

Golden Valley Community Broadcasters

Chico, California

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT

June 30, 2024 and 2023

Golden Valley Community Broadcasters

TABLE OF CONTENTS

June 30, 2024 and 2023

	<u>Page Number</u>
Independent Auditors' Report	1
FINANCIAL SECTION	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to the Financial Statements	9

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Golden Valley Community Broadcasters
Chico, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Golden Valley Community Broadcasters (the Organization), a nonprofit corporation, 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). 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 for one year after the date that the financial statements are issued.

INDEPENDENT AUDITORS' REPORT

(Continued)

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 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, 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.

01/14/2025

Chico, California

FINANCIAL SECTION

Golden Valley Community Broadcasters
STATEMENTS OF FINANCIAL POSITION

June 30	2024	2023
CURRENT ASSETS		
Cash	\$ 752,009	\$ 740,700
Accounts receivable	11,961	2,910
Employee advances	-	2,066
Deposits	-	620
Prepaid insurance	9,996	7,019
Total Current Assets	773,966	753,315
Noncurrent Assets		
North Valley Community Foundation Fund	13,890	12,540
Operating lease right-of-use-assets	34,118	45,588
Fixed assets -net	124,590	104,421
Total Other Assets	172,598	162,549
TOTAL ASSETS	\$ 946,564	\$ 915,864
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 524	\$ 230
Accrued payroll taxes	2,524	2,135
Accrued wages, vacations, and benefits	12,117	9,638
Deferred revenue	19,417	7,411
Current portion of operating lease liability	13,740	12,540
Total Current Liabilities	48,322	31,954
Noncurrent Liabilities		
Operating lease liability - net of current maturities	20,378	33,048
TOTAL LIABILITIES	68,700	65,002
Net Assets		
Without donor restrictions	877,864	850,862
TOTAL LIABILITIES AND NET ASSETS	\$ 946,564	\$ 915,864

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

Golden Valley Community Broadcasters

STATEMENTS OF ACTIVITIES

Years Ended June 30	2024	2023
Revenues, Support, and Other		
Underwriting, net of discounts	\$ 125,736	\$ 131,604
Pledge drives	80,707	73,926
Grants	166,810	98,516
Donations	60,861	94,082
Contributions in-kind	34,894	39,318
Investment income	24,175	(763)
Employee retention credit	-	74,463
Other income	40	10,282
Subtotal	493,223	521,428
Special events and fundraisers:		
Revenues	42,221	61,457
Less: Direct expenses	31,325	46,033
Total Special Events and Fundraisers - Net	10,896	15,424
Total Revenues, Support, and Other	504,119	536,852
Expenses		
Program services	221,659	186,510
Management	182,131	165,747
Fundraising	73,327	60,689
Total Expenses	477,117	412,946
Change in Net Assets	27,002	123,906
Net Assets - Beginning of Year	850,862	726,956
Net Assets - End of Year	\$ 877,864	\$ 850,862

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

Golden Valley Community Broadcasters

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024	Program		Supporting Services		Total
	Services	Management	Management	Fundraising	
Compensation					
Salaries and benefits	\$ 41,266	\$ 103,164	\$ 43,142	\$	187,572
Payroll taxes	3,802	9,505	3,975		17,282
Workers' compensation	450	1,124	470		2,044
Total Compensation	45,518	113,793	47,587		206,898
Other Expenses					
Accounting	-	6,500	-		6,500
Advertising and marketing	39,134	-	-		39,134
Bank and credit card fees	4,258	1,064	-		5,322
Broadcast expenses	39,489	-	-		39,489
Computer expenses	78	196	82		356
Depreciation	20,333	-	-		20,333
Donations	-	3,750	-		3,750
Dues and subscriptions	-	8,871	-		8,871
Insurance - liability	2,846	7,115	2,976		12,937
Investment fees	-	299	-		299
Licensing and permits	125	-	-		125
Meals and entertainment	-	811	-		811
Miscellaneous expenses	701	1,754	733		3,188
Office supplies	2,156	5,388	2,254		9,798
Outside services	7,953	3,409	-		11,362
Pledge drive	-	-	7,704		7,704
Postage	395	986	413		1,794
Programming	9,805	-	-		9,805
Rents	22,294	12,971	5,270		40,535
Repairs and maintenance	2,638	6,594	2,757		11,989
Taxes - property	707	-	-		707
Telephone	1,012	2,531	1,058		4,601
Travel	-	1,112	-		1,112
Utilities	17,453	4,987	2,493		24,933
Volunteer expenses	4,764	-	-		4,764
Total Expenses	\$ 221,659	\$ 182,131	\$ 73,327	\$	477,117

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

Golden Valley Community Broadcasters

STATEMENTS OF FUNCTIONAL EXPENSES

(Continued)

Year Ended June 30, 2023	Program		Supporting Services		Total
	Services	Management	Fundraising		
Compensation					
Salaries and benefits	\$ 34,488	\$ 86,220	\$ 36,055	\$	156,763
Payroll taxes	2,951	7,378	3,085		13,414
Workers' compensation	350	874	365		1,589
Total Compensation	37,789	94,472	39,505		171,766
Other Expenses					
Accounting	-	17,895	-		17,895
Advertising and marketing	39,436	-	-		39,436
Bank and credit card fees	4,450	1,112	-		5,562
Broadcast expenses	30,489	-	-		30,489
Depreciation	8,157	-	-		8,157
Donations	-	3,750	-		3,750
Dues and subscriptions	-	4,911	-		4,911
Insurance - liability	1,821	4,552	1,903		8,276
Licensing and permits	223	-	-		223
Meals/Entertainment	-	664	-		664
Miscellaneous expenses	-	789	-		789
Office supplies	3,059	7,647	3,198		13,904
Outside services	8,755	3,752	-		12,507
Pledge drive expenses	-	-	5,181		5,181
Postage	546	1,365	571		2,482
Programming	5,680	-	-		5,680
Rents	25,667	14,934	6,067		46,668
Repairs and maintenance	637	1,593	666		2,896
Taxes - property	729	-	-		729
Telephone	1,272	3,180	1,330		5,782
Travel	-	596	-		596
Utilities	15,873	4,535	2,268		22,676
Volunteer expenses	1,927	-	-		1,927
Total Expenses	\$ 186,510	\$ 165,747	\$ 60,689	\$	412,946

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

Golden Valley Community Broadcasters

STATEMENTS OF CASH FLOWS

Years Ended June 30	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 27,002	\$ 123,906
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	20,333	8,157
Unrealized market (gain)/loss	(1,088)	1,937
Changes in:		
Accounts receivable	(9,051)	2,506
Prepaid insurance	(2,977)	3,869
Deposits	620	50
Accounts payable	294	(2,065)
Accrued payroll taxes	389	1,552
Accrued wages, vacations, and benefits	2,479	(310)
Deferred revenue	12,006	(17,676)
NET CASH PROVIDED BY OPERATING ACTIVITIES	50,007	121,926
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in investments	(262)	(2,856)
Acquisition of fixed assets	(40,502)	(106,640)
Change in employee advances	2,066	1,162
NET CASH USED IN INVESTING ACTIVITIES	(38,698)	(108,334)
Net Change in Cash	11,309	13,592
Cash - Beginning of Year	740,700	727,108
Cash - End of Year	\$ 752,009	\$ 740,700
NONCASH INVESTING AND FINANCING ACTIVITIES UPON ADOPTION OF TOPIC 842		
Operating lease asset obtained in exchange for operating lease liability	\$ -	\$ 55,989

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

Golden Valley Community Broadcasters

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF OPERATIONS

Organization and Nature of Operations Golden Valley Community Broadcasters (the Organization) is a nonprofit corporation, operating a radio broadcasting facility located in Chico, California, organized in November 1985 for the following purposes:

- a. To establish a corporation organized and operated exclusively for educational purposes, no part of the net earnings of which inure to the benefit of any director of the corporation.
- b. To establish and operate for educational purposes, one or more radio broadcasting stations licensed by the Federal Communications Commission in such manner that the facilities involved shall be as nearly self-sufficient as possible.
- c. To promote the cultural welfare of the community by providing outlets and training for creative skills and activities through radio broadcasting operations.
- d. To engage in radio broadcasting operations and any other activities that shall contribute to the lasting understanding between nations and between the individuals of all nations, races, creeds, colors, abilities, genders, and sexual orientations; to gather and disseminate information on the causes of conflict between any and all of such groups; and through any and all means compatible with the purposes of this corporation, to promote the study of political and economic problems and of the causes of religious, philosophical and racial antagonisms.
- e. To promote through radio broadcasting operations, the full distribution of public information from sources of news not commonly brought together in the same medium; and to present news and information on matters vitally affecting the community.
- f. To engage in any and all other activities permitted of a California Nonprofit Public Benefit Corporation, and of an organization exempt from taxation under subsection 501(c)(3) of Title 26, Subtitle A, Chapter 1, Subchapter F, Part 1 of the U.S. Code.

Implementation of New Accounting Standard The Organization adopted the provisions of Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, as of July 1, 2022. The ASU increases transparency and comparability among organizations by requiring lessees to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months and to disclose key information about leasing arrangements. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. This ASU has been applied as of the beginning of the period of implementation. The implementation did not affect net assets and the Organization recorded an operating lease right-of-use asset of \$55,989 and a lease liability of \$55,989 as of July 1, 2022. Upon adoption of this ASU, the Organization elected to apply several practical expedients including: 1) not reassessing existing contracts to determine whether they are or contain a lease; 2) not reassessing existing leases to determine whether they are an operating or financing lease; and 3) not reassessing any initial direct costs for existing leases.

Golden Valley Community Broadcasters

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Basis of Accounting and Presentation The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, and expenses are classified based on the existence or absence of stipulations imposed by donors or grantors. Accordingly, net assets of the Organization, and changes therein, are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to stipulations imposed by donors or grantors and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

The Organization had no assets with donor restrictions at June 30, 2024 and 2023.

Cash All highly liquid investments, with a maturity of three months or less when purchased, are considered to be cash equivalents. There were no cash equivalents at June 30, 2024 and 2023. The carrying amount of cash accounts represent fair value as all accounts are demand deposits.

Accounts Receivable Accounts receivable represents amounts due from private persons, firms, or corporations based on contractual agreements or amounts billed but not received as of June 30, 2024 and 2023. The Organization considers all of its receivables to be fully collectible, as such, there is no allowance for uncollectible accounts for the years ended June 30, 2024 and 2023.

Fixed Assets Fixed assets are stated at cost. Depreciation of equipment is provided on the estimated useful lives of the assets using the straight-line method, generally over a period of 5 to 15 years. Depreciation of leasehold Improvements is provided on the straight-line method, generally over a 7 year period.

The Organization has not established a dollar threshold for capitalization of fixed assets. The cost of maintenance and repairs are charged to expense as incurred. At the time fixed assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are adjusted, and any gain or loss on disposal is included in the statement of activities.

Golden Valley Community Broadcasters

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Leases The Organization determines if an arrangement is a lease at inception. A contract is determined to be or contain a lease if the contract conveys the right to control the use of an identified asset in exchange for consideration. When an arrangement is a lease, the Organization determines whether it is an operating or a finance lease. The Organization currently only holds operating leases. Operating leases are included in operating lease right-of-use assets and operating lease liabilities on the statement of financial position. Right-of-use assets represent the right to use an underlying asset for the lease term. Lease liabilities represent the obligation to make lease payments. The operating lease right-of-use assets and operating lease liabilities are recognized as the present value of the future minimum lease payments over the lease term at commencement date. As most of the leases do not provide an implicit rate, the Organization used the risk-free rate based on the information available at commencement date in determining the present value of future payments. The operating lease right-of-use asset also is adjusted for any lease payments made and excludes lease incentives and initial direct costs incurred. The Organization's lease terms may include options to extend or terminate the lease at certain dates, typically at the Organization's discretion. Lease expense for minimum lease payments is recognized on a straight-line basis over the term of the agreement and is included in rent expense in the statement of functional expenses.

Deferred Revenue Underwriting contracts are generally entered into for periods ranging from three to twelve months, with payment due at the beginning of the contract. Deferred revenue consists of contract liabilities for the unexpired portion of contract revenue received as of the fiscal year end.

Income Taxes The Organization is exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code* and Section 23701(d) of the *California Revenue and Taxation Code*. The Organization has been classified as an organization that is not a private foundation under Section 509(a)(2).

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimated.

Concentrations of Credit Risk Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash accounts. The Organization maintains its cash accounts in depositories that are insured by the Federal Deposit Insurance Corporation up to \$250,000. It is customary for bank balances to temporarily exceed insurance limits.

Functional Expense Allocations The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates of time, effort, and usage.

Revenue Recognition Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions and certain grant revenue are recognized with cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Golden Valley Community Broadcasters

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Underwriting Fees Underwriting fees are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services for businesses. These services consist of radio sponsorships, acknowledgement on the Organization's website, and other forms of agreed upon sponsorships. Businesses receive no material rights to purchase additional services at discounted rates. Revenue from underwriting fees is recorded on a pro-rata basis for the period covered and is recognized over time when the related sponsored program is aired. The Organization has concluded that it has a right to consideration for services provided in accordance with the underlying contracts. The Organization does not offer services with variable consideration or financing components.

Contract liabilities for payments received in advance of underwriting being provided are recorded as deferred revenue in the statements of financial position. As payment is due in advance of services being performed, the Organization's right to consideration is unconditional at that time, and the Organization does not maintain contract assets or contract receivables.

In-Kind Donated Services Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the years ended June 30, 2024 and 2023, the Organization recorded \$14,025 and \$10,880, respectively, as broadcasting expenses for professional disk jockey services. The Organization also receives broadcast services from a number of volunteers each year that are not recognized as contributions in the financial statement since the recognition criteria were not met.

Advertising The Organization expenses advertising production costs as they are incurred and advertising communication costs the first time advertising takes place.

Date of Management Evaluation Management has evaluated subsequent events through **DATE**, the date on which the financial statements were available to be issued.

2. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available to meet general expenditures, liabilities, and other obligations over the next twelve months:

June 30		2024		2023
Cash	\$	752,009	\$	740,700
Accounts receivable		11,961		2,910
Total Financial Assets	\$	763,970	\$	743,610

As part of the Organization's liquidity management, the Organization's policy is to structure financial assets to be available as general expenditures, liabilities, and other obligations come due. As part of its liquidity plan, excess cash is evaluated annually and retained in savings accounts.

Golden Valley Community Broadcasters

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

3. FAIR VALUE MEASUREMENTS

The Organization accounts for certain assets and liabilities in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, which establishes a framework for measuring fair value under accounting principles generally accepted in the United States of America.

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level.

Valuations within the hierarchy levels are based upon the following:

- Level 1:* Quoted market prices for identical instruments traded in active exchange markets.
- Level 2:* Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.
- Level 3:* Model-based techniques use at least one significant assumption not observable in the market. These unobservable assumptions reflect the Organization's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management judgement and estimation, which may be significant.

The specific techniques used to measure fair value for financial statement elements are described in the notes below that relate to each element.

4. FIXED ASSETS

Fixed assets are summarized by major category as follows:

June 30	2024	2023
Equipment - broadcasting	\$ 240,923	\$ 200,421
Equipment - office	7,330	7,330
Leasehold improvements	61,658	61,658
Subtotal	309,911	269,409
Less: Accumulated depreciation	185,321	164,988
Fixed Assets - Net	\$ 124,590	\$ 104,421

Golden Valley Community Broadcasters

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

5. LEASES

The Organization has one long-term land lease where the station transmitter and antenna are located. The Organization classified this lease as an operating lease. The initial lease term was for 3 years ending on February 27, 2021, and included two automatic 3-year extensions, which the Organization intends to exercise, therefore the additional six years has been recognized as part of the Organization's operating lease right-of-use (ROU) asset and lease liability. The lease expires on February 28, 2027. Payments due under the lease are monthly, fixed payments of \$995 for the first 3-year extension and \$1,145 for the second 3-year extension.

The lease does not provide an implicit rate, therefore, the Organization elected to use an incremental borrowing rate to determine the present value of future payments. There are no material variable lease costs associated with the Organization's lease. The total operating lease cost for the years ended June 30, 2024 and 2023, was \$12,540 and \$11,940, respectively.

As of June 30, 2024 and 2023, the Organization held total right-to-use assets of \$34,118 and \$45,588, respectively.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of June 30, 2024, and the present value of those lease payments using an annual discount rate of 3.00%:

Years Ending June 30		
2025	\$	13,740
2026		13,740
2027		9,160
Total Lease Payments		36,640
Less: Present value discount		(2,522)
Total Operating Lease Liability	\$	34,118

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of June 30, 2023, and the present value of those lease payments using an annual discount rate of 3.00%:

Years Ending June 30		
2024	\$	12,540
2025		13,740
2026		13,740
2027		9,160
Total Lease Payments		49,180
Less: Present value discount		(3,592)
Total Operating Lease Liability	\$	45,588

Golden Valley Community Broadcasters

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The weighted average lease term of the operating leases at June 30, 2024 and 2023, were 2.66 and 3.67 years, respectively.

The weighted average discount rate for the operating leases at June 30, 2024 and 2023, was 3.00%.

6. GRANTS

The Organization received Community Service Grants (CSG) from the Corporation for Public Broadcasting (CPB). CPB is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual CSGs to qualifying public broadcasting entities. CSGs are used to supplement the financial resources of public broadcasting entities and thereby enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two years as described in the Communication Act, 47 United States Code Annotated, Section 396(k)(7). Each grant must be expended within two years of the initial grant authorization. A portion of the CSG grant from the CPB in each of the last two years was considered to be restricted. It is the Organization's policy to use restricted funds to the fullest extent possible before utilizing unrestricted funds.

Grants consisted of the following for the years ended June 30, 2024 and 2023:

June 30		2024		2023
Community Service grants (CPB) - restricted	\$	26,902	\$	25,278
Community Service grants (CPB) - unrestricted		75,308		71,371
Community economic resilience fund		37,500		-
USDA community facility disaster grant		27,100		-
Other		-		1,867
Total CPB Grants	\$	166,810	\$	98,516

7. BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

North Valley Community Foundation Fund

North Valley Community Foundation - represents monies transferred by the Organization or received from third-party donors and held and invested by the North Valley Community Foundation. The purpose of the fund is to provide ongoing and growing source of funds for support of the programs and operations of the Organization. Distributions from the Foundation to the Organization are made at the discretion of the Foundation in accordance with the distribution policy adopted by the Foundation board. The agreement may be terminated by the Organization board of directors with revision of all remaining fund assets.

The fair value has been measured on a recurring basis using quoted prices in active markets for identical assets or similar assets (Level 1 inputs).

Golden Valley Community Broadcasters

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

8. CONTRACT REVENUE DISAGGREGATION AND CONTRACT BALANCES

The Organization earns contract revenue only in relation to the underwriting fees. Underwriting fees of \$125,736 and \$131,604 for the years ended June 30, 2024 and 2023, respectively, were recognized over time.

Contact liability balances included in deferred revenue on the statement of net position were as follows:

Years Ended June 30	2024	2023	2022
Contract liabilities	\$ 19,417	\$ 7,411	25,087

The Organization currently holds no contract receivables or contract assets as of June 30, 2024 and 2023.

9. CONTRIBUTED NONFINANCIAL ASSETS

The following table summarizes the categories of contributed nonfinancial assets and other required qualitative disclosures for fiscal years ended June 30, 2024 and 2023:

Contributed Nonfinancial Assets	Valuation Techniques	Year Ended June 30	
		2024	2023
Office and studio space	Valuation is based on the difference between current rental rate and estimated local market rate per square footage of office and studio space.	\$ 12,600	\$ 12,600
On-air DJ services	Valuation is based on actual volunteer hours multiplied by an agreed up rate per hour based on activity.	22,294	26,718
Total Contributed Nonfinancial Assets		\$ 34,894	\$ 39,318

Golden Valley Community Broadcasters

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

10. CONTINGENCIES AND CONCENTRATIONS

Community Service Grants The Organization reported annual Community Service Grants (CSG) from the Corporation for Public Broadcasting (CPB), of \$102,210 and \$96,649 for the years ended June 30, 2024 and 2023, respectively, which represents approximately 21% and 19% of total revenue, respectively. The Community Service Grant (CSG) is conditioned upon maintaining minimum revenue levels. CPB's minimum revenue level is based on generating \$300,000 in non-federal funding sources. For the year ended June 30, 2022, the Organization anticipates exceeding the \$300,000 threshold.

CARES Act Employee Retention Credits Near the beginning of the pandemic, the Federal government passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Included in the CARES Act is a provision for Employee Retention Credits (ERC), refundable payroll tax credits that are available to eligible entities. Since the initial passage of the CARES Act, additional guidance and laws have expanded and modified this credit, making more entities eligible. During the year ended June 30, 2023, the Organization received a payment of \$74,463 representing the full amount of tax credits expected to be received. These tax credits are subject to audit by the federal government up to three years from the date the tax return was filed or the due date of the return, whichever is later. However, if the tax returns were amended, the audit statute of limitations starts from the amended return file date.