EDUCATIONAL MEDIA FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Educational Media Foundation
Franklin, Tennessee

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Educational Media Foundation (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 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 financial position of Educational Media Foundation as of December 31, 2024, and the changes 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 Educational Media Foundation 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 Educational Media Foundation'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 Educational Media Foundation'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 Educational Media Foundation'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Nashville, Tennessee
March 27, 2025

EDUCATIONAL MEDIA FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	$ 47,476,960
Unconditional Promises to Give, Current Portion	4,569,571
Prepaid Expenses	7,494,042
Inventories	5,222,057
Other Receivables	2,336,360
Total Current Assets	67,098,990
PROPERTY AND EQUIPMENT	
Net of Accumulated Depreciation	215,951,985
OTHER ASSETS	
Deposits and Other	1,714,704
Unconditional Promises to Give, Net of Current Portion and Discounts	1,127,336
Investments in Film	1,856,804
Notes Receivable	72,003,998
Investments	141,323,774
FCC Radio Licenses, Permits, and Application Costs	607,698,959
Trademarks	13,688,387
Goodwill	664,421
Right-of-Use Assets	57,104,496
Total Other Assets	897,182,879
Total Assets	$ 1,180,233,854

See accompanying Notes to Consolidated Financial Statements.

EDUCATIONAL MEDIA FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
DECEMBER 31, 2024

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	$ 15,366,024
Current Portion of Long-Term Debt	1,744,561
Current Portion of Operating Lease Liability	11,904,347
Total Current Liabilities	29,014,932
LONG-TERM DEBT	
Long-Term Debt, Net of Current Portion	10,165,252
Operating Lease Liability, Net of Current Portion	46,105,114
Total Long-Term Debt	56,270,366
Total Liabilities	85,285,298
NET ASSETS	
Without Donor Restrictions:	
Board-Designated	116,549,839
Undesignated	953,829,974
With Donor Restrictions	24,568,743
Total Net Assets	1,094,948,556
Total Liabilities and Net Assets	$ 1,180,233,854

See accompanying Notes to Consolidated Financial Statements.

EDUCATIONAL MEDIA FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES AND SUPPORT			
Contributions	$ 208,012,362	$ 15,382,766	$ 223,395,128
Business Underwriting Revenue	4,580,700	-	4,580,700
Interest and Dividend Income	8,260,399	166,938	8,427,337
Concert and Event Revenue	6,618,699	-	6,618,699
Publishing Sales, Net of Cost of Goods Sold	207,795	-	207,795
Film Revenue	528,775	-	528,775
Miscellaneous Income	760,657	-	760,657
Net Assets Released from Restrictions	19,324,599	(19,324,599)	-
Total Operating Income	248,293,986	(3,774,895)	244,519,091
OPERATING EXPENSES			
Program	117,907,314	-	117,907,314
General Administration	40,178,768	-	40,178,768
Fundraising	10,572,695	-	10,572,695
Total Operating Expenses	168,658,777	-	168,658,777
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	79,635,209	(3,774,895)	75,860,314
NONOPERATING ACTIVITIES			
Impairment of Intangible Assets and Investments	(16,740,057)	-	(16,740,057)
Net Gain on Disposal of Assets	900,860	-	900,860
Net Realized Gain on Sale of Investments	15,891,232	30,655	15,921,887
Net Unrealized Loss on Investments	(4,700,139)	442,567	(4,257,572)
Total Nonoperating Activities	(4,648,104)	473,222	(4,174,882)
CHANGE IN NET ASSETS	74,987,105	(3,301,673)	71,685,432
Net Assets - Beginning of Year	995,392,708	27,870,416	1,023,263,124
NET ASSETS - END OF YEAR	$ 1,070,379,813	$ 24,568,743	$ 1,094,948,556

See accompanying Notes to Consolidated Financial Statements.

EDUCATIONAL MEDIA FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program	General Administration	Fundraising	Total
Payroll and Related Costs	$ 41,397,017	$ 17,741,942	$ 5,299,758	$ 64,438,717
Staff Culture and Growth	1,487,205	562,852	182,479	2,232,536
Travel and Meetings	1,795,988	305,951	189,939	2,291,878
Occupancy	2,905,433	948,555	334,225	4,188,213
Office	3,840,313	1,859,291	1,642,202	7,341,806
Credit Card Processing Fees	-	3,435,875	-	3,435,875
Content Creation	3,753,303	10,746	7,245	3,771,294
Content Technology	5,930,761	121,440	290	6,052,491
Content Operations: Signals	30,710,709	-	-	30,710,709
Content Operations: Other	4,321,054	85,088	-	4,406,142
Promotion and Marketing	8,141	4,563,259	301,253	4,872,653
Computers and Software	6,959,003	2,435,186	731,822	10,126,011
Consulting	1,150,634	825,456	820,431	2,796,521
Donations	550,025	-	-	550,025
Administrative and Call Support	602,329	6,187,852	1,063,051	7,853,232
Interest	506,992	470,913	-	977,905
Depreciation and Amortization	11,988,407	624,362	-	12,612,769
Total Expenses by Function	$ 117,907,314	$ 40,178,768	$ 10,572,695	$ 168,658,777

See accompanying Notes to Consolidated Financial Statements.

EDUCATIONAL MEDIA FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 71,685,432
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	12,487,237
Amortization	125,532
Amortization of Right-of-Use Assets	14,335,323
Amortization of Debt Issuance Costs	411,832
Impairment of Intangible Assets and Investments	16,740,057
Noncash Contributions	(494,091)
Net Gain on Disposal of Assets	(900,860)
Net Realized Gain on Sale of Investments	(15,921,887)
Net Unrealized Loss on Investments	4,257,572
Net Change in Operating Assets and Liabilities:	
Unconditional Promises to Give	1,530,634
Prepaid Expenses	2,311,128
Inventories	(3,081,071)
Other Receivables	1,666,555
Deposits and Other	(80,096)
Accrued Interest on Investments	138,665
Accounts Payable and Accrued Expenses	(12,320,983)
Operating Lease Liabilities	(13,954,494)
Net Cash Provided by Operating Activities	78,936,485
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for Property and Equipment	(52,606,387)
Payments for FCC Radio Licenses	(6,783,045)
Payments for Investments in Films	(137,500)
Proceeds from Return on Investments in Films	2,390,369
Proceeds from Sale of Assets	6,883,125
Issuance of Notes Receivable	(72,000,000)
Principal Payments Received on Notes Receivable	5,500
Purchase of Investments	(344,014,364)
Proceeds from Sale of Investments	408,417,009
Net Cash Used by Investing Activities	(57,845,293)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments on Notes Payable	(1,655,103)
Net Cash Used by Financing Activities	(1,655,103)
NET CHANGE IN CASH AND CASH EQUIVALENTS	19,436,089
Cash and Cash Equivalents - Beginning of Year	28,040,871
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 47,476,960

See accompanying Notes to Consolidated Financial Statements.

EDUCATIONAL MEDIA FOUNDATION
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2024

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash Payments for Interest	$ 566,074
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES	
Right-of-Use Assets Obtained in Exchange for Operating Lease Liabilities	$ 19,163,897

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Educational Media Foundation has existed for over 40 years with the purpose to create and distribute quality and compelling media that inspires and encourages people to have a meaningful relationship with Jesus Christ. Over time, Educational Media Foundation has grown to operate through the following ministries: K-LOVE Radio Network; Air1 Radio Network; WTA Media, LLC (WTA); AccessMore Podcasting; K-LOVE OnDemand; K-LOVE Books; and K-LOVE Films. Educational Media Foundation media channels include radio, literature, podcasting, digital content, and film. As a Christian nonprofit organization, Educational Media Foundation is a member of the Evangelical Council for Financial Accountability, an organization that provides accreditation to leading Christian nonprofit organizations that faithfully demonstrate compliance with established standards for financial accountability, transparency, fundraising, and board governance.

Principles of Consolidation

The consolidated financial statements include the accounts of Educational Media Foundation and its wholly owned subsidiaries: El Dorado Licenses, Inc.; San Joaquin Broadcasting Company; EMF Corporation; EMF Property Holdings, LLC; K-LOVE/Air1 Events, LLC; Crisis Response, LLC; K-LOVE and Air1 Foundation Trust; EMF Publishing, LLC; Dare II Dream, LLC; WTA Media, LLC; and EMF TN Property Holdings, LLC. EMF is the sole stockholder of the corporations, and EMF or one of its subsidiaries is the sole member of the LLCs. EMF Corporation is the sole trustee of the K-LOVE and Air1 Foundation Trust. The K-LOVE and Air1 Foundation Trust is the sole member of WTA Media, LLC. The subsidiaries have been organized and are operated primarily to support and carry out the purposes of EMF. All material interorganizational transactions and balances have been eliminated in the consolidation. All of these entities will be collectively referred to as EMF.

As part of the ministry's plan to move operations to Tennessee, K-LOVE, Inc., a Tennessee nonprofit corporation, became the sole member of EMF in December of 2024. K-LOVE, Inc. is a 501(c)(3) organization with substantially the same purpose as EMF. Separate financials for K-LOVE, Inc. were not prepared for 2024 as no material activity took place during the year.

Basis of Presentation

The consolidated financial statements of EMF have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which require EMF to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions – Net assets in this category are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of EMF's management and the board of directors. The board of directors has adopted a policy for designating an operating contingency of $90,000,000, along with other net assets for projects or uses identified at December 31, 2024, totaling approximately $12,694,000. The board of directors has also created a board-designated endowment in the amount of approximately $13,856,000 at December 31, 2024.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Net Assets With Donor Restrictions – Net assets in this category are subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by actions of EMF or by passage of time. Other donor restrictions are perpetual in nature, whereby the donors have stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported in the consolidated statement of activities as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying consolidated statement of activities.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Donor-restricted contributions whose restrictions are met in the same year the gift is made are reported as net assets with donor restrictions and releases in the current year. Expirations of donor restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished, and/or the stipulated time period has elapsed, are reported as net assets released from restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations.

Contributions, including unconditional promises to give, are recognized as revenue in the period received and reported in their appropriate net asset group, subject to the existence or absence of donor-imposed stipulations. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at a discount rate consistent with the general principles for present value measurement. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Operating results in the consolidated statement of activities reflect all transactions increasing and decreasing net assets except those that EMF defines as nonoperating. Nonoperating activity includes impairment of long-lived assets, gain or loss on disposal of capital assets, and investment gain or loss.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

EMF considers time deposits, certificates of deposit, and all highly liquid investments having an original maturity of three months or less to be cash equivalents.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories, which consist primarily of broadcasting equipment parts, are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Cost is determined on the first-in, first-out method.

Property and Equipment

Property and equipment purchased by EMF are recorded at cost. EMF capitalizes equipment with an acquisition cost in excess of $5,000 and a useful life of more than one year. Depreciation is computed using the straight-line method over estimated useful lives of 3 to 25 years for equipment, furniture and fixtures, automobiles, and software, and 39 years for buildings and leasehold improvements.

Operating Lease Right-of-Use Assets and Liabilities

EMF obtains the right to control the use of various assets under long-term agreements. EMF evaluates contracts to determine whether they include a lease, and uses the lessee nonlease component accounting policy election, for all asset classes, to account for the lease and nonlease components as a single lease component. For leases accounted for as a single lease component, there may be variability in future lease payments as the amount of the nonlease components is typically revised from one period to the next. These variable lease payments, which are primarily comprised of common area maintenance, utilities, and real estate taxes, are recognized in operating expenses in the period in which the obligation for those payments were incurred. Leases are recognized on the consolidated statement of financial position as right-of-use (ROU) assets with a corresponding lease liability.

Investments in Film

Investments in film, which consist primarily of investments in the production of faith-based film projects, are recorded at cost. The investments entitle EMF to receive a premium on its investment, as well as a share of film receipts, as specified in the film operating or financing agreement. Investments in films are evaluated annually for impairment. EMF determined that no impairment was required for its investments in film as of December 31, 2024.

Notes Receivable

Notes receivable are recorded at the amortized amount due. In determining collectability, management takes into consideration such factors as debtor history, payment history, and existing economic conditions. Once a note receivable is deemed uncollectible based on these factors, it is written off. Management has determined that no allowance for potentially uncollectible notes receivable was necessary at December 31, 2024.

Investments

Investments in equity securities are recorded at fair value. Investments in marketable debt securities with readily determinable fair market values are reported at fair value. Unrealized gains and losses are included in total revenue, support, and gains in the accompanying consolidated statement of activities.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible Assets

EMF classifies intangible assets as definite-lived or indefinite-lived. EMF's indefinite-lived intangible assets include primarily Federal Communication Commission (FCC) radio licenses, related permits and application costs, and trademarks. FCC radio licenses, permits, and application costs are recorded at cost. Permits and application costs represent legal and other related costs incurred to date to apply for FCC radio licenses and in preparation of going on the air.

Trademarks represent legal and other costs incurred in obtaining trademarks for the K-LOVE and Air1 radio network ministries.

Intangibles with indefinite useful lives are not amortized; rather, they are evaluated for impairment annually. When the life of an intangible asset previously deemed to have an indefinite life is determined to no longer be indefinite, then the asset is amortized over the identified useful life.

EMF performed its annual impairment tests on its indefinite-lived assets as of December 31, 2024, which resulted in a noncash loss of approximately $16,740,000. The impairment charge reduced the carrying value of 15 stations currently carrying K-LOVE programming, 16 stations carrying Air1 programming, and three stations carrying third party programming, as well as a trademark license related to a K-LOVE station.

Goodwill

Goodwill represents the cost of an investment in a purchased company in excess of the underlying fair value of net identifiable assets at the date of acquisition. Goodwill is evaluated for impairment when a triggering event occurs. Management has determined that no triggering events have occurred.

Income Taxes

EMF, K-LOVE, Inc., EMF Corporation, and K-LOVE and Air1 Foundation Trust are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. These entities have not entered into any activities that would jeopardize their tax-exempt status. From time to time, these entities enter into unrelated trade or business activities that result in unrelated business income. Historically, the expenses associated with this unrelated business income exceed the income. Accordingly, no provision for income taxes is recorded in the accompanying consolidated statement of activities.

San Joaquin Broadcasting Company and El Dorado Licenses, Inc. are nonprofit stock corporations. EMF Property Holdings, LLC, K-LOVE/Air1 Events, LLC, Crisis Response, LLC, EMF Publishing, LLC, Dare II Dream, LLC, WTA Media, LLC, and EMF TN Property Holdings, LLC, are sole member limited liability corporations.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

EMF receives the majority of its support from contributions received in response to periodic pledge drives for the K-LOVE and Air1 radio network ministries. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods, or restricted by the donor for specific purposes, are reported as net assets with donor restrictions. Unconditional promises to give are recorded as support when a valid pledge has been received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are calculated using the U.S. Treasury Long-Term Composite rates applicable at the time the promises are received. For unconditional promises to give received during the year ended December 31, 2024, the discount rates ranged from 4.00% to 4.81%. Intentions to give are recorded when the cash is received.

EMF uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. Management has determined an allowance of $40,000 for unconditional promises to give was deemed necessary at December 31, 2024.

Contributed Services

Many individuals volunteer their time in performing a variety of tasks that assist EMF in its program efforts. However, no amounts have been reflected in the consolidated financial statements for donated services, as these services do not meet the criteria for recognition as set forth under GAAP.

Revenues from Contracts With Customers

A five-step model is used to determine the amount and timing of revenue recognized. The five-step model requires EMF to apply the following steps: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when, or as, EMF satisfies the performance obligations. EMF's revenues are generated from its operations within the United States of America and are recognized as described below:

Business Underwriting Revenue – Business underwriting revenue represents fees paid by businesses to EMF for concert or special event announcements. These are generally short-term in nature. Business underwriting revenue is recognized over time as, but only if, the contracted announcements are run. Contract liabilities are recorded for payments received from customers in advance of EMF fulfilling the obligation to run the announcements, and are included in accounts payable and accrued expenses on the consolidated statement of financial position. Contract liabilities were approximately $133,000 as of December 31, 2024.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues from Contracts With Customers (Continued)

Concert Tours – Concert tour revenue represents income earned by EMF for the marketing of the tour, and is based on an agreement with the customer for an agreed-upon percentage of net profit generated by the concert tour. Revenue is recognized at a point in time once EMF's share of the net profit can be reasonably estimated, generally at the end of the concert tour.

Live Events – Live Events revenue represents income earned by EMF for hosting live events for listeners, supporters, and fans with the purpose of furthering the mission of EMF. Revenue is primarily from ticket sales and sponsorships and is recognized at a point in time based on the terms of the agreement, generally at the end of the event.

Functional Allocation of Expenses

The costs of providing various program and supporting activities have been summarized on a functional basis in the consolidated statement of activities. The presentation of expenses by function and nature is included in the consolidated statement of functional expenses. EMF charges direct expenses incurred for a specific function directly to the program or supporting service category. These costs can be specifically identified as being incurred for the activities of that program or supporting service. Other costs that are incurred by EMF benefit more than one program or supporting service, and are allocated on a reasonable basis that is consistently applied. Payroll and related costs are allocated based on estimates of time and effort; other costs, including depreciation, listener servicing, certain occupancy and office costs, promotion and advertising, engineering, and computers and software, are allocated based on estimates of usage or benefit received by each function. EMF reevaluates its allocation method each year to determine if there are adjustments that are necessary to the allocation method, based on actual activities conducted during the year.

Promotion and Advertising

Promotion and advertising costs are expensed as they are incurred. Total promotion and advertising costs were approximately $4,873,000 for the year ended December 31, 2024.

Subsequent Events

Management has evaluated subsequent events through March 27, 2025, the date the consolidated financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY OF ASSETS

The following represents EMF's financial assets as of the date of the consolidated statement of financial position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the consolidated statement of financial position. Amounts not available include amounts invested in the quasi-endowment that could be drawn upon if the board of directors approves that action, reserves for station acquisitions, and other board designations. The board of directors has also designated an operating contingency reserve in the amount of $90,000,000 that has not been subtracted as unavailable, as it is designated for the purpose of meeting general expenditures if the need arises. Additionally, the board of directors may vote to remove their designation of net assets, making them available for general expenditures if needed.

Financial Assets - End of Year:	
Cash and Cash Equivalents	$ 47,476,960
Unconditional Promises to Give	4,569,571
Investments	141,323,774
Other Receivables	2,336,360
Total Financial Assets - End of Year	195,706,665
Amounts Not Available to be Used Within One Year:	
Board-Designated Net Assets	(116,549,839)
Add Back: Operating Contingency	90,000,000
Unavailable Board-Designated Net Assets	(26,549,839)
Net Assets With Donor Restrictions	(24,568,743)
Subtotal	(51,118,582)
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	$ 144,588,083

EMF is substantially supported by contributions from listeners. The majority of these contributions are without donor restriction and are available to meet general expenditure obligations. In order to manage liquidity, EMF has structured its financial assets to be available as its general expenditures and liabilities come due. EMF's operating contingency reserve of $90,000,000 equates to approximately seven months of operating expenses.

NOTE 3 UNCONDITIONAL PROMISES TO GIVE

Receipts of unconditional promises to give due in future periods are summarized as follows:

Year Ending December 31,	Amount
2025	$ 4,569,571
2026	972,782
2027	204,000
2028	100,000
Subtotal	5,846,353
Less: Discounts on Unconditional Promises to Give	149,446
Total Unconditional Promises to Give, Net of Discounts	$ 5,696,907

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Broadcast and Office Equipment	$ 120,860,050
Furniture and Fixtures	8,242,497
Automobiles	39,981
Software	18,971,580
Buildings and Improvements	161,205,211
Leasehold Improvements	1,869,534
Land	12,600,151
Capital Projects in Process	13,483,420
Subtotal	337,272,424
Less: Accumulated Depreciation	121,320,439
Property and Equipment, Net	$ 215,951,985

Depreciation expense was approximately $12,487,000 for the year ended December 31, 2024.

NOTE 5 FAIR VALUE AND INVESTMENTS

The framework for measuring fair value 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 active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that EMF has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from, or corroborated by, observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 inputs must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability 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.

NOTE 5 FAIR VALUE AND INVESTMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2024.

Money Market Funds – Amounts are interest-bearing deposit accounts. EMF does not consider these amounts for use in general operations; therefore, they are not classified as cash and cash equivalents.

Mutual Funds and Equity Securities – Each investor in a mutual fund will typically receive units of participation or shares in the mutual fund. These shares are valued daily, based on the underlying securities owned by the mutual fund, and are usually publicly-traded equity securities. Equity securities are instruments that signify an ownership position in a corporation and represent a claim on its proportional share in the corporation's assets and profits. Ownership is determined by the number of shares an investor owns divided by the total number of shares outstanding. Equity securities are valued daily based on the closing market price in the active exchange markets.

Debt and Fixed-Income Securities – Corporate bonds, government bonds, and other debt and fixed income securities are generally valued by a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system to arrive at an estimated market value. Each bond series has a unique set of variables including coupon payment, number of payments, interest rate, and the maturity value. These factors are used to determine the estimated market value and can be determined daily.

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 EMF believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 5 FAIR VALUE AND INVESTMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, EMF's investments at fair value:

	Level 1	Level 2	Level 3	Total
Investments:				
Money Market Funds	$116,599,859	$ -	$ -	$116,599,859
Mutual Funds by Investment Objective:				
Growth Funds	4,301,388	-	-	4,301,388
Blend Funds	8,622,765	-	-	8,622,765
Bond and Fixed Income Funds	4,664,318	-	-	4,664,318
Equity Securities by Industry Type:				
Communication Services	1,851	-	-	1,851
Technology	1,477	-	-	1,477
Real Estate	-	3,312,553	-	3,312,553
Basic Materials	281	-	-	281
Energy	4,088	-	-	4,088
Debt and Fixed-Income Securities:				
U.S. Treasury	2,206,486	-	-	2,206,486
Corporate	-	1,608,708	-	1,608,708
Total Investments at Fair Value	$136,402,513	$ 4,921,261	$ -	$141,323,774

EMF's investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect account balances and the amounts reported in the consolidated statement of financial position.

NOTE 6 FCC RADIO LICENSES, PERMITS, AND APPLICATION COSTS

Capitalized FCC radio licenses, permits, and application costs for stations and translators consisted of the following:

Operating Stations and Translators	$ 607,689,207
Pending Stations and Translators	9,752
Total FCC Radio Licenses, Permits, and Application Costs	$ 607,698,959

NOTE 7 LONG-TERM DEBT

Long-term debt consisted of the following:

Description	Amount
Note payable, secured by a security interest in personal property, due in monthly payments of $68,320, including interest at 3%, maturing in February 2029.	$ 3,207,350
Note payable, secured by a security interest in personal property, due in monthly payments of $12,000, including interest at 7.30%, maturing in December 2033.	947,879
Trademark license agreement, secured by interest in a trademark license, due in monthly principal payments of various amounts up to $125,000, plus imputed interest at an effective rate of 4.01%, maturing in November 2027.	7,687,584
Improvement compensation agreement due in monthly principal payments of $1,000 maturing in July 2030.	67,000
Total Long-Term Debt	11,909,813
Less: Current Portion	1,744,561
Total Long-Term Debt, Net	$ 10,165,252

Maturities of long-term debt are as follows:

Year Ending December 31,	Amount
2025	$ 1,744,561
2026	1,843,718
2027	6,653,856
2028	910,867
2029	251,610
Thereafter	505,201
Total Long-Term Debt	$ 11,909,813

Debt issuance costs are amortized over the life of the related debt instrument. Amortization of debt issuance costs was approximately $412,000 for the year ended December 31, 2024. There were no unamortized debt issuance costs at December 31, 2024.

NOTE 8 LEASE OBLIGATIONS

Operating Leases

EMF leases office space, radio tower space, land, satellite equipment, and vehicles for use in operations under operating lease agreements. The operating leases may include renewal options. Lease renewals were only included in the calculations if the renewals were considered reasonably certain to be exercised.

EMF's operating leases generally do not specify an implicit interest rate. Therefore, the incremental borrowing rate was used, based on information available at the commencement date, to determine the present value of future payments when capitalizing the operating lease ROU assets and operating lease liabilities.

EMF leases storage space and small equipment under lease agreements with durations less than 12 months, and has elected to use the short-term lease exemption, which allows for the expense to be recognized on a straight-line basis over the lease term.

EMF's lease expense was as follows:

Operating Leases	$ 16,990,861
Short-Term Leases	1,120,834
Total Lease Expense	$ 18,111,695

The aggregate minimum annual lease payments under operating lease arrangements and discount factors used in calculating minimum lease payments on ROU assets are as follows:

Year Ending December 31,	Amount
2025	$ 14,608,311
2026	12,056,908
2027	9,693,137
2028	7,311,470
2029	5,358,340
Thereafter	23,568,007
Subtotal	72,596,173
Less: Amount Representing Interest	14,586,712
Present Value of Minimum Lease Payments	58,009,461
Less: Current Maturities of Leases	11,904,347
Lease Liability, Net of Current Maturities	$ 46,105,114

Weighted-Average Remaining Lease Term:	
Operating Leases	7.6 Years
Weighted-Average Discount Rate:	
Operating Leases	5.36%

NOTE 9 AFFILIATES AND COMMITMENTS

EMF has entered into various affiliate agreements with other radio stations to rebroadcast EMF's radio format through these stations. EMF also has certain rights and obligations related to the purchase of radio stations.

Certain of these affiliate stations operate under agreements that require flat monthly fees and/or operating expense reimbursements.

The following is a schedule of future minimum payments required under affiliate agreements requiring flat monthly fees and/or operating expense reimbursements:

Year Ending December 31,	Amount
2025	$ 1,124,821
2026	858,061
2027	578,790
2028	275,571
2029	43,526
Thereafter	66
Total	$ 2,880,835

The total payments made under affiliate agreements requiring flat monthly fees and/or operating expense reimbursements were approximately $1,262,000 for the year ended December 31, 2024.

EMF TN Property Holdings, LLC has entered into a construction contract to improve a facility in the city of Franklin, Tennessee. EMF had committed approximately $2,000,000 to the contractor as of December 31, 2024.

EMF has entered into an agreement to a acquire seven radio signals with an aggregated purchase price of $80,000,000. Prior to year end, $72,000,000 was paid and is included in Notes Receivable as of December 31, 2024. This note receivable will be applied to the purchase price at the time of closing. As part of this transaction, EMF has also agreed to pay $10,000,000 as an advance payment to acquire future advertising from the seller and its affiliates, to be paid at closing.

NOTE 10 ENDOWMENT

EMF's endowment consists of 88 individual donor-restricted funds established for the purposes of organizational strength, core growth and excellence, and reach and influence. The endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 10 ENDOWMENT (CONTINUED)

The board of directors of EMF has interpreted the 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 the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, EMF classifies as donor-restricted net assets in perpetuity: (a) the original value of gifts to the endowment; (b) the original value of subsequent gifts to the endowment; and (c) accumulations to the endowment that are required to be maintained in perpetuity, made in accordance with the direction of the applicable donor gift at the time the accumulation is added to the fund. EMF considers a fund to be underwater when the fair value of the fund is less than the amount of the applicable donor-restricted net assets in perpetuity. EMF has interpreted UPMIFA to permit spending from underwater funds, in accordance with the prudent measures required under the law.

In accordance with UPMIFA, EMF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds; (2) the purposes of the donor-restricted endowment funds; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of EMF; and (7) EMF's investment policies.

EMF has adopted an investment and spending policy, approved by the board of directors, of appropriating for distribution each year 3% of its endowment fund's rolling average fair value over the prior 12 quarters, through the calendar year-end preceding the fiscal year in which the distribution is planned. This policy is designed to protect the budget from the vagaries of year-to-year fluctuations in market returns, change of yields from year to year that result from changes in interest rates, dividend levels, and pay-out rates; and to provide for gradual increase in spendable earnings from year to year. Actual returns in any given year may vary from the expectations. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed so as to not expose the fund to unacceptable levels of risk. EMF may appropriate for expenditure as much of endowed funds as the Finance Committee determines is prudent and in line with the restricted purpose of the funds. EMF's spending policy is designed to maintain appropriate stewardship of perpetual funds. Accordingly, investment returns in excess of the spendable amount shall be retained to offset inflation.

The following represents endowment net assets composition by type:

December 31, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	$ 13,855,841	$ -	$ 13,855,841
Donor-Restricted Endowment Funds	-	8,886,046	8,886,046
Total	$ 13,855,841	$ 8,886,046	$ 22,741,887

NOTE 10 ENDOWMENT (CONTINUED)

Changes in endowment net assets were as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Specific Purpose	In Perpetuity	Total
Endowment Net Assets - Beginning of Year:	$ 12,875,354	$ 338,762	$ 7,813,057	$ 21,027,173
Contributions	-	-	310,340	310,340
Distributions	(194,491)	(216,273)	-	(410,764)
Investment Income, Net of Investment Fees	301,099	166,938	-	468,037
Realized Gains on Investments	47,231	30,655	-	77,886
Unrealized Gains on Investments	826,648	442,567	-	1,269,215
Endowment Net Assets - End of Year	$ 13,855,841	$ 762,649	$ 8,123,397	$ 22,741,887

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires EMF to retain in perpetuity. Deficiencies of this nature exist in fifteen donor-restricted endowment funds, which together have an original value of approximately $863,000, a fair value of approximately $758,000, and a deficiency of approximately $105,000 as of December 31, 2024.

NOTE 11 NET ASSETS

The following is a reconciliation of net assets without donor restrictions:

Board-Designated:	
Operating Contingency	$ 90,000,000
Media Projects	9,174,257
Legal	3,269,741
Third-Party Giving	250,000
Endowment	13,855,841
Total Board-Designated	116,549,839
Undesignated	953,829,974
Total Net Assets Without Donor Restrictions	$ 1,070,379,813

The following is a reconciliation of net assets with donor restrictions:

Restricted for Purpose	$ 16,445,346
Restricted in Perpetuity	8,123,397
Total Net Assets With Donor Restrictions	$ 24,568,743

NOTE 11 NET ASSETS (CONTINUED)

Activity for net assets with donor restrictions was as follows:

Contributions Restricted for Purpose:	
Received During the Year	$ 15,072,426
Released During the Year	(3,492,969)
Net Restricted Contributions Received During the Year	11,579,457
Release of Prior Years' Purpose-Restricted Net Assets	(15,615,357)
Distribution of Endowment	(216,273)
Investment Gain on Endowment	640,160
Net Decrease in Net Assets Restricted for Purpose	(3,612,013)
Contributions Restricted in Perpetuity:	
Received During the Year	310,340
Increase in Net Assets Restricted in Perpetuity	310,340
Net Decrease in Net Assets With Donor Restrictions	(3,301,673)
Net Assets With Donor Restrictions - Beginning of Year	27,870,416
Net Assets With Donor Restrictions - End of Year	$ 24,568,743

NOTE 12 CONCENTRATIONS AND CONTINGENCIES

In the conduct of its operations, claims are occasionally made against EMF. Some of the claims result in filing of lawsuits. In most cases, EMF is insured by its commercial insurance carrier. Management is of the opinion that no such matters are currently pending.

Credit Risk

EMF maintains its cash accounts in depositories that are insured by the Federal Deposit Insurance Corporation (FDIC), generally up to $250,000 per institution. As of December 31, 2024, approximately $47,637,000 of EMF's cash accounts in depositories were uninsured.

NOTE 13 RETIREMENT PLAN

EMF sponsors a 401(k) defined contribution retirement plan covering all employees who meet the plan's age and service requirements. Eligible employees may elect to make salary deferral contributions to the plan, up to certain annual limits. EMF may elect to make discretionary matching contributions based on employee salary deferral contributions, discretionary profit-sharing contributions, or a combination of both. Employer contributions to the plan were approximately $1,865,000 for the year ended December 31, 2024.

NOTE 14 SELF-INSURED HEALTH PLAN

EMF provides a self-insured health plan for eligible employees. EMF has purchased stop-loss insurance in order to limit its exposure, which will reimburse EMF for claims incurred for a covered individual exceeding $150,000 annually once the aggregating specific deductible of $250,000 is met, with an unlimited annual maximum benefit per covered person; or aggregate claims exceeding approximately $6,490,000, up to a maximum reimbursement of $1,000,000 annually. EMF funds its self-insurance obligations based on actual claims reported by the program's third-party administrator. Additionally, EMF has estimated a liability for claims incurred but not yet reported using industry averages and actual claims history, which is included in accrued expenses. At December 31, 2024, the accrued liability for self-insured claims incurred but not yet reported was approximately $667,000.

NOTE 15 JOINT COST ALLOCATION

EMF incurred expenses that were identifiable with a particular function but served joint purposes. Expenses related to certain donor communications jointly supported program services, general administration, and fundraising. These expenses were allocated by their functional classification as follows:

Program Services	$ 2,196,296
General Administration	334,593
Fundraising	1,449,221
Total	$ 3,980,110

NOTE 16 RELATED PARTY TRANSACTIONS

EMF engaged in transactions with an organization for which an EMF board member had check signing authority during the year ended December 31, 2024. Total related expenses incurred by EMF were approximately $3,750,000. Of this amount, approximately $3,221,000 was reimbursement for expenses incurred on EMF’s behalf and approximately $529,000 was for consideration due to the organization. Total related revenue earned by EMF was approximately $3,947,000. Other receivables include a receivable due from this organization of approximately $241,000 as of December 31, 2024.

In addition, EMF partners with another organization for which the board member provided consulting services. During the year, EMF provided the use of brand names for sponsorship of certain events but no monetary value was exchanged for the use of the brand names.

The board member completed his scheduled term and exited EMF’s board as of December 31, 2024.

NOTE 17 SUBSEQUENT EVENTS

Subsequent to year-end, the following events occurred:

The Federal Communications Commission approved of the transfer of the Spanish-Christian broadcasting entity The Association for Community Education, Inc. (ACE), a California nonprofit religious corporation, to Educational Media Foundation. ACE operates under the DBA of Radio Nueva Vida (RNV) and provides Spanish language programming to over 50 markets across the United States. As of February 7, 2025, EMF is the sole member of ACE.

EMF employees became employees of K-LOVE, Inc. and K-LOVE, Inc. assumed a substantial portion of EMF operations. As stated in Note 1, K-LOVE, Inc. is a 501(c)(3) organization established in Tennessee and is the sole member of EMF. Consolidated financial statements will be prepared for K-LOVE, Inc. in subsequent years.

EMF has acquired two radio signals with an aggregate purchase price of $2,860,000 paid in cash. Prior to year-end, $143,000 was paid and is included in Deposits and Other Assets as of December 31, 2024.

K-LOVE, Inc. signed a Letter of Intent to acquire a radio signal with a purchase price of $4,350,000 to be paid in cash, and paid $500,000 in issuance of a note receivable to be applied to the purchase price at closing.

EMF sold two radio signals with an aggregate sale price of $2,670,000 paid in cash.

K-LOVE/Air1 Events, LLC entered into a new agreement with an existing vendor, including a payment of $2,000,000 to modify an existing agreement with that vendor, and made that payment.