured by the Organization’s investments.

Note 8—Contributed goods

Donated materials and equipment are shown as gifts, valued at their estimated fair value at the date of receipt. Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of donation. A large number of volunteers have given significant amounts of their time for the operation of the Organization throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. The Organization did not receive any contributions of nonfinancial assets during the years ended June 30, 2025 and 2024.

Note 9—Net assets with donor purpose restrictions

Net assets with donor purpose restrictions at June 30 are available for the following:

	<u>2025</u>	<u>2024</u>
Newsroom expansion	\$ -	\$ 213,267
Programming and marketing	22,255	9,863
Strategic plan initiatives	-	15,772
Equipment additions	-	13,870
Education outreach	58,569	100,428
Regional newsroom	272,472	-
	<u>\$ 353,296</u>	<u>\$ 353,200</u>

Note 10—Revenue from contracts with customers

The following table provides information about significant changes in deferred revenue on the statements of financial position for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Deferred revenue, beginning of year	\$ 56,779	\$ 117,820
Revenue recognized that was included in deferred revenue at the beginning of the year	(56,779)	(117,820)
Increase in deferred revenue due to cash received during the period	41,245	56,779
Deferred revenue, end of year	<u>\$ 41,245</u>	<u>\$ 56,779</u>

**KENTUCKY PUBLIC RADIO, INC.
D/B/A LOUISVILLE PUBLIC MEDIA
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2025 AND 2024

Note 11—Leases

The Organization leases a transmission tower for approximately \$6,000 per month under a noncancelable operating lease that expired in February 2025. The lease was amended in January 2012 to include rent escalation of 3% which takes effect on March 1st of each lease year. The lease was renewable for four additional terms of five years upon each termination date (February 28, 2025) under the same terms and conditions of the original lease term dated March 1, 1995 or as amended in the amendment dated January 27, 2012. Each renewal term commenced automatically unless the Organization provided the lessor with six months prior notice of the Organization's election not to renew. At June 30, 2025, the Organization continued to lease the transmission tower on a month-month basis.

Rent expense for the transmission tower was \$81,687 and \$69,201 for the years ended June 30, 2025 and 2024, respectively.

Note 12—401(k) plan

The Organization provides a 401(k) retirement plan to all employees meeting certain eligibility requirements. The Organization contributes an amount equal to 50% of employee deferrals up to 6%. The Organization's contribution to the plan was \$108,146 and \$100,210 for the years ended June 30, 2025 and 2024, respectively.

Note 13—Concentrations

At June 30, 2025, three donors had outstanding pledges which represent 61% of pledges and grants receivable. There were no contributions and grant revenue concentrations for the year ended June 30, 2025.

At June 30, 2024, four donors had outstanding pledges which represent 88% of pledges and grants receivable. For the year ended June 30, 2024, one donor contributed donations which represented 15% of contributions and grants revenue.