STU-COMM, Inc.

Financial Statements
and
Accompanying Information
for the year ended
June 30, 2025
(With comparative financial information for
the year ended June 30, 2024)

STU-COMM, Inc.

Contents

Frank Barcalow CPA, P.L.L.C.

Independent Auditor's Report

Board of Directors
STU-COMM, Inc.
Charlottesville, Virginia

Opinion

We have audited the accompanying financial statements of STU-COMM, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of STU-COMM, Inc. as of June 30, 2025, 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of STU-COMM, Inc. 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.

Prior Period Financial Statements

The financial statements of STU-COMM, Inc. as of June 30, 2024, were audited by other auditors whose report dated January 13, 2025 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

> Exercise professional judgment and maintain professional skepticism throughout the audit.
>
> Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of STU-COMM, Inc.'s internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about STU-COMM, Inc.'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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of support, revenue and expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Frank Barcalow CPA P.L.L.C.

Richmond, Virginia
January 15, 2026

STU-COMM, Inc.

Consolidated Statement of Financial Position
June 30, 2025
(with comparative totals for the year ended June 30, 2024)

Assets		**2025**		**2024**
Current assets				
Cash and cash equivalents	$	357,368	$	442,837
Investments		513,432		285,540
Accounts receivable		249,197		176,995
Contributions receivable, current portion		-		25,000
Prepaid expenses		26,098		47,185
Total current assets		1,146,095		977,557
Property and equipment				
Land		691,186		591,186
Broadcast licenses		1,390,493		1,291,711
Buildings and improvements		2,242,182		2,134,014
Equipment and vehicles		922,613		750,943
Website and database		22,395		22,395
Total property and equipment		5,268,869		4,790,249
Less: accumulated depreciation		(1,118,682)		(1,148,484)
Net property and equipment		4,150,187		3,641,765
Other assets				
Right of use assets - leased tower space		392,581		580,829
Deposits		2,250		2,250
Total assets	$	5,691,113	$	5,202,401
Liabilities and net assets				
Current liabilities				
Accounts payable and other liabilities	$	204,115	$	173,833
Deferred revenue		1,838		1,838
Mortgage payable, current portion		35,001		29,674
Term loans payable, current portion		90,121		85,484
Lease liabilities, current portion		120,909		102,291
Total current liabilities		451,984		393,120
Long term liabilities				
Mortgage payable		835,328		369,801
Loans payable		685,190		775,324
Unamortized loan origination points		(3,280)		(3,734)
Lease liabilities		288,057		345,305
Total long term liabilities		1,805,295		1,486,696
Total liabilities		2,257,279		1,879,816
Net assets				
Without donor restrictions		3,415,976		3,294,753
With donor restrictions		17,858		27,832
Total net assets		3,433,834		3,322,585
Total liabilities and net assets	$	5,691,113	$	5,202,401

See notes to financial statements.

STU-COMM, Inc.

Consolidated Statement of Activities
For the Year Ended June 30, 2025
(with summarized totals for the year ended June 30, 2024)

Revenue and other support	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Member contributions	$ 866,016	$ -	$ 866,016	$ 773,747
Underwriting	1,728,581	-	1,728,581	1,485,071
Grants	152,196	53,301	205,497	179,191
Rental income	176,135	-	176,135	114,009
Festival income	150,302	-	150,302	141,769
Interest and dividends	36,226	-	36,226	34,594
Gain (loss) on investments	814	-	814	12,582
Gain (loss) on sale of other assets	-	-	-	207,895
Other income	7,654	-	7,654	24,054
	3,117,924	53,301	3,171,225	2,972,912
Net assets released from restrictions				
Expiration of time or purpose restrictions	63,275	(63,275)	-	-
Total support and revenue	3,181,199	(9,974)	3,171,225	2,972,912
Expenses				
Program services				
Programming and production	653,248	-	653,248	584,333
Broadcasting	368,602	-	368,602	565,378
Program information and promotion	426,932	-	426,932	341,699
Supporting services				
Management and general	569,409	-	569,409	443,501
Membership development	526,006	-	526,006	479,714
Underwriting and grant solicitation	515,779	-	515,779	390,858
Total expenses	3,059,976	-	3,059,976	2,805,483
Change in net assets	121,223	(9,974)	111,249	167,429
Net assets at beginning of year	3,294,753	27,832	3,322,585	3,155,156
Net assets at end of year	$ 3,415,976	$ 17,858	$ 3,433,834	$ 3,322,585

See notes to financial statements.

STU-COMM, Inc.

Statement of Functional Expenses
June 30, 2025
(with summarized totals for the year ended June 30, 2024)

	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Membership Development	Underwriting and Grant Solicitation	Total Supporting Services	2025 Total Expenses	2024 Total Expenses
Salaries and wages	$ 281,403	$ 135,770	$ 172,692	$ 589,865	$ 241,838	$ 133,272	$ 248,110	$ 623,220	$ 1,213,085	$ 1,023,114
Benefits	45,804	22,099	28,109	96,012	39,364	21,693	40,385	101,442	197,454	194,735
Payroll taxes	20,928	10,097	12,843	43,868	17,985	9,911	18,452	46,348	90,216	87,538
Depreciation and amortization	26,093	12,589	16,012	54,694	22,424	12,357	23,005	57,786	112,480	202,001
Professional fees	8,200	57,397	7,175	72,772	18,449	5,125	6,150	29,724	102,496	125,591
Dues and fees	30,684	14,804	18,830	64,318	26,369	14,532	27,053	67,954	132,272	103,412
Supplies	6,482	3,128	3,978	13,588	5,571	3,070	5,715	14,356	27,944	48,327
Postage and shipping	8,783	4,237	5,390	18,410	7,548	4,159	7,744	19,451	37,861	25,901
Rent	28,204	13,610	17,311	59,125	24,242	13,359	24,874	62,475	121,600	86,943
Utilities	27,045	13,049	16,597	56,691	23,243	12,808	23,845	59,896	116,587	112,250
Occupancy	12,416	5,991	7,620	26,027	10,671	5,880	10,947	27,498	53,525	62,084
Travel and meals	10,834	5,227	6,649	22,710	9,311	5,131	9,552	23,994	46,704	74,659
Bad debt	-	-	-	-	-	-	13,899	13,899	13,899	18,372
Insurance	6,817	3,289	4,184	14,290	5,859	3,229	6,011	15,099	29,389	30,501
Interest expense	24,990	12,057	15,336	52,383	21,478	11,835	22,034	55,347	107,730	102,930
Promotional activities/goods	-	-	63,651	63,651	-	254,603	-	254,603	318,254	205,601
Special events expenses	25,418	12,263	15,598	53,279	21,844	12,038	22,410	56,292	109,571	97,726
Miscellaneous	6,343	3,060	3,893	13,296	5,451	3,004	5,593	14,048	27,344	43,316
Total expenses WNRN	570,444	328,667	415,868	1,314,979	501,647	526,006	515,779	1,543,432	2,858,411	2,645,001
Unrestricted - CPB	51,167	8,297	11,064	70,528	67,762	-	-	67,762	138,290	117,263
Stabilization - CPB	-	-	-	-	-	-	-	-	-	-
Restricted - CPB	31,637	31,638	-	63,275	-	-	-	-	63,275	43,219
Total expenses	$ 653,248	$ 368,602	$ 426,932	$ 1,448,782	$ 569,409	$ 526,006	$ 515,779	$ 1,611,194	$ 3,059,976	$ 2,805,483

See notes to financial statements.

Statement of Cash Flows
For the Year Ended June 30, 2025
(with comparative totals for the year ended June 30, 2024)

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 111,249	$ 167,429
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used by) operating activities		
Depreciation	112,480	202,001
Amortization	(454)	(454)
(Gain) loss on sale of other assets	-	(207,895)
(Gain) loss on investments	(814)	(12,582)
Interest and dividends	(24,470)	(18,330)
(Increase) decrease in accounts receivable	72,202	(17,432)
(Increase) decrease in grants receivable	-	325,440
(Increase) decrease in contributions receivable	25,000	25,000
(Increase) decrease in prepaid expenses	21,087	(15,089)
Increase (decrease) in accounts payable and other liabilities	30,282	58,387
Increase (decrease) in deferred revenue	-	88
Increase (decrease) in security deposits	-	-
Net cash provided by (used by) operations	346,562	506,563
Cash flows used in investing activities		
Additions to property and equipment	(478,620)	(784,061)
Proceeds from sale of other assets	-	275,000
Interest income	299	16,251
Purchase of investments	(183,720)	(300,000)
Sale of investments	605,918	652,000
Net cash provided by (used by) investing activities	(56,123)	(140,810)
Cash flows used in financing activities		
Lease payments	(145,021)	-
Retirement of loans payable	(230,887)	(230,887)
Net cash provided by (used by) financing activities	(375,908)	(230,887)
Net increase (decrease) in cash and cash equivalents	(85,469)	134,866
Cash and cash equivalents, beginning of year	442,837	307,971
Cash and cash equivalents, end of year	$ 357,368	$ 442,837
Supplemental disclosure of cash flows information		
Cash paid during the year for interest	$ 107,730	$ 102,678

See notes to financial statements.

Notes to Financial Statements
June 30, 2025

Note 1 - Nature of organization and summary of significant accounting policies

Nature of organization

STU-COMM, Inc. (the "Organization"), which was incorporated in Virginia in 1993, was established with the purpose of building a non-commercial FM radio station for the Charlottesville-Albemarle area. The station came to the airwaves in August 1996 as WNRN. WNRN offers a community service-oriented, curated music discovery to educated, active, and generous listeners from 21 counties in central Virginia and the Shenandoah Valley. The Organization is supported primarily through donations and by business underwriting.

The Organization has two wholly owned subsidiaries, Old Ivy Properties LLC and 11337 Ashcake Road LLC. These entities were created to hold and account for real property. The Organization leases property from the subsidiaries; all revenues, expenses, assets, and liabilities related to these leases are offset for the purposes of the consolidated financial statements.

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets based on the existence or absence of donor-imposed restrictions as follows:

Without donor restrictions: Net assets that are not subject to donor-imposed stipulations. At June 30, 2025, the Organization had $3,415,976 in net assets without donor restrictions.

With donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. At June 30, 2025, the Organization had $17,858 of net assets with donor restrictions. These net assets are all restricted for the purpose of national program production and acquisition.

Estimates

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

Advertising

Advertising costs are expensed as incurred. There was no advertising expense for the current year.

Cash equivalents

For purposes of the Statement of Cash Flows, the Organization considers highly liquid debt instruments purchased with an original maturity of three months or less to be a cash equivalent.

Notes to Financial Statements
June 30, 2025

Note 1 - Summary of significant accounting policies (continued)

Revenue recognition

Member contributions: The Organization recognizes member contributions as they are received, as nearly all the tangible benefits of membership are goods received by members immediately after the contributions are made. Because of this, no contribution revenue is deferred to the future.

Underwriting: The Organization recognizes underwriting revenue as the underlying services are performed. No amounts are recorded as deferred revenue since payment is traditionally received after services are performed. All accounts receivable on the statement of financial position are related to underwriting, and management believes that all accounts receivable are fully collectible.

Festival income: Festival income consists of sales of goods at various music festivals throughout the year. The Organization recognizes festival income as it is received, as there are no further performance obligations.

Property and equipment

The Organization capitalizes all property and equipment acquisitions in excess of $500. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over their estimated useful lives. Estimated useful lives range from 3 to 40 years. Leased assets are depreciated or amortized (depending on the type of asset) over the length of the lease. Depreciation and amortization expense for the year ended June 30, 2025 was $112,480.

The Organization has capitalized several broadcast licenses. The amount capitalized includes the purchase of an existing station with rights to a signal, or the donated value, and related legal fees and other expenses necessary to broadcast using that signal. As the Organization will have the right to renew these licenses in perpetuity, and the license renewal process will require minimal cost and effort, it has determined these assets have an indefinite useful life and should not be amortized.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in leased tower space (under property and equipment) and lease liabilities in the statement of financial position. These assets and liabilities reflect the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report assets or liabilities for its short-term leases, which are those with terms of 12 months or less. Instead, payments on those leases are expensed as they come due.

Allocation of expenses

The costs of providing the services have been summarized on a functional basis in the statement of activities. Certain costs have been allocated between program services, management and general, and fundraising. Some expenses, such as licenses, engineering, and promotional activities/goods are allocated to specific programs and supporting services. The rest of the expenses are allocated based on staff time.

Notes to Financial Statements
June 30, 2025

Note 1 - Summary of significant accounting policies (concluded)

Income taxes

The Organization has received a tax determination letter from the Internal Revenue Service and is exempt from federal and Virginia income taxes under Section 501(c)(3) of the Internal Revenue Code and related sections of the Virginia code.

Investments

All investments in debt and equity securities have readily determinable fair values, as determined by quoted market prices, and are reported at their fair values in the consolidated statement of financial position. Realized and unrealized gains and losses are reported in the consolidated statement of activities.

Contributed services

The value of contributed services meeting the requirements for recognition in the financial statements was not material to the financial statements taken as a whole, and accordingly have not been recorded.

Non-cash underwriting

While most of the Organization's underwriters pay in cash, the Organization enters into some agreements to receive goods and services instead of cash. The revenue is included as underwriting on the statement of activities, and the goods and services received are allocated to the relevant expense and function on the statement of functional expenses. When the Organization fulfills its side of the agreement before the goods and services are received, it records accounts receivable. During the year ended June 30, 2025, the Organization recognized revenues of $185,705 and expenses of $207,283 related to these agreements. At June 30, 2025, the Organization had $53,758 of accounts receivable which, according to these agreements, would be satisfied with goods and services rather than cash.

Note 2 - Concentration of credit risk

Financial instruments which potentially subject the Corporation to concentration of credit risk consist principally of cash and cash equivalents and unsecured receivables. The cash and cash equivalents is insured by the Federal Deposit Insurance Corporation up to $250,000 for the year ended June 30, 2025 and 2024. Balances may exceed the insured limits from time to time, but management does not believe there is risk. Accounts receivable are amounts due from grantors and other sources. Management believes there is no significant credit risk because of the close monitoring of the receivables.

Note 3 - Retirement plan

The Organization has a 401(k) plan which matches 100% of the employee contribution up to 3% of the employee salary and matches up to 50% of the employee contribution which exceed 3% but do not exceed 5% of employee compensation. The plan may be terminated at any time. Contribution expense relating to the plan was $45,884 for the year ended June 30, 2025

Note 4 - Accumulated depreciation

Accumulated depreciation by classes of property is shown in the following tabulation.

		2025
Building and improvements	$	595,984
Equipment and vehicles		480,004
Vehicles		32,437
Website and database		10,258
	$	1,118,682

Depreciation expense for the current year was $112,480.

Note 5 - Comparative amounts

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Note 6 - Fair value measurements

The Corporation records fair value adjustments to certain assets and liabilities and determines fair value disclosures. The fair value of certain assets and liabilities is an exit price, representing the amount that would be received to sell and asset or paid to transfer a liability in an orderly transaction between market participants. Three levels of the fair value hierarchy under this standard based on these three types of inputs are as follows:

Level 1 - Valuation is based on quoted prices in active markets for identical assets and liabilities.

Level 2 - Valuation is based on observable inputs including quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets and liabilities in less active markets, and model-based valuation techniques for which significant assumptions can be derived primarily from or corroborated by observable data in the market.

Level 3 - Valuation is based on model-based techniques that use one or more significant inputs or assumptions that are unobservable in the market.

All investments and liabilities were measured at fair value by level one valuation, because they generally provide the most reliable evidence of fair value.

Notes to Financial Statements
June 30, 2025

Note 7 - Subsequent events

In preparing these financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through January 15, 2026 the date the financial statements were issued.

Note 8 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2025	2024
Cash and cash equivalents	$ 357,368	$ 442,837
Investments	513,432	285,540
Accounts receivable	249,197	176,995
Total financial assets	1,119,997	905,372
Less: donor restrictions		
Subject to donor restrictions	17,858	27,832
Non-cash accounts receivable	53,758	90,275
Total unavailable financial assets	71,616	118,107
Financial assets available for general expenditures within one year	$ 1,048,381	$ 787,265

Note 9 - Investments

The aggregate fair value, gross unrealized holding gains, gross unrealized holding losses, and amortized cost for held-to-maturity investments at June 30, 2025 are as follows:

	2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Stocks	$ 175,948	$ 18,458	$ 686	$ 193,720
Mutual Funds	237,667	2,688	1,203	239,152
Cash	$ 80,560	$ -	$ -	$ 80,560
Total	$ 494,175	$ 21,146	$ 1,889	$ 513,432

Unrealized gains totaled $814 and investment income totaled $36,226 for the current year.

Notes to Financial Statements
June 30, 2025

Note 10 - Long-term obligations

Changes in long-term obligations

Balance at July 1, 2024	$	1,803,806
Add: Issuance		134,960
Less: Retirements		(230,887)
Balance at June 30, 2025	$	1,707,879

The Organization has a mortgage payable incurred for the purchase of 2250 Old Ivy Road, two term loans payable, the first incurred for the purchase of a radio station in Richmond and the second for the construction of a tower in Richmond, and numerous lease liabilities. The Organization refinance the mortgage effective July 1, 2024; more information follows:

Mortgage payable:		
$1,200,000 mortgage payable to VillagelBank, payable in monthly installments of $8,134, which includes principal and variable interest, which is currently at 5.75%, secured by a deed of trust on property located at 2250 Ivy Road. (Refinanced July 1, 2024)	$	870,329
Term loans payable:		
$500,000 term loan payable to Village Bank, payable in monthly installments of $5,309, which includes principal and 4.95% interest, secured by a deed of trust on property located at 11337 Ashcake Road, and by equipment, intangibles, and other assets.	$	382,810
$500,000 term loan payable to Village Bank, payable in monthly installments of $5,446, which includes principal and 5.50% interest, secured by a deed of trust on property located at 11337 Ashcake Road, and by equipment, intangibles, and other assets.		392,501
Total term loans payable	$	775,311

Lease liabilities:

Note: a discount rate of 5.50% was used for each lease unless noted otherwise.

Lease Agreement for the use of tower space with annual paymemts of $588 (increasing 5% annually) through January 1, 2028	$	24,232
Lease Agreement for the use of tower space with annual paymemts of $1,236 (increasing 3% annually) through December 1, 2028		47,357
Lease Agreement for the use of tower space with annual paymemts of $901 (increasing 3% annually) through December 1, 2027		24,002
Lease Agreement for the use of tower space with annual paymemts of $977 (increasing 3% annually) through March 31, 2031		62,294
Lease Agreement for the use of tower space with annual paymemts of $760 (increasing 3% annually) through June 30, 2031		50,361
Lease Agreement for the use of tower space with annual paymemts of $1,136 (increasing 3% annually) through Ocotber 31, 2026		17,391
Lease Agreement for the use of tower space with annual paymemts of $1,082 (increasing 3% annually) through September 30, 2027		28,152
Lease Agreement for the use of tower space with annual paymemts of $1,500 (increasing $100 every 3 years through April 30, 2033		122,807
Lease Agreement for the use of tower space with annual paymemts of $1,500 (increasing 3% annually) through January 31, 2027		32,370
Total lease liabilities		408,966
Total long-term liabilities	$	2,054,606

Notes to Financial Statements
June 30, 2025

Note 11 - Long-term obligations

Annual maturities of long-term obligations

Year Ending June 30	Mortgage Payable Principal	Mortgage Payable Interest	Loans Payable Principal	Loans Payable Interest	Lease Liabilities Principal	Lease Liabilities Interest
2026	$ 35,001	$ 67,364	$ 90,121	$ 38,940	$ 120,909	$ 22,493
2027	37,862	64,503	95,010	34,051	106,849	17,080
2028	40,787	61,579	100,088	28,973	74,845	12,143
2029	44,291	58,075	105,598	23,464	54,502	8,695
2030	47,911	54,454	111,329	17,732	44,824	6,176
2031	51,827	50,538	117,373	11,689	41,987	4,050
2032	612,647	3,968	123,735	5,327	20,600	1,963
2033			32,070	319	18,000	938
Totals	$ 870,326	$ 360,481	$ 775,324	$ 160,495	$ 482,516	$ 73,538

As previously mentioned, the Organization refinanced the mortgage effective July 1, 2024, Additional cash was received at closing, so the beginning balance of the refinanced loan is $900,000. The above table discloses the annual maturities of the refinanced loan, and therefore, does not agree to the balance sheet or the other tables in this note.

Note 12 - Commitments

In February 2016, the FASB issued ASU 2016-02 – Leases (Topic 842). The update requires that all leasing activity with initial terms in excess of twelve months be recognized on the statement of financial position with a right of use asset and a lease liability. The standards require entities to classify leases as either a finance or operating lease based upon the contractual terms. Lessees record a right of use asset with a corresponding liability based on the net present value of rental payments. For prior periods, The Organization elected a package of practical expedients that together allows an entity to not reassess whether a contract is or contains a lease, lease classification and direct costs. The adoption of Topic 842 resulted in the recording of an operating right of use asset and corresponding liability on the Organization's Statement of Financial Condition.

Right of use asset	$	392,581
Lease liability	$	408,966

The Organization has nine leases in effect at June 30, 2025, the minimu, future monthly lease payments are as follows:

2026	$	120,909
2027		106,849
2028		74,845
2029		54,502
2030		44,824
Thereafter		80,586
Total	$	482,515
Less interest		(73,549)
	$	408,966

Lease expense aggragated $ 133,887 for the year ended June 30, 2025.