Detroit Public Media

Financial Statements and
Supplementary Information

June 30, 2024 and 2023

Independent Auditors' Report

To the Board of Trustees of
Detroit Public Media

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Detroit Public Media (the Organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)* issued by the Comptroller General 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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 the Organization'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 the Organization'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 supplementary information, as identified in the table of contents, 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 audit 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2024 on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Southfield, Michigan
September 18, 2024

Detroit Public Media

Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 7,779,019	$ 6,322,722
Investments	9,841,922	8,022,007
Trade accounts receivable	895,387	963,219
Pledges receivable, current	1,560,617	1,404,754
Inventory	10,584	35,479
Prepaid expenses and other assets	707,541	550,610
Assets held for sale	-	9,728,409
Total current assets	20,795,070	27,027,200
Pledges receivable, long-term, net	1,114,358	973,607
Leases right of use assets	1,490,921	1,254,812
Other assets, long-term, net	437,020	574,292
Property and equipment, net	12,927,877	3,433,709
Total assets	$ 36,765,246	$ 33,263,620
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 859,715	$ 622,742
Accrued liabilities and other	1,788,460	1,554,332
Current portion of transmitter deferred reimbursement	259,143	259,143
Current portion of equipment liability	35,366	35,366
Current portion of deferred lease incentive	274,658	274,658
Current portion of lease liability	475,682	261,604
Current portion of other long-term liabilities	150,000	150,000
Total current liabilities	3,843,024	3,157,845
Long-Term Liabilities		
Long-term deferred lease incentive	1,922,608	2,197,266
Long-term lease liability	1,016,074	993,604
Long-term equipment liability	70,732	106,098
Long-term transmitter deferred reimbursement	1,245,116	1,504,259
Other long-term liabilities, net	287,020	424,292
Total liabilities	8,384,574	8,383,364
Net Assets		
Without donor restrictions:		
Undesignated	15,239,071	15,268,403
Board designated, quasi-endowment	8,629,558	6,953,035
Total without donor restrictions	23,868,629	22,221,438
With donor restrictions	4,512,043	2,658,818
Total net assets	28,380,672	24,880,256
Total liabilities and net assets	$ 36,765,246	$ 33,263,620

See notes to financial statements

Detroit Public Media

Statements of Activities
Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	2024 Total	Without Donor Restrictions	With Donor Restrictions	2023 Total
Revenues, Gains and Other Support						
Individual contributions	$ 9,609,315	$ -	$ 9,609,315	$ 10,837,020	$ 65,609	$ 10,902,629
Production of local and national programs	2,031,703	1,511,144	3,542,847	1,761,969	643,643	2,405,612
Corporation for public broadcasting grants	2,719,604	-	2,719,604	2,239,552	-	2,239,552
Federal and state government grants	4,108,016	1,778,158	5,886,174	231,444	-	231,444
Corporate contributions	1,202,490	-	1,202,490	1,035,255	-	1,035,255
Foundation contributions	847,134	-	847,134	503,950	366,000	869,950
Facilities rental	1,045,704	-	1,045,704	902,183	-	902,183
Retail product sales	86,111	-	86,111	73,402	-	73,402
Investment income, net	1,479,581	10,167	1,489,748	713,228	5,700	718,928
Miscellaneous	340,853	-	340,853	366,580	-	366,580
Gain on sale of property and equipment	694,587	-	694,587	-	-	-
Net assets released from restrictions	1,446,244	(1,446,244)	-	2,548,340	(2,548,340)	-
Total revenues, gains and other support	25,611,342	1,853,225	27,464,567	21,212,923	(1,467,388)	19,745,535
Expenses						
Program services:						
Engagement and outreach	2,931,970	-	2,931,970	1,423,823	-	1,423,823
Production and content creation	7,404,537	-	7,404,537	6,094,030	-	6,094,030
Broadcast	6,574,324	-	6,574,324	6,170,867	-	6,170,867
Total program services	16,910,831	-	16,910,831	13,688,720	-	13,688,720
Support services:						
Administration and general	2,534,236	-	2,534,236	2,405,952	-	2,405,952
Fundraising	4,519,084	-	4,519,084	4,488,972	-	4,488,972
Total expenses	23,964,151	-	23,964,151	20,583,644	-	20,583,644
Change in net assets	1,647,191	1,853,225	3,500,416	629,279	(1,467,388)	(838,109)
Net Assets, Beginning	22,221,438	2,658,818	24,880,256	21,592,159	4,126,206	25,718,365
Net Assets, Ending	$ 23,868,629	$ 4,512,043	$ 28,380,672	$ 22,221,438	$ 2,658,818	$ 24,880,256

See notes to financial statements

Detroit Public Media

Statement of Functional Expenses
Year Ended June 30, 2024

	Engagement and Outreach	Production and Content Creation	Broadcast	Total Program	Administration and General	Fundraising	Total
Salaries, benefits and taxes	$ 1,158,379	$ 4,185,286	$ 1,359,294	$ 6,702,959	$ 1,685,325	$ 1,545,246	$ 9,933,530
Retail product sale	-	73,064	-	73,064	-	-	73,064
Royalties	-	3,782	-	3,782	-	-	3,782
Program acquisition	-	234,615	3,012,419	3,247,034	-	-	3,247,034
Premium and donor supply	-	-	-	-	-	290,709	290,709
Advertising and promotion	-	125,864	-	125,864	72,310	82,361	280,535
Purchased services	1,404,265	1,702,646	703,711	3,810,622	335,896	1,913,996	6,060,514
Technology and data processing	187,862	64,440	104,010	356,312	52,504	229,972	638,788
Occupancy	98,733	276,029	492,797	867,559	89,755	81,120	1,038,434
Maintenance, repairs and equipment	33,188	149,735	168,006	350,929	25,571	33,534	410,034
Postage and shipping	-	5,377	376	5,753	46,072	77,414	129,239
Travel	-	103,776	471	104,247	26,773	1,355	132,375
Staff training and development	7,676	46,418	10,633	64,727	46,384	8,852	119,963
Stationery and supplies	2,357	272,691	4,504	279,552	83,730	26,927	390,209
Interest, currency exchange and bank fees	-	1,547	-	1,547	45,724	182,425	229,696
Miscellaneous	-	110	-	110	17,956	29,984	48,050
Depreciation and amortization	39,510	159,157	718,103	916,770	6,236	15,189	938,195
Total expenses	$ 2,931,970	$ 7,404,537	$ 6,574,324	$ 16,910,831	$ 2,534,236	$ 4,519,084	$ 23,964,151

See notes to financial statements

Detroit Public Media

Statement of Functional Expenses
Year Ended June 30, 2023

	Engagement and Outreach	Production and Content Creation	Broadcast	Total Program	Administration and General	Fundraising	Total
Salaries, benefits and taxes	$ 951,721	$ 3,264,029	$ 1,312,746	$ 5,528,496	$ 1,555,548	$ 1,328,773	$ 8,412,817
Retail product sales	-	49,277	-	49,277	-	-	49,277
Royalties	-	165	-	165	-	-	165
Program acquisition	-	213,184	2,610,397	2,823,581	-	-	2,823,581
Premium and donor supply	-	167	-	167	-	412,806	412,973
Advertising and promotion	325	40,604	-	40,929	62,952	88,418	192,299
Purchased services	109,395	1,451,565	876,550	2,437,510	344,204	1,915,636	4,697,350
Technology and data processing	139,281	109,502	97,384	346,167	49,694	221,001	616,862
Occupancy	87,480	247,700	451,953	787,133	72,163	80,485	939,781
Maintenance, repairs and equipment	40,840	188,972	89,778	319,590	32,792	38,499	390,881
Postage and shipping	18	2,839	372	3,229	47,479	91,652	142,360
Travel	17	50,268	2,265	52,550	28,318	3,428	84,296
Staff training and development	6,744	18,132	10,269	35,145	56,351	9,177	100,673
Stationery and supplies	1,076	153,107	4,810	158,993	42,544	11,911	213,448
Interest, currency exchange and bank fees	-	-	-	-	49,127	184,051	233,178
Miscellaneous	-	664	-	664	15,831	38,748	55,243
Depreciation and amortization	86,926	303,855	714,343	1,105,124	48,949	64,387	1,218,460
Total expenses	$ 1,423,823	$ 6,094,030	$ 6,170,867	$ 13,688,720	$ 2,405,952	$ 4,488,972	$ 20,583,644

See notes to financial statements

Detroit Public Media

Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flow From Operating Activities		
Change in net assets	$ 3,500,416	$ (838,109)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	938,195	1,218,460
Gain on sale of property and equipment	(694,587)	-
Noncash change in equipment liability	(22,638)	(35,366)
Net realized and unrealized gain on investments	(930,154)	(641,587)
Change in pledge discount	21,988	(9,113)
Donated property and equipment	(120,000)	-
Changes in assets and liabilities:		
Trade accounts receivable	67,832	(203,364)
Pledges receivable	(318,602)	807,831
Inventory	24,895	(5,726)
Prepaid expenses and other assets	(187,332)	195,348
Accounts payable	236,973	(226,948)
Accrued liabilities and other	234,128	264,637
Deferred lease incentive	(274,658)	2,471,924
Net cash flows from operating activities	2,476,456	2,997,987
Cash Flows From Investing Activities		
Purchase of property and equipment	(10,162,092)	(448,993)
Proceeds from disposition of property and equipment	10,442,650	-
Purchases of investments	(2,584,916)	(2,627,667)
Proceeds from sales and maturities of investments	1,713,976	2,053,496
Net cash flows from investing activities	(590,382)	(1,023,164)
Cash Flows From Financing Activities		
FCC transmitter reimbursement	(259,143)	(259,143)
Payments on long-term debt	-	(1,702,500)
Payments on other long-term liabilities	(150,000)	(150,000)
Principal payments on finance lease	(20,634)	(7,906)
Net cash flows from financing activities	(429,777)	(2,119,549)
Net change in cash and cash equivalents	1,456,297	(144,726)
Cash and Cash Equivalents, Beginning	6,322,722	6,467,448
Cash and Cash Equivalents, Ending	$ 7,779,019	$ 6,322,722
Supplemental Cash Flow Disclosures		
Cash paid for interest	$ -	$ 20,567
Noncash Investing and Financing Activities		
Right of use assets obtained in exchange for lease liabilities	$ 630,710	$ -

See notes to financial statements

1. Nature of Activities

Detroit Educational Television Foundation changed it's legal name to Detroit Public Media on March 7, 2024. Detroit Public Media (the Organization) is a not-for-profit corporation that is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code, classified as an organization that is not a private foundation and incorporated under the name Detroit Public Media. The Organization also operates under the names Detroit PBS, DPTV, Detroit Public TV, Channel 56 and WTVS. The Organization operates two broadcast entities: WTVS Channel 56, a viewer-sponsored television service for southeastern Michigan and Canada and WRCJ-FM, a classical/jazz FM radio station in Detroit, Michigan. The Organization receives the majority of its funding from individual, corporate, government and organization contributions and grants.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Organization considers all investments with an original maturity of three months or less when purchased to be cash equivalents, except for those money market funds that are considered part of the investment portfolio.

Investments

Investments are generally recorded at fair value based upon quoted market prices, when available or estimates of fair value. Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Investment income or loss and unrealized gains or losses are included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Trade Receivables

Trade receivables consist of amounts due for underwriting, grants, rentals, production services, licensing and retail sales, as follows:

	2024	2023
Underwriting	$ 335,221	$ 351,004
Grants	124,387	234,678
Rentals	150,000	150,000
Production services	276,842	85,913
Program licensing	-	136,628
Retail sales	8,937	4,996
Total	$ 895,387	$ 963,219

Prior to July 1, 2023

Accounts receivable that are reciprocal in nature are stated at an amount that management expects to receive from the net transaction price. Balances are recorded net of adjustments or discounts to determine the net transaction price. Historically, the Organization has collected substantially all of the consideration to which it is entitled under its contracts with customers. Subsequent adjustments, if any, are recognized as revenue when received. The adequacy of the Organization's net realizable receivable is reviewed on an ongoing basis, using historical payment trends, write-off experience, analysis of receivables by payor and aging of receivables, along with a review of specific accounts.

After July 1, 2023

The Organization recognizes an allowance for credit losses for accounts receivables to present the net amount expected to be collected as of the statement of financial position date. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and also future events based on our expectation as of the statement of financial position date.

Receivables are written off when the Organization determines that such receivables are deemed uncollectible. The Organization pools its receivables based on similar characteristics in estimating its expected credit losses. In situations where a receivable does not share the same risk characteristics with other receivables, the Organization measures those receivables individually. The Organization also continually evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change.

The Organization utilizes the loss rate method, primarily based on the Organization's historical loss experience. In determining its loss rates, the Organization evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all the following: past due receivables, changes in the terms of receivables, effect of other external forces such as competition and legal and regulatory requirements on the level of estimated credit losses in the existing receivables. All accounts receivables of the Organization are due in one year or less.

Unconditional Contributions

Unconditional contributions, including pledges receivable, are recognized as revenue in the period received and are reported as increases in the appropriate categories of net assets in accordance with donor restrictions. Contributions to be received after one year are discounted at the interest rate in effect in the year the pledge was made. Amortization of the discount is recorded as additional contribution revenue. An allowance, if any, is made for doubtful pledges receivable based upon management's judgment and analysis of the past collection history and other relevant factors. All receivables were determined to be fully collectible at June 30, 2024 and 2023.

Inventory

Inventory, consisting of merchandise held for resale by a third party, is stated at the lower of cost or net realizable value, with cost determined on the first-in, first out (FIFO) method.

Other Assets

The Organization incurred costs of $1,500,000 in a previous year associated with the right to use a broadcast license. These amounts are included in other assets in the statements of financial position. The right to use the asset is being amortized over the expected useful life of the asset and is reflected at a discount rate of 3%. Accumulated amortization as of June 30, 2024 and 2023 was $1,050,000 and $900,000, respectively.

Property and Equipment

Property and equipment are stated at cost if purchased or fair value at date of the gift if donated. Acquisitions of property and equipment in excess of $5,000 and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Assets Held for Sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as being met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. The Organization must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Assets held for sale are not depreciated while classified as such.

As of June 30, 2023, the Organization had committed to sell the headquarter facility (the property) consisting of land, building and attachments thereto and negotiations with an interested party were in progress. The property was presented as a held for sale asset in the statements of financial position at the carrying value of $9,728,409 as of June 30, 2023. The asset was sold during 2024 and had a gain on the sale of $714,241. There was no carrying value as of June 30, 2024.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not fully be recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. There have been no such losses during the years ended June 30, 2024 and 2023.

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor.

Expenses are generally reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as net assets released from restrictions.

Contribution revenue with donor-imposed restrictions that are met in the same year as received or earned is reported as an increase to net assets without donor restrictions. Contribution revenue with donor imposed restrictions that are not met in the same year is reported as an increase to net assets with donor restrictions and is reclassified to net assets without donor restrictions when an expense is incurred that satisfies the donor-imposed restriction.

Board Designated Net Assets

The Organization's Board of Trustees has the ability to designate identified amounts of net assets without restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Trustees at any time.

Tax-Exempt Status

The Organization has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of state law and, accordingly, are not subject to federal or state income taxes. However, any unrelated business income may be subject to taxation.

To account for any uncertain tax positions, the Organization determines whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organization has concluded there are no uncertain tax positions at June 30, 2024 and 2023.

Revenue Recognition

Revenue streams that are considered to be exchange transactions consist of production services income, program licensing income and retail product sales.

Production services revenue, program licensing revenue and retail product sales are reported at the amount that reflects the consideration the Organization expects to receive in exchange for the services or goods provided.

For production services revenue, contracts are agreed to by the Organization and the purchaser of the services. Performance obligations are determined based on the nature of the services provided and revenue is recognized over time as performance obligations are satisfied. Production service revenue was approximately $1,354,644 and $908,000 for the years ending June 30, 2024 and 2023, respectively and is included in production of local and national programs in the statements of activities. Contract liabilities were $57,296 and $197,000 as of June 30, 2024 and 2023, respectively. Customer payment is generally due within 30 days of invoice date, with payments scheduled at various times through the production process.

For program licensing, contracts are agreed to by the Organization and the purchaser of the services. The performance obligation is determined to be the point in time upon delivery of the final program and start of license term. Program licensing revenue was approximately $327,490 and 205,000 for the years ending June 30, 2024 and 2023, respectively and is included in production of local and national programs in the statements of activities. Contract liabilities were $0 and $75,000 as of June 30, 2024 and 2023, respectively. Customer payment is generally due within 30 days of invoice date, with payments scheduled at various times through the production process.

For retail product sales, revenue is recognized at a point in time upon shipment whereby control of the promised goods are transferred to the customer. Retail product sales were $86,111 and $73,402 for the years ending June 30, 2024 and 2023, respectively. There were no contract liabilities as of June 30, 2024 and 2023. Product sales on consignment are paid 45 days from the end of the month during which products were sold, less consignment fees.

Unconditional contributions, including pledges receivable, are recognized in the period received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, whether received or made are recognized only when the conditions on which they depend are met and the promises become unconditional. The gifts are reported as net assets with donor restrictions if received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions. In the absence of donor specification or law that income and gains on donated funds are restricted, such income and gains are reported as contributions without donor restrictions. The Organization has conditional contributions of $7,698,779 and $926,268 as of June 30, 2024 and 2023, respectively. The Organization receives contributions from board members who are considered related parties. Approximately $140,200 and $182,000 was received from related parties in the years ending June 30, 2024 and 2023, respectively. Related party receivables were approximately $95,600 and $205,500 in the years ended June 30, 2024 and 2023, respectively.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

The Organization allocates shared costs in the following categories based on estimated time and effort: salaries, information technology services, technology, occupancy, equipment, supplies and depreciation and amortization.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements

During June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Measurement of Credit Losses on Financial Instruments*.
ASU No. 2016-13 requires financial assets measured at amortized cost to be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. FASB has issued subsequent standards to clarify and correct errors in or improve the guidance. ASU No. 2016-13 (as amended) is effective for annual periods and interim periods within those annual periods beginning after December 15, 2022 (2024). The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 18, 2024, which is the date the financial statements were available to be issued.

3. Fair Value Measurements

The Organization follows current authoritative accounting guidance, which provides a framework for measuring, reporting and disclosing fair value under generally accepted accounting principles. These standards apply to all assets and liabilities that are measured, reported and/or disclosed on a fair value basis.

As defined by current authoritative guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various valuation methods including the market, income and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated or generally unobservable inputs. Whenever possible the Organization attempts to utilize valuation methods that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation methods, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

The following tables present information about the Organization's assets measured at fair value on a recurring basis at June 30, 2024 and 2023 and the valuation techniques used by the Organization to determine those fair values.

	June 30, 2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Investments:				
Mutual funds, equity	$ 5,894,476	$ 5,894,476	$ -	$ -
Mutual funds, fixed-income	2,254,427	2,254,427	-	-
Total	8,148,903	$ 8,148,903	$ -	$ -
Net asset value investments	426,262			
Money market accounts	1,266,757			
Total assets at fair value	$ 9,841,922			

	June 30, 2023			
	Total	**Level 1**	**Level 2**	**Level 3**
Investments:				
Mutual funds, equity	$ 5,105,645	$ 5,105,645	$ -	$ -
Mutual funds, fixed-income	2,092,846	2,092,846	-	-
Total	7,198,491	$ 7,198,491	$ -	$ -
Net asset value investment	375,729			
Money market accounts	447,787			
Total assets at fair value	$ 8,022,007			

The valuation of money market funds is determined on the cost basis. As a result, they are excluded from the fair value hierarchy level disclosures.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies or similar techniques taking into account the characteristics of the asset.

Net Asset Value (NAV) Investments - Fair values are estimated using the NAV per share as the practical expedient. Management believes that the carrying amounts of these financial instruments are a reasonable estimate of fair value.

The following table includes a summary of fair values, redemption features and future commitments related to investments for which estimated fair value was based upon NAV for the year ended June 30, 2024.

	NAV	Unfunded Commitments	Redemption Frequency	Redemption Notice Periods
Apollo Debt Solutions BDC (the Fund) - June 30, 2024	$426,262	$0	Quarterly	None
Apollo Debt Solutions BDC (the Fund) - June 30, 2023	$375,729	$0	Quarterly	None

The Organization may submit withdrawal (repurchase) requests quarterly. Requests must be submitted during the applicable tender offer window prior to the end of the calendar quarter. Any shares held less than 1 year will be repurchased at 98% of NAV. Repurchases are limited to up to 5% of the Fund's aggregate NAV outstanding as of the previous calendar quarter (i.e., aggregate repurchase requests as of September 30 will be limited to up to 5% of the Fund's NAV outstanding as of June 30).

The Fund focuses on senior secured large corporate direct origination and, to a lesser extent, broadly syndicated loans and middle market direct lending.

4. Pledges Receivable

Pledges receivable represent amounts pledged from donors. Pledges receivable consist of the following as of June 30:

	2024	2023
Pledges receivable	$ 2,798,672	$ 2,480,070
Less unamortized discount	(123,697)	(101,709)
Net pledges receivable	$ 2,674,975	$ 2,378,361
Amounts due in:		
Less than one year	$ 1,560,617	$ 1,404,754
One to five years	1,238,055	1,075,316
Total pledges receivable	$ 2,798,672	$ 2,480,070

The discount rate associated with pledges made is the Secured Overnight Financing Rate (SOFR) plus 1.875% and LIBOR plus 1.75% in 2024 and 2023, respectively. The discount was 7.21% and 6.82% for the years ending June 30, 2024 and 2023, respectively.

5. WRCJ License Transfer

The Federal Communications Commission (FCC) broadcast license for WRCJ was owned by Detroit Public Schools (DPS). The Organization operated the station under an operating agreement with DPS where the Organization paid certain operating expenses of the station in addition to an annual royalty payment. In 2017, DPS sold the FCC broadcast license for WRCJ along with certain assets of the station to a third party (the new station owner). The Organization entered into an operating agreement with the new station owner where the Organization operates the station subject to the supervision of the station owner. The term of the operating agreement is 10 years, expiring on March 1, 2027. The agreement will automatically renew for 10-year terms unless there is a material breach of contract or the broadcast license is revoked by the FCC or sold by the station owner. The Organization has rights to all station revenue and is responsible for most operating expenses of the station and is responsible for operating and maintaining station equipment. Under the terms of the operating agreement, the Organization is not required to pay the station owner for the use of the license and station assets. The Organization determined that the sale of the WRCJ broadcast license to the new station owner was in the Organization's best interest; therefore, the Organization provided a commitment to DPS of $1.5 million in cash and $1.5 million in in-kind services to be provided ratably over a 10-year period. The intent of this commitment was to incentivize the sale of the license to the new station owner and to secure the contract with the new station owner, which entitles the Organization to the revenue from the station over the term of the operating agreement.

The Organization recorded a liability for the present value of the $1.5 million commitment of cash, discounted at 3.0%. The commitment of in-kind services is deemed to be a conditional commitment, as it is subject to annual agreement between the Organization and DPS based on the needs of DPS and does not represent a present obligation of the Organization; therefore, a liability has not been recorded for in-kind services.

Since the $1.5 million cash commitment represents incremental costs incurred by the Organization to secure a revenue-producing contract, the Organization has recorded an asset for the present value of those costs, also discounted at 3.0%. The costs will be recognized over the 10-year term of the operating agreement with the new station owner. The amortization is included in the broadcast program expenses in the statement of activities for the years ended June 30, 2024 and 2023.

The following table summarizes the assets (included in other assets on the statements of financial position) and liabilities (included in other liabilities on the statements of financial position) the Organization has recorded as of June 30, 2024 and 2023 in association with this transaction:

	2024	2023
Right to use WRCJ license, gross	$ 1,500,000	$ 1,500,000
Present value discount	(12,980)	(25,708)
Accumulated amortization	(1,050,000)	(900,000)
Other assets, net	$ 437,020	$ 574,292
Liability to DPS, gross	$ 450,000	$ 600,000
Present value discount	(12,980)	(25,708)
Total liability to DPS net	437,020	574,292
Amount due within one year	(150,000)	(150,000)
Other long-term liabilities	$ 287,020	$ 424,292

6. Property and Equipment

Property and equipment are summarized as follows:

	Depreciable Life - Years	2024	2023
Land	N/A	$ 3,479,163	$ -
Buildings and building improvements	7-40	11,555	-
Broadcast and production equipment	2-10	9,539,536	10,509,872
Office equipment	3-5	1,017,353	753,347
Construction in progress		6,234,159	-
Total cost		20,281,766	11,263,219
Accumulated depreciation		(7,353,889)	(7,829,510)
Net property and equipment		$ 12,927,877	$ 3,433,709

Depreciation expense for the years June 30, 2024 and 2023 was $768,270 and $1,060,159, respectively. See Note 2 as the headquarter facility was held for sale as of June 30, 2023 and sold during the year ended June 30, 2024. As of June 30, 2024 the Organization has commitments totaling approximately $900,000 relating to pre-construction and design development for the new corporate headquarters.

7. Commitments and Contingency

Financial awards from federal, state and local governments in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

8. Transmitter Liability

Based on FCC regulations, the Organization was required to purchase a significant amount of equipment to comply with regulatory guidelines. The FCC provided funds to help support these necessary changes and to reimburse the Organization for the cost of the equipment. Between fiscal years 2019 and 2021, the Organization received reimbursements for the cost of equipment totaling $2,591,433. The Organization has deferred recognition of this reimbursement and amortizes the resulting liability into income over the 10-year useful lives of the assets. Accumulated amortization as of June 30, 2024 and 2023 was $1,087,174 and $828,031, respectively.

9. Equipment Liability

During 2015, the Organization purchased equipment used in WRCJ's operations at a cost of $450,000. The Organization was reimbursed for these costs by the station owner. The assets are included in the Organization's property and equipment; however, the Organization concluded that ownership of the assets was likely to revert to the station owner at the end of the station operating agreement. Therefore, the Organization recorded a liability in the amount of $450,000, which was to be amortized over the remaining operating agreement. During 2017, the station was purchased by another party (see Note 5) and the operating agreement with the new owner was extended through 2027. Beginning in 2017, the Organization revised the amortization period of both the asset and liability to extend amortization through 2027.

At June 30, 2024 and 2023, the net book value of this equipment and related liability was $106,098 and $141,464, respectively and was recorded as an asset included in property and equipment and equipment liability on the statements of financial position.

10. Long-Term Debt

The Organization had a term loan credit agreement in the amount of $2,270,000 with a maturity date of June 30, 2023. Interest was paid on the first business day of each calendar month with interest at 1.75% per annum above the daily adjusting LIBOR. Principal payments were made quarterly in the amount of $37,833. The note was collateralized by all personal property of the Organization. In addition, the Organization was subject to meeting certain restrictions and covenants. Interest expense for the years ending June 30, 2024 and 2023 was $0 and $20,567, respectively. The loan was paid off in full during fiscal year 2023.

11. Line of Credit

The Organization had a secured line of credit agreement with available borrowings of approximately $1,100,000 with a maturity date of June 30, 2023. There was no outstanding balance against the line of credit at June 30, 2023.

The Organization renewed the secured line of credit agreement on July 20, 2023, with available borrowings of approximately $1,500,000 with a maturity date of June 30, 2028, secured by all assets of the Organization. Interest is to be paid on the first business day of each calendar month with interest at 1.875% per annum above the daily adjusting SOFR, an effective rate of 7.205% at June 30, 2024. There was no outstanding balance on the line of credit at June 30, 2024.

12. Net Assets With Donor Restrictions

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2024	2023
Subject to expenditures for a specified purpose, production funding:		
One Detroit Initiative	$ 235,827	$ 103,976
Great Lakes Now Initiative	791,059	154,242
Early Childhood Initiative	1,115,282	1,327,110
Michigan Learning Channel	1,822,134	249,264
Production of National and Local Program content	25,000	25,000
Total subject to expenditures for a specified purpose, production funding	3,989,302	1,859,592
Subject to the passage of time, operating funding	366,317	652,969
Subject to the Organization's spending policy and appropriation, permanent donor-restricted endowment	94,876	84,709
Subject to appropriation and expenditures when a specified event occurs, charitable gift annuity	61,548	61,548
Total	$ 4,512,043	$ 2,658,818

13. Donor-Restricted and Board-Designated Endowments

The Organization's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Trustees of the Organization had interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Endowment net asset composition by type of fund as of June 30:

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Board-designated quasi-endowment fund	$ 8,629,558	$ -	$ 8,629,558
Donor-restricted endowment funds, original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	90,270	90,270
Accumulated investment gain	-	4,606	4,606
Total	$ 8,629,558	$ 94,876	$ 8,724,434

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Board-designated quasi-endowment fund	$ 6,953,035	$ -	$ 6,953,035
Donor-restricted endowment funds, original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	90,270	90,270
Accumulated investment loss	-	(5,561)	(5,561)
Total	$ 6,953,035	$ 84,709	$ 7,037,744

Changes in endowment net assets for the fiscal year ended June 30:

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment net assets, beginning	$ 6,953,035	$ 84,709	$ 7,037,744
Investment return:			
Investment income	206,328	2,514	208,842
Net appreciation (realized and unrealized)	628,195	7,653	635,848
Total investment return	834,523	10,167	844,690
Transfers to board-designated endowment funds	842,000	-	842,000
Endowment net assets, ending	$ 8,629,558	$ 94,876	$ 8,724,434

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment net asset, beginning	$ 5,850,371	$ 69,009	$ 5,919,380
Investment return:			
Investment income	233,559	2,702	236,261
Net appreciation (realized and unrealized)	261,105	2,998	264,103
Total investment return	494,664	5,700	500,364
Contributions	-	10,000	10,000
Transfers to board-designated endowment funds	608,000	-	608,000
Endowment net assets, ending	$ 6,953,035	$ 84,709	$ 7,037,744

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature total $0 and $5,561 as of June 30, 2024 and 2023, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred during the year. There were no appropriations from these funds during the year ended June 30, 2024 and 2023.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to preserve principle with emphasis on growth and income necessary to supplement the ongoing needs of the Organization. The investment objective is to earn a total return, net of expenses, at least equal to a moderately aggressive portfolio market benchmark. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The spending policy dictates that the Organization may distribute a target amount, up to 4% of the weighted-average market value (over the past 36-month period) of the funds without donor restrictions annually. The distribution of assets shall occur in June based upon the calculated weighted-average balance of the previous December 31. In establishing this policy, the Organization considered the long-term expected rate of return on its endowment. The Organization has a policy that spending should be adjusted downward if endowment funds with donor restrictions fall below their original principal value.

14. Leases (Lessee)

The Organization determines if an arrangement is or contains a lease at inception of the contract. Right of use assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right of use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term. The Organization uses the rate implicit in the lease or if not readily available, the Organization uses a risk-free treasury rate for a similar term. A right of use asset and lease liability is not recognized for leases with an initial term of 12 months or less. The Organization elected to account for its office equipment leases using the portfolio approach; as such, leases that have similar commencement dates, length of terms, renewal options or other contract terms have been combined into a lease portfolio whereby the resulting accounting at the portfolio level does not differ materially from that at the individual lease level. Lease expense is recognized on a straight-line basis over the lease term for operating lease arrangements. Expenses for financial leases are comprised of the amortization of the right of use asset and interest expense.

The Organization's operating and finance lease agreements are for television and radio telecommunication towers and office equipment. Agreements typically have initial terms of three to 10 years. The leases may include one or more options to renew, with renewals that can extend the lease term from 10 to 40 years. The exercise of lease renewal options is at the Organization's sole discretion. When determining the lease term, the Organization has included options to extend or terminate the lease when it is reasonably certain that the option will be exercised.

Right of use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Organization made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Organization:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Organization obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights;
- Determined whether contracts contain embedded leases; and
- Allocated consideration in the contract between lease and nonlease components.

The following table summarizes the lease right of use assets and lease liabilities as of June 3:

	2024	2023
Right of use assets:		
Operating leases	$ 1,459,373	$ 1,203,340
Finance leases	31,548	51,472
Total right of use assets	$ 1,490,921	$ 1,254,812
Lease liabilities:		
Current operating lease liabilities	$ 455,453	$ 242,119
Current finance lease liabilities	20,229	19,485
Long-term operating lease liabilities	1,003,919	961,220
Long-term finance lease liabilities	12,155	32,384
Total lease liabilities	$ 1,491,756	$ 1,255,208

Below is a summary of expenses incurred pertaining to leases during the year ended June 30:

	2024	2023
Finance lease expense:		
Amortization of right of use assets	$ 19,925	$ 8,302
Interest on lease liabilities	1,547	857
Operating lease expense	439,739	285,506
Short-term lease expense	-	3,807
Total lease expense	$ 461,211	$ 298,472

The following table presents supplemental information related to leases:

	2024	2023
Weighted average remaining lease term (in years):		
Operating leases	3.76	5.32
Finance leases	1.58	2.58
Weighted average discount rate:		
Operating leases	1.55%	1.37%
Finance leases	1.74%	1.76%

The table below summarizes the Organization's scheduled future minimum lease payments for years ending after June 30, 2024:

	Operating Leases	Finance Leases	Total
Years ending June 30:			
2025	$ 497,685	$ 21,032	$ 518,717
2026	444,672	12,269	456,941
2027	253,564	-	253,564
2028	176,776	-	176,776
2029	176,776	-	176,776
Total lease payments	1,549,473	33,301	1,582,774
Less present value discount	(90,101)	(917)	(91,018)
Total lease liabilities	1,459,372	32,384	1,491,756
Less current portion	(455,453)	(20,229)	(475,682)
Long-term lease liabilities	$ 1,003,919	$ 12,155	$ 1,016,074

15. Rental Income (Lessor)

The Organization's accounting for leases resulted in making significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Organization applied assumptions in the evaluation of whether certain tenants are likely to exercise extension or renewal options, determined whether the collectability of lease payments is probable, based on factors such as tenant creditworthiness, economic conditions and the Organization's historical experience with tenants. For any operating leases for which collectability is not deemed probable, the Organization recognizes an adjustment as a reduction to lease revenue and, subsequently, lease revenue is recognized only to the extent lease payments are received. There were no operating leases for which the Organization deemed collectability not probable.

The Organization's rental operations consist primarily of leases of excess spectrum capacity and production equipment and facilities which are classified as operating leases. These leases are typically for terms ranging from 1 day to 10 years.

Rental income is recognized on a straight-line basis over the applicable noncancellable lease term. Straight-line rent receivable represents the difference between rental revenue recognized on a straight-line basis and cash received under the applicable lease provisions. Rental payments and other supplemental income payments received in advance are deferred and recognized in the period in which services are provided. In addition to base rent, lease-related income includes an annual CPI related bonus payment

Facilities rental income for the years ended June 30, 2024 and 2023 consists of the following:

	2024	2023
Fixed lease income	$ 895,704	$ 828,088
Variable lease income	150,000	74,095
Total	$ 1,045,704	$ 902,183

The table below summarizes the Organization's future undiscounted cash flows to be received for years ending after June 30, 2024:

Years ending June 30:	
2025	$ 600,000
2026	600,000
2027	600,000
2028	600,000
2029	600,000
Thereafter	1,800,000
Total lease payments to be received	$ 4,800,000

As part of one of its lease arrangements, the Organization received a royalty incentive payment of $2,746,583. This royalty incentive is being amortized on a straight-line basis over the 10-year life of the lease arrangement.

16. Retirement Plans

The Organization has a defined contribution retirement plan covering substantially all full-time employees and part-time employees who meet the qualification criteria. In 2024 and 2023, the Organization contributed 1% of each participating employee's annual compensation and in addition, in 2024, a one-time discretionary bonus contribution of 4% of each eligible participating employee's bi-annual compensation was contributed.

Certain employees also participate in a pension plan administered by the Directors Guild of America (DGA). The Organization contributed 7% of each participating employee's compensation.

The Organization contributed approximately $216,000 and $66,000 to the two plans during June 30, 2024 and 2023, respectively.

17. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditure, that is, without donor or other restrictions limiting their use, are as follows:

	2024	2023
Cash and cash equivalents	$ 7,779,019	$ 6,322,722
Investments	9,841,922	8,022,007
Current accounts and pledges receivable	2,456,004	2,367,973
Less board-designated quasi-endowment	(8,629,558)	(6,953,035)
Less net assets with donor restrictions	(4,512,043)	(2,658,818)
Total	$ 6,935,344	$ 7,100,849

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due while also striving to maximize the investment return of available funds. To help manage liquidity needs, the Organization has an available line of credit in the amount of $1,500,000, as detailed in Note 11. Additionally, funds could be made available from the Board designated quasi-endowment (with board approval) if necessary.

18. Concentrations

The Organization maintains cash balances in one institution which exceeds the federally insured limit of $250,000. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents.

Detroit Public Media

Statements of Financial Position by Broadcasting Entity
June 30, 2024 with Comparative Totals for 2023

	WTVS	WRCJ	Total 2024	Total 2023
Assets				
Current Assets				
Cash and cash equivalents	$ 4,659,869	$ 3,119,150	$ 7,779,019	$ 6,322,722
Investments	8,678,337	1,163,585	9,841,922	8,022,007
Trade accounts receivable	(1,427,857)	2,323,244	895,387	963,219
Pledges receivable, current	1,412,147	148,470	1,560,617	1,404,754
Inventory	10,584	-	10,584	35,479
Prepaid expenses and other assets	683,875	23,666	707,541	550,610
Assets held for sale	-	-	-	9,728,409
Total current assets	14,016,955	6,778,115	20,795,070	27,027,200
Pledges receivable, long-term, net	1,111,872	2,486	1,114,358	973,607
Leases right of use assets	1,374,157	116,764	1,490,921	1,254,812
Other assets, long-term, net	-	437,020	437,020	574,292
Property and equipment, net	12,739,116	188,761	12,927,877	3,433,709
Total assets	$ 29,242,100	$ 7,523,146	$ 36,765,246	$ 33,263,620
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	$ 835,315	$ 24,400	$ 859,715	$ 622,742
Accrued liabilities and other	1,731,465	56,995	1,788,460	1,554,332
Current portion of transmitter deferred reimbursement	259,143	-	259,143	259,143
Current portion of equipment liability	-	35,366	35,366	35,366
Deferred lease incentive, current	274,658	-	274,658	274,658
Current portion of lease liability	398,881	76,801	475,682	261,604
Current portion of other long-term liabilities	-	150,000	150,000	150,000
Total current liabilities	3,499,462	343,562	3,843,024	3,157,845
Long-Term Liabilities				
Deferred lease incentive, less current portion	1,922,608	-	1,922,608	2,197,266
Long-term lease liability	976,111	39,963	1,016,074	993,604
Long-term equipment liability	-	70,732	70,732	106,098
Long-term transmitter deferred reimbursement	1,245,116	-	1,245,116	1,504,259
Other long-term liabilities, net	-	287,020	287,020	424,292
Total liabilities	7,643,297	741,277	8,384,574	8,383,364
Net Assets				
Without donor restrictions	17,157,221	6,711,408	23,868,629	22,221,438
With donor restrictions	4,441,582	70,461	4,512,043	2,658,818
Total net assets	21,598,803	6,781,869	28,380,672	24,880,256
Total liabilities and net assets	$ 29,242,100	$ 7,523,146	$ 36,765,246	$ 33,263,620

Detroit Public Media

Statements of Activities by Broadcasting Entity
Year Ended June 30, 2024 with Comparative Totals for 2023

	WTVS	WRCJ	Total 2024	Total 2023
Changes in Net Assets Without Donor Restrictions				
Revenue, gains and other support:				
Individual contributions	$ 8,269,774	$ 1,339,541	$ 9,609,315	$ 10,837,020
Production of local and national programs	2,031,703	-	2,031,703	1,761,969
Corporation for Public Broadcasting grants	2,557,904	161,700	2,719,604	2,239,552
Federal and state government grants	4,108,016	-	4,108,016	231,444
Corporate contributions	886,012	316,478	1,202,490	1,035,255
Foundation contributions	788,876	58,258	847,134	503,950
Facilities rental	1,045,704	-	1,045,704	902,183
Retail product sales	86,111	-	86,111	73,402
Investment income, net	1,211,850	267,731	1,479,581	713,228
Miscellaneous	305,487	35,366	340,853	366,580
Gain on sale of property and equipment	694,587	-	694,587	-
Net assets released from restrictions	1,378,744	67,500	1,446,244	2,548,340
Total revenue, gains other support	23,364,768	2,246,574	25,611,342	21,212,923
Expenses				
Program services:				
Engagement and outreach	2,815,875	116,095	2,931,970	1,423,823
Production and content creation	7,404,537	-	7,404,537	6,094,030
Broadcast	5,460,928	1,113,396	6,574,324	6,170,867
Total program services	15,681,340	1,229,491	16,910,831	13,688,720
Support services				
Administrative and general	2,391,345	142,891	2,534,236	2,405,952
Fundraising	4,124,189	394,895	4,519,084	4,488,972
Total expenses	22,196,874	1,767,277	23,964,151	20,583,644
Increase in Net Assets Without Donor Restrictions	1,167,894	479,297	1,647,191	629,279
Changes in Net Assets With Donor Restrictions				
Programming and grants	3,289,302	-	3,289,302	1,075,252
Investment income, net	10,167	-	10,167	5,700
Net assets released from restrictions	(1,378,744)	(67,500)	(1,446,244)	(2,548,340)
Increase (Decrease) in Net Assets With Donor Restrictions	1,920,725	(67,500)	1,853,225	(1,467,388)
Change in net assets	3,088,619	411,797	3,500,416	(838,109)
Net Assets, Beginning	18,510,184	6,370,072	24,880,256	25,718,365
Net Assets, Ending	$ 21,598,803	$ 6,781,869	$ 28,380,672	$ 24,880,256