

FRIENDS OF PUBLIC RADIO ARIZONA
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024



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**FRIENDS OF PUBLIC RADIO ARIZONA
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Friends of Public Radio Arizona
Tempe, Arizona

Report on the Audit of the Consolidated Financial Statements

Opinion

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Friends of Public Radio Arizona as of June 30, 2024, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Consolidated Financial Statements section of our report. We are required to be independent of Friends of Public Radio Arizona and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

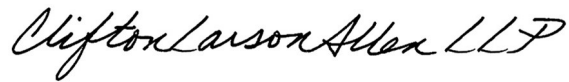
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Friends of Public Radio Arizona'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Friends of Public Radio Arizona'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 audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The statement of activities by license is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Phoenix, Arizona
October 16, 2024

**FRIENDS OF PUBLIC RADIO ARIZONA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 6,808,662
Pledges Receivable	13,079
Prepaid Expenses	160,517
Inventory	4,757
Total Current Assets	<u>6,987,015</u>

NONCURRENT ASSETS

Interest in Arizona Community Foundation Investment Pool	3,425,257
Property and Equipment	279,571
Total Noncurrent Assets	<u>3,704,828</u>

Total Assets \$ 10,691,843

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 51,141
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NET ASSETS

Without Donor Restrictions	9,827,009
With Donor Restrictions	813,693
Total Net Assets	<u>10,640,702</u>

Total Liabilities and Net Assets \$ 10,691,843

See accompanying Notes to Consolidated Financial Statements.

**FRIENDS OF PUBLIC RADIO ARIZONA
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions and Donations	\$ 7,476,590	\$ 169,718	\$ 7,646,308
Investment Income, Net	364,663	-	364,663
Other Revenue	75,451	-	75,451
Change in Interest in Arizona Community Foundation Investment Pool	260,125	-	260,125
Special Events Revenue	88,160	-	88,160
Less: Cost of Direct Benefit to Donors	(56,145)	-	(56,145)
Subtotal	32,015	-	32,015
Net Assets Released From Restriction	310,087	(310,087)	-
Total Revenues and Support	8,518,931	(140,369)	8,378,562
EXPENSES			
Program Services	6,042,701	-	6,042,701
Support Services	242,884	-	242,884
Fundraising	663,579	-	663,579
Total Expenses	6,949,164	-	6,949,164
CHANGE IN NET ASSETS BEFORE EQUITY TRANSFER	1,569,767	(140,369)	1,429,398
Equity Transfer - Donated Services from Affiliate	367,663	-	367,663
CHANGE IN NET ASSETS	1,937,430	(140,369)	1,797,061
Net Assets - Beginning of Year	7,889,579	954,062	8,843,641
NET ASSETS - END OF YEAR	\$ 9,827,009	\$ 813,693	\$ 10,640,702

See accompanying Notes to Consolidated Financial Statements.

**FRIENDS OF PUBLIC RADIO ARIZONA
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

	Program Services	Support Services	Fundraising	Totals
Distributions to Public Radio	\$ 5,584,645	\$ -	\$ -	\$ 5,584,645
Public Radio Program Production	237,240	-	-	237,240
Professional Fees	59,560	54,554	11,825	125,939
Public Awareness	140,992	-	39,864	180,856
Membership	-	-	302,426	302,426
Donated Services	8,528	49,672	309,464	367,664
Conference, Conventions, and Meetings	-	4,228	-	4,228
Donations Processing and Bank Fees	-	117,652	-	117,652
Depreciation	4,211	-	-	4,211
Other	7,525	16,778	-	24,303
Special Event Expenses	-	-	56,145	56,145
Total	6,042,701	242,884	719,724	7,005,309
Less: Expenses Netted Against Revenues on the Consolidated Statement of Activities:				
Special Event Expenses	-	-	(56,145)	(56,145)
Total Expenses included in the Expense Section of the Consolidated Statement of Activities of Activities	\$ 6,042,701	\$ 242,884	\$ 663,579	\$ 6,949,164
Percentage	86.96 %	3.50 %	9.55 %	100.00 %

See accompanying Notes to Consolidated Financial Statements.

**FRIENDS OF PUBLIC RADIO ARIZONA
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Sales, Grants, and Contributions	\$ 7,910,695
Cash Received from Interest and Dividends	364,663
Cash Payments to Suppliers for Goods and Services	<u>(6,622,754)</u>
Net Cash Provided by Operating Activities	1,652,604

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Interest in Arizona Community Foundation: Strategic Initiative	(168,641)
Purchases of Property and Equipment	<u>(215,067)</u>
Net Cash Used by Investing Activities	<u>(383,708)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

1,268,896

Cash and Cash Equivalents - Beginning of Year

5,539,766

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 6,808,662

**RECONCILIATION OF CHANGE IN NET ASSETS TO
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Change in Net Assets	\$ 1,797,061
Depreciation	4,211
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Change in Interest in Arizona Community Foundation Investment Pool	(260,125)
Decrease (Increase) in Current Assets:	
Pledge Receivable	156,921
Prepaid Expenses	(78,017)
Inventory	2,276
Decrease in Current Liabilities:	
Accounts Payable	<u>30,277</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,652,604</u></u>

See accompanying Notes to Consolidated Financial Statements.

FRIENDS OF PUBLIC RADIO ARIZONA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Friends of Public Radio Arizona's (the Organization) mission is to assure the future vitality and excellence of the Phoenix community's public radio stations and to broaden public radio support. Funding for the Organization is provided through individual donations and fundraising.

Basis of Accounting

The consolidated financial statements of Friends of Public Radio Arizona have been prepared on the accrual basis of accounting. The more significant of the Organization's accounting policies are described below.

Principles of Consolidation

These consolidated financial statements include the activities of Friends of Public Radio Arizona, SPOT 127, and FT Mobile Productions, collectively the Organization. SPOT 127 began operations in conjunction with Friends of Public Radio Arizona in 2011 and was organized as a separate entity in fiscal year 2014. FT Mobile Productions began operations and was organized as a separate entity in fiscal year 2017. All material intercompany accounts and transactions have been eliminated in consolidation.

Financial Statement Presentation

The Organization follows accounting principles generally accepted in the United States of America (U.S. GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restriction when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

FRIENDS OF PUBLIC RADIO ARIZONA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Contributions

Support is recognized when received. Support that is restricted by the donor/grantor is reported as an increase in net assets without donor restrictions if the restriction expires in the fiscal year in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are released to net assets without donor restrictions. Support that is perpetually restricted by the donor/grantor is reported as an increase in net assets with donor restrictions.

Revenue Recognition

Revenue received from investment activity and other noncontribution revenue is recognized as earned.

Special Events

The Organization conducts several special events to raise funds for the benefit of the Phoenix community's public radio stations. Special event revenue consists of event attendance fees and sales of goods at events. Cost of direct benefits to donors is the cost incurred by the Organization to provide goods and services to donors at the events.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore, has no provision for federal income taxes.

The Organization follows a policy that clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. The policy prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The Organization has not identified any uncertain tax positions.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

Cash equivalents consisted of short term, highly liquid investments that are both (a) readily convertible to known amounts of cash; and (b) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition.

FRIENDS OF PUBLIC RADIO ARIZONA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value of Financial Instruments

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy at the measurement date. This fair value hierarchy maximizes the use of observable inputs by requiring that the observable inputs be used when available. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Inventory

Inventory is stated at lower of cost, determined by the first-in, first-out method, or net realizable value. Inventory consists of retail goods held for resale.

Property and Equipment

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are stated at cost, or if donated, at the approximate fair value at the date of donation. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the respective assets which are seven years.

Major additions and improvements are capitalized. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and gains and losses are included in the consolidated statement of activities.

**FRIENDS OF PUBLIC RADIO ARIZONA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The Organization's primary mission is to assure the future vitality and excellence of the Phoenix community's public radio stations and to broaden public radio support. Costs related to this purpose are reported as program expenses on the consolidated statement of functional expenses. Activities performed by the Organization to generate funds and/or resources to support its programs and operations are reported as fundraising activities. All costs not identifiable with a specific program or fundraising activities, but indispensable to the conduct of such programs and activities and to the Organization's existence, are included as management and general expenses. This includes expenses for the overall direction of the Organization, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as donated services, donations processing and bank fees, and other expenses.

Expenses that benefit more than one function of the Organization are allocated among the functions based generally on management's estimate of the benefit received by each function.

Designation of Net Assets Without Donor Restrictions

The board of directors of the Organization reviews its plans for future support of the local Phoenix public radio stations KJZZ and KBAQ. It has designated a portion of net assets without donor restrictions as board-designated endowments to assure adequate funds are available for such support.

Risks and Uncertainties

The Organization invests in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances, and the amounts reported in the consolidated statement of activities.

In the ordinary course of business, the Organization is subject to various litigation risks. In the opinion of management, there are no current proceedings or claims against the Organization that would have a material effect on the consolidated statements of financial position, activities, functional expenses, or cash flows.

FRIENDS OF PUBLIC RADIO ARIZONA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU 2016-13), *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which modified the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 16, 2024, the date the consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

FPRAZ manages its cash available to meet general expenditures following three guiding principles:

1. Operating within a prudent range of financial soundness and stability,
2. Maintaining adequate liquid assets, and
3. Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of FPRAZ.

FPRAZ receives support without donor restrictions; such support has historically represented approximately 90% of annual program funding needs, with the remainder funded by gifts with donor restrictions, investment income without donor restrictions and appropriated earnings from gifts with donor restrictions.

FPRAZ regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. FPRAZ has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and commercial paper facilities.

**FRIENDS OF PUBLIC RADIO ARIZONA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)

As of June 30, 2024, the following financial assets could readily be made available within one year of the consolidated statement of financial position date to meet general expenditures:

Cash and Cash Equivalents	\$ 6,808,662
Pledges Receivable	13,079
Interest in Arizona Community Foundation Investment Pool	<u>3,425,257</u>
Total Financial Assets	10,246,998
Less:	
Net Assets Designated by Board for Endowment	(3,425,257)
Net Assets with Donor Restrictions	<u>(813,693)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 6,008,048</u></u>

NOTE 3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of a book balance of \$6,808,662 and bank balances of \$6,834,056 of which \$500,000 was insured by federal depository insurance. The remaining \$6,334,056 was uninsured and uncollateralized.

NOTE 4 PLEDGES RECEIVABLE

Pledges receivable consist of the following as of June 30, 2024:

Amounts Due in:	
Less than One Year	<u><u>\$ 13,079</u></u>

NOTE 5 INTEREST IN INVESTMENT POOLS AND FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization measures fair value refer to Note 1 – Summary of Significant Accounting Policies. The following table presents the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Interest in Arizona Community Foundation Investment Pool	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,425,257</u></u>	<u><u>\$ 3,425,257</u></u>

**FRIENDS OF PUBLIC RADIO ARIZONA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 5 INTEREST IN INVESTMENT POOLS AND FAIR VALUE MEASUREMENTS
(CONTINUED)**

The Organization holds assets in an agreement with the Arizona Community Foundation. Under this agreement, the funds will remain at Arizona Community Foundation as board-designated endowment funds. The funds are stated at fair value, which was determined based on quoted market prices.

As both the resource provider (the transferor of assets to the Arizona Community Foundation) and as the self-named beneficiary, Friends of Public Radio Arizona recognizes the funds held by the Arizona Community Foundation as community foundation holdings and classifies the funds in long-term assets. The Arizona Community Foundation holds these assets in a board-advised fund with the income and principal available for distribution to the Organization subject to the Organization’s board of directors’ approval and subject to the Organization advising that the distribution be made in accordance with the provisions of the agreement.

The board-designated endowment net assets and activity for the year ended June 30, 2024, consisted of the following:

	Board- Designated
Board-Designated Endowment Net Assets - Beginning	\$ 2,996,491
Change in Value in Arizona Community Foundation:	
Contribution	109,814
Investment Income	58,827
Change in Value	260,125
Board-Designated Endowment Net Assets - Ending	\$ 3,425,257

Level 3 Assets and Liabilities

The following table provides a summary of changes in fair value of the Organization’s Level 3 financial assets for the year ended June 30, 2024:

	Arizona Community Foundation Investment Pool
Purchases	\$ 109,814

**FRIENDS OF PUBLIC RADIO ARIZONA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 5 INTEREST IN INVESTMENT POOLS AND FAIR VALUE MEASUREMENTS
(CONTINUED)**

The following table describes the valuation techniques used to calculate fair value for assets in Level 3. There were no changes in valuation techniques and related inputs from the prior year.

	Fair Value at June 30, 2024	Valuation	Unobservable Inputs
Arizona Community Foundation Investment Pool	\$ 3,425,257	Percentage ownership of investment pool	The percentage ownership of investment pool as applied to investment statements

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2024:

Vehicles	\$ 55,717
CRM Project	274,658
Total	<u>330,375</u>
Less: Accumulated Depreciation	(50,804)
Property and Equipment, Net	<u><u>\$ 279,571</u></u>

NOTE 7 NET ASSETS

Without Donor Restrictions

The Organization's board of directors has chosen to place the following limitations on net assets without donor restrictions:

Board-Designated for Endowment Purposes	\$ 3,425,257
Undesignated	6,401,752
Total	<u><u>\$ 9,827,009</u></u>

Included within net assets without donor restrictions on the consolidated statement of financial position, the Organization has board-designated endowment funds established for the purpose of providing an operating cash reserve. As required by U.S. GAAP, net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's interpretation of the laws governing restrictions on net appreciation of donor-restricted endowments is based on the State of Arizona Management of Charitable Fund Act. The Organization reinvests earnings on the fund back into the board-designated endowment. In addition, management fees are deducted from the fund. The fund is spendable based on appropriations from the board. The board has deposited the fund with the Arizona Community Foundation for an interest in their investment pools.

**FRIENDS OF PUBLIC RADIO ARIZONA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 NET ASSETS (CONTINUED)

Without Donor Restrictions (Continued)

The endowment net assets and activity for the year ended June 30, 2024 have been presented in Note 5.

With Donor Restrictions

The following is a summary of net assets with donor restrictions at June 30, 2024:

Youth Media	\$ 332,821
Catena	221,941
Ford Foundation	200,000
Nina Mason Pulliam	20,715
AARP	13,727
Albertsons	11,108
Virginia Piper	10,081
ACF for SPOT	2,500
Whole Foods Hearizona	800
Total	\$ 813,693

NOTE 8 DONATED GOODS AND SERVICES

The Organization receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying consolidated statement of activities because the criteria for recognition of such volunteer efforts under U.S. GAAP have not been satisfied.

The Organization received \$367,663 of donated program, management and fundraising services from their public radio stations, KBAQ and KJZZ, related parties to the Organization, during the year ended June 30, 2024, that is included in equity transfer from affiliate and expenses in the consolidated statement of activities. The value of the equity transfer from affiliate was obtained using the personnel costs from the organization that provided the services. Additionally, the Organization received proceeds of \$664,022 from the auction of donated vehicles. There were no donated services or goods with donor restrictions received during the year ended June 30, 2024.

NOTE 9 ECONOMIC DEPENDENCE

Friends of Public Radio Arizona is dependent upon contributions from individuals, corporations, and foundations and proceeds from its special events for support of its program services.

**FRIENDS OF PUBLIC RADIO ARIZONA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 RELATED PARTIES

The Organization conducts fundraising efforts for which contributions are received and shared with their public radio stations, KBAQ and KJZZ. During the current year, the Organization provided the stations with \$5,584,645.

FRIENDS OF PUBLIC RADIO ARIZONA
STATEMENT OF ACTIVITIES BY LICENSE
JUNE 30, 2024
(SEE INDEPENDENT AUDITORS' REPORT)

	KJZZ	KBAQ	Total
REVENUES AND SUPPORT			
Contributions and Donations	\$ 5,627,664	\$ 2,018,645	\$ 7,646,308
Investment Income, Net	266,204	98,459	364,663
Other Revenue	74,265	1,185	75,451
Change in Interest in Arizona Community			
Foundation Investment Pool	189,891	70,234	260,125
Special Events Revenue	44,080	44,080	88,160
Less: Cost of Direct Benefit to Donors	(28,073)	(28,073)	(56,145)
Total Revenues and Support	6,174,032	2,204,531	8,378,562
EXPENSES			
Distributions to Public Radio	4,664,645	920,000	5,584,645
Public Radio Program Production	229,008	8,232	237,240
Professional Fees	57,532	68,407	125,939
Public Awareness	116,252	64,604	180,856
Membership	223,319	79,107	302,426
Donated Services	268,395	99,269	367,664
Conference, Conventions, and Meetings	3,194	1,034	4,228
Donations Processing and Bank Fees	88,792	28,860	117,652
Depreciation	4,211	-	4,211
Other	18,474	5,828	24,302
Special Event	28,073	28,073	56,146
Total	5,701,895	1,303,414	7,005,309
Less: Expenses Netted Against Revenues on the Consolidated Statement of Activities:			
Special Event Expenses	(28,073)	(28,073)	(56,145)
Total Expenses included in the Expense Section of the Consolidated Statement of Activities of Activities	5,673,823	1,275,342	6,949,164
CHANGE IN NET ASSETS BEFORE EQUITY TRANSFER	500,209	929,189	1,429,398
Equity Transfer - Donated Services from Affiliate	268,395	99,269	367,663
CHANGE IN NET ASSETS	\$ 768,604	\$ 1,028,458	\$ 1,797,061



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