Combined Basic Financial Statements

Jefferson Public Radio & The JPR Foundation, Inc.

For the years ending June 30, 2023 and 2022

The accompanying combined basic financial statements represent the financial position of Jefferson Public Radio, a public telecommunications entity owned and operated by Southern Oregon University. These statements include the Jefferson Public Radio related accounts of Southern Oregon University and the JPR related accounts of the JPR Foundation, Inc., a private tax-exempt corporation organized to support Jefferson Public Radio's public service mission.

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

FINANCIAL REPORT AND SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

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October 27, 2023

To Board of Directors
Jefferson Public Radio and JPR Foundation, Inc.
Ashland, Oregon

INDEPENDENT AUDITORS' REPORT

Qualified Opinion

We have audited the accompanying combined basic financial statements of Jefferson Public Radio (a Department of Southern Oregon University) and JPR Foundation, Inc. (a non-profit organization) (collectively known as the Organization), which comprise the combined statements of financial position as of June 30, 2023 and 2022, and the combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined basic financial statements.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the combined basic financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, and the changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

In order to satisfy grant reporting requirements of the Corporation for Public Broadcasting, this audit does not include the consolidated financial position of Jefferson Live! LLC. The JPR Foundation, Inc. is the sole member of Jefferson Live! LLC; therefore consolidation is required under the generally accepted accounting principles of the United States of America. At June 30, 2023 and 2022 Jefferson Live! LLCs total assets were about $12,850,000 and $9,655,000, total liabilities were about $3,970,000 and $1,165,000, and total net assets were $8,880,000 and $8,490,000, respectively. For the years ended June 30, 2023 and 2022 total revenues were $2,330,000 and $1,990,000 and total expenses were $1,900,000 and $1,740,000, respectively.

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 Auditor's Responsibilities for the Audit of the Combined Basic 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 Combined Basic Financial Statements

Management is responsible for the preparation and fair presentation of these combined basic financial statements in accordance with the 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 combined basic financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined basic financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the combined basic financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Combined Basic Financial Statements

Our objectives are to obtain reasonable assurance as to whether the combined basic financial statements as a whole are free from material misstatement, whether due to error or fraud, and to issue an auditor's 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, including omissions, 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 combined basic 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 combined basic 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 combined basic 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 combined basic 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 audit was conducted for the purpose of forming an opinion on the combined basic financial statements as a whole. The supplementary information, as presented in the table of contents, is presented for purposes of additional analysis and is not a required part of the combined basic 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 combined basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined basic financial statements or to the combined basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the information is fairly stated in all material respects in relation to the combined basic financial statements as a whole.

Hans Graichen

HANS K. GRAICHEN, CPA
PAULY, ROGERS AND CO., P.C.

COMBINED BASIC FINANCIAL STATEMENTS

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.
Combined Statements of Financial Position
at June 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 2,066,548	$ 1,938,342
Investments	2,810,117	2,415,308
Accounts receivable	15,397	15,889
Operating lease receivables	15,234	-
Prepaid expenses	7,611	8,144
Deposits	1,500	1,500
Donated inventory	82,534	-
Total Current Assets	4,998,941	4,379,183
Property and Equipment		
Land	413,036	293,906
Buildings and equipment, net of accumulated depreciation	2,934,714	3,025,210
Total Property and Equipment	3,347,750	3,319,116
Other Assets		
Prepaid expenses, non-current	2,370	2,370
Operating right-to-use assets	891,380	-
Mt. Baldy Communications, LLC	81,661	68,822
Intangible assets	2,324,661	2,180,461
Total Other Assets	3,300,072	2,251,653
Total Assets	$ 11,646,763	$ 9,949,952
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 24,383	$ 22,820
Accrued liabilities	144,474	144,564
Accrued vacation	100,280	83,383
Lease deposits	1,000	1,000
Operating lease liability - current	97,396	-
Current portion of long-term debt and obligation	50,000	50,000
Total Current Liabilities	417,533	301,767
Operating lease liability, net of current portion	793,187	-
Long-term debt, net of current portion	1,065,000	1,115,000
Total Liabilities	2,275,720	1,416,767
Net Assets		
Net assets without donor restrictions	9,371,043	8,533,185
Total Liabilities and Net Assets	$ 11,646,763	$ 9,949,952

See accompanying notes to the combined basic financial statements.

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.
Combined Statements of Activities
for the Years Ended June 30, 2023 and 2022

	Net assets Without Donor Restrictions	Net Assets With Donor Restrictions	2023 Combined Total	2022 Combined Total
Revenues, Support and Other Income				
Revenues and support				
Contributions	$ 1,279,467	$ -	$ 1,279,467	$ 1,321,525
Program underwriting	652,713	-	652,713	580,099
Southern Oregon University				
General appropriation	303,640	-	303,640	302,033
Indirect administrative support	636,076	-	636,076	602,914
Corporation for Public Broadcasting Grants	334,088	100,663	434,751	417,789
Other grants	118,662	47,192	165,854	450,840
Bequests and planned gifts	29,982	-	29,982	103,553
Donated programs, services and materials	348,079	-	348,079	168,683
Fundraising activities and events	250,907	-	250,907	333,643
Operating lease revenue	148,873	-	148,873	-
Jeffnet internet service royalties	26,000	-	26,000	26,000
Total Revenues and Support	4,128,487	147,855	4,276,342	4,307,079
Other Income				
Interest and dividend income	98,691	-	98,691	37,190
Realized and unrealized gain	294,028	-	294,028	(351,391)
Change in value of investment in Mt Baldy LLC	12,839	-	12,839	9,952
Net assets released from restriction	147,855	(147,855)	-	-
Total Other Income	553,413	-	405,558	(304,249)
Total Revenues, Support and Other Income	4,681,900	-	4,681,900	4,002,830
Expenses				
Program services				
Programming and production	1,623,494	-	1,623,494	1,545,472
Broadcasting	1,134,319	-	1,134,319	1,047,220
Program information and promotion	209,675	-	209,675	240,355
Total Program Services	2,967,488	-	2,967,488	2,833,047
Supporting services				
Management and general operating	169,666	-	169,666	160,036
Fundraising, membership and development	386,462	-	386,462	377,497
Underwriting and grant solicitation	213,216	-	213,216	211,580
Depreciation	160,788	-	160,788	162,660
Total Supporting Services	930,132	-	930,132	911,773
Total Expenses	3,897,620	-	3,897,620	3,744,820
Operating Income	784,280	-	784,280	258,010
Non-Operating Income				
Display advertising	31,545	-	31,545	15,180
Rents and royalties	21,920	-	21,920	146,367
Miscellaneous income	113	-	113	574
Total Non-Operating Income	53,578	-	53,578	162,121
Change in Net Assets	837,858	-	837,858	420,131
Net Assets at Beginning of Year	8,533,185	-	8,533,185	8,113,054
Net Assets at End of Year	$ 9,371,043	$ -	$ 9,371,043	$ 8,533,185

See accompanying notes to the combined basic financial statements.

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.
Combined Statement of Functional Expenses by Program Services
for the Year Ended June 30, 2023

	Program Services			
	Programing and Production	Broadcasting	Program Information and Promotion	Total
Salaries and benefits	$ 865,535	$ 225,568	$ 54,649	$ 1,145,752
Advertising	-	434	58,566	59,000
Dues and subscriptions	4,613	7,010	-	11,623
Telephone / data lines	3,171	3,306	-	6,477
Postage	5	304	13,169	13,478
Printing	-	-	38,860	38,860
Insurance	-	7,183	-	7,183
Interest	-	50,195	-	50,195
Programming	455,861	11,387	-	467,248
Professional services / contract labor	2,518	7,900	6,616	17,034
Legal	-	36,000	-	36,000
Repairs, maintenance and equipment	905	80,530	-	81,435
Leases	6,181	142,661	-	148,842
Operating leases	-	117,927	-	117,927
Utilities	-	153,126	-	153,126
Property taxes	-	1,883	-	1,883
Service and supplies	4,459	119	-	4,578
Special events	6,590	-	-	6,590
Travel	2,832	15,450	-	18,282
Donated services and materials	-	77,629	3,109	80,738
Indirect admin. support	270,824	195,707	34,706	501,237
Total Expenses	$ 1,623,494	$ 1,134,319	$ 209,675	$ 2,967,488

See accompanying notes to the combined basic financial statements.

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combined Statement of Functional Expenses by Program Services
for the Year Ended June 30, 2022

	Program Services			
	Programing and Production	Broadcasting	Program Information and Promotion	Total
Salaries and benefits	$ 815,831	$ 208,603	$ 50,381	$ 1,074,815
Advertising	2,837	-	97,555	100,392
Dues and subscriptions	3,843	5,477	-	9,320
Telephone / data lines	790	2,939	-	3,729
Postage	29	-	12,313	12,342
Printing	-	-	30,960	30,960
Insurance	-	6,754	-	6,754
Interest	-	52,735	-	52,735
Programming	433,983	13,341	-	447,324
Professional services / contract labor	851	9,400	8,155	18,406
Legal	-	36,000	-	36,000
Repairs, maintenance and equipment	606	36,094	-	36,700
Property leases	1,800	257,801	-	259,601
Utilities	-	153,657	-	153,657
Property taxes	-	2,095	-	2,095
Service and supplies	9,173	-	-	9,173
Special events	7,561	-	-	7,561
Special projects	-	894	-	894
Travel	1,491	14,284	-	15,775
Donated services and materials	-	69,463	-	69,463
Indirect admin. support	266,677	177,683	40,991	485,351
Total Expenses	$ 1,545,472	$ 1,047,220	$ 240,355	$ 2,833,047

See accompanying notes to the combined basic financial statements.

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.
Combined Statement of Functional Expenses by Supporting Services
for the Year Ended June 30, 2023

	Supporting Services				
	Management and General Operating	Fundraising, Membership and Development	Underwriting and Grant Solicitation	Depreciation	Total
Salaries and benefits	$ 111,837	$ 114,751	$ 172,185	$ -	$ 398,773
Advertising	-	534	-	-	534
Bank, credit card and transaction fees	361	115,886	-	-	116,247
Dues and subscriptions	1,665	1,638	-	-	3,303
Telephone / data lines	2,094	1,525	-	-	3,619
Postage	256	14,904	-	-	15,160
Printing	73	13,245	-	-	13,318
Professional services / contract labor	17,025	14,035	3,710	-	34,770
Legal	1,588	-	-	-	1,588
Service and supplies	5,116	22,184	-	-	27,300
Special events	-	9,868	-	-	9,868
Special projects	-	8,943	-	-	8,943
Travel	1,082	-	-	-	1,082
Indirect admin. support	28,569	68,949	37,321	-	134,839
Depreciation	-	-	-	160,788	160,788
Total Expenses	$ 169,666	$ 386,462	$ 213,216	$ 160,788	$ 930,132

See accompanying notes to the combined basic financial statements.

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.
Combined Statement of Functional Expenses by Supporting Services
for the Year Ended June 30, 2022

	Supporting Services				
	Management and General Operating	Fundraising, Membership and Development	Underwriting and Grant Solicitation	Depreciation	Total
Salaries and benefits	$ 104,422	$ 111,994	$ 174,600	$ -	$ 391,016
Advertising	-	360	-	-	360
Bank, credit card and transaction fees	557	141,016	-	-	141,573
Dues and subscriptions	1,888	-	-	-	1,888
Telephone / data lines	456	260	-	-	716
Postage	325	11,918	-	-	12,243
Printing	-	6,056	-	-	6,056
Professional services / contract labor	15,663	16,303	4,138	-	36,104
Legal	1,024	-	-	-	1,024
Service and supplies	5,460	31,244	-	-	36,704
Special events	-	1,155	-	-	1,155
Travel	2,507	204	-	-	2,711
Indirect admin. support	27,734	56,987	32,842	-	117,563
Depreciation	-	-	-	162,660	162,660
Total Expenses	$ 160,036	$ 377,497	$ 211,580	$ 162,660	$ 911,773

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.
Combined Statements of Cash Flows
for the Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	$ 837,858	$ 420,131
Adjustments to reconcile change in net assets		
to net cash provided by operating activities		
Depreciation	160,788	162,660
Operating right-to-use asset amortization	97,504	-
PPP loan forgiven	-	(278,912)
Payments on operating lease liability	(98,301)	-
Realized and unrealized (gain) loss on investments, net	294,058	351,391
Donated land	(119,130)	-
Donated wine inventory	(82,534)	-
Change in value of investment in Mt Baldy LLC	(12,839)	(9,952)
(Increase) decrease in operating assets		
Accounts receivable	492	9,207
Operating lease receivable	(15,234)	-
Prepaid expenses	533	224
Increase (decrease) in operating liabilities		
Accounts payable	1,563	3,449
Accrued liabilities	(90)	(5,595)
Accrued vacation	16,897	(14,823)
Net Cash Provided (Used) by Operating Activities	1,081,565	637,780
Cash Flows from Investing Activities		
Net sales (purchases) of investments	(688,867)	(636,455)
Purchase intangible assets	(144,200)	-
Purchase of property and equipment	(70,292)	(6,984)
Net Cash Provided (Used) by Investing Activities	(903,359)	(643,439)
Cash Flows from Financing Activities		
Payments on long-term debt	(50,000)	(45,000)
Net Cash Provided (Used) by Financing Activities	(50,000)	(45,000)
Net Increase (Decrease) in Cash and Cash Equivalents	128,206	(50,659)
Cash and Cash Equivalents at Beginning of Year	1,938,342	1,989,001
Cash and Cash Equivalents at End of Year	$ 2,066,548	$ 1,938,342
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 51,214	$ 53,604

NON-CASH TRANSACTIONS:

With implementation of Accounting Standards Codification 842, *Leases* (ASC 842), an operating right-to-use asset and an operating lease liability of $988,884 each were recorded on July 1, 2022.

See accompanying notes to the combined basic financial statements.

NOTES TO THE
COMBINED BASIC FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Jefferson Public Radio (JPR) is operated by Southern Oregon University (SOU) as an outreach program of its regional educational mission. SOU is a State of Oregon public university governed by a Board of Trustees. JPR provides public broadcasting services to listeners in Southern Oregon and Northern California.

The JPR Foundation, Inc. (the Foundation) was established in 1997 to support JPR's educational and public service mission. The Foundation is an Oregon nonprofit, tax-exempt organization governed by a Board of Directors.

Jefferson Public Radio and JPR Foundation will collectively be referred to as the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The combined basic financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recorded in the period they are earned and expenses are reported in the period in which the related liability is incurred.

PRINCIPLES OF COMBINATION

The combined basic financial statements of the Organization include the Foundation and SOU accounts related to JPR. Though not required under generally accepted accounting principles, the Foundation has been combined with JPR to provide full disclosure of JPR’s activities. All intercompany accounts and transactions have been eliminated. The combined basic financial statements do not include the financial activities of the Foundation’s wholly owned limited liability company Jefferson Live!, LLC.

USE OF ESTIMATES

Preparation of the combined basic financial statements in conformity with accounting principles generally accepted in the United States of America 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 basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION

The accompanying basic financial statements were prepared in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14. Under FASB ASU 2016-14, information regarding financial position and activities are reported according to two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes there in are classified and reported as follows:

Net Assets Without Donor Restrictions – Receipts, gains and other support that have no external restrictions on their use or purpose and can be used for any purpose consistent with bylaws are reported as net assets without donor restrictions. Net assets without donor restrictions include all assets available for general purposes.

Net Assets With Donor Restrictions – Contributions that are received with donor stipulation or by law that limit their use are recorded as net assets with donor restrictions. Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulation that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor imposed restrictions.

The Board of Directors have interpreted Oregon's enacted Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donations to be held in perpetuity absent explicit donor stipulations to the contrary. As a result of this interpretation, donations to be held in perpetuity are recorded as (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) accumulations to the net assets with donor restrictions be made in accordance with the direction of the applicable donor gift instrument at the time the accumulation as added to net assets with donor restrictions to be held for perpetuity. Generally, the donors of these assets permit the Organization to use all or part of the investment return on these assets.

CONTRIBUTIONS

Contributions are recorded in accordance with FASB ASU 2016-14. Contributions received are recorded either with donor restriction or without donor restriction depending on the existence of donor or legal restrictions. Contributions with donor restrictions received and released in the same year are recorded as contributions with donor restrictions. Contributions are recorded as revenue in the year received. Uncollected pledges for unrestricted operating support are not shown as assets on the statement of financial position because these types of pledges are considered revocable and are not documented by enforceable pledge agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NONCASH CONTRIBUTIONS

Noncash contributions are recorded in accordance with FASB ASU 2020-02 *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. In-kind contributions are reported as 'donated programs, services and materials' in the combined statements of activities.

Donated programs, services and materials included in the combined statement of activities are comprised of the following:

	2023	2022
Advertising	$ 58,566	$ 97,555
Rents	77,629	69,463
Professional services	3,109	1,665
Land	119,130	-
Wine inventory	89,645	-
	$ 348,079	$ 168,683

Fair value techniques – Advertising is based on current rates for services per signed in-kind donation certifications of goods and services delivered form. Rents are based on the current rental rates charged by lessors. Professional services are based on current rates for graphic design services provided by Impact Publications, and legal services provided by Jacobson, Thierolf & Dickey. Donated land is based on its property tax value. Donated inventory, which consists of bottles of wine, is based on the estimated wholesale prices of identical or similar products if purchased in the region.

Donor restrictions and use – All in-kind contributions are not restricted. Donated advertising, rents and professional services are used by the Organization, are not monetized, and are used to support radio broadcasting services. Donated land is intended to be sold, but the process to sell the land has not yet been completed. Donated inventory will be donated or sold. All proceeds from sales of land and inventory will be used to help fund the Foundation's mission.

CASH AND CASH EQUIVALENTS

For purpose of the statement of cash flows, all highly liquid investments with an original maturity of three months or less from the date of purchase are considered to be cash equivalents.

PREPAID EXPENSES

Costs incurred for programs that have not been broadcasted and deposits with the US Postal Service are recorded as prepaid expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DONATED INVENTORY

Donated inventory, which consists of bottles of wine, is based on the estimated wholesale prices of identical or similar products if purchased in the region, with the value per bottle determined using the average method. The difference between cash received and the cost of donated wine sold is recorded as a donation expense (if at a loss) or contribution revenue (if a gain). Donated wine that is given away is recorded as a donation expense.

INDIRECT ADMINISTRATIVE SUPPORT

A portion of the general overhead costs of SOU relates to and benefits JPR. Such items include administrative costs, utilities, maintenance and repairs. These services were provided without cost. The fair value of these services have been allocated to JPR and reported as revenue and expense in the accompanying combined statement of activities.

ADVERTISING EXPENSE

Advertising costs are expensed as they are incurred. Advertising expenses for the years ended June 30, 2023 and 2022 were $59,534 and $100,752 respectively.

FAIR VALUE MEASUREMENTS

FASB ACS 820-10 establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in an active market for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1 – quoted prices in active markets for identical securities

Level 2 – other significant, observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, and others)

Level 3 – significant unobservable inputs

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments in equity mutual funds traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. Investments in bond mutual funds are valued using a matrix pricing model that considered quoted prices for similar securities, if available, interest rates, prepayment spreads and credit risks.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE MEASUREMENTS (CONTINUED)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain investments could result in a different fair value measurement at the reporting date.

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value. 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.

Purchases and sales of securities are recorded on a trade-basis. Interest income is recorded on the accrual basis. Net appreciation includes the gain and losses on investments bought and sold during the year, as well as market gain or loss on investments held during the year. Dividends are recorded on the ex-dividend date. Expenses related to investment revenue, including custodial fees and advisory fees have been netted against investment revenues in the accompanying combined statements of activities.

PROPERTY AND EQUIPMENT

Purchases of property and equipment are recorded at cost. Purchases of $5,000 or more for equipment, property and buildings with a useful life in excess of one year are capitalized. Costs of repairs and maintenance are expensed as incurred. Expenditures for property, equipment and major repairs that extend useful lives or add function are capitalized. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

Donated property and equipment are recorded at estimated fair value at the date of donation. Such donations are reported as without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restriction. Absent donor stipulations regarding how long those donated assets must be maintained, expirations of donor restrictions are reported when the donated or acquired assets are placed in service.

Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three to thirteen years for equipment and ten to forty years for buildings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROGRAM UNDERWRITING

Collected revenue from program underwriting is recorded as revenue in the year received. Collected revenue for program underwriting to be performed in a future fiscal year is not shown as a liability on the statements of financial position because program underwriting is defined as a contribution by the Federal Communications Commission.

OPERATING LEASES

Effective July 1, 2022, the Accounting Standards Codification 842, *Leases* (ASC 842) was adopted. Consistent with this standard, all contracts have been evaluated to determined if they contain a lease at inception based on whether or not the Organization has the right to control the underlying assets described in the contract during the contract period and other facts and circumstances. The Organization is the lessee in a lease contract when the right to control the asset is obtained. Operating leases are represented on the combined statement of financial position as right-to-use assets and lease liabilities. Operating lease right-to-use (ROU) assets represent the right to use an underlying asset for the lease term, and operating lease liabilities represent the obligation to make lease payments arising from the lease, both of which are recognized based on the present value of future minimum lease payments over the lease term at the commencement date. Leases with a term of 12 months or less at inception, that do not include an option to purchase the underlying asset which is reasonably certain to be exercised, are not recorded on the combined statement of financial position and are expensed on a straight-line basis over the lease term on the combined statement of functional expenses by program services. The lease term is determined by assuming the exercise of renewal options that are reasonably certain. The lease contract with Siskiyou Land Trust has a discount rate of 1.32%, which is based on the January 2022 Moody's Baa borrowing rate for a 3-year period. All other leases have discount rates of 2.20%, which is based the January 2022 Moody's Baa borrowing rate for a 10-year period with a 70 bp spread. These rates are used in determining the present value of future payments. When a contract contains lease and non-lease components, both components are treated as single lease components. See Note 15.

3. TAX STATUS

JPR is a department of SOU and is exempt from federal and state income tax as a governmental entity. The Foundation is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code.

Revenue from sales of advertising in the Foundation’s Jefferson Journal publication is subject to tax on unrelated business income. At June 30, 2023 and 2022 no tax was due from this activity because the revenue does not exceed the expense of production and distribution of the publication.

U.S. Generally Accepted Accounting Principles require management to evaluate tax positions taken and recognize a tax liability (or asset) if an uncertain position has been taken that more likely than not would not be sustained upon examination by the Internal Revenue Service. The entity is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in process. Management believes it is no longer subject to income tax examinations for years prior to 2019.

4. FUNCTIONAL EXPENSES

The statements of functional expenses report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated across program services and supporting services based on estimated time and effort.

5. LIQUIDITY

Financial assets available within one year of the balance sheet date for general expenditures are as follows at June 30, 2023 and 2022:

	2023	2022
Cash and cash equivalents	$ 2,066,548	$ 1,938,342
Accounts receivable	15,397	15,889
Operating lease receivables	15,234	-
Financial assets, at year end	2,097,179	1,954,231
Less those unavailable for general expenitures within one year, due to:		
Board designations:		
Amounts set aside for operating reserves	(850,000)	(850,000)
Amounts set aside for capital reserves	(300,000)	(300,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 947,179	$ 804,231

Some support is received from restricted grants and contributions. Because a grantor's / donor's restriction requires resources to be used in a particular manner, sufficient resources must be maintained to meet those responsibilities. However, all restrictions were met in the same year the grants and contributions were received. As part of liquidity management, there is a policy to structure the Organization's financial assets to be available as its general expenses, liabilities and other obligations come due. Operating reserves are intended for use if the operations bank account is reduced to the point of being in danger of becoming overdrawn. Capital reserves are intended for emergency situations related to capital assets. In addition, cash in excess of daily requirements is invested in short-term investments, such as money markets.

6. CONCENTRATIONS OF CREDIT RISK

The Organization maintains accounts at multiple banks. In the case of deposits, there is a risk that in the event of a bank failure, the deposits may not be returned. As of June 30, 2023 and 2022, the uninsured bank balances were $1,741 and $470,836 respectively.

6. CONCENTRATIONS OF CREDIT RISK (CONTINUED)

The Foundation maintains a brokerage account for its long-term investments. The brokerage account is insured by the Securities Investors Protection Corporation (SIPC) to a maximum amount of $500,000 with a limit of $250,000 for cash. The SIPC covers the account in the event of investment firm failure, but not for market fluctuations in the value of the account. The value of the equity and bond fund securities in the account was $2,810,117 and $2,415,308 at June 30, 2023 and 2022, respectively. The value of money markets in the account was $1,753,862 and $1,167,422 at June 30, 2023 and 2022, respectively, which are included on the combined statements of net position as part of cash and cash equivalents. Money market balances above $250,000 are not insured by SIPC. Money markets are tier 1 within the fair value hierarchy.

7. PLEDGES RECEIVABLE

In May of 2017, the Foundation entered into an Agreement to Exchange Services and Support with SOU. As part of this agreement, the Foundation agreed to provide $2,053,914 over a 20-year period to SOU to support construction of a new broadcast facility for JPR on the SOU campus. These payments reimburse SOU for its portion of debt service associated with 2017 Series 1 General Obligation Bonds issued by the State of Oregon expressly for this project. The total support was discounted utilizing SOU’s estimated earnings rate on the Public University Fund investment pool of 2%. The discounted obligation as of June 30, 2023 and 2022 was $1,318,615 and $1,394,109, respectively. SOU elected to account for this receivable within its JPR department. Since the Foundation and JPR SOU accounts are combined, the pledge receivable associated with the Foundation’s contribution was eliminated in the combined basic financial statements.

8. INVESTMENT IN LIMITED LIABILITY COMPANY

During the year ended June 30, 2004, the Foundation contributed $33,750 to the capital of Mt. Baldy Communications, LLC in exchange for a 15% ownership interest in the Limited Liability Company. Mt. Baldy Communications, LLC owns and operates a communication site on Baldy Mountain in Jackson County, Oregon. The investment is recorded at 15% of the LLC’s value. At June 30, 2023 and 2022 the Foundation’s interest in Mt. Baldy Communications, LLC was $81,661 and $68,822, respectively.

9. INVESTMENTS

Long-term investments are stated at fair market value and are summarized as follows on June 30:

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Equity mutual funds	$ 2,787,738	$ -	$ -	$ 2,787,738
Bond fund	-	22,379	-	22,379
	$ 2,787,738	$ 22,379	$ -	$ 2,810,117

9. INVESTMENTS (CONTINUED)

	Assets at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Equity mutual funds	$ 2,393,452	$ -	$ -	$ 2,393,452
Bond fund	-	21,856	-	21,856
	$ 2,393,452	$ 21,856	$ -	$ 2,415,308

10. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, less accumulated depreciation, on June 30:

	July 1, 2022	Additions	Deletions	June 30, 2023
Capital Assets, Non-Depreciable				
Land	$ 293,906	$ 119,130	$ -	$ 413,036
Capital Assets, Depreciable				
Building	$ 2,745,353	$ -	$ -	$ 2,745,353
Equipment	3,427,966	70,292	(31,540)	3,466,718
Total Capital Assets, Depreciable	6,173,319	70,292	(31,540)	6,212,071
Building	268,306	68,966	-	337,272
Equipment	2,879,803	91,822	(31,540)	2,940,085
Total Accumulated Depreciation	3,148,109	160,788	(31,540)	3,277,357
Total Net Capital Assets, Depreciable	$ 3,025,210			$ 2,934,714
Total Property and Equiment	$ 3,319,116			$ 3,347,750

Deletions represent a fully depreciated broadcast electronics transmitter that was scrapped and replaced.

	July 1, 2021	Additions	Deletions	June 30, 2022
Capital Assets, Non-Depreciable				
Land	$ 293,906	$ -	$ -	$ 293,906
Capital Assets, Depreciable				
Building	$ 2,745,353	$ -	$ -	$ 2,745,353
Equipment	3,420,982	6,984	-	3,427,966
Total Capital Assets, Depreciable	6,166,335	6,984	-	6,173,319
Building	199,339	68,967	-	268,306
Equipment	2,786,110	93,693	-	2,879,803
Total Accumulated Depreciation	2,985,449	162,660	-	3,148,109
Total Net Capital Assets, Depreciable	$ 3,180,886			$ 3,025,210
Total Property and Equiment	$ 3,474,792			$ 3,319,116

11. INTANGIBLE ASSETS

On June 30, 2023 and 2022, intangible assets consisted of purchased and donated licenses for radio stations. The purchased licenses covered the following radio stations: KNHT, KTBR, KOOZ, KMJC, KSYC-AM, KSYC-FM, KJPR, KWCA, KNHM, KHWA, and the FM broadcast translator K272FC. KSYC-AM reverted to the FCC effective July 20, 2023. The donated licenses covered the following stations: KSJK, KPMO, and KAGI. Purchased licenses are recorded at cost, and donated licenses are recorded at the fair market value at the time of donation. Under generally accepted accounting principles, the carrying amount of these licenses is not amortized but is reduced if management determines that its implied fair value has been impaired.

On June 30, 2023 and 2022, intangible assets consist of the following:

	2023	2022
Purchased licenses recorded at cost	$ 1,951,159	$ 1,806,959
Donated licenses recorded at fair market value	373,502	373,502
Total intangible assets	$ 2,324,661	$ 2,180,461

Twelve FM stations were established on frequencies awarded by the Federal Communications Commission. Broadcasting equipment used to operate the stations is included in these combined basic financial statements. No value was recorded for radio licenses when awarded. Awarded station licenses include: KSOR, KSRG, KSRS, KNYR, KLMF, KSMF, KSBA, KSKF, KNCA, KNSQ, KLDD and KZBY.

12. LONG-TERM DEBT AND OBLIGATIONS

OBLIGATIONS OF JPR TO SOU

In May of 2017, JPR entered into a $1,330,000 long-term obligation with SOU Internal Bank. JPR effectively contributed support to SOU that will be financed over a 20-year term. Interest installments commenced on June 1, 2017 and are payable semi-annually on June 1st and December 1st of each year. Principal installments commenced on July 1, 2018 and continue annually through July 1, 2037 (maturity date). The contributed funds support SOU's debt service associated with 2017 Series 1 General Obligation Bonds issued to build a new facility for JPR. There is also a $5,000 equipment bond, which can't be paid off until maturity, which is August 1, 2034.

12. LONG-TERM DEBT AND OBLIGATIONS (CONTINUED)

OBLIGATIONS OF THE FOUNDATION

In May of 2017, the Foundation entered into an Agreement to Exchange Services and Support with SOU. The Foundation agreed to provide $2,053,914 in support to SOU that will be paid over a 20-year period to SOU to support construction of a new broadcast facility for JPR on the SOU campus. The total support was discounted utilizing SOU's estimated earnings rate on the Public University Fund investment pool of 2%. The discounted obligation as of June 30, 2023 and 2022 was $1,318,615 and $1,394,109, respectively. These payments reimburse SOU's debt service associated with 2017 Series 1 General Obligation Bonds issued to build the new facility. This amount was eliminated in the combined financial statements as SOU elected to account for its receivable in its JPR department. As a result, the future required minimum payment will not be shown in the future minimum payment schedule below.

The balance of long-term debt and obligations as of June 30, 2023 and 2022 are as follows:

	2023	2022
Note payable with Southern Oregon University Internal Bank	$ 5,000	$ 5,000
Long-term obligation with Southern Oregon University Internal Bank	1,110,000	1,160,000
Subtotal	1,115,000	1,165,000
Less current portion	(50,000)	(50,000)
Total	$ 1,065,000	$ 1,115,000

Future maturities of long-term debt and obligations as of June 30, 2023 are as follows:

	Principal	Interest	Total
Year ending June 30,			
2024	$ 50,000	$ 48,850	$ 98,850
2025	55,000	46,225	101,225
2026	55,000	43,475	98,475
2027	60,000	40,600	100,600
2028	65,000	37,475	102,475
2029-2033	365,000	135,775	500,775
2034-2038	465,000	47,400	512,400
Total	$ 1,115,000	$ 399,800	$ 1,514,800

13. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions for the following purposes as of June 30:

	2023	2022
CPB Grant, Radio Program and Broadcast	$ 100,663	$ 98,045
Okie Trust Endowment, Radio Operations	47,192	44,859
Total net assets released from restriction	$ 147,855	$ 142,904

14. GUARANTEE

There is a Corporate Guarantee and Pledge of Assets agreement between the Foundation and U.S. Bank in which the Foundation guaranteed payment of all present and future indebtedness, obligations, and liabilities owed to U.S. Bank by Cascade Theatre. The Foundation's maximum potential amount of future payments under this guarantee are as follows:

- As of June 30, 2023, Cascade Theatre owed U.S. Bank $585,168 associated with its purchase of the Cascade Theatre. Total remaining debt service (principal and interest) is $760,822 and the obligation matures on February 6, 2032. The obligation is secured by real property known as 1725 Market St., Redding, California, of which the proceeds associated with the liquidation of such assets would be utilized to offset amounts owed to U.S. Bank.

As of June 30, 2023 and 2022, in accordance with applicable accounting standards, the Foundation has not recorded a liability associated with this guarantee.

15. LEASES

All operating leases are effective July 1, 2022, the implementation date of ASU 2016-02 *Leases*, regardless of original commencement dates prior to July 1, 2022.

OPERATING LEASE REVENUE

The Organization leases portions of some of the telecommunication sites it operates to other broadcasting / communication entities. Since management has not estimated the leased portion of each telecommunication site, all 'assets subject to operating leases' are not reported separately on the combined statement of financial position or disclosed separately in the notes to the combined basic financial statements. Management has determined the 'assets subject to operating leases' to be immaterial in aggregate.

JPR leases a portion of a telecommunication site at Stukel Mountain in Klamath County, Oregon to Oregon TV, LLC. The lease is classified as an operating lease, and is effective until September 2029. Monthly payments were $1,802 for the year ended June 30, 2023. Payments increase each July 1 by the increase in Consumer Price Index or 3%, whichever is greater. For the year ended June 30, 2023, JPR recorded $23,766 in operating lease revenue.

15. LEASES (CONTINUED)

OPERATING LEASE REVENUE (CONTINUED)

JPR leases a portion of a telecommunication site at Stukel Mountain in Klamath County, Oregon to Imagicomm Communications, LLC. The lease is classified as an operating lease, and is effective until September 2029, which includes one 5-year extension. Monthly payments were $997 for the year ended June 30, 2023. Payments increase each July 1 by the increase in Consumer Price Index or 3%, whichever is greater. The lease auto-renews for an additional 5 years unless written notification of the lessee's intent not to renew is received by JPR at least 90 days, but not more then 180 days, prior to October 1, 2024. For the year ended June 30, 2023, JPR recorded $13,154 in operating lease revenue. This lease extension is included in the total lease term for determining the revenue recognition on this lease.

JPR leases a portion of a telecommunication site at Stukel Mountain in Klamath County, Oregon to Wynne Enterprises, LLC. The lease is classified as an operating lease, and is effective until September 2029. Monthly payments were $1,449 for the year ended June 30, 2023. Payments increase each July 1 by the increase in Consumer Price Index or 3%, whichever is greater. For the year ended June 30, 2023, JPR recorded $19,108 in operating lease revenue.

JPR leases a portion of a telecommunication site at Stukel Mountain in Klamath County, Oregon to Basin Mediactive, LLC. The lease is classified as an operating lease, and is effective until September 2029. Monthly payments were $2,202 for the year ended June 30, 2023. Payments increase each July 1 by the increase in Consumer Price Index or 3%, whichever is greater. For the year ended June 30, 2023, JPR recorded $29,045 in operating lease revenue.

The Foundation leases a portion of a telecommunication site at Antelope Peak in Siskiyou County, California to DigitalPath Inc. The lease is classified as an operating lease, and is effective until December 2029, which includes a 3-year extension. Monthly payments were $1,317 until January 2023 when they increased to $1,409. Payments increase each January 1 by the increase in Consumer Price Index or 3%, whichever is greater. The lease auto-renews for an additional 3 years unless the lessee provides written notice to the Foundation of the intent not to renew no later than October 1, 2026. At any time after December 1, 2026, the lessee may terminate this lease by providing 180-day written notice to the Foundation. This lease extension is included in the total lease term for determining the revenue recognition on this lease. For the year ended June 30, 2023, the Foundation recorded $18,327 in operating lease revenue.

The Foundation leases a portion of a telecommunication site at Antelope Peak in Siskiyou County, California to the Northern California Educational Television Association Inc. The lease is classified as an operating lease, and is effective until June 2030, which includes a 5-year extension. Monthly payments were $335 until January 2023 when they increased to $359. Payments increase each January 1 by the increase in Consumer Price Index or 3%, whichever is greater. The lease auto-renews on December 31, 2025 for 5 years unless the lessee provides written notice to the Foundation of the intent not to renew at least 90 days, but not more than 180 days, prior to December 31, 2025. This lease extension is included in the total lease term for determining the revenue recognition on this lease. For the year ended June 30, 2023, the Foundation recorded $4,709 in operating lease revenue.

15. LEASES (CONTINUED)

OPERATING LEASE REVENUE (CONTINUED)

The Foundation leases a portion of a telecommunication site at Antelope Peak in Siskiyou County, California to Sinclair Communications LLC. The lease is classified as an operating lease, and is effective until June 2030. Monthly payments were $649 for the year ended June 30, 2023. Payments increase each July 1 by the increase in Consumer Price Index or 3%, whichever is greater. For the year ended June 30, 2023, the Foundation recorded $8,657 in operating lease revenue.

JPR leases a portion of a telecommunication site at Antelope Peak in Siskiyou County, California to U.S. Cellular. The lease is classified as an operating lease, and is effective until September 2033. Monthly payments were $1,916 for the year ended June 30, 2023. Payments increase each July 1 by the increase in Consumer Price Index. For the year ended June 30, 2023, JPR recorded $26,883 in operating lease revenue.

JPR leases a portion of a telecommunication site at Soda Mountain in Jackson County, Oregon to KDOV Radio. The lease is classified as an operating lease, and is effective until December 2026. Monthly payments were $413 for the year ended June 30, 2023. Payments increase each July 1 by the increase in Consumer Price Index or 3%, whichever is greater. For the year ended June 30, 2023, JPR recorded $5,225 in operating lease revenue.

Future undiscounted cash flows:

Year Ending June 30	Total	Oregon TV, LLC	Imagicomm Communications, LLC	Wynne Enterprises, LLC	Basin Mediactive, LLC	Digital Path Inc.
2024	$ 138,051	$ 22,267	$ 12,325	$ 17,904	$ 27,214	$ 17,162
2025	142,189	22,935	12,694	18,441	28,030	17,676
2026	146,456	23,623	13,075	18,994	28,871	18,207
2027	148,062	24,332	13,467	19,564	29,737	18,753
2028	149,634	25,062	13,872	20,151	30,630	19,316
2029 - 2033	321,112	32,461	17,967	26,100	39,672	29,990
2034	7,957	-	-	-	-	-
Total	$ 1,053,461	$ 150,680	$ 83,400	$ 121,154	$ 184,154	$ 121,104

Year Ending June 30	WSMH Inc.	Northern CA Edu. TV Assoc. Inc.	U.S. Cellular	KDOV Radio
2024	$ 8,022	$ 4,373	$ 23,682	$ 5,102
2025	8,262	4,504	24,392	5,255
2026	8,510	4,639	25,124	5,413
2027	8,765	4,778	25,878	2,788
2028	9,028	4,921	26,654	-
2029 - 2033	18,877	10,290	145,755	-
2034	-	-	7,957	-
Total	$ 61,464	$ 33,505	$ 279,442	$ 18,558

15. LEASES (CONTINUED)

SHORT-TERM LEASE REVENUE

For the year ended June 30, 2023, rental income for short-term leases totaled $21,920. Short-term leases were recorded for leases that were one year or shorter in length, or which management deemed to be immaterial. Leases expire on dates ranging from December 31, 2023 to December 31, 2028. As of June 30, 2023, minimum annual future receipts for leases with terms in excess of one year are as follows:

Year	Total
2023-24	$ 4,531
2024-25	2,142
2025-26	2,142
2026-27	2,142
2027-28	2,142
2028-29	1,071
Total	$ 14,170

OPERATING LEASE EXPENSES

JPR leases a portion of a telecommunication site at Mount Nebo in Douglas County, Oregon from Oregon TV, LLC. The lease is classified as an operating lease, and is effective until December 2030, which includes a 5-year extension. Monthly payments were $477 until January 2023 when they increased to $492. Payments increase each January 1 by 3%. JPR has an option to renew this agreement by written notice, at least 30 days prior to expiration, for an additional 5 years. This lease extension is included in the total lease term for determining the initial operating lease liability.

JPR leases a portion of a telecommunication site in Mount Shasta in Siskiyou County, California from Siskiyou Land Trust. The lease is classified as an operating lease, and is effective until January 2024. Monthly payments are $1,000. The lease automatically renews for an additional 5 years unless JPR notifies the lessor of the intent not to renew no less than 30 days prior to November 30, 2023. This extension has not been included determining the initial operating lease liability because JPR intended to provide notice to terminate the lease effective December 2023. JPR intends to exercise the option to terminate the lease effective July 2024.

JPR leases a portion of a telecommunication site at Stukel Mountain in Klamath County, Oregon from Day Wireless Systems. The lease is classified as an operating lease, and is effective until September 2029. Monthly payments were $902 until October 2022 when they increased to $947. Payments increase each October 1 by 3%, or greater to achieve parity with current market rates.

JPR leases a portion of a telecommunication site at Bunker Hill in Humboldt County, California from Redwood Broadcasting Company. The lease is classified as an operating lease, and is effective until February 2030, which includes a 5-year extension. Monthly payments are $652. JPR has the option to extend the lease 5 years if written notice is provided to the lessor no later than December 31, 2025. This lease extension is included in the total lease term for determining the initial operating lease liability.

15. LEASES (CONTINUED)

OPERATING LEASE EXPENSES (CONTINUED)

JPR leases a portion of a telecommunication site at Barry Ridge in Humboldt County, California from PWN Inc. The lease is classified as an operating lease, and is effective until December 2028, which includes a 5-year extension. Monthly payments were $640 until February 2023 when they increased to $768. The lease automatically renews for an additional 5-year term unless JPR provides written notice not to extend at least 90 days before expiration of the current term. This lease extension is included in the total lease term for determining the initial operating lease liability.

JPR leases a portion of a telecommunication site at Noah Butte in Coos County, Oregon from Sinclair Television of Oregon (KCBY-TV). The lease is classified as an operating lease, and is effective until June 2036, which includes two 5-year extension options. Monthly payments were $1,881, which includes a $480 monthly utility charge, for the year ended June 30, 2023. Payments increase each July 1 by 3%. The lease auto-renews for an additional 5 years unless JPR provides written notice of the intent not to renew at least 180 days prior to the end of the current term. These lease extensions are included in the total lease term for determining the initial operating lease liability.

JPR leases broadcast time on KRVM-AM radio from Lane County School District 4J. The lease is classified as an operating lease, and is effective until December 2029, which includes three 2-year extensions. Monthly payments were $1,947 until November 2022 when they increased to $2,047. The lease auto-renews for an additional three 2-year terms unless either JPR or the lessor provide written notification to the other party of the intent not to renew on or before October 1, 2023, 2025 and 2027. These lease extensions are included in the total lease term for determining the initial operating lease liability.

JPR leases a portion of a telecommunication site at Mount Bradley in Siskiyou County, California from Shasta Cascade Timberlands LLC. The lease is classified as an operating lease, and is effective until December 2031, which includes a 5-year extension. Monthly payments were $1,083 until January 2023 when they increased to $1,116. Monthly payments include a $450 monthly utility charge. Payments increase each January 1 by 3%. JPR has the right to extend the lease an additional 5 years by providing the lessor written notice of the intent to exercise the option at least 6 months, but not more than 1 year, prior to the expiration of the initial term of the lease. This lease extension is included in the total lease term for determining the initial operating lease liability.

The Foundation leases a portion of a telecommunication site at Antelope Peak in Siskiyou County, California from EIP Consolidated LLC dba Top Sites, Inc. The lease is classified as an operating lease, and is effective until June 2031, which includes a 5-year extension. Monthly payments were $824 until April 2023 when they increased to $849. Payments increase each April 1 by 3%. The lease auto-renews for 5 years unless the Foundation provides the lessor written notice of the intent not to renew 180 days prior to the end of the initial term. This lease extension is included in the total lease term for determining the initial operating lease liability.

JPR leases a portion of a telecommunication site at Signal Tree (Kenyou Mountain) in Douglas Count, Oregon from Douglas County. The lease is classified as an operating lease, and is effective until December 2026. Annual payments are $3,476.

15. LEASES (CONTINUED)

Lease cost	2023
Operating lease cost	$ 117,927
Short-term lease cost	$ 110,432
Weighted average remaining lease term - operating leases	9.1 years
Weighted average discount rate - operating leases	2.19%

Year ending December 31	**Operating**
2023	$ 115,790
2024	111,732
2025	113,733
2026	112,317
2027	114,439
Thereafter	419,525
Total minimum lease payments	987,536
Less: amount of lease payments representing interest	(96,953)
Present value of future minimum lease payments	890,583
Less: current liabilities under leases	(97,396)
Long-term lease liabilities	$ 793,187

SHORT-TERM LEASE EXPENSE

Short-term leases were recorded for those leases that are one year or shorter in length, for which the Organization did not have control of the underlying assets, or which management deemed to be immaterial. The leases expire at various dates ranging from December 31, 2023 to December 31, 2028. As of June 30, 2023, minimum annual lease payments for leases with terms in excess of one year are as follows:

Year	Total
2023-24	$ 45,706
2024-25	46,283
2025-26	35,448
2026-27	16,445
2027-28	10,343
2028-29	4,951
Total	$ 159,176

16. ADOPTION OF ACCOUNTING STANDARD

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The standard requires lessees to recognize the assets and liabilities that arise from leases on the balance sheet. Additionally, in July 2018, the FASB issued ASU 2018-11, *Leases* (Topic 842) – Targeted Improvements, which provides an additional transition method that would allow entities to not apply the guidance in ASU 2016-02 in the comparative periods presented in the financial statements and instead recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The Organization adopted ASU 2016-02 and its related amendments as of July 1, 2022, which resulted in the recognition of total operating lease labilities of $988,884, as well as an operating right-to-use assets of $988,884. The related policy elections made by the Organization can be found in Note 2, and the additional lease disclosure can be found in Note 15. There was no cumulative effect adjustment to the opening net assets required.

17. SUBSEQUENT EVENTS

Subsequent events have been evaluated for the year ended June 30, 2023 through October 27, 2023, the issuance date of the combined basic financial statements. KSYC-AM reverted to the FCC effective July 20, 2023. See Note 11. JPR's operating lease of a portion of a telecommunication site in Mount Shasta in Siskiyou County, California from Siskiyou Land Trust will be extended from January 2024 to December 2029. The intent is to exercise the 6-month termination clause in January 2024 to end the lease in July 2024. No other subsequent events were noted by management that required note disclosure.

SUPPLEMENTARY INFORMATION

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.
Combining Schedule of Financial Position
at June 30, 2023

	JPR-SOU	JPR Foundation	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 53,093	$ 2,013,455	$ -	$ 2,066,548
Investments	-	2,810,117	-	2,810,117
Accounts receivable	15,397	-	-	15,397
Operating lease receivables	11,847	3,387	-	15,234
Prepaid expenses	5,031	2,580	-	7,611
Deposits	-	1,500	-	1,500
Donated inventory	-	82,534	-	82,534
Total Current Assets	85,368	4,913,573	-	4,998,941
Property and Equipment				
Land	-	413,036	-	413,036
Buildings and equipment, net of accumulated depreciation	2,934,714	-	-	2,934,714
Total Property and Equipment	2,934,714	413,036	-	3,347,750
Other Assets				
Prepaid expenses, non-current	2,370	-	-	2,370
Operating right-to-use assets	810,956	80,424	-	891,380
Related party receivable	1,318,615	-	(1,318,615)	-
Mt. Baldy Communications, LLC	-	81,661	-	81,661
Intangible assets	2,324,661	-	-	2,324,661
Total Other Assets	4,456,602	162,085	(1,318,615)	3,300,072
Total Assets	$ 7,476,684	$ 5,488,694	$ (1,318,615)	$ 11,646,763
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	$ 18,035	$ 6,348	$ -	$ 24,383
Accrued liabilities	135,347	9,127	-	144,474
Accrued vacation	92,633	7,647	-	100,280
Lease deposits	-	1,000	-	1,000
Operating lease liability - current	88,823	8,573	-	97,396
Current portion of long-term debt	50,000	-	-	50,000
Total Current Liabilities	384,838	32,695	-	417,533
Long-Term Liabilities				
Related party payable	-	1,318,615	(1,318,615)	-
Operating lease liability, net of current portion	721,164	72,023	-	793,187
Long-term debt, net of current portion	1,065,000	-	-	1,065,000
Total Long-Term Liabilities	1,786,164	1,390,638	(1,318,615)	1,858,187
Total Liabilities	2,171,002	1,423,333	(1,318,615)	2,275,720
Net Assets				
Without donor restrictions	3,987,067	4,065,361	1,318,615	9,371,043
With donor restrictions	1,318,615	-	(1,318,615)	-
Total Net Assets	5,305,682	4,065,361	-	9,371,043
Total Liabilities and Net Assets	$ 7,476,684	$ 5,488,694	$ (1,318,615)	$ 11,646,763

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.
Combining Schedule of Financial Position
at June 30, 2022

	JPR-SOU	JPR Foundation	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	$ (9,663)	$ 1,948,005	$ -	$ 1,938,342
Investments	-	2,415,308	-	2,415,308
Accounts receivable	15,889	-	-	15,889
Prepaid expenses	3,296	4,848	-	8,144
Deposits	-	1,500	-	1,500
Total Current Assets	9,522	4,369,661	-	4,379,183
Property and Equipment				
Land	-	293,906	-	293,906
Buildings and equipment, net of accumulated depreciation	3,021,312	3,898	-	3,025,210
Total Property and Equipment	3,021,312	297,804	-	3,319,116
Other Assets				
Prepaid expenses, non-current	2,370	-	-	2,370
Related party receivable	1,394,109	-	(1,394,109)	-
Mt. Baldy Communications, LLC	-	68,822	-	68,822
Intangible assets	2,180,461	-	-	2,180,461
Total Other Assets	3,576,940	68,822	(1,394,109)	2,251,653
Total Assets	$ 6,607,774	$ 4,736,287	$ (1,394,109)	$ 9,949,952
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	$ 13,969	$ 8,851	$ -	$ 22,820
Accrued liabilities	134,358	10,206	-	144,564
Accrued vacation	75,420	7,963	-	83,383
Lease deposits	-	1,000	-	1,000
Current portion of long-term debt	50,000	-	-	50,000
Total Current Liabilities	273,747	28,020	-	301,767
Long-Term Liabilities				
Related party payable	-	1,394,109	(1,394,109)	-
Long-term debt, net of current portion	1,115,000	-	-	1,115,000
Total Long-Term Liabilities	1,115,000	1,394,109	(1,394,109)	1,115,000
Total Liabilities	1,388,747	1,422,129	(1,394,109)	1,416,767
Net Assets				
Without donor restrictions	3,824,918	3,314,158	1,394,109	8,533,185
With donor restrictions	1,394,109	-	(1,394,109)	-
Total Net Assets	5,219,027	3,314,158	-	8,533,185
Total Liabilities and Net Assets	$ 6,607,774	$ 4,736,287	$ (1,394,109)	$ 9,949,952

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.
Combining Schedule of Activities
for the Year Ended June 30, 2023

	JPR-SOU	JPR Foundation	Eliminations	Total
Revenues, Support and Other Income				
Revenues and support				
Contributions	$ 420	$ 1,279,047	$ -	$ 1,279,467
Program underwriting	-	652,713	-	652,713
Southern Oregon University:				
General appropriation	303,640	-	-	303,640
Indirect administrative support	636,076	-	-	636,076
Corporation for Public Broadcasting Grants	434,751	-	-	434,751
Other grants	-	165,854	-	165,854
Bequests and planned gifts	-	29,982	-	29,982
Donated programs, services and materials	77,629	270,450	-	348,079
Fundraising activities and events	-	250,907	-	250,907
Operating lease revenue	117,180	31,693	-	148,873
Jeffnet internet service royalties	-	26,000	-	26,000
Total Revenues and Support	1,569,696	2,706,646	-	4,276,342
Other Income				
Interest and dividend income	5	98,686	-	98,691
Realized and unrealized gain	-	294,028	-	294,028
Change in value of investment in Mt Baldy LLC	-	12,839	-	12,839
Total Other Income	5	405,553	-	405,558
Total Revenues, Support, and Other Income	1,569,701	3,112,199	-	4,681,900
Expenses				
Program Services				
Programming and production	1,620,850	2,644	-	1,623,494
Broadcasting	1,054,668	79,651	-	1,134,319
Program information and promotion	13,914	195,761	-	209,675
Total Program Services	2,689,432	278,056	-	2,967,488
Supporting Services				
Management and general operating	164,200	5,466	-	169,666
Fundraising, membership and development	202,815	183,647	-	386,462
Underwriting and grant solicitation	156,510	56,706	-	213,216
Depreciation	156,890	3,898	-	160,788
Change in value of related party payable	75,494	-	(75,494)	-
Total Supporting Services	755,909	249,717	(75,494)	930,132
Total Expenses	3,445,341	527,773	(75,494)	3,897,620
Operating Income/(Loss)	(1,875,640)	2,584,426	75,494	784,280
Non-Operating Income				
Display advertising	-	31,545	-	31,545
Rents and royalties	8,889	13,031	-	21,920
Miscellaneous income	-	113	-	113
Change in value of related party receivable	-	75,494	(75,494)	-
Total Non-Operating Income	8,889	120,183	(75,494)	53,578
Transfers in (out)	1,953,406	(1,953,406)	-	-
Change in Net Assets	86,655	751,203	-	837,858
Net Assets at Beginning of Year	5,219,027	3,314,158	-	8,533,185
Net Assets at End of Year	$ 5,305,682	$ 4,065,361	$ -	$ 9,371,043

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.
Combining Schedule of Activities
for the Year Ended June 30, 2022

	JPR-SOU	JPR Foundation	Eliminations	Total
Revenues, Support and Other Income				
Revenues and support				
Contributions	$ 405	$ 1,321,120	$ -	$ 1,321,525
Program underwriting	-	580,099	-	580,099
Southern Oregon University:				
General appropriation	302,033	-	-	302,033
Indirect administrative support	602,914	-	-	602,914
Corporation for Public Broadcasting Grants	417,789	-	-	417,789
Other grants	-	450,840	-	450,840
Bequests and planned gifts	-	103,553	-	103,553
Donated programs, services and materials	69,463	99,220	-	168,683
Fundraising activities and events	-	333,643	-	333,643
Jeffnet internet service royalties	-	26,000	-	26,000
Total Revenues and Support	1,392,604	2,914,475	-	4,307,079
Other Income				
Interest and dividend income	2	37,188	-	37,190
Realized and unrealized loss	-	(351,391)	-	(351,391)
Change in value of investment in Mt Baldy LLC	-	9,952	-	9,952
Total Other Income	2	(304,251)	-	(304,249)
Total Revenues, Support, and Other Income	1,392,606	2,610,224	-	4,002,830
Expenses				
Program Services				
Programming and production	1,544,140	1,332	-	1,545,472
Broadcasting	974,237	72,983	-	1,047,220
Program information and promotion	25,361	214,994	-	240,355
Total Program Services	2,543,738	289,309	-	2,833,047
Supporting Services				
Management and general operating	157,192	2,844	-	160,036
Fundraising, membership and development	165,816	211,681	-	377,497
Underwriting and grant solicitation	153,829	57,751	-	211,580
Depreciation	157,097	5,563	-	162,660
Change in value of related party payable	71,390	-	(71,390)	-
Total Supporting Services	705,324	277,839	(71,390)	911,773
Total Expenses	3,249,062	567,148	(71,390)	3,744,820
Operating Income/(Loss)	(1,856,456)	2,043,076	71,390	258,010
Non-Operating Income				
Display advertising	-	15,180	-	15,180
Rents and royalties	106,023	40,344	-	146,367
Miscellaneous income	100	474	-	574
Change in value of related party receivable	-	71,390	(71,390)	-
Total Non-Operating Income	106,123	127,388	(71,390)	162,121
Transfers in (out)	1,458,913	(1,458,913)	-	-
Change in Net Assets	(291,420)	711,551	-	420,131
Net Assets at Beginning of Year	5,510,447	2,602,607	-	8,113,054
Net Assets at End of Year	$ 5,219,027	$ 3,314,158	$ -	$ 8,533,185

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Schedule of Expenses by Entity

for the Year Ended June 30, 2023

	JPR-SOU	JPR Foundation	Total
Salaries and benefits	$ 1,430,647	$ 113,878	$ 1,544,525
Advertising	968	58,566	59,534
Bank, credit card and transaction fees	21	116,226	116,247
Dues and subscriptions	13,291	1,635	14,926
Telephone / data lines	10,096	-	10,096
Postage	534	28,104	28,638
Printing	381	51,797	52,178
Insurance	3,264	3,919	7,183
Interest	50,195	-	50,195
Programming	467,248	-	467,248
Professional services / contract labor	23,338	28,466	51,804
Legal	36,000	1,588	37,588
Repairs, maintenance and equipment	81,435	-	81,435
Leases	109,776	39,066	148,842
Operating leases	107,792	10,135	117,927
Utilities	145,347	7,779	153,126
Property taxes	1,628	255	1,883
Service and supplies	11,101	20,777	31,878
Special events	-	16,458	16,458
Special projects	-	8,943	8,943
Travel	6,190	13,174	19,364
Donated services and materials	77,629	3,109	80,738
Depreciation	156,890	3,898	160,788
Change in value of related party receivable	75,494	(75,494)	-
Indirect admin. support	636,076	-	636,076
Total Expenses	$ 3,445,341	$ 452,279	$ 3,897,620

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Schedule of Expenses by Entity

for the Year Ended June 30, 2022

	JPR-SOU	JPR Foundation	Total
Salaries and benefits	$ 1,349,707	$ 116,124	$ 1,465,831
Advertising	3,124	97,628	100,752
Bank, credit card and transaction fees	20	141,553	141,573
Dues and subscriptions	4,246	6,962	11,208
Telephone / data lines	4,445	-	4,445
Postage	446	24,139	24,585
Printing	-	37,016	37,016
Insurance	3,060	3,694	6,754
Interest	52,735	-	52,735
Programming	447,324	-	447,324
Professional services / contract labor	25,566	28,944	54,510
Legal	36,015	1,009	37,024
Repairs, maintenance and equipment	36,700	-	36,700
Property leases	211,162	48,439	259,601
Utilities	145,294	8,363	153,657
Property taxes	1,845	250	2,095
Service and supplies	20,452	25,425	45,877
Special events	-	8,716	8,716
Special projects	894	-	894
Travel	6,826	11,660	18,486
Donated services and materials	67,800	1,663	69,463
Depreciation	157,097	5,563	162,660
Change in value of related party receivable	71,390	(71,390)	-
Indirect admin. support	602,914	-	602,914
Total Expenses	$ 3,249,062	$ 495,758	$ 3,744,820

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combining Schedule of Activities

for the Year Ended June 30, 2023

	KSOR-FM	KNCA-FM	Total
Revenues, Support and Other Income			
Revenues and support			
Contributions	$ 1,055,656	$ 223,811	$ 1,279,467
Program underwriting	606,166	46,547	652,713
Southern Oregon University:			
General appropriation	204,049	99,591	303,640
Indirect administrative support	535,402	100,674	636,076
Corporation for Public Broadcasting Grants	296,221	138,530	434,751
Other grants	165,584	270	165,854
Bequests and planned gifts	29,982	-	29,982
Donated programs, services and materials	67,452	71,852	139,304
Donated land	119,130	-	119,130
Donated wine collection	89,645	-	89,645
Fundraising activities and events	238,872	12,035	250,907
Operating lease revenue	56,581	92,292	148,873
Jeffnet internet service royalties	26,000	-	26,000
Total Revenues and Support	3,490,740	785,602	4,276,342
Other Income			
Interest and dividend income	98,691	-	98,691
Realized and unrealized gain	294,028	-	294,028
Change in value of investment in Mt Baldy LLC	12,839	-	12,839
Total Other Income	405,558	-	405,558
Total Revenues, Support, Other Income and Transfers	3,896,298	785,602	4,681,900
Expenses			
Program Services			
Programming and production	1,177,162	446,332	1,623,494
Broadcasting	932,062	202,257	1,134,319
Program information and promotion	147,455	62,220	209,675
Total Program Services	2,256,679	710,809	2,967,488
Supporting Services			
Management and general	127,512	42,154	169,666
Fundraising and membership development	355,936	30,526	386,462
Underwriting and grant solicitation	184,228	28,988	213,216
Depreciation	155,376	5,412	160,788
Total Supporting Services	823,052	107,080	930,132
Total Expenses	3,079,731	817,889	3,897,620
Operating Income/(Loss)	816,567	(32,287)	784,280
Non-Operating Income			
Display advertising	31,545	-	31,545
Rents and royalties	21,920	-	21,920
Miscellaneous income	113	-	113
Total Non-Operating Income	53,578	-	53,578
Change in Net Assets	870,145	(32,287)	837,858
Net Assets at Beginning of Year	8,550,848	(17,663)	8,533,185
Net Assets at End of Year	$ 9,420,993	$ (49,950)	$ 9,371,043

JEFFERSON PUBLIC RADIO AND JPR FOUNDATION, INC.

Combining Schedule of Activities

for the Year Ended June 30, 2022

	KSOR-FM	KNCA-FM	Total
Revenues, Support and Other Income			
Revenues and support			
Contributions	$ 1,091,305	$ 230,220	$ 1,321,525
Program underwriting	524,258	55,841	580,099
Southern Oregon University:			
General appropriation	252,278	49,755	302,033
Indirect administrative support	470,668	132,246	602,914
Corporation for Public Broadcasting Grants	284,162	133,627	417,789
Other grants	450,520	320	450,840
Bequests and planned gifts	103,553	-	103,553
Donated programs, services and materials	102,363	66,320	168,683
Fundraising activities and events	299,353	34,290	333,643
Jeffnet internet service royalties	26,000	-	26,000
Total Revenues and Support	3,604,460	702,619	4,307,079
Other Income			
Interest and dividend income	37,190	-	37,190
Realized and unrealized gain	(351,391)	-	(351,391)
Change in value of investment in Mt Baldy LLC	9,952	-	9,952
Total Other Income	(304,249)	-	(304,249)
Total Revenues, Support, Other Income and Transfers	3,300,211	702,619	4,002,830
Expenses			
Program Services			
Programming and production	1,143,618	401,854	1,545,472
Broadcasting	796,651	250,569	1,047,220
Program information and promotion	181,333	59,022	240,355
Total Program Services	2,121,602	711,445	2,833,047
Supporting Services			
Management and general	117,565	42,471	160,036
Fundraising and membership development	338,014	39,483	377,497
Underwriting and grant solicitation	182,961	28,619	211,580
Depreciation	158,606	4,054	162,660
Total Supporting Services	797,146	114,627	911,773
Total Expenses	2,918,748	826,072	3,744,820
Operating Income/(Loss)	381,463	(123,453)	258,010
Non-Operating Income			
Display advertising	15,180	-	15,180
Rents and royalties	68,279	78,088	146,367
Miscellaneous income	574	-	574
Total Non-Operating Income	84,033	78,088	162,121
Change in Net Assets	465,496	(45,365)	420,131
Net Assets at Beginning of Year	8,085,352	27,702	8,113,054
Net Assets at End of Year	$ 8,550,848	$ (17,663)	$ 8,533,185