Financial Statements and Independent Accountants Review Report

KPBS FM/TV

(A Department of San Diego State University)

June 30, 2025 and 2024

Contents

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Deanna Mackey, General Manager
KPBS FM/TV

We have reviewed the accompanying financial statements of the business type activities of KPBS FM/TV, a department of San Diego State University (the "University"), which comprise the statement of net position as of June 30, 2025, and the related statements revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of KPBS FM/TV and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our review.

Accountant's conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1 to the financial statements, the financial statements of KPBS FM/TV are intended to present the financial position, the changes in net position and cash flows of only that portion of the University that is attributable to the transactions of KPBS FM/TV. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2025 and 2024 and the changes in its net position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 to 16 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Supplementary Information
The accompanying schedules of revenues, expenses, and changes in net position of CPB licensee, direct and indirect support, and revenues and transfers, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on it.

Report on 2024 Financial Statements
The 2024 financial statements were audited by us and we expressed an unmodified opinion on them in our report dated November 26, 2024. We have not performed any auditing procedures since that date.

Grant Thornton LLP

San Diego, California
December 19, 2025

Management's Discussion and Analysis

This section of the KPBS FM/TV (the Stations) annual financial report includes Management's Discussion and Analysis of the financial performance of the Stations for the fiscal years ended June 30, 2025 and 2024. This discussion should be read in conjunction with the financial statements and notes.

Introduction to the Financial Statements

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Government Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Stations' financial statements include the Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows. These statements are supported by notes to the financial statements and Management's Discussion and Analysis. All sections must be considered together to obtain a complete understanding of the financial picture of KPBS FM/TV.

Statements of Net Position: The Statements of Net Position include all assets, deferred outflows and inflows of resources, liabilities, and net position of KPBS FM/TV. The statements also identify major categories of restrictions on the net position of KPBS FM/TV.

Statements of Revenues, Expenses and Changes in Net Position: The Statements of Revenues, Expenses and Changes in Net Position present the revenues earned and expenses incurred during the years on an accrual basis.

Statements of Cash Flows: The Statements of Cash Flows present the inflows and outflows of cash for the years and are summarized by operating, non-capital and related financing, capital and related financing and investing activities. These statements are prepared using the direct method of cash flows and therefore present gross rather than net amounts for the years' activities.

Financial Overview

Summary

The following discussion highlights management's understanding of the key financial aspects of the Stations' financial activities as of and for the years ended June 30, 2025 (FY25) and 2024 (FY24). Included is a comparative analysis of current year and prior year activities and balances; a discussion of restrictions of the Stations' net position; and a discussion of capital assets and long-term debt.

Significant Events – Year Ended June 30, 2025

Fiscal Year 2025 was characterized by continued program expansion, the successful implementation of a new member relationship management system, continued inflationary pressures and the threat of rescission of public media funding. While public media funding was rescinded by Congress in July 2025, the organization's enterprise marketing included a variety of campaigns to inform the community and donors of the rescission which resulted in generating new donors and contributions at the end of the fiscal year.

The building renovation and expansion project accounting concluded, wage and benefit costs increased 5% under California State University guidelines, and ongoing investments were made in revenue growth initiatives, while sustaining the strategic focus on Station "1 + 5" initiatives. KPBS staffing remained level at approximately 190 employees. The Station continued strategic investments in new revenue initiatives including door-to-door canvassing and a mid-level donor cultivation program of approximately $560,000.

KPBS implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences which required a new method of accounting for accruing liabilities for compensated absences. Under the new accounting pronouncement, a liability is recognized for accrued unused vacation, personal time or sick time that is attributable to services already rendered, accumulates, and is more likely than not to be used or paid. As part of the implementation, the financial statements for the year ended June 30, 2024 were restated, which reduced unrestricted net position and total net position $935,000, with an offsetting increase to short and long-term liabilities.

Each fiscal year, KPBS plans a balanced operational budget prior to depreciation and other nonoperating activities. While KPBS has a net loss of $1,724,000 in FY25, on an operating basis KPBS achieved a $618,900 operational increase excluding depreciation of $3,652,000 and other nonoperating activities of $1,309,000.

Significant Events – Year Ended June 30, 2024

Fiscal Year 2024 was defined by workforce stabilization, inflationary pressures including increased wage and benefit costs, program expansion, investments in revenue initiatives, and a strategic focus on Station "1 + 5" initiatives.

KPBS staffing stabilized with approximately 190 employees to support and further the Stations' activities. Management continued to focus on recruitment, retention, and development of staff to support the KPBS mission and future growth. Wage and benefit expenses, in concert with California State University guidelines, increased 5% in fiscal year 2024, after increasing 5% in 2023 and 7% in 2022. Historical base revenue growth (excluding the Capital Campaign) at the Station has averaged approximately 3% annually and has not kept pace with the fiscal year 24 rate of inflation and increased wage and benefit costs.

The Station invested approximately $626,000 in new revenue initiatives including door-to-door canvassing, a mid-level donor cultivation program and implementation of an advanced member relationship management system.

As a result of a $1.5 million grant fostering market research activities, KPBS launched an enterprise marketing initiative focused on advancing the KPBS brand and five key areas of mission and community service including local news, civic engagement/public conversations, arts & culture, the LatinX community and KPBS Families. Related to that initiative, KPBS received a $3 million three year grant fostering the expansion of civic engagement in our community through increased public conversation and coverage of issues that matter to the greater San Diego region.

The Stations' condensed summary of net position as of June 30, 2025, 2024, and 2023 is as follows:

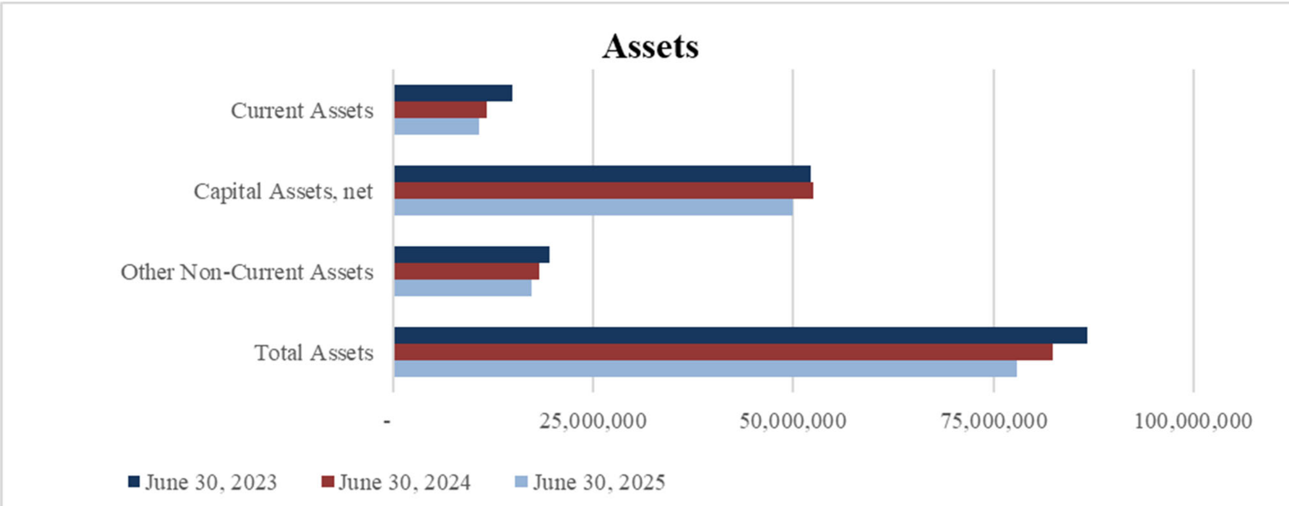
	June 30,		
	2025	2024 (restated)	2023
Assets:			
Current assets	$ 10,711,945	$ 11,693,482	$ 14,847,617
Capital assets, net	49,908,664	52,539,233	52,273,634
Other noncurrent assets	17,367,299	18,246,039	19,587,830
Total assets	77,987,908	82,478,754	86,709,081
Deferred outflows of resources	$ -	$ -	$ -
Liabilities:			
Current liabilities	6,826,958	8,996,136	11,534,336
Noncurrent liabilities	9,766,875	9,713,351	6,947,926
Total liabilities	16,593,833	18,709,487	18,482,262
Deferred inflows of resources	$ 1,383,428	$ 2,034,352	$ 2,684,608
Net position:			
Net investment in capital assets	40,858,254	43,725,840	40,734,826
Restricted - nonexpendable	5,018,110	4,954,165	4,880,370
Restricted - expendable	1,705,730	3,042,189	9,243,484
Unrestricted	12,428,553	10,012,721	10,683,531
Total net position	$ 60,010,647	$ 61,734,915	$ 65,542,211

Assets

Total assets decreased approximately $4,491,000 and $4,230,000 in FY25 and FY24, respectively.

Total assets decreased $4,491,000 in FY25 due to a reduction in capital assets of $2,631,000 mainly due to increased depreciation, a reduction in accounts receivable of $2,098,000 due mostly to payments on capital campaign pledges, a reduction in investments of $1,043,000 due to transfers of quasi funds to operations in support of revenue initiatives, a decrease in other asset categories of $191,000 offset by an increase of amounts due from the San Diego State University Research Foundation (SDSURF) of $1,472,000

Total assets decreased $4,230,000 in FY24 mainly due to a reduction in Due from the San Diego State University Research Foundation (SDSURF) of $2,197,000 due to a $2,250,000 payment on the capital campaign Building loan, the reduction in accounts receivable of $2,458,000 due mostly to payments on capital campaign pledges, the reduction in cash at SDSU of $663,000 due to the payments for building construction and reduction in other current asset categories of $141,000 offset by increase in investments of $963,000 due to favorable market conditions and an increase in Capital assets of $266,000 relative to the building expansion and renovation project.

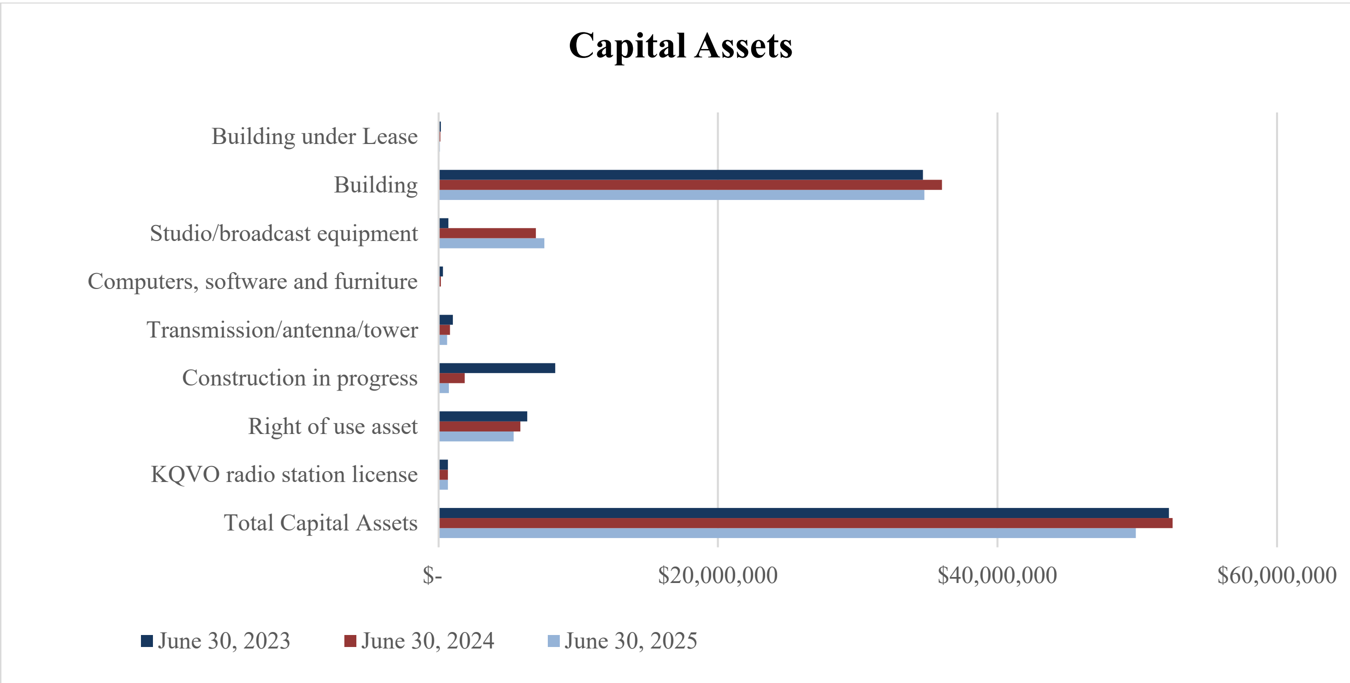


In FY25 current assets decreased by approximately $980,000 mainly due to payments on pledge and grant receivables of $2,261,000, a decrease in other asset categories of $191,000 offset by an increase of amounts due from the San Diego State University Research Foundation (SDSURF) of $1,472,000.

In FY24 current assets decreased by $3,154,000 from FY23 mainly due to the utilization of cash in the building renovation and expansion project and payments on pledge receivables. Amounts due from SDSURF decreased $2,197,000 mainly due to a payment on the Capital Campaign building loan, cash held by SDSU decreased $663,000 due to payments on building related construction costs, accounts receivable decreased $153,000 due to net pledge payments with all other current asset categories decreasing by $141,000.

Capital Assets, net of accumulated depreciation, are shown below:

	June 30,		
	2025	2024	2023
Building under lease	$ 99,921	$ 133,228	$ 169,871
Building	34,768,454	36,031,777	34,672,255
Studio/broadcast equipment	7,577,646	6,972,318	711,844
Computers, software and furniture	53,707	171,867	318,945
Transmission/antenna/tower	621,284	825,955	1,024,969
Right of Use Asset	5,374,290	5,856,628	6,350,455
Construction in progress	743,362	1,877,460	8,355,295
KQVO radio station license	670,000	670,000	670,000
Total capital assets, net of accumulated depreciation	$ 49,908,664	$ 52,539,233	$ 52,273,634



In FY25 capital assets decreased $2,631,000 due primarily to depreciation of $3,652,000 offset by $1,021,000 of transmitter construction in progress and other equipment acquisitions.

In FY24 capital assets increased $266,000 due primarily to construction costs of the building renovation and equipment project of $670,000 and $2,197,000 in associated equipment, $71,000 in other asset acquisitions offset by deprecation of $2,672,000.

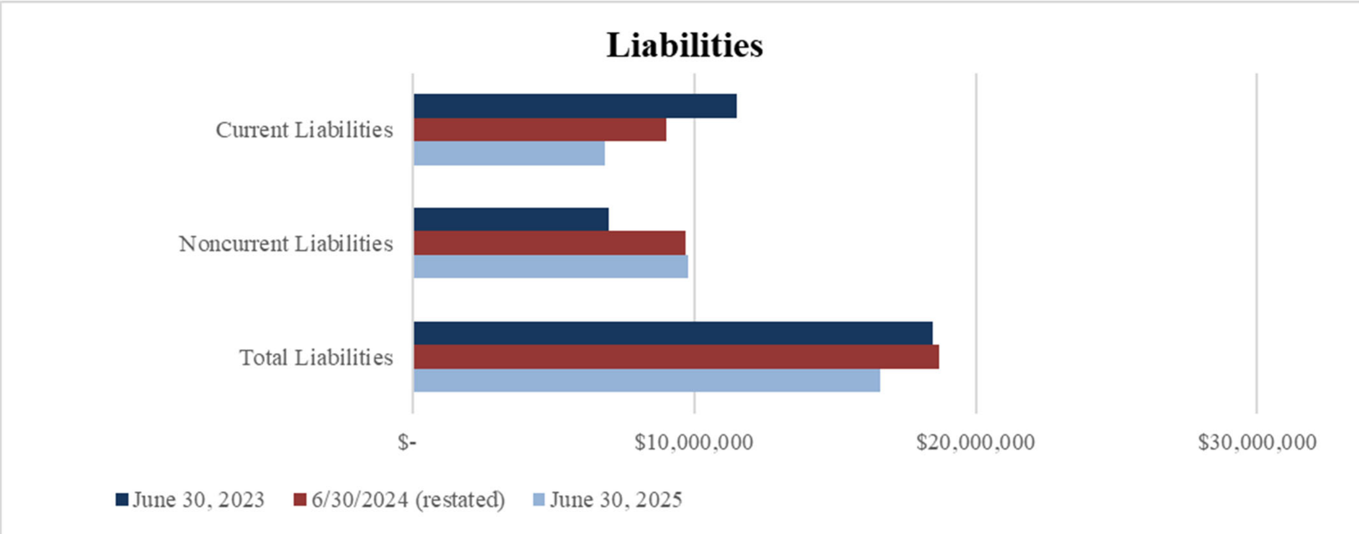
In FY25 other noncurrent assets decreased $879,000 due to a reduction in investments of $1,043,000 due to transfers of quasi funds to operations in support of revenue growth initiatives offset by an increase in accounts receivable of $164,000.

In FY24 other noncurrent assets decreased $1,342,000 due primarily to a reduction in long term pledges of approximately $2,305,000, offset by the increase in the net change in investments of $963,000 including additions, withdrawals, realized and unrealized gains/losses and reinvestments.

Liabilities

Total liabilities decreased $2,116,000 in FY25 due to a $1,289,000 reduction in accounts payable due to the paydown of the Capital Campaign construction costs, a $1,011,000 reduction in unearned revenue due to grant utilization, a decrease in lease obligations of $333,000, a decrease in other liability categories of $53,000 offset by a net increase in notes payable of $570,000 resulting primarily from a new transmitter loan.

Total liabilities decreased $708,000 in FY24 due to reductions in notes payable of $2,409,000 mainly due to a payment to SDSURF on the Capital Campaign building loan, a decrease in accounts payable of $1,147,000 and decreased lease obligations of $316,000 partially offset by increases in unearned revenue $2,844,000 due to prepayments for various grants and changes in other liabilities of $320,000.



Long-Term Debt Obligations

Debt outstanding at June 30, 2025, 2024 and 2023 is summarized below by type of debt instrument:

	June 30, 2025	June 30, 2024	June 30, 2023
Lease obligations	$ 6,108,352	$ 6,441,411	$ 6,757,690
Notes payable	2,942,058	2,371,982	4,781,118
Total	9,050,410	8,813,393	11,538,808
Less current portion	(961,117)	(762,993)	(4,973,581)
Total long-term debt	$ 8,089,293	$ 8,050,400	$ 6,565,227

Total debt increased in FY25 by $237,000 due to new notes totaling $2,600,000 offset by loan payments of $2,030,000 and reductions in lease obligations of $333,000.

Total debt decreased in FY24 by $2,725,000 due to payments on SDSURF notes payable of $2,409,000 and reductions in lease obligations of $316,000.

Deferred Inflows of Resources

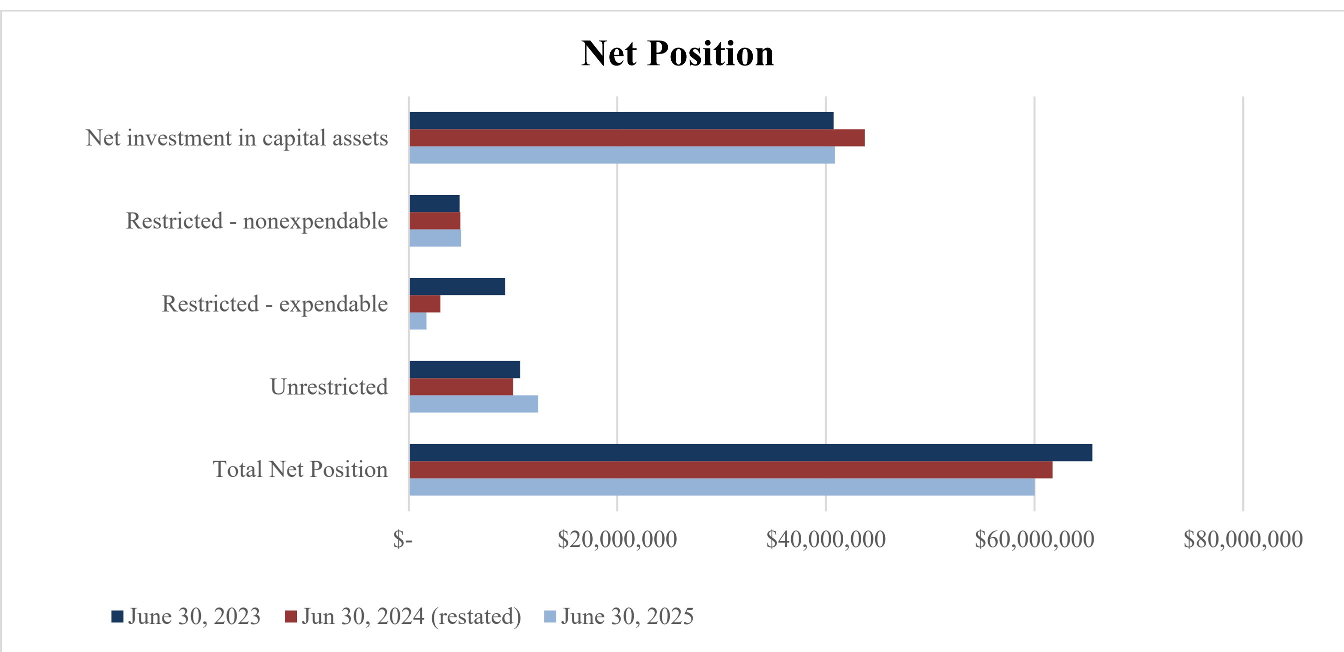
Deferred inflows of resources decreased $651,000 and $650,000 in FY25 and FY24, respectively, due to reductions in deferred contributions.

Net Position

Total net position decreased $1,724,000 in FY25. KPBS typically achieves a balanced budget of revenues and transfers as compared to expenses, prior to depreciation. The net position decrease was anticipated and occurred primarily due to the FY25 growth in wage and benefits costs, increased building and equipment depreciation stemming from the recent building expansion and renovation project and broadcast equipment acquisitions, and key investments made in strategic revenue initiatives including door-to-door canvassing, a mid-level donor cultivation program, and implementation of an advanced member relationship management system.

In comparison to FY24, operating revenue increased $3,491,000 in FY25. This primarily resulted from increases in major and planned giving of $1,504,000, grants of $1,055,000, membership and producers' club of $911,000 with net increases in other categories of $21,000. This increase was offset by operating expense increases of $2,970,000 primarily resulting from an increase in depreciation of $980,000 relating to the new building and broadcast equipment, professional services of $849,000 relating to membership and canvassing initiatives, SDSU indirect financial support allocation of $834,000 and net increases in other categories of $307,000. In addition, nonoperating revenues net of expenses decreased $178,000 mostly due to reduced interest income from building expansion and renovation campaign cash balances and present value adjustments for long term pledges.

Total net position decreased $2,872,000 in FY24. KPBS typically achieves a balanced budget of revenues and transfers as compared to expenses, prior to depreciation. The net position decrease was anticipated and occurred primarily due to the FY24 growth in wage and benefits costs, increased building and equipment depreciation stemming from the recent building expansion and renovation project, and key investments made in strategic revenue initiatives including door-to-door canvassing, a mid-level donor cultivation program, and implementation of an advanced member relationship management system.

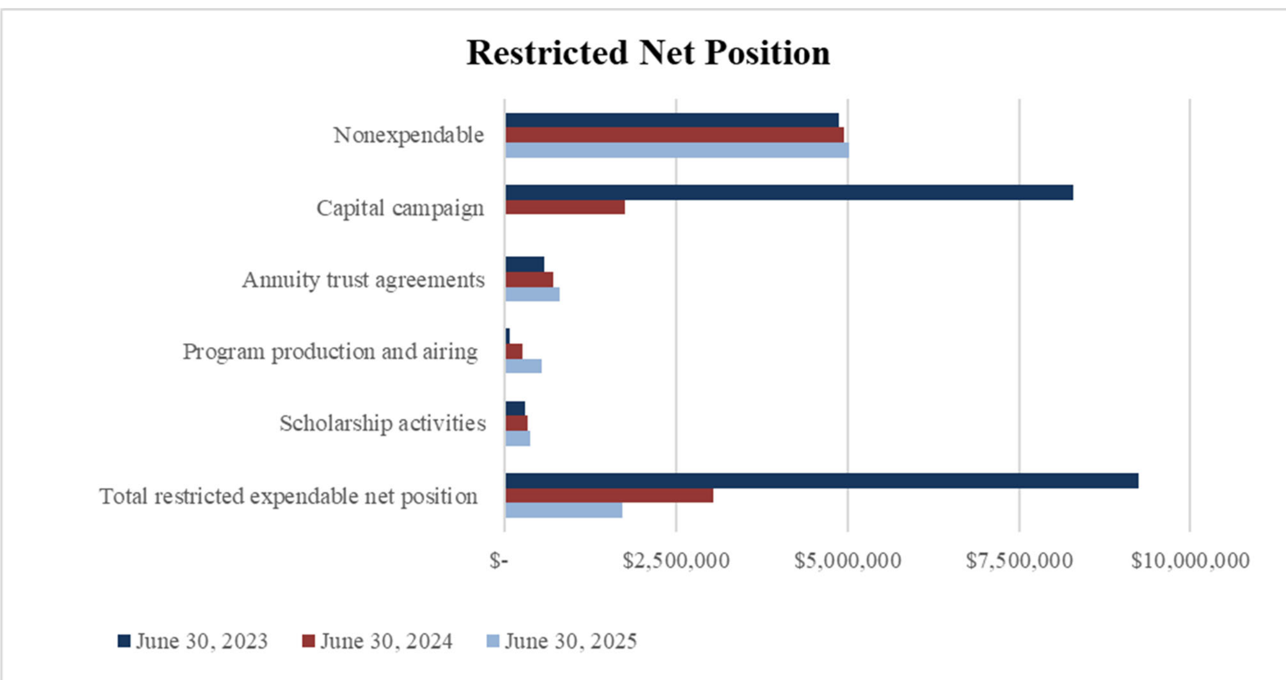


Restrictions on Net Position

Net position of the Stations includes funds that are restricted by donor or law. The following table summarizes which funds are restricted, the type of restriction and the amount:

	June 30,		
	2025	2024	2023
Nonexpendable	$ 5,018,110	$ 4,954,165	$ 4,880,370
Expendable:			
Capital campaign	$ -	$ 1,752,570	$ 8,297,857
Annuity trust agreements	803,995	711,626	582,048
Program production and airing	537,558	251,577	73,959
Scholarship activities	364,177	326,416	289,620
Total restricted expendable net position	$ 1,705,730	$ 3,042,189	$ 9,243,484

The capital campaign fund represents donations for expenditures specifically for the building renovation and expansion project which are fully expended as of June 30, 2025. The program production and airing fund represents donations for expenditures specifically for the KPBS radio reading service and the programming endowments.



In FY25 the restricted expendable net position decreased primarily due to capital campaign expenditures on building renovation and expansion released to net investment in capital assets, as offset by a net increase in the fair market value of investments. The increase in nonexpendable net position mostly relates to a net increase in the fair market value of the underlying investments.

In FY24 the restricted expendable net position decreased primarily due to capital campaign expenditures on building renovation and expansion released to net investment in capital assets, as offset by a net increase in the fair market value of investments. The increase in nonexpendable net position mostly relates to a net increase in the fair market value of the underlying investments.

The Stations' condensed summary of revenues, expenses and changes in net position are as follows:

Condensed Summary of Revenues, Expenses and Changes in Net Position

	Year Ended June 30,		
	2025	**2024 (restated)**	**2023**
Operating revenues:			
Contributions	$ 28,441,144	$ 24,918,557	$ 27,862,752
Corporation for Public Broadcasting grants	4,497,837	4,386,361	3,798,215
Stations-generated support	210,069	353,007	266,369
Total operating revenues	33,149,050	29,657,925	31,927,336
Operating expenses:			
Program services	28,328,626	25,902,005	22,685,846
Support services	17,080,512	16,505,588	14,954,177
Total operating expenses	45,409,138	42,407,593	37,640,023
Operating (loss)/income	(12,260,088)	(12,749,668)	(5,712,687)
Nonoperating (expenses) revenues:			
Interest expense	(269,529)	(226,473)	(242,906)
Interest income, net	120,557	386,570	203,823
Net increase in fair value of investments	1,471,583	1,376,370	1,015,132
Other nonoperating expenses	(13,340)	(48,741)	(1,478,853)
Loss on disposal of fixed assets	-	-	(429,520)
Total nonoperating (expenses) revenue, net	1,309,271	1,487,726	(932,324)
(Loss) income before transfers	(10,950,817)	(11,261,942)	(6,645,011)
San Diego State University transfers	9,226,549	8,389,740	7,989,578
Change in net position	(1,724,268)	(2,872,202)	1,344,567
Net Position:			
Net position, beginning of year	61,734,915	65,542,211	64,197,644
Restatement	-	(935,094)	-
Net position, end of year	$ 60,010,647	$ 61,734,915	$ 65,542,211

Operating Revenues and Expenses

Operating revenues and expenses come from sources that are connected directly to the Stations' primary business functions.

Operating Revenues

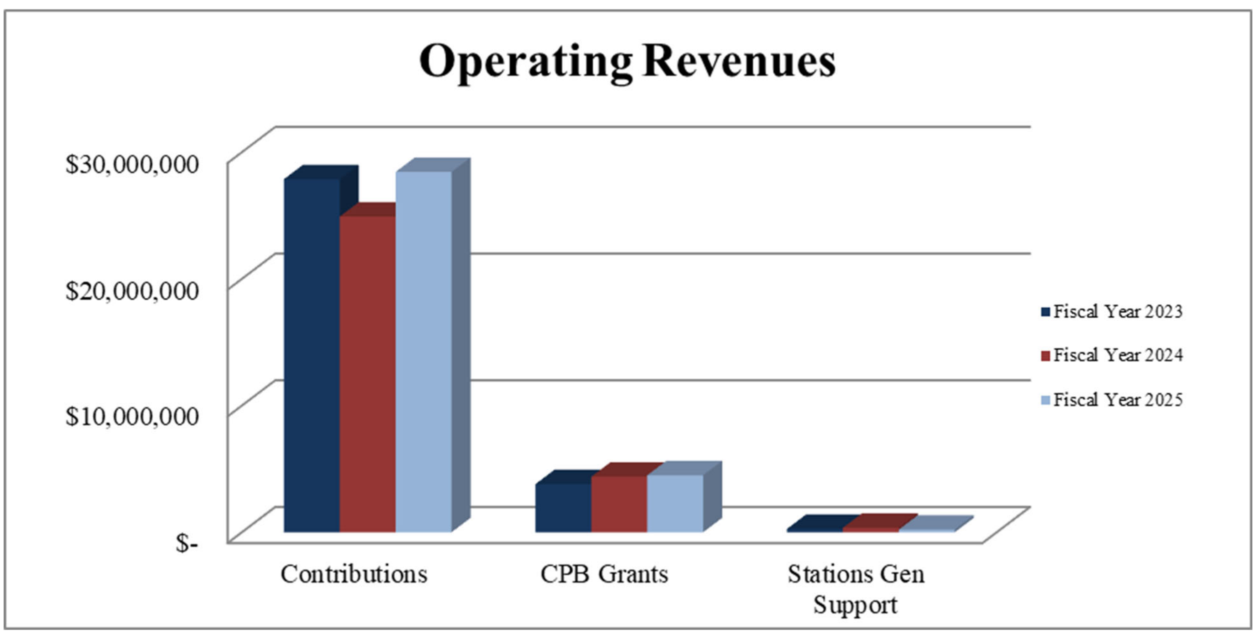
Contribution revenue increased $3,523,000 in FY25. This primarily resulted from increases in major and planned giving of $1,504,000, grants of $1,055,000, membership and producers' club of $911,000 with net increases in other categories of $53,000.

Contributions decreased $2,944,000 in FY24. This decrease primarily resulted from contribution growth of $1,405,000 as offset by the prior year one time forgiveness by the SBA of a Payroll Protection Plan note of $2,122,000 and reduced Capital Campaign contributions of $2,227,000 since the campaign ended in 2023. Changes in revenue categories include increases in major and planned giving of $1,082,000, grants of $402,000, vehicle donation program of $249,000, other categories of $150,000 offset by decreases in endowment gifts of $478,000

Grants utilized from the CPB increased $111,000 and $588,000 in FY25 and FY24, respectively. The FY25 increase is mainly due to the use of the remaining $549,000 in American Rescue Plan Act grants received in FY22. The FY24 increase is mainly due to the utilization of $600,000 in American Rescue Plan Act grants received in FY22. CPB grants were determined based on non-federal financial support (NFFS) and an incentive rate of return measured two fiscal years prior to the current period. See above discussion regarding CPB federal funding rescission.

Stations-generated support was $210,000 and $353,000 FY25 and FY24, respectively, which is primarily digital and web based sponsorships.

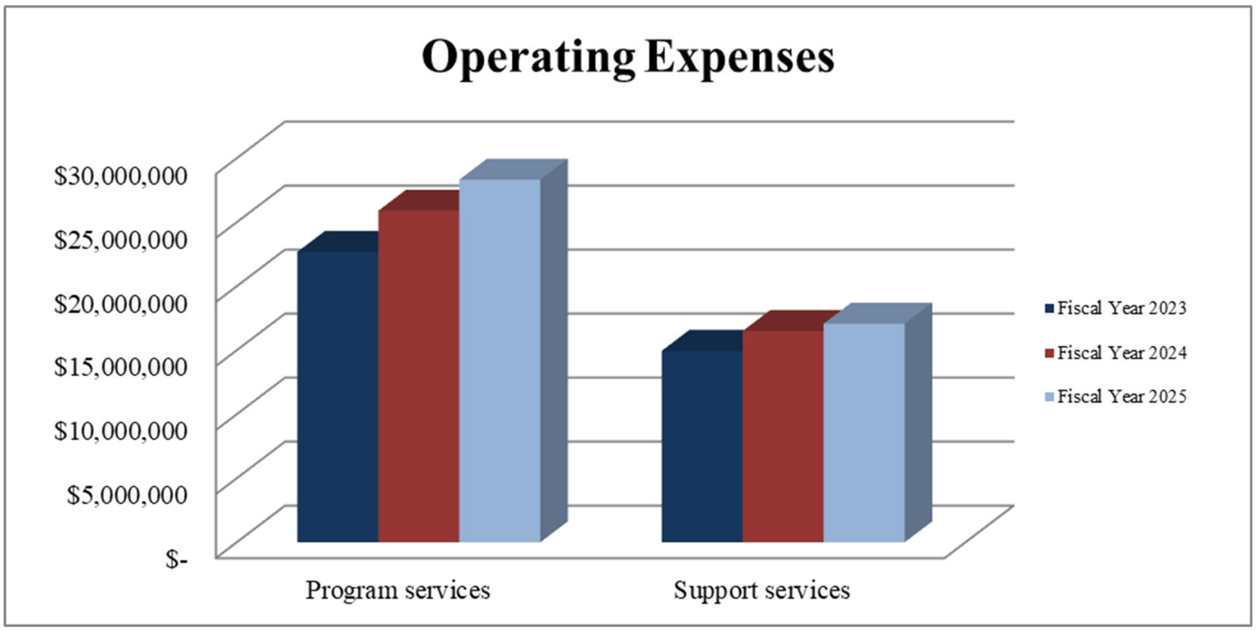
The following chart presents the proportional share that each category of operating revenues contributed to the totals:



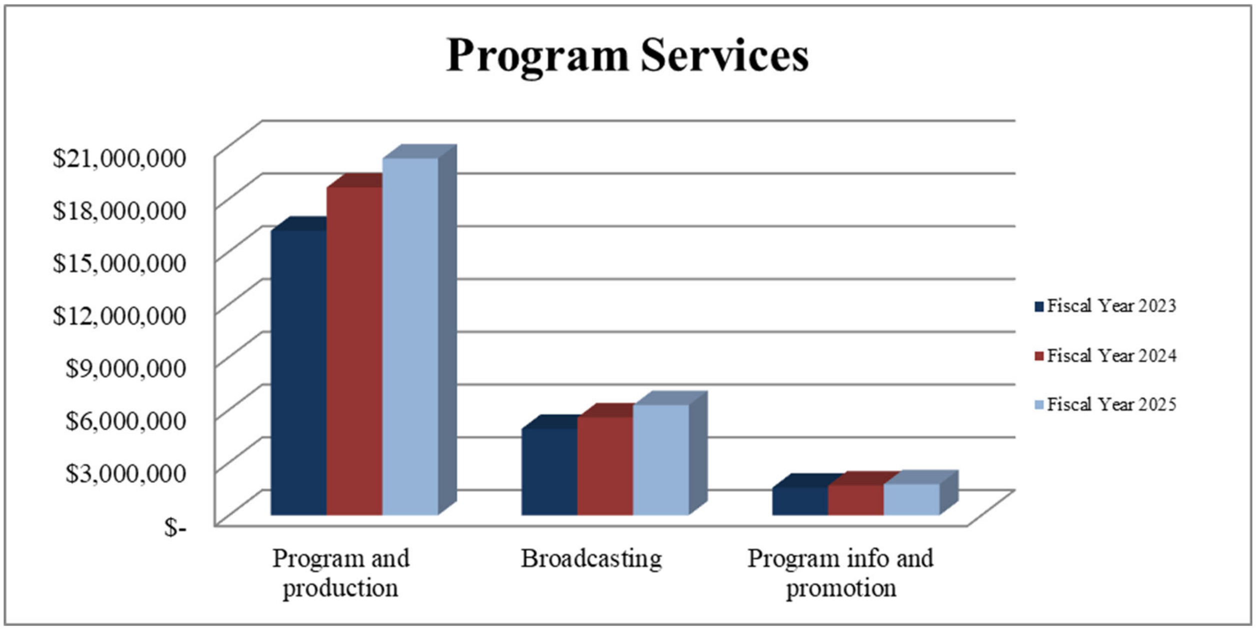
Operating Expenses

Program services expenses increased $2,427,000 in FY25. This is due mainly to increases in wages and benefits, program initiatives relative to content and communications, PBS dues, grants, engineering initiatives, direct and indirect cost allocations and the building and broadcast equipment depreciation cost allocations. Program services expenses increased $3,216,000 in FY24. This is due mainly to wage and benefit increases as well as increases in initiatives relative to content, communications, PBS dues, grants, engineering, direct and indirect cost allocations and the new building construction depreciation cost allocation.

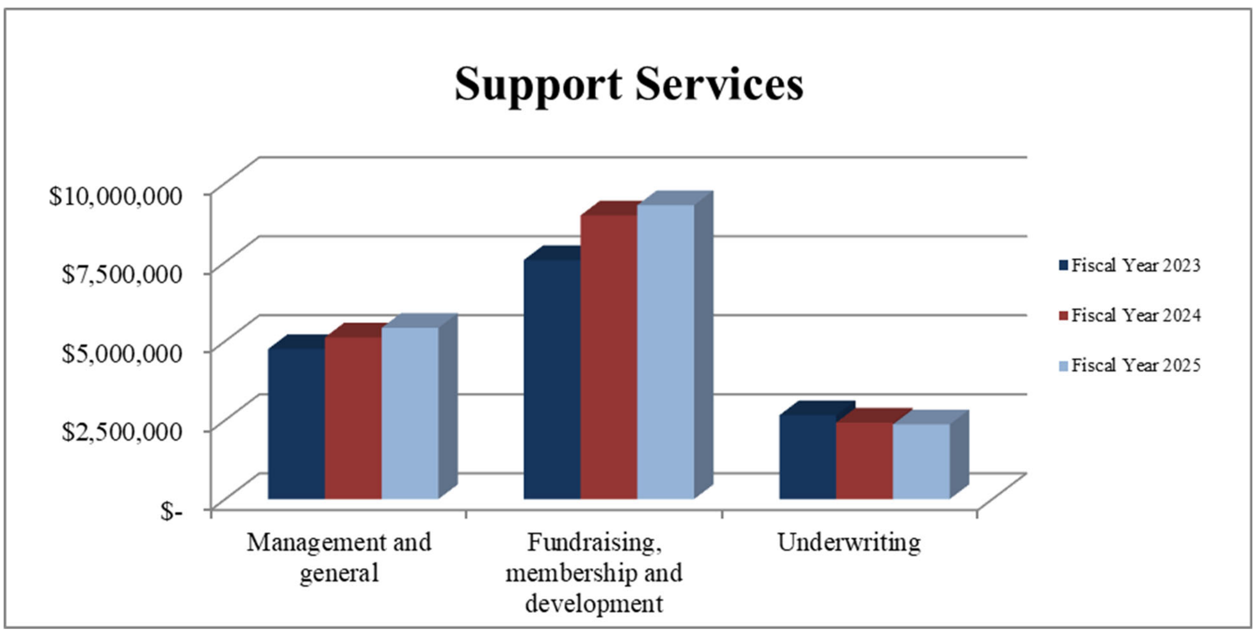
Support services expenses increased $575,000 in FY25. This is due mainly to increases in wages and benefits and in expenses relating to revenue growth initiatives. Support services expenses increased $1,551,000 in FY24. This is due mainly to wage and benefit increases as well as growth in expenses relating to fundraising $1,413,000 due mainly to new revenue initiatives and CRM software and management and general expenses of $370,000 partially offset by a reduction in underwriting of $233,000, inclusive of increased direct and indirect support allocations.



The following chart presents the distribution of resources in support of the Stations:



A further breakdown of the program services and support services is provided as follows:



Nonoperating Revenues and Expenses

Nonoperating revenues and expenses come from sources that are not part of the Stations' primary business functions. Included in this classification are changes in the fair value of investments, interest revenue and expense, and other nonoperating revenue and expense items.

Nonoperating revenues exceeded expenses in FY25 by $1,309,000 due to increase in the fair value of investments of $1,472,000, interest expense in excess of interest income of $149,000 and non-capitalized building construction costs of $13,000.

Nonoperating revenues exceeded expenses in FY24 by $1,488,000 due to increase in the fair value of investments of $1,376,000, interest income net of expense of $160,000 less non-capitalized building construction costs of $49,000.

San Diego State University Transfers

Direct financial support received from the University increased $3,000 and $16,000 in FY25 and FY24, respectively. Direct support consists primarily of salaries, space rental and utilities that are provided at cost and have been allocated to the Stations as shown in the Supplementary Schedule of Direct and Indirect Support (page 36) of this report. The cost of the services is reported as transfers and operating expense in the accompanying financial statements.

Indirect support received from the University increased $834,000 and $385,000 in FY25 and FY24, respectively. Indirect support relates to a calculated allocation of SDSU campus and California State University chancellor’s office overhead and physical plant costs, in accordance with Corporation for Public Broadcasting guidance, that benefit the programs of the Stations.

KPBS FM/TV

(A Department of San Diego State University)

Statements of Net Position

UNAUDITED

For June 30, 2025 and 2024

Assets	**2025**	**2024 (restated)**
Current assets:		
Cash and cash cquivalents held by San Diego State University (note 2)	$ 209,839	$ 303,861
Due from San Diego State University Research Foundation (note 2)	7,630,018	6,157,719
Accounts receivable (notes 2 and 4)	2,762,125	5,035,014
Grants receivable	28,521	17,354
Prepaid expenses	81,442	179,534
Total current assets	10,711,945	11,693,482
Noncurrent assets:		
Accounts receivable (notes 2 and 4)	664,844	500,833
Long-term investments (note 3)	9,444,012	10,980,022
Restricted investments (note 3)	7,258,443	6,765,184
Capital assets, net (notes 5 and 7)	49,908,664	52,539,233
Total noncurrent assets	67,275,963	70,785,272
Total assets	77,987,908	82,478,754
Deferred outflows of resources	-	-
Liabilities		
Current liabilities:		
Accounts payable	747,961	2,037,288
Accrued expenses	895,238	962,544
Unearned revenue (note 2)	3,494,339	4,504,955
Notes payable, current portion (note 6)	607,271	429,924
Lease obligations, current portion (note 7)	353,846	333,069
Compensated Absences (note 2)	728,303	728,356
Total current liabilities	6,826,958	8,996,136
Noncurrent liabilities:		
Notes payable, net of current portion (note 6)	2,334,787	1,942,058
Lease obligations, net of current portion (note 7)	5,754,506	6,108,342
Amounts held for others (note 2)	373,388	383,505
Compensated Absences (note 2)	1,304,194	1,279,446
Total noncurrent liabilities	9,766,875	9,713,351
Total liabilities	16,593,833	18,709,487
Commitments and contingencies (notes 5, 7, 8 and 10)		
Deferred inflows of resources (notes 2 and 9)	1,383,428	2,034,352
Net Position		
Net investment in capital assets	40,858,254	43,725,840
Restricted for:		
Nonexpendable - endowments	5,018,110	4,954,165
Expendable:		
Capital campaign	-	1,752,570
Annuity trust agreements	803,995	711,626
Program production and airing	537,558	251,577
Scholarship activities	364,177	326,416
Unrestricted	12,428,553	10,012,721
Total net position	$ 60,010,647	$ 61,734,915

See accompanying notes to these financial statements.

KPBS FM/TV

(A Department of San Diego State University)

Statements of Revenues, Expenses, and Changes in Net Position

UNAUDITED

For the Years Ended June 30, 2025 and 2024

	2025	2024 (restated)
Operating revenues:		
Contributions	$ 28,441,144	$ 24,918,557
Corporation for Public Broadcasting grants (note 2)	4,497,837	4,386,361
Stations-generated support	210,069	353,007
Total operating revenues	33,149,050	29,657,925
Operating expenses (notes 6, 7, 8, 9 and 10):		
Program services:		
Programming and production	20,290,256	18,641,749
Broadcasting	6,267,862	5,564,672
Program information and promotion	1,770,508	1,695,584
Total program services	28,328,626	25,902,005
Support services:		
Management and general	5,417,620	5,114,533
Fundraising, membership and development	9,299,543	8,972,734
Underwriting	2,363,349	2,418,321
Total support services	17,080,512	16,505,588
Total operating expenses	45,409,138	42,407,593
Operating (Loss)	(12,260,088)	(12,749,668)
Nonoperating (expenses) revenues:		
Interest expense (notes 7, 8 and 10)	(269,529)	(226,473)
Interest income, net	120,557	386,570
Net increase in fair value of investments	1,471,583	1,376,370
Other nonoperating expenses	(13,340)	(48,741)
Total nonoperating revenues (expenses) , net	1,309,271	1,487,726
(Loss) before transfers	(10,950,817)	(11,261,942)
San Diego State University transfers (note 2):		
Direct financial support	2,163,687	2,161,194
Indirect financial support	7,062,862	6,228,546
Total San Diego State University transfers	9,226,549	8,389,740
Change in net position	(1,724,268)	(2,872,202)
Net position		
Net position, beginning of year	61,734,915	64,607,117
Net position, end of year	$ 60,010,647	$ 61,734,915

See accompanying notes to these financial statements.

KPBS FM/TV

(A Department of San Diego State University)

Statements of Cash Flows

UNAUDITED

For the Years Ended June 30, 2025 and 2024

		2025		2024
Cash flows from operating activities:				
Contributions	$	27,070,147	$	26,911,865
Stations-generated support		210,069		353,007
Payments to suppliers		(17,372,937)		(16,574,151)
Payments to employees		(16,000,091)		(15,290,532)
Administrative fees paid to San Diego State University Research Foundation		(989,248)		(937,676)
Corporation for Public Broadcasting grants		4,497,837		4,386,361
Net cash (used in) operating activities		(2,584,223)		(1,151,126)
Cash flows from noncapital and related financing activities:				
Transfers from San Diego State University		2,163,687		2,161,194
(Decrease) increase in amounts due from San Diego State University Research Foundation		(2,265,535)		2,230,788
Net cash (used) provided by noncapital and related financing activities		(101,848)		4,391,982
Cash flows from capital and related financing activities:				
Payments on long-term debt		(2,029,924)		(2,725,415)
Additions to long-term debt		2,600,000		-
Interest Paid		269,529		(226,473)
Purchase of capital assets		(1,021,126)		(3,204,323)
Proceeds from capital campaign		1,772,804		1,931,428
Capital campaign purchases		(1,664,242)		(497,791)
Net cash (used in) capital and related financing activities		(72,959)		(4,722,574)
Cash flows from investing activities:				
Interest Income, net		120,557		386,570
Withdrawls form Endowmnet funds		2,077,402		-
Net distribution of investments		467,049		432,188
Net cash provided by investing activities		2,665,008		818,758
Net (decrease) in cash		(94,022)		(662,960)
Cash and cash equivalents held by San Diego State University				
Beginning of year		303,861		966,821
End of year	$	209,839	$	303,861

See accompanying notes to these financial statements.

KPBS FM/TV

(A Department of San Diego State University)

Statements of Cash Flows

UNAUDITED

For the Years Ended June 30, 2025 and 2024

		2025		2024
Reconciliation of operating (loss) to net cash				
(used in)operating activities:				
Operating (loss)	$	(12,260,088)	$	(12,749,668)
Adjustments to reconcile operating (loss) to net cash				
provided by (used in) operating activities:				
Allocated San Diego State University expenses		7,062,862		6,228,546
Depreciation and amortization		3,651,695		2,672,051
Capital campaign		(6,842)		464,071
Change in assets, liabililites, deferred outlows and inflows of resources:				
Accounts receivable		318,670		560,675
Grants receivable		(11,167)		39,236
Prepaid expenses		-		-
Accounts payable		374,915		(113,018)
Accrued expenses		(42,611)		319,864
Amounts held for others		(10,117)		806
Unearned revenue		(1,661,540)		1,426,311
Net cash (used in) operating activities	$	(2,584,223)	$	(1,151,126)
Supplemental disclosure of noncash investing and capital activity:				-
Increase (decrease) in fair value of investments	$	1,471,583	$	1,376,370

See accompanying notes to these financial statements.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 1 – DESCRIPTION OF ORGANIZATION

KPBS FM/TV (KPBS or the Stations) is engaged in the production, broadcast and distribution of content via public television, radio, the internet and social media. KPBS FM and TV are licensed to the Board of Trustees of the California State University (CSU) for San Diego State University (SDSU or the University). KQVO FM is licensed to the State of California on behalf of the University. San Diego State University Research Foundation (SDSURF), a not-for-profit California corporation, is an auxiliary organization of the CSU, which under a service agreement provides financial accounting and administrative support to the Stations and includes all of the Stations' accounts, except for certain capital assets, university cash, notes payable and related interest and expenses related to certain state employees in its financial statements. KPBS is a department of San Diego State University. Administrative fees paid by KPBS to SDSURF were $989,248 and $937,676, respectively, for the fiscal years ended June 30, 2025 and 2024. The accompanying financial statements include only the activities and balances associated with KPBS and are not intended to present the financial position, changes in financial position or cash flows of KPBS or the University.

Affiliated Organizations

The Stations are related to auxiliaries of the University, including SDSURF, Associated Students of San Diego State University, Aztec Shops, Ltd. and The Campanile Foundation (TCF). The auxiliaries and the University periodically provide various services for one another and collaborate on projects.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies utilized by KPBS follows:

Basis of Accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as prescribed by the Governmental Accounting Standards Board (GASB). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Classification of Current and Noncurrent Assets and Liabilities

KPBS considers assets to be current that can be reasonably expected, as a part of its normal business operations, to be converted to cash and be available for liquidation of current liabilities within twelve months of the statement of net position date. Liabilities that can be reasonably expected, as part of normal operations, to be liquidated within twelve months of the statement of net position date are considered to be current. All other assets and liabilities are considered to be noncurrent.

Cash and Cash Equivalents

Cash includes funds held by the University. The Stations consider all highly liquid investments with original maturity dates of three months or less to be cash equivalents. As of June 30, 2025 and June 30, 2024, there was cash held by the University of approximately $210,000 and $304,000, respectively.

Due from SDSU Research Foundation

The amount of cash held and administered by SDSURF on behalf of the Stations is reported as due from SDSURF on the statements of net position.

Investments

All investments are reported at fair value, which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Investments represent the Stations' share of investments held by SDSU Research Foundation. Investments include amounts held by TCF and others. Change in fair value of investments is included in the statements of revenues, expenses and changes in net position as non-operating revenues (expenses).

Accounts and Pledges Receivable

Accounts receivable consists of underwriter and other receivables and are recorded at the actual amounts expected to be collected and include both billed and unbilled amounts.

Pledges receivable due from donors are recorded at the net present value.

Capital Assets and Intangible Assets

Capital assets in excess of $5,000 are recorded at cost, if purchased, or at estimated fair value, if donated. Certain equipment acquired through grants is subject to restrictions on use and disposition subsequent to the conclusion of the related grants.

Leased assets and subscription-based IT arrangements in excess of $10,000 which qualify under GASB 87 and GASB 96 have been capitalized as a Right of Use Asset.

Depreciation is computed using the straight-line method over the useful life of the asset or length of the associated lease. For buildings, the useful life is generally 30 years. For furniture, fixtures, studio/broadcast equipment and transmission/antenna/tower equipment, the useful life is generally 3 to 15 years. Improvements to leased property and subscription-based IT arrangements are amortized over the term of the lease/agreement or the life of the improvement.

Buildings represent the portion of the Gateway Center, the Conrad Prebys Media Complex which houses the main operating offices for radio, TV and studios for the Stations.

Intangible assets are recorded at the lower of cost or fair value. Intangible assets consist of the broadcast license associated with the acquisition of the KQVO radio station. The broadcast license is renewable every eight years at a nominal fee to the Stations.

Compensated Absences

KPBS records a liability for compensated absences in accordance with GASB Statement No. 101. Liabilities are recognized for unused personal, vacation, and sick leave that is attributable to services already rendered, accumulates from year to year, and is more likely than not to be used or paid. The liability is measured at current value as of June 30 based on employees' accumulated leave balances, pay rates, and directly related fringe benefits. The obligation is reported in two components: the portion estimated to be due within one year, based on historical usage patterns, and the portion estimated to be due in more than one year.

As of June 30, 2025 total liability for compensated absences was $2,032,497 with long-term of $1,304,194 and current $728,803. As a result of implementation of GASB Statement No. 101 - Compensated Absences for the year ending June 30, 2024 and the required restatement, an adjustment of $935,094 was made to increase liabilities both current and non-current. After the restatement, as of June 30, 2024 the long-term liability for compensated absences was $1,279,446 and current $728,356.

Contributions and Revenue Recognition

Revenue from contributions is recognized in the fiscal year in which all eligibility requirements have been satisfied. Contributions received prior to satisfaction of eligibility requirements are reflected as Unearned revenue. The Stations received approximately 86% and 84% of their operating revenue from contributions in each of the years ended June 30, 2025 and 2024, respectively.

Underwriting revenue is recognized as contributions at the time of the pledge, when the underwriting agreement is signed.

Management determines bad debts by regularly evaluating individual contributions receivable and considers a donor's financial condition and current economic conditions. Receivables are written off when deemed uncollectible. Recoveries of contributions of receivables previously written off are recorded as revenue when received.

University Support

Direct financial support received from the University for the years ended June 30, 2025 and 2024 was approximately $2,164,000 and $2,161,000, respectively, and consisted primarily of salaries for management, space rental and utilities.

Indirect support received from the University for the years ended June 30, 2025 and 2024 was approximately $7,063,000 and $6,229,000, respectively. A portion of the University's general overhead costs relates to and benefits the Stations. Such costs are allocated primarily based on the proportion of KPBS' expenses to certain costs of the University, which are then applied to certain administration, maintenance and repair costs of the University. These university services, provided without cost, have been allocated to the Stations and are reported as transfers and operating expenses in the accompanying financial statements.

Corporation for Public Broadcasting Grants

The Corporation for Public Broadcasting (CPB) is a private, non-profit organization responsible for grant funding to more than 1,000 television and radio stations. The CPB distributes annual Community Service Grants (CSGs) to qualifying public telecommunications entities. CSGs are used to augment the financial resources of public broadcasting stations and thereby enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated Section 396(k)(7), (1983) Supplement; however, each grant must be expended within two years of the initial grant authorization. The Stations have typically expended all funds received under CSGs in the year received.

According to the Communications Act, funds may be used at the discretion of recipients for purposes related primarily to the production or acquisition of programming. In addition, the grant may be used to sustain activities that began with the CSGs awarded in prior years. The grants are reported in the financial statements as operating revenue. Certain guidelines set by the CPB must be satisfied in connection with the application for and use of the grants to maintain eligibility and compliance requirements. These guidelines pertain to the use of grant funds, record keeping, audits, financing reporting and licensee status with the Federal Communications Commission. Revenue on these grants is recognized as the funds are expended, and management's policy is to expend the money under the terms on the specific grant, normally within one year of receipt. The Stations recorded approximately $4,498,000 and $4,386,000 in grant revenue from the CPB in the years ended June 30, 2025 and 2024, respectively.

Deferred Outflows and Inflows of Resources

Contributions received that are applicable to future reporting periods are presented classified as a deferred inflow of resources.

Deferred inflows of resources have been recorded for leases where KPBS is the lessor on leases that qualify under GASB 87-Leases.

Net Position

The Stations' net position is classified into the following net position categories:

Net investment in capital assets

Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted non-expendable

Assets, net of related liabilities, that are subject to externally imposed conditions that the Stations retain in perpetuity. Assets in this category consist of endowments invested in TCF endowment pool.

Restricted expendable

Assets, net of related liabilities, that are subject to externally imposed conditions that can be fulfilled by the actions of the Stations or by the passage of time. Assets in this category consist of certain donations from the Capital Campaign, gift annuities held at TCF and earnings distributions from the endowment.

Unrestricted

All other categories of net position. In addition, unrestricted assets may be designated for specific purposes by the management of the Stations.

Restricted resources are used in accordance with the Stations' policies and the donors' restrictions. Unrestricted resources are used at the Stations' discretion. When both restricted and unrestricted resources are available for use, it is the Stations' policy to determine on a case-by-case basis when to use restricted or unrestricted resources.

Income Taxes

The Stations are a department of the University, yet the Stations' accounts are included within SDSU Research Foundation.

The San Diego State University is a campus of the California State University system, which is an agency of the State of California and is treated as a governmental entity for tax purposes, and is generally not subject to federal or state income taxes.

The San Diego State University Research Foundation is generally exempt from income taxes under Sections 501(c)(3) of the Internal Revenue Code (IRC) and Section 23701(d) of the California Revenue and Taxation Code.

However, both the University and KPBS are subject to tax on trade or business income earned from an activity that is not in furtherance of their tax-exempt purposes. The Stations are engaged in activities that produce unrelated business income, such as the sales or license of certain products and services and web advertising. The Stations had no tax liability for the year ended June 30, 2024 and expects no liability for the year ended June 30, 2025 as the filing has not been completed as of the date of this report.

Use of Estimates

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

Pronouncements Issued

For the year ended June 30, 2024, KPBS implemented GASB Statement 100 (GASB 100), Accounting Changes and Error Corrections, which provides the accounting and financial reporting for 1) each type of accounting change and 2) error corrections. This Statement requires that a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and c) changes in accounting estimates to be reported prospectively by recognizing the change in the current period. KPBS implemented GASB 100 and found that it had no material impact on the KPBS' financial statements.

For the year ended June 30, 2025, KPBS implemented GASB Statement No. 101, Compensated Absences. KPBS accrues liabilities for compensated absences in accordance with GASB 101. A liability is recognized for:

- Unused vacation, personal time, or sick time that is attributable to services already rendered, accumulates, and is more likely than not to be used or paid.
- The liability includes salary-related payments (e.g., employer share of social security and Medicare taxes) that are directly and incrementally associated with compensated absences.
- The liability is measured using the employee's pay rate as of the financial statement date.

As part of the implementation, the financial statements for the year ended June 30, 2024 were restated which reduced unrestricted net position, total net position and increased short and long-term liabilities. Following are the impact on net position for the year ended June 30, 2024:

	KPBS FM/TV		
	Net investment in capital assets	Restricted	Unrestricted
Net position as of July 1, 2024 - as previously reported	43,725,840	7,996,354	10,947,815
Adoption of GASB Statement no. 101	-	-	(935,094)
Net position as of July 1, 2024 - as restated	43,725,840	7,996,354	10,012,721

For the year ended June 30, 2025, KPBS implemented GASB Statement No. 102, Certain Risk Disclosures which requires disclosing risks due to certain concentrations or constraints. GASB 102 defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources. A constraint is a limitation that is imposed by an external party or by a formal action of an entity's highest level of decision-making authority. Management has evaluated the applicability of GASB 102 and determined that, as of the date of these financial statements, no concentrations or constraints exist that meet all three criteria for disclosure: 1. 2. 3.

1.Known prior to issuance of the financial statements,

2. Create vulnerability to substantial impact, and

3. Have had or are more likely than not to have an associated event occur within 12 months of the issuance date.

Accordingly, no disclosures are required under GASB 102, and the implementation of this Statement has no impact on the financial statements.

The GASB has issued the following statements:

GASB Statement No. 103, Financial Reporting Model Improvements (effective for years beginning after June 30, 2025).

GASB Statement No. 104, Disclosure of Certain Capital Assets (effective for years beginning after June 15, 2025.

Management has not determined what, if any, impact implementation may have on the financial statements of KPBS.

NOTE 3 – INVESTMENTS

Investment Policy

The primary objective of the investment policy of KPBS is to protect the underlying assets so that the funds are available when needed by projects and programs. A secondary objective is to maximize investment income on available investments. Policies have been adopted to meet these objectives at the same time. Specific references are included below under various risk categories.

KPBS invests in the TCF Endowment pool, a unitized pool managed by TCF, a university auxiliary organization. Other investments are held in investment portfolios managed the San Diego Foundation and US Bank. These investments are governed by the respective investment policies of these organizations. Investments as of June 30 were as follows:

	2025	2024
Long-term investments	$ 9,444,012	$ 10,980,022
Restricted assets, investments	7,258,443	6,765,184
	$ 16,702,455	$ 17,745,206

The Stations categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The following levels indicate the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 - Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.

Level 2 - Investments with inputs – other than quoted prices included within Level 1 – that are observable for an asset, either directly or indirectly.

Level 3 - Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment.

The following tables summarize KPBS' investments within the fair value hierarchy at June 30, 2025 and 2024, respectively:

June 30, 2025	Fair Value	Level 1	Level 2	Level 3
Deferred Gift	$ 1,955,563	$ 1,955,563	$ -	$ -
TCF Endowment Pool	14,603,637	-	-	14,603,637
Amounts Held by Others	143,255	-	-	143,255
	$ 16,702,455	$ 1,955,563	$ -	$ 14,746,892

June 30, 2024	Fair Value	Level 1	Level 2	Level 3
Deferred Gift	$ 1,811,993	$ 1,811,993	$ -	$ -
TCF Endowment Pool	15,795,116	-	-	15,795,116
Amounts Held by Others	138,097	-	-	138,097
	$ 17,745,206	$ 1,811,993	$ -	$ 15,933,213

The following is a description of the valuation methodologies used for assets measured at fair value:

Level 1 Measurements

Deferred Gift – based on quoted prices available in an active market. The deferred gift is invested by a manager at US Bank in a portfolio of cash, equity securities, fixed income securities, and real estate funds designed to provide a moderate amount of current income with moderate growth of capital.

Level 3 Measurements

TCF Endowment Pool – KPBS invests in the TCF Endowment Pool, a unitized pool managed by TCF. The fair value is calculated as KPBS's share of the pool as of the measurement date, which is based on the fair value of the underlying assets owned by the fund divided by the number of units outstanding.

Amounts Held by Others – KPBS is the beneficiary of certain trusts held in an endowment portfolio managed by the San Diego Foundation. The fair value is calculated based on the fair value of the underlying assets owned by the fund.

The Campanile Foundation Endowment Pool

The TCF Endowment Pool has significant investments in various mutual funds and third-party investment pools. These investments are managed by an Outside Chief Investment Officer (OCIO) based upon the Investment Policy Statement (IPS) as approved by the TCF Board of Directors. The TCF Finance and Investment Committee meets regularly with the OCIO to review the investments and their performance and the compliance with the IPS.

The investment category allocations and IPS targets as of June 30 are as follows:

	2025	2024	IPS Target
Growth Assets	60.1%	60.4%	58.7%
Credit	8.1%	8.0%	6.6%
Inflation Hedges	12.9%	12.6%	11.8%
Risk Mitigation	18.9%	19.0%	22.9%
Total	100.0%	100.0%	100.0%

KPBS recognized net realized and unrealized gains of approximately $1,471,583 and $1,376,370 for the years ended June 30, 2025 and 2024, respectively, from its investments.

The TCF Endowment Pool is subject to concentrations of credit risk and the investments of the TCF Endowment Pool are exposed to both interest rate and market risk. Economic conditions can impact these risks, and resulting market values can be either positively or adversely affected. If the level of risk increases in the near term, it is possible that the investment balances, and thus KPBS' portion of those investments, could be materially affected. Although the market value of the investment in the TCF Endowment Pool is subject to fluctuations on a year-to-year basis, management believes the investment policies of TCF are prudent for the long-term welfare of KPBS.

In accordance with the Uniform Prudent Management of Institutional Funds Act, KPBS through San Diego State University Research Foundation (SDSURF) has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to KPBS programs and operations supported by its endowment while also seeking to maintain the long-term purchasing power of the endowment assets.

Endowment distributions are provided in accordance with the investment policy statement. For the fiscal years ended June 30, 2025 and 2024, the distribution rate was 4% of the endowment principal market value using a three-year moving average.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of a fixed income investment. Investments in the TCF Endowment Pool are exposed to interest rate risk.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to repay the debt security when due. KPBS' investment policy requires that fixed-income investments must be rated as "Investment Grade," which is BBB or higher. Credit ratings by nationally recognized institutions are used to assess the creditworthiness of specific investments.

Co**ncentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. KPBS' investment policy contains no limitations as to how much can be invested with any one issuer.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that KPBS will not be able to recover its deposits in the event of a failure of a depository institution. In the ordinary course of KPBS's operations, deposit balances in checking accounts, held by SDSURF, can exceed the Federal Deposit Insurance Corporation (FDIC) insured limits.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to an investment transaction, KPBS would not be able to recover its investment. Custodial credit risk does not apply to indirect investment in securities through the use of mutual funds and government investment pools.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, consisted of the following:

	2025		
	Current	Noncurrent	Total
Underwriter receivables	$ 2,293,680	$ 22,144	$ 2,315,824
Pledge Receivables	520,335	482,864	1,003,199
Other receivables	58,110	159,836	217,946
Allowance for doubtful accounts	(110,000)	-	(110,000)
	$ 2,762,125	$ 664,844	$ 3,426,969

	2024		
	Current	Noncurrent	Total
Underwriter receivables	$ 2,402,094	$ 44,851	$ 2,446,945
Pledge Receivables	2,610,960	283,793	2,894,753
Other receivables	131,960	172,189	304,149
Allowance for doubtful accounts	(110,000)	-	(110,000)
	$ 5,035,014	$ 500,833	$ 5,535,847

It is the policy of management to review outstanding receivables at year-end for collectability and establish an allowance for doubtful accounts.

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the years ended June 30, consisted of the following:

	Balance June 30, 2024	Additions	Retirements/ Transfers	Balance June 30, 2025
Nondepreciable capital assets:				
Construction in progress [a]	$ 1,877,460	743,362	$ (1,877,460)	$ 743,362
KQVO radio station license	670,000	-	-	670,000
Total nondepreciable capital assets	2,547,460	743,362	(1,877,460)	1,413,362
Depreciable capital assets:				
Building under lease [b]	746,072	-	(37,498)	708,574
Building [c]	37,600,023	104,077	-	37,704,100
Studio/broadcast equipment	18,740,642	150,819	1,769,193	20,660,654
Computers, software and furniture	4,006,546	22,868	(13,730)	4,015,684
Transmission/antenna/tower	4,614,519	-	-	4,614,519
Right of use asset [d]	7,468,512	-	(38,272)	7,430,240
Total depreciable capital assets	73,176,314	277,764	1,679,693	75,133,771
Less accumulated depreciation:				
Building under lease	612,844	33,307	(37,498)	608,653
Building [c]	1,568,246	1,367,400	-	2,935,646
Studio/broadcast equipment	11,768,324	1,422,951	(108,267)	13,083,008
Computers, software and furniture	3,834,679	141,028	(13,730)	3,961,977
Transmission/antenna/tower	3,788,564	204,671	-	3,993,235
Right of use asset	1,611,884	482,338	(38,272)	2,055,950
Total accumulated depreciation	23,184,541	3,651,695	(197,767)	26,638,469
Total net depreciable assets	49,991,773	(3,373,931)	1,877,460	48,495,302
Net capital assets	$ 52,539,233	(2,630,569)	$ -	$ 49,908,664

	Balance June 30, 2023	Additions	Retirements/ Transfers	Balance June 30, 2024
Nondepreciable capital assets:				
Construction in progress [a]	$ 8,355,295	2,197,168	$ (8,675,003)	$ 1,877,460
KQVO radio station license	670,000	-	-	670,000
Total nondepreciable capital assets	9,025,295	2,197,168	(8,675,003)	2,547,460
Depreciable capital assets:				
Building under lease [b]	746,072	-	-	746,072
Building [c]	34,883,168	669,625	2,047,230	37,600,023
Studio/broadcast equipment	12,042,012	70,857	6,627,773	18,740,642
Computers, software and furniture	4,006,546	-	-	4,006,546
Transmission/antenna/tower	4,614,519	-	-	4,614,519
Right of use asset [d]	7,468,512	-	-	7,468,512
Total depreciable capital assets	63,760,829	740,482	8,675,003	73,176,314
Less accumulated depreciation:				
Building under lease	576,201	36,643	-	612,844
Building [c]	210,913	1,357,333	-	1,568,246
Studio/broadcast equipment	11,330,168	438,156	-	11,768,324
Computers, software and furniture	3,687,601	147,078	-	3,834,679
Transmission/antenna/tower	3,589,550	199,014	-	3,788,564
Right of use asset	1,118,057	493,827	-	1,611,884
Total accumulated depreciation	20,512,490	2,672,051	-	23,184,541
Total net depreciable assets	43,248,339	(1,931,569)	8,675,003	49,991,773
Net capital assets	$ 52,273,634	265,599	$ -	$ 52,539,233

[a] Construction in progress at June 30, 2024 and 2023 is not in service equipment related costs on the Conrad Prebys Media Complex renovation project related to the KPBS Capital Campaign.

[b] The building under lease represents the remaining improvements/equipment from the previous remodel of the Stations-occupied portion of the Gateway Center, the Conrad Prebys Media Complex, which houses the main operating offices for radio, TV and studios.

[c] Building is the capitalized portion of the Conrad Prebys Media Complex that was donor funded through the KPBS Capital Campaign. Additional costs of finalizing the construction and equipment.

[d] Right of use assets represent GASB 87 lease capitalization predominantly with regard to the Stations' transmitters and other facility leases.

Depreciation and amortization expense totaled approximately $3,652,000 and $2,672,000 for the years ended June 30, 2025 and 2024, respectively, and was allocated among expenses in the accompanying statements of revenues, expenses and changes in net assets, as follows:

	2025	2024	2023
Program Services	$ 3,117,763	$ 2,174,063	$ 894,878
Support Services	533,932	497,988	1,034,007
Total depreciation	$ 3,651,695	$ 2,672,051	$ 1,928,885

NOTE 6 – NOTES PAYABLE

Notes payable for the years ended June 30, 2025 and 2024 was:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion
Notes payable	$ 2,371,982	$ 2,600,000	$ (2,029,924)	$ 2,942,058	$ 607,271

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Current Portion
Notes payable	$ 4,781,118	$ -	$ (2,409,136)	$ 2,371,982	$ 429,924

In January 2022, KPBS entered into a 2% fixed rate loan agreement with SDSURF totaling $4,500,000. Quarterly interest only payments of approximately $22,500 are required beginning April 2022 with the entire principal balance due June 2024. In April 2024, KPBS entered into a new loan agreement in which KBPS paid $2,250,000 of the previous loan balance with the remaining balance of $2,250,000 being refinanced over a 5 year term beginning June 30, 2024. Quarterly principal and interest payments of $125,471 are required beginning October 1, 2024 through July 1, 2029. The loan bears interest at a fixed rate of 4.25% per annum. Aggregate annual payments under this financing agreement are as follows:

Years Ending June 30:	Principal	Interest	Total
2026	$ 426,075	$ 75,807	$ 501,882
2027	444,474	57,408	501,882
2028	463,668	38,215	501,883
2029	483,690	18,192	501,882
2030	124,151	1,319	125,470
Total	$ 1,942,058	$ 190,941	$ 2,132,999

In September 2024, KPBS entered into a 4.78% fixed rate term loan agreement with SDSURF totaling $1,600,000 resulting from a Capital Campaign donation/construction timing difference. Monthly interest only payments of approximately $6,400 are required beginning October 1, 2024 with the entire principal balance due upon payment of an outstanding Capital Campaign pledge on or about February 2025. This note was paid in full on February 11, 2025.

In February 2025, KPBS entered into a $1,000,000 term loan agreement with SDSURF with quarterly principal and interest payments of $56,608 are required beginning July 1, 2025 through April 1, 2030. The loan bears interest at a fixed rate of 4.85% per annum. Aggregate annual payments under this financing agreement are as follows:

Years Ending June 30:	Principal	Interest	Total
2026	$ 181,196	$ 45,238	$ 226,433
2027	190,145	36,288	226,433
2028	199,536	26,897	226,433
2029	209,391	17,042	226,433
2030	219,733	6,701	226,433
Total	$ 1,000,000	$ 132,167	$ 1,132,167

NOTE 7 – LEASE OBLIGATIONS

Lessee Leases

The lease liability balance as of June 30, 2025 totals approximately $6,108,000 mainly relating to building and transmitter space under non-cancellable leases, which expire on various dates through January 2099. The current monthly rental payments range from approximately $270 to $22,000 and several of the agreements allow for annual increases in the base lease.

Future principal and interest payments on lease obligations are as follows:

Years Ending June 30:	Principal	Interest	Total
2026	$ 353,836	$ 133,399	$ 487,235
2027	381,850	125,692	507,542
2028	411,386	117,357	528,742
2029	442,519	108,358	550,878
2030	475,330	98,660	573,990
2031-2035	2,142,212	341,218	2,483,430
Thereafter	1,901,219	96,133	1,997,352
Total	$ 6,108,352	$ 1,020,816	$ 7,129,168

NOTE 8 – PENSION AND POSTRETIREMENT BENEFITS

For the Stations' staff employed through SDSU Research Foundation, KPBS provides health insurance benefits for the Stations' retirees who meet certain eligibility requirements under the Health, Vision, Life Insurance/AD&D and Employee Assistance Program of San Diego State University Foundation (the Plan). The Plan was created as a fully insured, single-employer benefit plan effective as of August 1, 1982. It also provides for post-retirement medical benefits to certain former regular employees and qualified dependents of the SDSU Research Foundation. On June 24, 1996, SDSURF established a voluntary employees' beneficiary association trust (the VEBA) with a registered investment company. The VEBA holds the assets and funds the post-retirement benefit obligation provided under the Plan. The Plan issues stand-alone, publicly available financial reports that include financial statements and required supplementary information. The report may be obtained by contacting the Human Resources Department at SDSU Research Foundation.

For the Stations' staff employed through the University, the University, as an agency of the State of California, contributes to the CalPERS on behalf of certain employees of the Stations. The State's plan with CalPERS is an agent multiple-employer defined benefit plan that provides a defined benefit pension and postretirement benefit program for substantially all eligible University employees. CalPERS functions as an investment and administrative agent for its members. The Plan also provides survivor, death and disability benefits. Eligible employees are covered by the Public Employees' Medical and Hospital Act for medical benefits.

The Stations' University-employed personnel are required to contribute approximately 5% of their monthly earnings to CalPERS. The University is required to contribute at an actuarially determined rate. The contribution requirements of the Plan members are established and may be amended by CalPERS.

Amounts charged to KPBS for its annual required contribution from the University totaled $342,302 and $412,371 for the years ended June 30, 2025 and 2024, respectively, and are recorded as direct support and program services or support services expense, depending upon the employee's function. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, California 95811.

NOTE 9 – DEFERRED INFLOWS OF RESOURCES

As of June 30, 2025 and 2024, KPBS reported deferred inflows of resources in connection with the contributions and lessor leases, as presented in the table below:

	2025	2024
Contributions	$ 1,383,428	$ 2,033,211
Lessee Leases	-	1,141
	$ 1,383,428	$ 2,034,352

NOTE 10 – CONTINGENCIES

Effective July 1, 2023, KPBS entered into a 30 year agreement with the University, which among other things, requires annual cost recovery payments approximating $290,000 increasing up to 5% annually. The agreement includes a provision that "with 36 months advance notice, the University may relocate the KPBS office, Studio and broadcast facilities to a mutually beneficial alternative location, subject to first obtaining written permission and consent from capital campaign donors under agreements in effect at the time of the proposed relocation".

KPBS is involved in various legal proceedings arising in the normal course of business. Management believes that the final outcomes of these proceedings will not have a material adverse effect on the Stations' of operations or financial position.

NOTE 11 – RISK MANAGEMENT

The Stations are exposed to risks related to general and commercial liability and workers' compensation. The Stations are covered by insurance through the SDSURF and the University to mitigate those risks. Insurance policies provide varying levels of coverage with varying deductibles. The University and SDSURF participate in the CSU risk management pool for most of its insurance needs. However, SDSURF is partially self-insured for its unemployment and workers' compensation plans. Using insurance policies with commercial carriers to cover these risks of loss, SDSURF maintains excess unemployment insurance coverage in the aggregate of $1,500,000 and excess workers' compensation coverage for claims in excess of $250,000 per occurrence.

Insurance through the University is included in the University indirect support and allocated to program and support services on the statements of revenues, expenses and changes in net assets. Premiums allocated to KPBS on these insurance policies totaled $97,588 and $79,161 and for the years ended June 30, 2025 and 2024, respectively.

NOTE 12 – SUBSEQUENT EVENTS

KPBS has reviewed its financial statements for subsequent events through December 19, 2025 the date the financial statements were issued. Federal funding that supports public broadcasting through the Corporation for Public Broadcasting was eliminated in July 2025 by the U.S. Congress. CPB funding provided, excluding amounts recognized in FY25 and FY24 under the CARES Act, was $3,919,000 and $3,841,000 for the years ended June 30, 2025 and 2024, respectively.

SUPPLEMENTARY INFORMATION

KPBS FM/TV

(A Department of San Diego State University)

Supplementary Schedule of Direct and Indirect Support

For the year ended June 30, 2025

	KPBS Excluding Direct and Indirect Transfers	SDSU Transfers Direct	SDSU Transfers Indirect	KPBS Combined
Operating revenues:				
Contributions	$ 28,441,144	$ -	$ -	$ 28,441,144
Corporation for Public Broadcasting grants	4,497,837	-	-	4,497,837
Stations-generated support	210,069	-	-	210,069
Total operating revenues	33,149,050	-	-	33,149,050
Operating expenses:				
Program services:				
Programming and production	16,522,322	148,498	3,619,436	20,290,256
Broadcasting	4,847,042	900,768	520,052	6,267,862
Program information and promotion	1,480,570	-	289,938	1,770,508
Total program services	22,849,934	1,049,266	4,429,426	28,328,626
Support services:				
Management and general	3,863,704	892,111	661,805	5,417,620
Fundraising, membership and development	7,486,428	222,310	1,590,805	9,299,543
Underwriting	1,982,523	-	380,826	2,363,349
Total support services	13,332,655	1,114,421	2,633,436	17,080,512
Total operating expenses	36,182,589	2,163,687	7,062,862	45,409,138
Operating (loss)	(3,033,539)	(2,163,687)	(7,062,862)	(12,260,088)
Nonoperating (expenses) revenues:				
Interest expense	(269,529)	-	-	(269,529)
Interest income, net	120,557	-	-	120,557
Net (decrease) in fair value of investments	1,471,583	-	-	1,471,583
Other nonoperating expenses	(13,340)	-	-	(13,340)
Total nonoperating (expenses), net	1,309,271	-	-	1,309,271
(Loss) before transfers	(1,724,268)	(2,163,687)	(7,062,862)	(10,950,817)
San Diego State University transfers:				
Direct financial support	-	2,163,687	-	2,163,687
Indirect financial support	-	-	7,062,862	7,062,862
Total San Diego State University transfers	-	2,163,687	7,062,862	9,226,549
Change in net position	$ (1,724,268)	$ -	$ -	$ (1,724,268)
Net position, beginning of year (restated)				61,734,915
Net position, end of year				$ 60,010,647

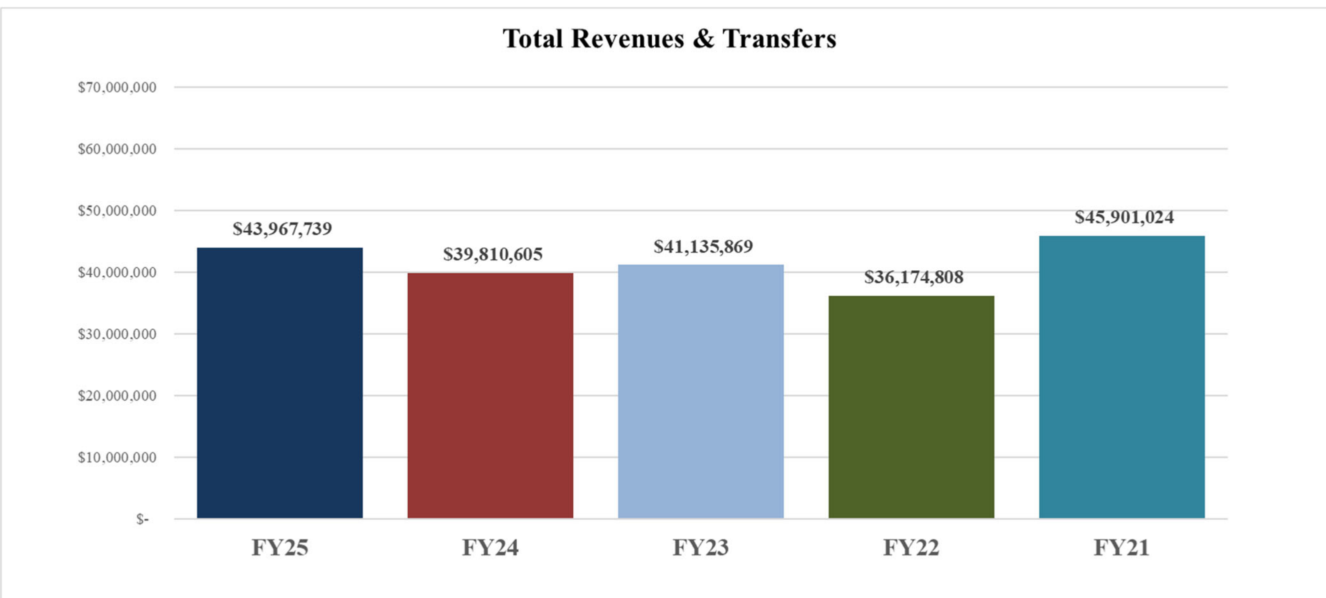
KPBS FM/TV

(A Department of San Diego State University)

Supplementary Schedule of Total Revenues and Transfers

For the year ended June 30, 2025

	FY25	FY24	FY23	FY22	FY21
Operating revenues:					
Contributions	$ 28,441,144	$ 24,918,557	$ 27,862,752	25,966,550	$ 32,798,083
Corporation for Public Broadcasting grants	4,497,837	4,386,361	3,798,215	3,603,256	3,521,773
Reimbursement from the FCC related to station repack	-	-	-	43,390	-
Stations-generated support	210,069	353,007	266,369	319,953	77,981
Total operating revenues	33,149,050	29,657,925	31,927,336	29,933,149	36,397,837
Nonoperating revenues and transfers:					
San Diego State University transfers:					
Direct financial support	2,163,687	2,161,194	2,145,550	2,031,046	2,486,354
Indirect financial support	7,062,862	6,228,546	5,844,028	5,426,741	5,342,593
Total San Diego State University transfers	9,226,549	8,389,740	7,989,578	7,457,787	7,828,947
Nonoperating revenues					
Interest income, net	120,557	386,570	203,823	200,210	346,622
Net (decrease) increase in fair value of investments	1,471,583	1,376,370	1,015,132	(1,416,338)	1,327,618
Total nonoperating revenues, net	1,592,140	1,762,940	1,218,955	(1,216,128)	1,674,240
Total revenues and transfers	**$ 43,967,739**	**$ 39,810,605**	**$ 41,135,869**	**$ 36,174,808**	**$ 45,901,024**



KPBS FM/TV

(A Department of San Diego State University)

Statements of Revenues, Expenses, and Changes in Net Position by Position by CPB Licensee

For the year ended June 30, 2025

	TV	FM	KPBS Combined
Operating revenues:			
Contributions	$ 19,064,791	$ 9,376,353	$ 28,441,144
Corporation for Public Broadcasting grants	3,851,868	645,969	4,497,837
Stations-generated support	157,552	52,517	210,069
Total operating revenues	23,074,211	10,074,839	33,149,050
Operating expenses:			
Program services:			
Programming and production	14,917,130	5,373,126	20,290,256
Broadcasting	4,829,726	1,438,136	6,267,862
Program information and promotion	1,327,369	443,139	1,770,508
Total program services	21,074,225	7,254,401	28,328,626
Support services:			
Management and general	3,889,981	1,527,639	5,417,620
Fundraising, membership and development	6,742,376	2,557,167	9,299,543
Underwriting	1,193,860	1,169,489	2,363,349
Total support services	11,826,217	5,254,295	17,080,512
Total operating expenses	32,900,442	12,508,696	45,409,138
Operating (loss)	(9,826,231)	(2,433,857)	(12,260,088)
Nonoperating (expenses) revenues:			
Interest expense	(202,147)	(67,382)	(269,529)
Interest income, net	90,418	30,139	120,557
Net (decrease) in fair value of investments	1,071,344	400,239	1,471,583
Other nonoperating expenses	(10,005)	(3,335)	(13,340)
Total nonoperating income	949,610	359,661	1,309,271
(Loss) before transfers	(8,876,621)	(2,074,196)	(10,950,817)
San Diego State University transfers:			
Direct financial support	1,610,228	553,459	2,163,687
Indirect financial support	5,159,756	1,903,106	7,062,862
Total San Diego State University transfers	6,769,984	2,456,565	9,226,549
Change in net position	$ (2,106,637)	$ 382,369	$ (1,724,268)