

CAPITAL PUBLIC RADIO, INC.
**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**
YEARS ENDED JUNE 30, 2025 AND 2024



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Capital Public Radio, Inc.
Sacramento, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Capital Public Radio, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Public Radio, Inc. as of June 30, 2025 and 2024, and the results of its operations 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Capital Public Radio, Inc. 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.

Emphasis of Matter

As discussed in Note 16 to the financial statements, Capital Public Radio, Inc., has restated its net assets as of June 30, 2024 to correct the value of a fixed asset. Our opinion is not modified with respect to that matter.

Substantial Doubt About Capital Public Radio, Inc.'s Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that Capital Public Radio, Inc. will continue as a going concern. As discussed in Note 15 to the financial statements, Capital Public Radio, Inc. continues to have a significant net asset deficiency for the years ended June 30, 2025 and 2024. There are investigations recently concluded that will continue to impact Capital Public Radio, Inc. These conditions raise substantial doubt about their ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 15 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

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 Capital Public Radio, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Capital Public Radio, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Capital Public Radio, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

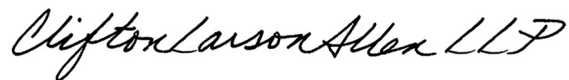
Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of net position, schedule of revenues, expenses, and changes in net position, and the other information schedules are required for inclusion in California State University (supplementary information) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying combining balance sheet, statement of activities, and statement of functional expense schedules, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2025, on our consideration of Capital Public Radio, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Capital Public Radio, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Capital Public Radio, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Sacramento, California
September 10, 2025

CAPITAL PUBLIC RADIO, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024 (Restated)
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,466,377	\$ 760,513
Restricted Cash	-	256,958
Contributions Receivable, Net	279,194	87,028
Accounts Receivable, Net	428,921	524,296
Prepaid Expenses	49,539	22,136
Total Current Assets	2,224,031	1,650,931
OTHER ASSETS		
Donated Artwork	35,025	35,025
Deposits	68,976	68,976
Property and Equipment, Net	2,336,170	2,226,753
Right-of-Use Assets - Financing	142,766	220,793
Right-of-Use Assets - Operating	2,349,352	2,609,199
Total Other Assets	4,932,289	5,160,746
Total Assets	\$ 7,156,320	\$ 6,811,677
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 4,266,190	\$ 2,701,819
Due to Related Party	2,551,450	1,748,679
Accrued Liabilities	496,935	346,818
Unearned Revenue	32,079	112,401
Lease Liability - Financing, Current Portion	76,502	72,573
Lease Liability - Operating, Current Portion	51,678	139,319
Related Party Notes Payable, Current Portion	15,000	2,698,392
Notes Payable, Current Portion	575,827	532,972
Total Current Liabilities	8,065,661	8,352,973
LONG-TERM LIABILITIES		
Lease Liability - Financing, Net of Current Portion	60,747	154,130
Lease Liability - Operating, Net of Current Portion	2,331,428	2,456,607
Related Party Notes Payable, Net of Current Portion	8,022,936	5,052,675
Notes Payable, Net of Current Portion	944,708	1,485,662
Total Long-Term Liabilities	11,359,819	9,149,074
Total Liabilities	19,425,480	17,502,047
NET ASSETS		
Without Donor Restrictions:		
General Operating	(12,444,185)	(10,700,395)
Designated - Donated Artwork	35,025	10,025
Total Without Donor Restrictions	(12,409,160)	(10,690,370)
With Donor Restrictions:		
Total Net Assets	140,000	-
Total Net Assets	(12,269,160)	(10,690,370)
Total Liabilities and Net Assets	\$ 7,156,320	\$ 6,811,677

See accompanying Notes to Financial Statements.

**CAPITAL PUBLIC RADIO, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND SUPPORT			
Listener Contributions	\$ 9,761,657	\$ -	\$ 9,761,657
Other Grants and Contributions	54,774	140,000	194,774
Underwriting	2,065,888	-	2,065,888
Contributions of Nonfinancial Assets	2,945,385	-	2,945,385
Rental Income	128,224	-	128,224
Other Revenue	312,728	-	312,728
Net Return on Investments	67	-	67
Net Assets Released from Restriction	-	-	-
Total Revenue and Support	15,268,723	140,000	15,408,723
EXPENDITURES			
Programs:			
Programming and Production	7,726,938	-	7,726,938
Broadcasting	793,890	-	793,890
Marketing and Promotion	764,804	-	764,804
Support:			
Membership Development	1,069,319	-	1,069,319
Management and General	6,632,562	-	6,632,562
Total Expenditures	16,987,513	-	16,987,513
CHANGE IN NET ASSETS	(1,718,790)	140,000	(1,578,790)
Net Assets - Beginning of Year as Restated	(10,690,370)	-	(10,690,370)
NET ASSETS - END OF YEAR	\$ (12,409,160)	\$ 140,000	\$ (12,269,160)

See accompanying Notes to Financial Statements.

CAPITAL PUBLIC RADIO, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024 (RESTATED)

	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND SUPPORT			
Listener Contributions	\$ 9,029,162	\$ -	\$ 9,029,162
Other Grants and Contributions	765,887	-	765,887
Underwriting	2,478,732	-	2,478,732
Contributions of Nonfinancial Assets	870,840	-	870,840
Rental Income	126,813	-	126,813
Other Revenue	1,403,773	-	1,403,773
Net Return on Investments	50,981	-	50,981
Net Assets Released from Restriction	500,000	(500,000)	-
Total Revenue and Support	15,226,188	(500,000)	14,726,188
EXPENDITURES			
Programs:			
Programming and Production	6,310,605	-	6,310,605
Broadcasting	909,821	-	909,821
Marketing and Promotion	352,230	-	352,230
Support:			
Membership Development	1,648,317	-	1,648,317
Management and General	5,270,239	-	5,270,239
Total Expenditures	14,491,212	-	14,491,212
CHANGE IN NET ASSETS	734,976	(500,000)	234,976
Net Assets - Beginning of Year	(11,425,346)	500,000	(10,925,346)
NET ASSETS - END OF YEAR	\$ (10,690,370)	\$ -	\$ (10,690,370)

See accompanying Notes to Financial Statements.

CAPITAL PUBLIC RADIO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Programming and Production	Broadcasting	Marketing and Promotion	Membership Development	Management and General	Total
Advertising	\$ -	\$ 7,752	\$ 3,312	\$ 831	\$ 3,449	\$ 15,344
Bad Debt	159,843	7,058	-	-	215,518	382,419
Bank Fees	14	-	-	84,665	15,467	100,146
Computer Software and Maint	9,190	2,778	6,719	12,467	397,292	428,446
Consultants and Temps	-	-	6,244	-	438	6,682
Contractual Services	1,887,487	677,666	160,047	108,511	719,486	3,553,197
CSUS Administration	-	-	-	4,446	566,808	571,254
Depreciation Expense	77,550	2,694	14,136	16,326	58,747	169,453
Equipment Lease Expense	144,319	5,012	26,308	30,382	183,622	389,643
Employer Dental	15,207	598	2,208	3,924	9,079	31,016
Events	-	-	33	41	-	74
Fringe Benefits	3,246	97	483	1,927	11,795	17,548
In-Kind Expenses	2,325,507	-	-	-	-	2,325,507
Insurance	-	-	-	-	323,286	323,286
Interest Expense	-	-	-	-	152,278	152,278
Legal Fees	-	-	-	-	1,098,308	1,098,308
Marketing Promo Items	-	-	2,705	20,060	-	22,765
Medical	160,329	6,370	14,304	43,912	82,799	307,714
Memberships and Subscriptions	4,756	-	-	-	633	5,389
Other Expenses	-	-	-	-	318,082	318,082
Payroll Taxes	158,106	5,608	33,460	32,820	117,668	347,662
Penalties and Fines	-	-	-	-	84,022	84,022
Photocopying	62	-	-	-	-	62
Postage	100	-	-	206,820	653	207,573
Program Supplies	62,577	-	81,036	15,487	76,287	235,387
Property Maintenance	30,336	-	-	-	3,788	34,124
Recruitment	-	-	-	-	95	95
Rent	178,603	-	-	154	307,085	485,842
Retirement	50,833	1,861	11,930	11,751	28,817	105,192
Salaries	2,199,462	76,396	400,931	463,029	1,666,175	4,805,993
Telephone	43,744	-	-	5,757	140,597	190,098
Travel and Training	20,633	-	948	6,009	5,297	32,887
Utilities	195,034	-	-	-	44,991	240,025
Total	\$ 7,726,938	\$ 793,890	\$ 764,804	\$ 1,069,319	\$ 6,632,562	\$ 16,987,513

See accompanying Notes to Financial Statements.

CAPITAL PUBLIC RADIO, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024 (RESTATED)

	Programming and Production	Broadcasting	Marketing and Promotion	Membership Development	Management and General	Total
Advertising	\$ 25,900	\$ -	\$ 463	\$ 68,398	\$ -	\$ 94,761
Bank Fees	-	-	-	86,566	8,607	95,173
Board Expenses	-	-	-	-	400	400
Computer Software and Maint	129,718	5,168	12	31,650	290,981	457,529
Consultants and Temps	26,847	110,282	-	-	17,746	154,875
Contractual Services	422,864	639,732	75,088	86,304	1,674,541	2,898,529
CSUS Administration	-	-	-	2,044	239,777	241,821
Depreciation Expense	195,022	1,672	11,491	43,048	81,929	333,162
Equipment Lease Expense	886,761	5,639	38,695	144,977	275,919	1,351,991
Employer Dental	18,029	214	1,014	3,863	7,367	30,487
Events	364	-	-	1,408	1,132	2,904
Fringe Benefits	56,119	2,269	7,021	14,324	31,048	110,781
In-Kind Expenses	352,608	-	-	-	-	352,608
Insurance	-	-	-	-	259,387	259,387
Interest Expense	-	-	-	-	162,094	162,094
Legal Fees	-	-	-	-	268,057	268,057
Marketing Promo Items	-	-	-	1,586	-	1,586
Medical	186,778	2,283	3,251	52,895	77,458	322,665
Memberships and Subscriptions	16	-	-	-	-	16
Other Expenses	9,826	17,641	2,314	41,848	16,038	87,667
Payroll Taxes	220,330	4,356	12,916	47,490	111,935	397,027
Photocopying	-	-	-	-	1,160	1,160
Postage	-	-	68	305,223	13,412	318,703
Program Supplies	166,662	-	760	17,462	104,621	289,505
Property Maintenance	21,386	-	-	-	61,412	82,798
Recruitment	-	-	-	-	3,411	3,411
Rent	203,394	-	-	-	89,750	293,144
Salaries	3,113,249	120,565	199,137	698,775	1,276,255	5,407,981
Telephone	42,677	-	-	445	122,152	165,274
Travel and Training	6,724	-	-	11	2,276	9,011
Utilities	225,331	-	-	-	71,374	296,705
Total	\$ 6,310,605	\$ 909,821	\$ 352,230	\$ 1,648,317	\$ 5,270,239	\$ 14,491,212

See accompanying Notes to Financial Statements.

**CAPITAL PUBLIC RADIO, INC.
STATEMENTS OF CASH FLOW
YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024 (Restated)</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (1,578,790)	\$ 234,976
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation and Amortization of Right-of-Use Assets	169,453	333,162
Net Realized and Unrealized Gain	-	(50,981)
Debt Addition (Reduction) Based on Activity with Related Party	338,187	(674,598)
Provision (Credit) for Credit Losses	(7,581)	15,824
Change in Operating Leases	55,149	51,277
Changes in Operating Assets and Liabilities:		
Contributions Receivable	(192,166)	489,386
Accounts Receivable and Other Receivables	102,956	178,022
Prepaid Expenses and Other Assets	(27,403)	100,433
Accounts Payable and Accrued Expenses	2,517,259	(525,236)
Unearned Revenue	(80,322)	55,477
Net Cash Provided by Operating Activities	<u>1,296,742</u>	<u>207,742</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Proceeds from Sale of Investments	-	100,253
Purchases of Property, Plant, and Equipment	(224,856)	(113,452)
Net Cash Used by Investing Activities	<u>(224,856)</u>	<u>(13,199)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on Financing Leases	(73,563)	(58,640)
Principal Payments on Notes Payable	(549,417)	(481,226)
Net Cash Used by Financing Activities	<u>(622,980)</u>	<u>(539,866)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	448,906	(345,323)
Cash and Cash Equivalents - Beginning of Year	<u>1,017,471</u>	<u>1,362,794</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,466,377</u>	<u>\$ 1,017,471</u>
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Cash and Cash Equivalents	\$ 1,466,377	\$ 760,513
Restricted Cash	-	256,958
Total Cash, Cash Equivalents, and Restricted Cash	<u>\$ 1,466,377</u>	<u>\$ 1,017,471</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	<u>\$ 194,721</u>	<u>\$ 162,094</u>
Debt (Addition) Reduction Based on Activity with Related Party	<u>\$ (338,187)</u>	<u>\$ 674,598</u>

See accompanying Notes to Financial Statements.

CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 NATURE OF ORGANIZATION

Capital Public Radio, Inc. (CapRadio) serves California's Capital Region, Central Valley, Sierra Nevada and North State as a public-supported alternative to for-profit media. As the NPR Member station based in Sacramento, CapRadio connects with communities through 32 broadcast towers, live streaming, podcasts, digital communities, live experiences and more. CapRadio is recognized as a leader in community-engaged journalism and government accountability reporting, and its coverage is distributed throughout its Northern California network and to over a dozen NPR stations covering 97% of California counties each day. CapRadio is also the exclusive broadcast source of classical music and jazz in the region. Each week, nearly 500,000 people choose CapRadio as a valued source of news, storytelling, music and events.

CapRadio is a Sacramento State auxiliary and operates under the University's broadcasting license. CapRadio manages North State Public Radio (KCHO), the NPR Member station licensed to Chico State, and KHSU-FM (KHSU), the NPR Member station licensed to CalPoly Humboldt, through public service operating agreements.

All stations will be collectively referred to as "the Station" unless otherwise noted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Station have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Station presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, Subtopic 210 (FASB ASC 958-210), *Presentation of Financial Statements of Not-for-Profit Entities*. Under FASB ASC 958-210, the Station is required to report information regarding its financial position and activities according to the following two classes of net assets:

Net Assets Without Donor Restrictions – Net assets that are not subject to stipulations.

Net Assets With Donor Restrictions – Net assets that are subject to stipulations that will be met by actions or the passage of time.

Revenues and gains and losses on investments are reported as changes in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled, and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

In accordance with the provisions of FASB ASC Topic 958-605, *Not-for-Profit Entities – Revenue Recognition*, unconditional contributions are generally recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Unconditional promises to give (pledges) are recognized as revenues once a valid pledge has been received. The receivable and the corresponding revenue are recognized concurrently. Conditional contributions and pledges are recorded when the conditions have been met.

Grants without donor restrictions are recognized as support in the statement of activities upon receipt or accrual. The Station reports certain grants as restricted support if they are received with granter stipulations that limit their use.

Revenue for program underwriting is recorded on a pro rata basis for the period.

Receivable balances are stated at unpaid balance, less an allowance for doubtful accounts. The Station provides for losses on receivable balances using the allowance method. This method is based on experience and other circumstances which may affect the collectability of the balance. Uncollectible receivables are charged off when management determines the receivable will not be collected.

The Station implements the guidance provided by ASU 2018-08, *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*, to provide a decision-making model to assist entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and determining whether a contribution is conditional.

In accordance with the provisions of FASB ASC 606, the Station's other income received and exchange transactions are not recognized as revenues until the revenue is earned, which is at the time when the services are provided.

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair market value when it is received. The Station provides for depreciation over the estimated useful lives of the assets using the straight-line method. The estimated lives of these assets range from 5 to 30 years. Maintenance and repairs are charged to expense as incurred. Renewals and betterments which extend the useful lives of assets are capitalized.

Equipment purchased with grant funds from the National Telecommunications and Information Administration (NTIA) is to revert to that agency if the Station wishes to dispose of the equipment within ten years from the date of the grant.

CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Assets

In accordance with the provisions of FASB ASC 958-605, donated marketable securities, artwork, and other noncash donations received are valued at fair value at the date of contribution.

Donations of property and equipment (and other assets with explicit restrictions regarding their use) and contributions of cash that must be used to acquire such assets are reported as restricted contributions. The Station reports gifts of artwork as assets without donor restrictions because there are no donor stipulations specifying how the donated assets must be used.

Cash and Cash Equivalents

Cash equivalents consist of all highly liquid investments with original maturities of three months or less.

Restricted Cash

Restricted cash consists of money held at an escrow account for capital projects.

Concentration of Credit Risk

Financial instruments which potentially subject the Station to concentrations of credit risk consist principally of contribution receivables, cash deposits, and investments at brokerage firms. The Station does not generally require collateral for receivables, and operations are dependent upon these contributions. The Station's contributors are primarily located within and are dependent upon the economy of the broadcast areas of Stockton and the greater Sacramento area. The Station does not believe a material risk of loss exists with respect to its financial position due to this concentration of credit risk.

The Station maintains its cash and cash equivalents in bank deposit accounts. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution for each category of legal ownership. At times during the year, accounts may exceed FDIC limits. The Station has not experienced any losses on these accounts, and management believes the Station is not exposed to any significant risk on cash accounts.

Functional Expenses

Functional expenses are allocated to program and supporting services based on direct expenditures incurred. Expenses not directly chargeable to a particular functional category are allocated based on an analysis of personnel time and space or other resources utilized for the related activities.

Leases

Capital Public Radio, Inc. leases equipment and office space and determines if an arrangement is a lease at inception. Operating and finance leases are reported on the statement of financial position as a right-of-use (ROU) assets and lease liabilities.

CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

ROU assets represent Capital Public Radio, Inc.'s right to use an underlying asset for the lease term and lease liabilities represent Capital Public Radio, Inc.'s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that Capital Public Radio, Inc. will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. Capital Public Radio, Inc. has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the balance sheets.

The individual lease contracts do not provide information about the rate implicit in the lease. Therefore, Capital Public Radio, Inc. has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities. Capital Public Radio, Inc. has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Income Taxes

The Station is exempt from income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3) and from franchise taxes under the provisions of California Revenue and Taxation Code Section 23701d, except as they may be levied for unrelated business income. After they are filed, the Station's income tax returns remain subject to examination by taxing authorities generally three years for federal returns and four years for state returns.

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, and disclosures at the date of the financial statements and that also affect reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Advertising

Advertising is expensed as incurred. Advertising expense for the years ended June 30, 2025 and 2024, totaled \$23,814 and \$96,347, respectively.

Legal Claims

In the normal course of business, Capital Public Radio, Inc. has claims made against them. As of June 30, 2025, the amount and likelihood of loss is not determined. Capital Public Radio, Inc. believes these claims are without merit and intends to vigorously defend the matters.

CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Events and transactions have been evaluated for potential recognition or disclosure through September 10, 2025, the date that the financial statements were available to be issued.

NOTE 3 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

The Station's financial assets available within one year of the statement of financial position date for general expenditure are as follows as of June 30, 2025 and 2024:

	2025	2024
Cash and Cash Equivalents	\$ 1,466,377	\$ 760,513
Contributions Receivable, Net	279,194	87,028
Accounts Receivable, Net	428,921	524,296
Total	2,174,492	1,371,837
Less: Unavailable for General Expenditure Within One Year, Due to Purpose and Time Restrictions Stipulated by Donors	(140,000)	-
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 2,034,492	\$ 1,371,837

NOTE 4 CONTRIBUTIONS AND ACCOUNTS RECEIVABLE

Contributions and accounts receivable consist of the following at June 30, 2025 and 2024:

	2025	2024
Contributions Receivable	\$ 279,194	\$ 87,028
Less: Allowance for Doubtful Accounts	-	-
Contributions Receivable, Net	\$ 279,194	\$ 87,028
Accounts Receivable	\$ 439,014	\$ 541,907
Less: Allowance for Doubtful Accounts	(10,093)	(17,611)
Accounts Receivable, Net	\$ 428,921	\$ 524,296

CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 5 PROPERTY AND EQUIPMENT

At June 30, 2025 and 2024, property and equipment consisted of the following:

	2025	2024
Buildings and Improvements	\$ 3,075,940	\$ 2,847,295
Equipment	835,211	713,369
Leasehold Improvements	18,784	23,583
Construction in Progress	-	127,815
Total	<u>3,929,935</u>	<u>3,712,062</u>
Less: Accumulated Depreciation and Amortization	<u>(1,593,765)</u>	<u>(1,485,309)</u>
Property and Equipment, Net	<u>\$ 2,336,170</u>	<u>\$ 2,226,753</u>

NOTE 6 LETTER OF CREDIT

At June 30, 2025 and 2024, the Station has available a \$50,000 letter of credit with a local bank. The letter of credit has an interest rate of 8.5% and matures on December 10, 2025. At June 30, 2025 and 2024, there was no outstanding balance.

NOTE 7 NOTES PAYABLE

The following table provides notes payable balances as of June 30, 2025:

Name	Interest Rate	Maturity Date	Balance
California State University	5.28%	6/1/2035	\$ 7,198,703
California State University - KUOP	N/A	6/1/2035	839,233
Notes Payable (Equipment & Furniture)	8.38 - 14.10%	1/1/27 - 6/30/28	1,520,535
Total			<u>9,558,471</u>
Less: Current Portion			590,827
Long-Term Portion			<u>\$ 8,967,644</u>

The following table provides notes payable balances as of June 30, 2024:

Name	Interest Rate	Maturity Date	Balance
California State University	1.49%	12/31/2034	\$ 6,860,517
California State University - KUOP	N/A	12/31/2034	890,550
Notes Payable (Equipment & Furniture)	8.38 - 14.10%	1/1/27 - 6/30/28	2,018,634
Total			<u>9,769,701</u>
Less: Current Portion			3,231,364
Long-Term Portion			<u>\$ 6,538,337</u>

**CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 7 NOTES PAYABLE (CONTINUED)

Future debt payments are as follows as of June 30, 2025:

<u>Year Ending June 30.</u>	<u>Amount</u>
2026	\$ 590,827
2027	654,267
2028	390,439
2029	158,666
2030	613,246
Thereafter	7,151,026
Total	<u>\$ 9,558,471</u>

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2025, there were net assets restricted for time and purpose for the California Wellness grant in the amount of \$140,000. As of June 30, 2024, there were no net assets with donor restrictions. As of June 30, 2025, there were no net assets released. All net assets released for the year ended June 30, 2024 were time restricted.

NOTE 9 RELATED PARTY TRANSACTIONS

For the years ended June 30, 2025 and 2024, revenue received from California State University, Sacramento State (CSUS) and related auxiliaries for services, space, and programs was \$30,494 and \$14,770, respectively. Included in due to related party at June 30, 2025 and 2024, was \$2,551,450 and \$1,748,679, respectively, due to CSUS.

During the years ended June 30, 2025 and 2024, the Station incurred expenses of \$786,662 and \$196,686, respectively, for office building maintenance and various items other than salaries of CSUS personnel. The Station entered into an agreement with CSUS to exchange services. The traded in-kind services were \$1,874,400 and \$-0- for the years ended June 30, 2025 and 2024. The Station paid \$-0- and \$195,668, respectively, to the board of trustees of CSUS for office building rent during the years ended June 30, 2025 and 2024. Due to lack of payment and concerns over CPR's financial status, the CSUS deferred \$-0- and \$2,044,428 during the years ended June 30, 2025 and 2024, respectively, in unpaid bills until a payment plan could be established in a future fiscal year. Included in due to related party is \$70,202 and \$-0- due to CSUS for the years ended June 30, 2025 and 2024.

**CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 9 RELATED PARTY TRANSACTIONS (CONTINUED)

The Station entered the KUOP Facilities Agreement (the Agreement) with CSUS on August 14, 2008. The Agreement provides for the financing of certain costs related to the Asset Purchase Agreement between CSUS and the University of the Pacific to secure the purchase of the broadcast license of the FM broadcasting station KUOP. The terms of the Agreement, which were amended in 2013, provide for a long-term capital lease financing arrangement between the Station and CSUS (see Note 7). As of June 30, 2025 and 2024, the outstanding balance on the loan was \$839,233 and \$890,550, respectively.

In 2021, the Station entered into a financing agreement with CSUS for various interior tenant improvements on a leased building in Sacramento, California (see Note 7). The agreement provides for repayment of \$8,000,000 over a seven-year period. As of June 30, 2025 and 2024, the outstanding balance on the loan was \$7,198,703 and \$6,860,517, respectively.

NOTE 10 CONTRIBUTED NONFINANCIAL ASSETS

The value of donated materials and services included in the financial statements for the years ended June 30, 2025 and 2024, is as follows:

	2025	2024
Vehicles	\$ 774,115	\$ 685,457
Trade	2,171,270	185,383
Total	\$ 2,945,385	\$ 870,840

All goods and services donated were utilized for programmatic activities and there were no donor restrictions on their use. Contributed goods and services are recorded at fair value at the date of donation. It is the Station's policy to sell all contributed vehicles immediately upon receipt at auction or for salvage unless the vehicle is restricted for use in a specific program by the donor. No vehicles received during the period were restricted for use. All vehicles were sold and valued according to the actual cash proceeds on their disposition. Trade is valued at the fair value if it were to be paid for based on other related contracts.

CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 11 LEASES

Capital Public Radio, Inc. has three lease commitments for equipment and office space under noncancelable leases. The following table provides quantitative information concerning leases for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Financing Lease Costs:		
Amortization of Right-of-Use Assets	\$ 54,013	\$ 45,972
Interest on Lease Liabilities	7,548	8,953
Operating Lease Cost	274,099	47,943
Total Cost	<u>\$ 335,660</u>	<u>\$ 102,868</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Financing Leases	\$ 7,548	\$ 8,953
Operating Cash Flows from Operating Leases	\$ 187,064	\$ 40,778
Financing Cash Flows from Financing Leases	\$ 73,563	\$ 58,640
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	\$ -	\$ 275,835
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 2,663,946
Weighted Average Remaining Lease Term - Financing Leases	2.1 Years	3 Years
Weighted Average Remaining Lease Term - Operating Leases	10.8 Years	11.8 Years
Weighted Average Discount Rate - Financing Leases	4.40 %	4.42 %
Weighted Average Discount Rate - Operating Leases	4.36 %	4.36 %

<u>Year Ending June 30,</u>	<u>Financing Leases</u>	<u>Operating Leases</u>	<u>Total</u>
2026	\$ 65,420	\$ 156,006	\$ 221,426
2027	56,467	262,402	318,869
2028	21,409	268,962	290,371
2029	-	275,690	275,690
2030	-	282,576	282,576
Thereafter	-	1,795,729	1,795,729
Total Lease Payments	<u>143,296</u>	<u>3,041,365</u>	<u>3,184,661</u>
Less: Interest	<u>(6,047)</u>	<u>(658,259)</u>	<u>(664,306)</u>
Present Value of Lease Liabilities	<u>\$ 137,249</u>	<u>\$ 2,383,106</u>	<u>\$ 2,520,355</u>

CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12 RETIREMENT PLAN

Effective October 1, 2010, the Station adopted a new IRC Section 401(k) plan. All employees are eligible on the date of hire to participate in salary deferrals to the plan; however, employees must have 1,000 hours of service to be eligible for matching and profit-sharing contributions. For the years ended June 30, 2025 and 2024, the match provided by the Station was \$105,193 and \$-0-, respectively.

NOTE 13 UNRELATED BUSINESS INCOME TAXES

While the Station is exempt from federal and state taxes under Section 501(c)(3) of the IRC and Section 23701d of the California Revenue and Taxation Code, net income generated by unrelated business activities is taxable as unrelated business income. Unrelated business activities conducted by the Station include advertising income from the Station's quarterly program guide and rentals of tower space.

For the year ended June 30, 2025 and 2024, net income as calculated for income tax purposes was not sufficient to yield any income tax expense. In addition, the Station has been determined by the IRC not to be a private foundation within the meaning of Section 509(a) of the Code.

CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 14 SUBSEQUENT EVENTS

In September 2023, California State University (CSU) released an audit of its auxiliary, CapRadio. This audit raised many concerns about the financial processes, practices, and information kept by and reported on behalf of CapRadio. The audit specifically reviewed audited financials from fiscal year 2022.

Due to the release of this report the following items have occurred:

- The Corporation for Public Broadcasting (CPB) has completed an Office of Inspector General audit of all CapRadio reporting to CPB for FY20/21, FY21/22, FY22/23, and current processes for FY23/24.
 - This audit found that CapRadio, overstated Non-Federal Financial Support for all 4 FCC licenses. This resulted in a CSG overpayments of \$293,771.
 - The report also found questioned costs of \$89,989 for the 4 FCC licenses.
 - In August of 2025, CPB requested the above amounts and penalties of \$56,376 to be paid back.
 - As of the finalization of this report, CapRadio has paid all fines and penalties owed to CPB.
 - CPB ended funding of CapRadio in FY24/25.
- CapRadio has entered into a Financial Services Agreement with the University. This agreement provides CapRadio with all necessary compliance and financial oversight.
- CapRadio has been working with its attorneys to remove itself from contracts and address concerns that arose during CSU audit.
 - At this time, we cannot speak to ongoing investigations and legal matters.
 - CapRadio has resolved one contract dispute, and is working with insurance to resolve another financial concern in September 2025.
 - All other items are in progress, and the public will be updated when these are resolved.

While the items above have addressed many of the concerns from the CSU audit, CapRadio recognizes that this is an ongoing process and some practices may continue to improve as they move forward over the next few years. CapRadio also recognizes that all open audits and investigations could lead to other legal matters and will disclose these items as they arise, and CapRadio is able. Currently, CapRadio is working in an open and forthright manner with all auditors and investigators and is working to address all concerns.

CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 15 MANAGEMENT PLANS

Due to the results of the September 2023 CSU Audit (Audit Report 22-37) and the Fiscal Year 2023 Audit, as well as the continued interruption of funding by the Corporation for Public Broadcasting, management is actively analyzing and managing future projected revenues, expenses, and cash flow to increase the likelihood that substantial concern about the Organization's ability to continue as a going concern is alleviated.

The following narrative provides CapRadio management's strategic approach to sustainability and growth in the face of an unprecedented attack on public media and past actions under a former general manager who is currently at the center of a related law enforcement investigation regarding his role.

A New Approach to Sustainability: CapRadio's Community-Supported Business Model

On July 18, 2025, Congress passed H.R. 4, the Rescissions Act of 2025. This decision "clawed back" \$1.1 billion in funding for the Corporation for Public Broadcasting for fiscal years 2026 and 2027. On August 1, 2025, the Corporation for Public Broadcasting, the conduit for federal funds to NPR and PBS, announced that it's beginning to wind down its operations.

CapRadio has proactively adapted to the stark reality facing public media by pioneering a new approach to sustainability that relies exclusively on community support — not government funding. Currently, the Organization's funding comes from individual member contributions and local business support, in addition to vehicle donations, planned gifts, and an unrestricted local grant.

With a focus on sustainability, CapRadio continues to make improvements that bolster its new community-supported business model so the Organization can build a robust future for public media in the region. As a community-funded resource, CapRadio is not only empowered to operate undisrupted by this loss in government funding, but is actively increasing public services for the betterment of the community.

Sustainability Through Community Support

CapRadio has taken time to craft its story and leverage its channels to message to the community with intention and consistency. The Station has significantly increased on-air and other communications around funding education, its mission, and the impact of member contributions and paid business sponsorship. CapRadio has also embraced partnerships and media collaborations that help the region thrive.

In one such example, CapRadio orchestrated a major community partnership to serve as the Visionary Media Partner for Big Day of Giving, a regional fundraising event for over 800 nonprofits put on by the Sacramento Region Community Foundation. Not only did Big Day of Giving set a new fundraising record with nearly \$14M raised in 2025, but CapRadio achieved its own fundraising record with over \$200,000 from nearly 900 donations. Additionally, CapRadio launched its new Nonprofit Showcase program (capradio.org/showcase) during Big Day of Giving to help uplift nonprofits all year long. The initiative has received an overwhelmingly positive response from the community.

CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 15 MANAGEMENT PLANS (CONTINUED)

Sustainability Through Community Support (Continued)

In June 2025, CapRadio ran its two-week budget year-end It Only Takes You campaign across broadcast and digital channels that focused messaging around its community-supported approach to sustainability. The campaign achieved a 76% increase in donations compared to the previous year. For its Fall 2025 campaign, CapRadio secured over \$200,000 in match funds from a small group of community members who believe in the station's long-term future.

CapRadio continues to increase engagement with members and the community, holding dozens of donor convenings with leadership, offering routine community tours of the Station, having one-to-one discussions, and presenting to community organizations. The Organization has leaned into openness and transparency with its supporters, making time to have discussions, answer questions, and ask for support.

CapRadio is championing a data-informed culture at the Organization, taking steps to refine its data collection and reporting processes and implement a design thinking approach to help define, prioritize, and achieve its revenue goals. The Organization is working through a transition to a new CRM platform in FY 2026 that will play an important role in its continued efforts to optimize revenue program management, increase fundraising, and improve communications.

Restructuring Business Operations for Long-Term Sustainability

Management Transition of NSPR & KHSU Stations

CapRadio is on schedule to end its operating agreements with public radio stations in Chico and Humboldt County by the end of 2025. CapRadio is working closely with its university partners on a responsible transfer plan that will ensure broadcasting continuity throughout the transition.

Under the current arrangement, CapRadio covers all costs associated with staffing, accounting, and business administration for NSPR and KHSU, including NPR and content licensing fees, tower rents and maintenance, office rent, and utilities. Additionally, CapRadio staff perform almost all nonreporting functions for those stations, including maintaining 18 broadcast towers associated with NSPR and KHSU, overseeing broadcast and technology infrastructure, managing a separate membership program for NSPR, and providing accounting services. The transition is expected to result in over \$1.2M in annual cost savings.

New In-House Sponsorship Team

On July 1, 2025, CapRadio finalized the process of integrating the paid business Sponsorship function back in-house after it was contracted out to a third-party in early 2023. As part of that transition effort, CapRadio onboarded a four-person team of veteran local broadcast account managers, in addition to a widely known and respected new team lead, Colleen McCartney. McCartney is a long-time sales executive who has spent 25 years in the Sacramento market working in broadcast media — coming to CapRadio previously as the Vice President of Sales at iHeartMedia. CapRadio also deployed a new sponsorship web page to highlight the value and impact of business sponsorship, which has seen strong traffic and lead generation since launch (capradio.org/sponsor).

CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 15 MANAGEMENT PLANS (CONTINUED)

Restructuring Business Operations for Long-Term Sustainability (Continued)

New Development Team Structure

In August 2025, CapRadio deployed a new development structure that focuses on two distinct — yet intertwined — membership functions that will better position the Organization to achieve stewardship, retention, and growth goals. Member Services will focus on membership program management and optimization, customer service, and pipeline building for mid and major giving. Donor Development will focus on increasing giving from members and cultivating planned gifts.

Delivering Public Services Sustainably

CapRadio has significantly increased the amount of local audio stories it has produced over the last year, and the community has responded in kind. In FY 2025, CapRadio saw a 48% increase in its weekly news listening audience and a 54% increase in its market share compared to the previous year.

CapRadio has recently hired more reporters, editors, and producers to continue investing in content that is valued by the community. The newsroom is building toward a more local-focused news broadcast, which includes having a dedicated local news D segment during NPR's flagship news magazines, Morning Edition and All Things Considered. This will result in a total of 15 minutes of local news every hour. It is also launching a major update to its mobile app (capradio.org/app) to improve the experience of its largest streaming platform, offer more on-demand audio experiences, and reach more people outside of broadcast radio.

CapRadio is investing in the next generation of journalists by growing its student internship program and opportunities to work with its newsroom to gain real-world experience. After the first year of the newly reinstated internship program, CapRadio is proud to share that it extended job offers to two seniors who completed the internship program in the summer of 2025.

The Station continues to improve and expand local public services in a sustainable manner. One of CapRadio's strategic priorities is to operate as one organization with one mission: to create more informed, involved and educated communities. The Station has embraced collaboration across departments, including increased communication between its content and revenue teams, to deliver on its public service mission sustainably. Its marketing, development and sponsorship teams have been able to raise more funds by having a better understanding of the work and initiatives its content teams are doing and using that knowledge to inspire support from the community.

CAPITAL PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 15 MANAGEMENT PLANS (CONTINUED)

Positive Momentum in Remediation and Dispute Resolution Efforts

KVIE Lawsuit Against CapRadio

On Wednesday, May 21, 2025, a Sacramento County Superior Court judge dismissed crucial arguments in KVIE’s ongoing litigation against CapRadio, rejecting a motion to force CapRadio to hand over its news radio tower rents through a receivership. The determination is a welcomed affirmation of the facts surrounding CapRadio’s long-time ownership, operation, and maintenance of its primary public service news broadcasting tower. While the ruling did not make a determination on tower ownership, it did reject KVIE’s claim that they showed proof of tower ownership.

Additionally, the court supported CapRadio’s argument that KVIE’s claim that maintenance was deferred was invalid and unsubstantiated. This ruling is important because it refutes a major argument that both the endowment and KVIE have continued to use as justification for why the donation was made and accepted. It specifically called out KVIE’s president for lacking sufficient personal knowledge to substantiate his false claims.

On Tuesday, July 15, 2025, CapRadio received yet another welcomed affirmation of its long-time ownership, operation, and maintenance of its news radio tower after a Sacramento County Superior Court judge denied KVIE’s motion to dismiss CapRadio’s claim of an “irrevocable license” to use the Elverta property for news broadcasting purposes.

With two major rulings in CapRadio’s favor, mounting pressure in the community to resolve this radio tower dispute without lawyers, and KVIE’s loss of \$2.5M in annual funding through the Corporation for Public Broadcasting, CapRadio sees a positive outcome for the station becoming more likely.

Financial Crimes Outcomes

On Wednesday, August 20, 2025, the CapRadio Board of Directors approved the signing of a Memorandum of Understanding to receive a nearly \$1.3M insurance payment due to the financial crimes against CapRadio by a former general manager. The agreement also provides an opportunity for CapRadio to pursue legal cost recovery from said former general manager.

NOTE 16 RESTATEMENT

The June 30, 2024 financial statements were restated to correct the value of a fixed asset balance. Fixed assets and net assets without donor restrictions were reduced by \$229,984.

Beginning Net Assets Without Donor Restrictions	\$ (10,460,386)
Restatement - Decrease in Property and Equipment, Net	<u>(229,984)</u>
Restated Net Assets Without Donor Restrictions	<u><u>\$ (10,690,370)</u></u>

CAPITAL PUBLIC RADIO, INC.
COMBINING BALANCE SHEET
JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

ASSETS	<u>CapRadio</u>	<u>KCHO</u>	<u>KHSU</u>	<u>Elimination</u>	<u>Total</u>
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,455,482	\$ -	\$ 10,895	\$ -	\$ 1,466,377
Contributions Receivable, Net	279,194	-	-	-	279,194
Accounts Receivable, Net	402,481	22,758	3,682	-	428,921
Prepaid Expenses	49,539	-	-	-	49,539
Total Current Assets	<u>2,186,696</u>	<u>22,758</u>	<u>14,577</u>	<u>-</u>	<u>2,224,031</u>
OTHER ASSETS					
Donated Artwork	35,025	-	-	-	35,025
Deposits	68,976	-	-	-	68,976
Property and Equipment, Net	2,336,170	-	-	-	2,336,170
Right-of-Use Assets - Financing	142,766	-	-	-	142,766
Right-of-Use Assets - Operating	2,349,352	-	-	-	2,349,352
Total Other Assets	<u>4,932,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,932,289</u>
Total Assets	<u>\$ 7,118,985</u>	<u>\$ 22,758</u>	<u>\$ 14,577</u>	<u>\$ -</u>	<u>\$ 7,156,320</u>

CAPITAL PUBLIC RADIO, INC.
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

LIABILITIES AND NET ASSETS	<u>CapRadio</u>	<u>KCHO</u>	<u>KHSU</u>	<u>Elimination</u>	<u>Total</u>
CURRENT LIABILITIES					
Accounts Payable	\$ 3,814,587	\$ 421,785	\$ 29,818	\$ -	\$ 4,266,190
Due to Related Party	2,551,450	-	-	-	2,551,450
Accrued Liabilities	443,601	53,334	-	-	496,935
Unearned Revenue	29,920	2,159	-	-	32,079
Lease Liability - Financing	76,502	-	-	-	76,502
Lease Liability - Operating	51,678	-	-	-	51,678
Related Party Notes Payable	15,000	-	-	-	15,000
Current Portion of Notes Payable	575,827	-	-	-	575,827
Total Current Liabilities	<u>7,558,565</u>	<u>477,278</u>	<u>29,818</u>	<u>-</u>	<u>8,065,661</u>
LONG-TERM LIABILITIES					
Lease Liability - Financing, Net of Current Portion	60,747	-	-	-	60,747
Lease Liability - Operating, Net of Current Portion	2,331,428	-	-	-	2,331,428
Related Party Notes Payable, Net of Current Portion	8,022,936	-	-	-	8,022,936
Notes Payable, Net of Current Portion	944,708	-	-	-	944,708
Total Long-Term Liabilities	<u>11,359,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,359,819</u>
Total Liabilities	18,918,384	477,278	29,818	-	19,425,480
NET ASSETS					
Without Donor Restrictions:					
General Operating	(11,974,424)	(454,520)	(15,241)	-	(12,444,185)
Designated - Donated Artwork	35,025	-	-	-	35,025
Total Without Donor Restrictions	<u>(11,939,399)</u>	<u>(454,520)</u>	<u>(15,241)</u>	<u>-</u>	<u>(12,409,160)</u>
With Donor Restrictions	140,000	-	-	-	140,000
Total Net Assets	<u>(11,799,399)</u>	<u>(454,520)</u>	<u>(15,241)</u>	<u>-</u>	<u>(12,269,160)</u>
Total Liabilities and Net Assets	<u>\$ 7,118,985</u>	<u>\$ 22,758</u>	<u>\$ 14,577</u>	<u>\$ -</u>	<u>\$ 7,156,320</u>

CAPITAL PUBLIC RADIO, INC.
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	CapRadio			KCHO		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND SUPPORT						
Listener Contributions	\$ 9,128,489	\$ -	\$ 9,128,489	\$ 627,274	\$ -	\$ 627,274
Other Grants and Contributions	54,774	140,000	194,774	-	-	-
Underwriting	1,917,952	-	1,917,952	120,686	-	120,686
Contributions of Nonfinancial Assets	2,856,415	-	2,856,415	73,470	-	73,470
Rental Income	128,224	-	128,224	-	-	-
Other Revenue	284,372	-	284,372	-	-	-
Net Return on Investments	67	-	67	-	-	-
Net Assets Released from Restriction	-	-	-	-	-	-
Total Revenue and Support	14,370,293	140,000	14,510,293	821,430	-	821,430
EXPENDITURES						
Programs:						
Programming and Production	6,723,829	-	6,723,829	785,971	-	785,971
Broadcasting	694,326	-	694,326	88,585	-	88,585
Marketing and Promotion	749,589	-	749,589	15,215	-	15,215
Support:						
Membership Development	950,872	-	950,872	98,549	-	98,549
Management and General	5,853,466	-	5,853,466	651,190	-	651,190
Total Expenditures	14,972,082	-	14,972,082	1,639,510	-	1,639,510
CHANGE IN NET ASSETS	(601,789)	140,000	(461,789)	(818,080)	-	(818,080)
Net Assets - Beginning of Year (Restated)	(11,337,610)	-	(11,337,610)	363,560	-	363,560
NET ASSETS - END OF YEAR	<u>\$ (11,939,399)</u>	<u>\$ 140,000</u>	<u>\$ (11,799,399)</u>	<u>\$ (454,520)</u>	<u>\$ -</u>	<u>\$ (454,520)</u>

CAPITAL PUBLIC RADIO, INC.
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	KHSU			Total		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND SUPPORT						
Listener Contributions	\$ 5,894	\$ -	\$ 5,894	\$ 9,761,657	\$ -	\$ 9,761,657
Other Grants and Contributions	-	-	-	54,774	140,000	194,774
Underwriting	27,250	-	27,250	2,065,888	-	2,065,888
Contributions of Nonfinancial Assets	15,500	-	15,500	2,945,385	-	2,945,385
Rental Income	-	-	-	128,224	-	128,224
Other Revenue	28,356	-	28,356	312,728	-	312,728
Net Return on Investments	-	-	-	67	-	67
Net Assets Released from Restriction	-	-	-	-	-	-
Total Revenue and Support	<u>77,000</u>	<u>-</u>	<u>77,000</u>	<u>15,268,723</u>	<u>140,000</u>	<u>15,408,723</u>
EXPENDITURES						
Programs:						
Programming and Production	217,138	-	217,138	7,726,938	-	7,726,938
Broadcasting	10,979	-	10,979	793,890	-	793,890
Marketing and Promotion	-	-	-	764,804	-	764,804
Support:						
Membership Development	19,898	-	19,898	1,069,319	-	1,069,319
Management and General	127,906	-	127,906	6,632,562	-	6,632,562
Total Expenditures	<u>375,921</u>	<u>-</u>	<u>375,921</u>	<u>16,987,513</u>	<u>-</u>	<u>16,987,513</u>
CHANGE IN NET ASSETS	(298,921)	-	(298,921)	(1,718,790)	140,000	(1,578,790)
Net Assets - Beginning of Year (Restated)	<u>283,680</u>	<u>-</u>	<u>283,680</u>	<u>(10,690,370)</u>	<u>-</u>	<u>(10,690,370)</u>
NET ASSETS - END OF YEAR	<u>\$ (15,241)</u>	<u>\$ -</u>	<u>\$ (15,241)</u>	<u>\$ (12,409,160)</u>	<u>\$ 140,000</u>	<u>\$ (12,269,160)</u>

CAPITAL PUBLIC RADIO, INC.
CAPRADIO STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Programming and Production	Broadcasting	Marketing and Promotion	Membership Development	Management and General	Total
Advertising	\$ -	\$ 2,402	\$ 3,312	\$ 831	\$ 3,449	\$ 9,994
Bad Debt	159,843	951	-	-	215,518	376,312
Bank Fees	-	-	-	78,237	15,467	93,704
Computer Software and Maint	4,516	2,778	6,564	10,462	368,300	392,620
Consultants and Temps	-	-	6,244	-	-	6,244
Contractual Services	1,578,342	600,065	145,121	71,155	678,810	3,073,493
CSUS Administration	-	-	-	4,446	484,463	488,909
Depreciation Expense	164,950	5,729	30,068	34,725	124,956	360,428
Equipment Lease Expense	56,919	1,977	10,376	11,983	43,118	124,373
ER Dental	12,604	598	2,208	3,924	8,046	27,380
Events	-	-	33	41	-	74
Fringe Benefits	2,420	97	483	1,927	10,422	15,349
In-Kind Expenses	2,293,013	-	-	-	-	2,293,013
Insurance Non	-	-	-	-	312,974	312,974
Interest Expense	-	-	-	-	152,278	152,278
Legal Fees	-	-	-	-	1,075,898	1,075,898
Marketing Promo Items	-	-	2,571	19,182	-	21,753
Medical	118,935	6,370	14,304	43,912	68,557	252,078
Memberships and Subscriptions	4,465	-	-	-	633	5,098
Other Expenses	-	-	-	-	280,291	280,291
Payroll Taxes	128,882	5,608	33,460	32,820	106,329	307,099
Penalties and Fines	-	-	-	-	66,986	66,986
Photocopying	62	-	-	-	-	62
Postage	100	-	-	172,060	600	172,760
Program Supplies	31,085	-	81,036	14,562	71,380	198,063
Property Maintenance	17,427	-	-	-	3,788	21,215
Recruitment	-	-	-	-	95	95
Rent	168,575	-	-	154	298,928	467,657
Retirement	44,319	1,861	11,930	11,751	25,942	95,803
Salaries	1,709,426	65,890	400,931	427,933	1,257,964	3,862,144
Telephone	24,067	-	-	5,757	129,570	159,394
Travel and Training	8,845	-	948	5,010	3,713	18,516
Utilities	195,034	-	-	-	44,991	240,025
Total	\$ 6,723,829	\$ 694,326	\$ 749,589	\$ 950,872	\$ 5,853,466	\$ 14,972,082

CAPITAL PUBLIC RADIO, INC.
KCHO STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Programming and Production	Broadcasting	Marketing and Promotion	Membership Development	Management and General	Total
Advertising	\$ -	\$ 4,721	\$ -	\$ -	\$ -	\$ 4,721
Bad Debt	-	6,107	-	-	-	6,107
Bank Fees	14	-	-	6,133	-	6,147
Computer Software and Maint	568	-	155	2,005	22,642	25,370
Consultants and Temps	-	-	-	-	438	438
Contractual Services	199,367	68,487	14,926	28,388	34,176	345,344
CSUS Administration	-	-	-	-	60,000	60,000
Equipment Lease Expense	-	-	-	-	74,295	74,295
ER Dental	2,603	-	-	-	1,033	3,636
Fringe Benefits	826	-	-	-	1,373	2,199
In-Kind Expenses	23,527	-	-	-	-	23,527
Insurance Non	-	-	-	-	10,312	10,312
Legal Fees	-	-	-	-	22,410	22,410
Marketing Promo Items	-	-	134	878	-	1,012
Medical	41,394	-	-	-	14,242	55,636
Memberships and Subscriptions	291	-	-	-	-	291
Other Expenses	-	-	-	-	19,548	19,548
Payroll Taxes	29,224	-	-	-	11,339	40,563
Penalties and Fines	-	-	-	-	10,111	10,111
Postage	-	-	-	34,760	53	34,813
Program Supplies	31,212	-	-	925	4,855	36,992
Property Maintenance	3,314	-	-	-	-	3,314
Rent	1,250	-	-	-	8,157	9,407
Retirement	6,514	-	-	-	2,875	9,389
Salaries	435,629	9,270	-	24,461	341,645	811,005
Telephone	391	-	-	-	10,113	10,504
Travel and Training	9,847	-	-	999	1,573	12,419
Total	\$ 785,971	\$ 88,585	\$ 15,215	\$ 98,549	\$ 651,190	\$ 1,639,510

CAPITAL PUBLIC RADIO, INC.
KHSU STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Programming and Production	Broadcasting	Marketing and Promotion	Membership Development	Management and General	Total
Advertising	\$ -	\$ 629	\$ -	\$ -	\$ -	\$ 629
Bank Fees	-	-	-	295	-	295
Computer Software and Maint	4,106	-	-	-	6,350	10,456
Contractual Services	109,778	9,114	-	8,968	6,500	134,360
CSUS Administration	-	-	-	-	22,345	22,345
In-Kind Expenses	8,967	-	-	-	-	8,967
Other Expenses	-	-	-	-	18,242	18,242
Penalties and Fines	-	-	-	-	6,925	6,925
Program Supplies	280	-	-	-	52	332
Rent	8,778	-	-	-	-	8,778
Repairs and Maintenance	9,595	-	-	-	-	9,595
Salaries	54,407	1,236	-	10,635	66,566	132,844
Telephone	19,286	-	-	-	914	20,200
Travel and Training	1,941	-	-	-	12	1,953
Total	\$ 217,138	\$ 10,979	\$ -	\$ 19,898	\$ 127,906	\$ 375,921

CAPITAL PUBLIC RADIO, INC.
SCHEDULE OF NET POSITION
JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

Assets:

Current assets:

Cash and cash equivalents	1,466,377
Short-term investments	—
Accounts receivable, net	708,115
Lease receivable, current portion	—
P3 receivable, current portion	—
Notes receivable, current portion	—
Pledges receivable, net	—
Prepaid expenses and other current assets	49,539
Total current assets	<u>2,224,031</u>

Noncurrent assets:

Short-term investments	—
Accounts receivable, net	—
Lease receivable, net of current portion	—
P3 receivable, net of current portion	—
Notes receivable, net of current portion	—
Student loans receivable, net	—
Pledges receivable, net	—
Endowment investments	—
Other long-term investments	—
Capital assets, net	4,863,313
Other assets	68,976
Total noncurrent assets	<u>4,932,289</u>
Total assets	<u>7,156,320</u>

Deferred outflows of resources:

Unamortized loss on debt refunding	—
Net pension liability	—
Net OPEB liability	—
Leases	—
P3	—
Others	—
Total deferred outflows of resources	<u>—</u>

CAPITAL PUBLIC RADIO, INC.
SCHEDULE OF NET POSITION (CONTINUED)
JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

Liabilities:

Current liabilities:

Accounts payable	4,266,190
Accrued salaries and benefits	496,935
Accrued compensated absences, current portion	—
Unearned revenues	32,079
Lease liabilities, current portion	128,180
SBITA liabilities - current portion	—
P3 liabilities - current portion	—
Long-term debt obligations, current portion	590,827
portion	—
Depository accounts	—
Other liabilities	2,551,450
Total current liabilities	<u>8,065,661</u>

Noncurrent liabilities:

Accrued compensated absences, net of current portion	—
Unearned revenues	—
Grants refundable	—
Lease liabilities, net of current portion	2,392,175
SBITA liabilities, net of current portion	—
P3 liabilities, net of current portion	—
Long-term debt obligations, net of current portion	8,967,644
current portion	—
Depository accounts	—
Net other postemployment benefits liability	—
Net pension liability	—
Other liabilities	—
Total noncurrent liabilities	<u>11,359,819</u>
Total liabilities	<u>19,425,480</u>

Deferred inflows of resources:

P3 service concession arrangements	—
Net pension liability	—
Net OPEB liability	—
Unamortized gain on debt refunding	—
Nonexchange transactions	—
Lease	—
P3	—
Others	—
Total deferred inflows of resources	<u>—</u>

Net position:

Net investment in capital assets	—
Restricted for:	
Nonexpendable – endowments	—
Expendable:	
Scholarships and fellowships	—
Research	—
Loans	—
Capital projects	—
Debt service	—
Others	140,000
Unrestricted	<u>(12,409,160)</u>
Total net position	<u>(12,269,160)</u>

CAPITAL PUBLIC RADIO, INC.
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

Revenues:

Operating revenues:

Student tuition and fees, gross	—
Scholarship allowances (enter as negative)	—

Grants and contracts, noncapital:

Federal	—
State	—
Local	194,774
Nongovernmental	—
Sales and services of educational activities	—
Sales and services of auxiliary enterprises, gross	—
Scholarship allowances (enter as negative)	—
Other operating revenues	5,452,292

Total operating revenues	5,647,066
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Expenses:

Operating expenses:

Instruction	—
Research	—
Public service	—
Academic support	—
Student services	—
Institutional support	—
Operation and maintenance of plant	—
Student grants and scholarships	—
Auxiliary enterprise expenses	16,818,060
Depreciation and amortization	169,453

Total operating expenses	16,987,513
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Operating income (loss)	(11,340,447)
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CAPITAL PUBLIC RADIO, INC.
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

Nonoperating revenues (expenses):

State appropriations, noncapital	—
Federal financial aid grants, noncapital	—
State financial aid grants, noncapital	—
Local financial aid grants, noncapital	—
Nongovernmental and other financial aid grants, noncapital	—
Other federal nonoperating grants, noncapital	—
Gifts, noncapital	—
Investment income (loss), net	—
Endowment income (loss), net	—
Interest expense	—
Other nonoperating revenues (expenses)	9,761,657
Net nonoperating revenues (expenses)	<u>9,761,657</u>
Income (loss) before other revenues (expenses)	<u>(1,578,790)</u>

State appropriations, capital	—
Grants and gifts, capital	—
Additions (reductions) to permanent endowments	—
Increase (decrease) in net position	<u>(1,578,790)</u>

Net position:

Net position at beginning of year, as previously reported	(10,460,386)
Restatements	<u>(229,984)</u>
Net position at beginning of year, as restated	<u>(10,690,370)</u>
Net position at end of year	<u><u>(12,269,160)</u></u>

CAPITAL PUBLIC RADIO, INC.
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

2.2 Fair value hierarchy in investments:

Investment Type	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value (NAV)
Money market funds	\$ -	-	-	-	-
Repurchase agreements	-	-	-	-	-
Certificates of deposit	-	-	-	-	-
U.S. agency securities	-	-	-	-	-
U.S. treasury securities	-	-	-	-	-
Municipal bonds	-	-	-	-	-
Corporate bonds	-	-	-	-	-
Asset backed securities	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-
Commercial paper	-	-	-	-	-
Supranational	-	-	-	-	-
Mutual funds	-	-	-	-	-
Exchange traded funds	-	-	-	-	-
Equity securities	-	-	-	-	-
Alternative investments:					
Private equity (including limited partnerships)	-	-	-	-	-
Hedge funds	-	-	-	-	-
Managed futures	-	-	-	-	-
Real estate investments (including REITs)	-	-	-	-	-
Commodities	-	-	-	-	-
Derivatives	-	-	-	-	-
Other alternative investment types	-	-	-	-	-
Other external investment pools	-	-	-	-	-
CSU Consolidated Investment Pool (formerly SWIFT)	-	-	-	-	-
State of California Local Agency Investment Fund (LAIF)	-	-	-	-	-
State of California Surplus Money Investment Fund (SMIF)	-	-	-	-	-
Other investments:	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Total other investments:	-	-	-	-	-
Total investments	\$ -	-	-	-	-

2.3 Investments held by the University under contractual agreements:

	Current	Noncurrent	Total
Investments held by the University under contractual agreements e.g. - CSU Consolidated Investment Pool (formerly SWIFT):	-	-	\$ -

CAPITAL PUBLIC RADIO, INC.
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

3.1 Capital Assets, excluding ROU assets:

Composition of capital assets, excluding ROU assets:

	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Retirements	Balance June 30, 2024 (Restated)	Additions	Retirements	Transfer of completed CWIP/PWIP	Balance June 30, 2025
Non-depreciable/Non-amortizable capital assets:									
Land and land improvements	-				-				-
Works of art and historical treasures	35,025				35,025				35,025
Construction work in progress (CWIP)	127,815				127,815			(127,815)	-
Intangible assets:									
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Intangible assets in progress (PWIP)	-				-				-
Licenses and permits	-				-				-
Other intangible assets:	-				-				-
	-				-				-
	-				-				-
	-				-				-
	-				-				-
	-				-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total non-depreciable/non-amortizable capital assets	162,840	-	-	-	162,840	-	-	(127,815)	35,025
Depreciable/Amortizable capital assets:									
Buildings and building improvements	-				-				-
Improvements, other than buildings	3,077,279			-236,967	2,840,312	235,628			3,075,940
Infrastructure	-				-				-
Leasehold improvements	23,583				23,583		(4,799)		18,784
Personal property:									
Equipment	713,369				713,369		(5,973)	127,815	835,211
Library books and materials	-				-				-
Intangible assets:									
Software and websites	-				-				-
Rights and easements	-				-				-
Patents, copyrights and trademarks	-				-				-
Licenses and permits	-				-				-
Other intangible assets:	-				-				-
	-				-				-
	-				-				-
	-				-				-
	-				-				-
Total Other intangible assets	-	-	-	-	-	-	-	-	-
Total intangible assets	-	-	-	-	-	-	-	-	-
Total depreciable/amortizable capital assets	3,814,231	-	-	(236,967)	3,577,264	235,628	(10,772)	127,815	3,929,935
Total capital assets	3,977,071	-	-	(236,967)	3,740,104	235,628	(10,772)	-	3,964,960

CAPITAL PUBLIC RADIO, INC.
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)

Buildings and building improvements	-		-		-
Improvements, other than buildings	(883,932)		(883,932)	-82051	(965,983)
Infrastructure	-		-		-
Leasehold improvements	(15,270)		(15,270)	-1633	(16,903)
Personal property:					
Equipment	(586,107)	6983	(579,124)	-31755	(610,879)
Library books and materials	-		-		-
Intangible assets:					
Software and websites	-		-		-
Rights and easements	-		-		-
Patents, copyrights and trademarks	-		-		-
Licenses and permits	-		-		-
Other intangible assets:					
	-		-		-
	-		-		-
	-		-		-
	-		-		-
	-		-		-
Total Other intangible assets	-	-	-	-	-
Total intangible assets	-	-	-	-	-
Total accumulated depreciation/amortization	(1,485,309)	-	6,983	(1,478,326)	(115,439)
Total capital assets, net excluding ROU assets	<u>\$ 2,491,762</u>	-	<u>(229,984)</u>	<u>2,261,778</u>	<u>120,189</u>
				<u>(10,772)</u>	<u>-</u>
					<u>2,371,195</u>

CAPITAL PUBLIC RADIO, INC.
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

Capital Assets, Right of Use

Composition of capital assets - Lease ROU, net:	Balance June 30, 2024	Prior Period Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Non-depreciable/Non-amortizable lease assets:									
Land and land improvements	—				—				—
Total non-depreciable/non-amortizable lease assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable lease assets:									
Land and land improvements	—				—				—
Buildings and building improvements	—				—				—
Improvements, other than buildings	—				—				—
Infrastructure	—				—				—
Personal property:									
Equipment	2,895,015				2,895,015		(283,860)		2,611,155
Total depreciable/amortizable lease assets	2,895,015	—	—	—	2,895,015	—	(283,860)	—	2,611,155
Less accumulated depreciation/amortization: (enter as negative number, except for reductions enter as positive number)									
Land and land improvements	—				—				—
Buildings and building improvements	—				—				—
Improvements, other than buildings	—				—				—
Infrastructure	—				—				—
Personal property:									
Equipment	(65,023)				(65,023)	(54,014)			(119,037)
Total accumulated depreciation/amortization	(65,023)	—	—	—	(65,023)	(54,014)	—	—	(119,037)
Total capital assets - lease ROU, net	2,829,992	—	—	—	2,829,992	(54,014)	(283,860)	—	2,492,118

**CAPITAL PUBLIC RADIO, INC.
OTHER INFORMATION (CONTINUED)
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)**

Composition of capital assets - SBITA ROU, net	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Depreciable/Amortizable SBITA assets:									
Software	—				—				—
Total depreciable/amortizable SBITA assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Software	—				—				—
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - SBITA ROU, net	-	-	-	-	-	-	-	-	-

Composition of capital assets - P3 ROU, net:	Balance June 30, 2024	Reclassifications	Prior Period Additions	Prior Period Reductions	Balance June 30, 2024 (Restated)	Additions	Remeasurements	Reductions	Balance June 30, 2025
Non-depreciable/Non-amortizable P3 assets:									
Land and land improvements	—				—				—
Total non-depreciable/non-amortizable P3 assets	-	-	-	-	-	-	-	-	-
Depreciable/Amortizable P3 assets:									
Land and land improvements	—				—				—
Buildings and building improvements	—				—				—
Improvements, other than buildings	—				—				—
Infrastructure	—				—				—
Personal property:									
Equipment	—				—				—
Total depreciable/amortizable P3 assets	-	-	-	-	-	-	-	-	-
Less accumulated depreciation/amortization:									
Land and land improvements	—				—				—
Buildings and building improvements	—				—				—
Improvements, other than buildings	—				—				—
Infrastructure	—				—				—
Personal property:									
Equipment	—				—				—
Total accumulated depreciation/amortization	-	-	-	-	-	-	-	-	-
Total capital assets - P3 ROU, net	-	-	-	-	-	-	-	-	-

Total capital assets, net including ROU assets

4,863,313

CAPITAL PUBLIC RADIO, INC.
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3.2 Detail of depreciation and amortization expense:

Depreciation and amortization expense related to capital assets	\$ 115,439
Amortization expense - Leases ROU	54,014
Amortization expense - SBITA ROU	-
Amortization expense - P3 ROU	-
Depreciation and Amortization expense - Others	
Total depreciation and amortization	\$ 169,453

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4 Long-term liabilities:

	Balance June 30, 2024	Prior Period Adjustments/Recla ssifications	Balance June 30, 2024 (Restated)	Additions	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
1. Accrued compensated absences	-		-			-		-
2. Claims liability for losses and loss adjustment expenses	-		-			-		-
3. Capital lease obligations (pre-ASC 842):								
Gross balance	-		-			-		-
Unamortized net premium/(discount)	-		-			-	-	-
Total capital lease obligations (pre ASC 842)	-	-	-	-	-	-	-	-
4. Long-term debt obligations:								
4.1 Auxiliary revenue bonds (non-SRB related)	-		-			-	-	-
4.2 Commercial paper	-		-			-		-
4.3 Notes payable (SRB related)	-		-			-		-
4.4 Finance purchase of capital assets	-		-			-		-
4.5 Others:								
Notes Payable - Party Related	7,751,067		7,751,067	286,869		8,037,936	15,000	8,022,936
Note Payable	2,018,634		2,018,634		(498,099)	1,520,535	575,827	944,708
	-		-			-		-
	-		-			-		-
Total others	9,769,701	-	9,769,701	286,869	(498,099)	9,558,471	590,827	8,967,644
Sub-total long-term debt	9,769,701	-	9,769,701	286,869	(498,099)	9,558,471	590,827	8,967,644
4.6 Unamortized net bond premium/(discount)	-		-			-	-	-
Total long-term debt obligations	9,769,701	-	9,769,701	286,869	(498,099)	9,558,471	590,827	8,967,644

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	Balance June 30, 2024	Prior Period Adjustments/Recla sifications	Additions	Remeasurements	Reductions	Balance June 30, 2025	Current Portion	Noncurrent Portion
5. Lease, SBITA, P3 liabilities:								
Lease liabilities	2,822,629				(302,274)	2,520,355	128,180	2,392,175
SBITA liabilities	-					-	-	-
P3 liabilities - SCA	-					-	-	-
P3 liabilities - non-SCA	-					-	-	-
Sub-total P3 liabilities	-	-	-	-	-	-	-	-
Total Lease, SBITA, P3 liabilities	\$ 2,822,629	-	-	-	(302,274)	2,520,355	128,180	2,392,175
Total long-term liabilities						\$ 12,078,826	\$ 719,007	\$ 11,359,819

5 Future minimum payments schedule - leases, SBITA, P3:

	Lease Liabilities			SBITA liabilities			Public-Private or Public-Public Partnerships (P3)			Total Leases, SBITA, P3 liabilities		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:												
2026	128180	108348	236,528	-	-	-	-	-	-	128,180	108,348	236,528
2027	203997	99182	303,179	-	-	-	-	-	-	203,997	99,182	303,179
2028	200563	90206	290,769	-	-	-	-	-	-	200,563	90,206	290,769
2029	193881	81809	275,690	-	-	-	-	-	-	193,881	81,809	275,690
2030	209555	73021	282,576	-	-	-	-	-	-	209,555	73,021	282,576
2031 - 2035	1584179	211740	1,795,919	-	-	-	-	-	-	1,584,179	211,740	1,795,919
2036 - 2040	-	-	-	-	-	-	-	-	-	-	-	-
2041 - 2045	-	-	-	-	-	-	-	-	-	-	-	-
2046 - 2050	-	-	-	-	-	-	-	-	-	-	-	-
2051 - 2055	-	-	-	-	-	-	-	-	-	-	-	-
Thereafter	-	-	-	-	-	-	-	-	-	-	-	-
Total minimum lease payments	\$ 2,520,355	664,306	3,184,661	-	-	-	-	-	-	2,520,355	664,306	3,184,661
Less: amounts representing interest												(664,306)
Present value of future minimum lease payments												2,520,355
Total Leases, SBITA, P3 liabilities												2,520,355
Less: current portion												(128,180)
Leases, SBITA, P3 liabilities, net of current portion												\$ 2,392,175

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6 Future minimum payments schedule - Long-term debt obligations:

	Auxiliary revenue bonds (non-SRB related)			All other long-term debt obligations			Total long-term debt obligations		
	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest	Principal Only	Interest Only	Principal and Interest
Year ending June 30:									
2026			-	590827	121063	711,890	590,827	121,063	711,890
2027			-	654267	62118	716,385	654,267	62,118	716,385
2028			-	390439	11813	402,252	390,439	11,813	402,252
2029			-	158666		158,666	158,666	-	158,666
2030			-	613246		613,246	613,246	-	613,246
2031 - 2035			-	7151026		7,151,026	7,151,026	-	7,151,026
2036 - 2040			-			-	-	-	-
2041 - 2045			-			-	-	-	-
2046 - 2050			-			-	-	-	-
2051 - 2055			-			-	-	-	-
Thereafter			-			-	-	-	-
Total minimum payments	\$ -	-	-	9,558,471	194,994	9,753,465	9,558,471	194,994	9,753,465
Less: amounts representing interest									(194,994)
Present value of future minimum payments									9,558,471
Unamortized net premium/(discount)									-
Total long-term debt obligations									9,558,471
Less: current portion									(590,827)
Long-term debt obligations, net of current portion									<u>\$ 8,967,644</u>

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7 Transactions with related entities:

Payments to University for salaries of University personnel working on contracts, grants, and other programs	
Payments to University for other than salaries of University personnel	786662
Payments received from University for services, space, and programs	30494
Gifts-in-kind to the University from discretely presented component units	
Gifts (cash or assets) to the University from discretely presented component units	
Accounts (payable to) University (enter as negative number)	-70202
Other amounts (payable to) University (enter as negative number)	
Accounts receivable from University (enter as positive number)	
Other amounts receivable from University (enter as positive number)	

8 Restatements

Provide a detailed breakdown of the journal entries (at the financial statement line items level) booked to record each restatement:

Note: Additional account details can be found in the Table of Object Codes and CSU Fund Definitions

Debit/(Credit)

Restatement #1	Enter transaction description	
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Restatement #2	Enter transaction description	
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9 Natural classifications of operating expenses:

	Salaries	Benefits - Other	Benefits - Pension	Benefits - OPEB	Scholarships and fellowships	Supplies and other services	Depreciation and amortization	Total operating expenses
Instruction	—	—	—	—	—	—	—	-
Research	—	—	—	—	—	—	—	-
Public service	—	—	—	—	—	—	—	-
Academic support	—	—	—	—	—	—	—	-
Student services	—	—	—	—	—	—	—	-
Institutional support	—	—	—	—	—	—	—	-
Operation and maintenance of plant	—	—	—	—	—	—	—	-
Student grants and scholarships	—	—	—	—	—	—	—	-
Auxiliary enterprise expenses	4,805,993.00	461,470.00	—	—	—	11,550,597.00	—	16,818,060
Depreciation and amortization	—	—	—	—	—	—	169,453.00	169,453
Total operating expenses	\$ 4,805,993	461,470	-	-	-	11,550,597	169,453	16,987,513

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10 Deferred outflows/inflows of resources:

1. Deferred Outflows of Resources

Deferred outflows - unamortized loss on refunding(s)
 Deferred outflows - net pension liability
 Deferred outflows - net OPEB liability
 Deferred outflows - leases
 Deferred outflows - P3
 Deferred outflows - others:
 Sales/intra-entity transfers of future revenues
 Gain/loss on sale leaseback
 Loan origination fees and costs
 Change in fair value of hedging derivative instrument
 Irrevocable split-interest agreements

Total deferred outflows - others	-
Total deferred outflows of resources	\$ -

2. Deferred Inflows of Resources

Deferred inflows - service concession arrangements
 Deferred inflows - net pension liability
 Deferred inflows - net OPEB liability
 Deferred inflows - unamortized gain on debt refunding(s)
 Deferred inflows - nonexchange transactions
 Deferred inflows - leases
 Deferred inflows - P3
 Deferred inflows - others:
 Sales/intra-entity transfers of future revenues
 Gain/loss on sale leaseback
 Loan origination fees and costs
 Change in fair value of hedging derivative instrument
 Irrevocable split-interest agreements

Total deferred inflows - others	-
Total deferred inflows of resources	\$ -

11 Other nonoperating revenues (expenses)

Other nonoperating revenues	9,761,657.00
Other nonoperating (expenses)	
Total other nonoperating revenues (expenses)	9,761,657



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