REDWOOD COMMUNITY RADIO, INC.

(A NOT-FOR-PROFIT ORGANIZATION)
INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS

DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Redwood Community Radio, Inc.
Redway, California

Opinion

We have audited the accompanying financial statements of Redwood Community Radio, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 the Redwood Community Radio, Inc. 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. 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 the Redwood Community Radio, Inc. 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 Financial Statements

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

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

(954) 735-8855 (800) 581-5537 (561) 870-0453
4788 West Commercial Boulevard, Tamarac, FL 33319 www.davejohncpa.com

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 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 the Redwood Community Radio, 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 the Redwood Community Radio, 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.

Dave V John, LLC

DAVE. V. JOHN, LLC

Tamarac, Florida
March 18, 2025

REDWOOD COMMUNITY RADIO, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 275,760
Accounts receivable - net	7,478
Grants receivable - net	88,666
Inventory	5,144
Prepaid expenses and other assets	17,815
Total Current Assets	394,863
NON - CURRENT ASSETS	
Property and equipment - net	261,853
Operating lease right - of - use asset	698,513
Total Non - Current Assets	960,366
Total Assets	**$ 1,355,229**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 21,906
Accrued expenses	6,062
Lease liability - current portion	16,008
Total Current Liabilities	43,976
LONG - TERM LIABILITIES	
Lease liability	745,388
Total Long - Term Liabilities	745,388
Total Liabilities	789,364
NET ASSETS	
Without donor restrictions	477,199
With donor restrictions (time and purpose)	88,666
Total Net Assets	565,865
Total Liabilities and Net Assets	**$ 1,355,229**

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

REDWOOD COMMUNITY RADIO, INC.

(A NOT-FOR-PROFIT ORGANIZATION)

STATEMENT OF ACTIVITIES

FOR THE YEAR BEGINNING JANUARY 1, 2024 TO THE YEAR ENDED DECEMBER 31, 2024

REVENUE, GAINS, LOSSES AND OTHER SUPPORT	Without Donor Restrictions	With Donor Restriction	Total
Grants and contributions	$ 219,542	$ 88,666	$ 308,208
Donations	26,451	-	26,451
Membership and subscriptions	171,827	-	171,827
Underwriting revenue	90,813	-	90,813
Novelty item sales	4,766	-	4,766
Fundraising	26,980	-	26,980
Interest income	15,253	-	15,253
In - kind goods and services income and trades	40,242	-	40,242
Other income	2,549	-	2,549
Released from restrictions	57,405	(57,405)	-
Total revenue, gains, losses and other support	655,828	31,261	687,089
EXPENSES			
Program services			
News and programming	367,454	-	367,454
Total program services	367,454	-	367,454
Supporting services			
General and administrative	168,586	-	168,586
Fundraising	88,805	-	88,805
Total supporting services	257,391	-	257,391
Total expenses	624,845	-	624,845
Change in net assets	30,983	31,261	62,244
Net assets, beginning of year	446,216	57,405	503,621
Net assets, end of year	$ 477,199	$ 88,666	$ 565,865

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

REDWOOD COMMUNITY RADIO, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR BEGINNING JANUARY 1, 2024 TO THE YEAR ENDED DECEMBER 31, 2024

	Program Services				
	News	Programming	General and Administrative	Fundraising	Total
Bad debt	$ -	$ -	$ -	$ 1,605	$ 1,605
Broadcasting and engineering	314	18,299	1,393	-	20,006
Depreciation	-	2,255	12,601	-	14,856
Facility (includes lease amortization)	-	129,643	-	-	129,643
Fundraising expense	-	-	1,027	6,563	7,590
In - kind trades expense	752	1,157	11,824	11,884	25,617
Insurance	1,160	16,735	11,094	815	29,803
Licences and fees	-	-	5,187	901	6,088
Professional fees	-	-	34,071	-	34,071
Programming	26,020	7,554	313	-	33,887
Salaries and wages expense	77,198	75,561	57,758	66,377	276,894
Staff development	73	653	5,326	195	6,248
Supplies	63	151	11,718	465	12,397
Utilities	-	9,866	16,274	-	26,140
Expenses per statement of activities	$ 105,580	$ 261,874	$ 168,586	$ 88,805	$ 624,845

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

REDWOOD COMMUNITY RADIO, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
STATEMENT OF CASH FLOWS
FOR THE YEAR BEGINNING JANUARY 1, 2024 TO THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 62,244
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	14,856
Changes in:	
(Increase) decrease in accounts receivable, net of allowance	2,437
(Increase) decrease in grants receivable	(56,331)
(Increase) decrease in inventory	(1,075)
(Increase) decrease in prepaid expenses and other assets	(6,421)
Increase (decrease) in accounts payable	15,866
Increase (decrease) in accrued expenses	(1,803)
Increase (decrease) in compensated absences	(6,939)
Decrease in deferred lease liability	(213)
Net cash provided (used) by operating activities	22,621
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of furniture and equipment	(35,939)
Operating lease - right of use asset	(60,465)
Net cash provided (used) in investing activities	(96,404)
CASH FLOWS FROM FINANCING ACTIVITIES	
Lease liability	96,995
Net cash provided (used) in financing activities	96,995
Net increase (decrease) in cash and cash equivalents	23,212
Cash and cash equivalents, beginning of year	252,548
Cash and cash equivalents, end of year	$ 275,760
Supplementary cash flow disclosure information	
Interest expense	$ -

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

REDWOOD COMMUNITY RADIO, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 – DESCRIPTION OF THE ORGANIZATION

Redwood Community Radio, Inc. ("the Organization") is a California non-profit corporation branded as KMUD. The Organization was incorporated in 1983 and functions as a non-commercial educational community radio broadcast station. The mission of the Organization is to encourage a communication center of open airways for all voices to inform, educate, entertain, and inspire the listening community through quality programming.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that 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 the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization, or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

Measure of operations – The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's program expenses. Operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and cash equivalents – For purposes of the statement of cash flows, cash equivalents consist of cash and short-term, highly liquid investments, with original maturities at time of purchase of less than ninety days. Any cash and cash equivalents held for long-term purposes are segregated from cash and cash equivalents available for operations and reported as non-current assets.

Advertising expense – Advertising and marketing costs are expensed as incurred. For the year ended December 31, 2024, advertising expense was $4,386.

REDWOOD COMMUNITY RADIO, INC.
(A NOT-FOR-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Inventory – Inventory is valued at cost using the first - in, first - out (FIFO) method. As of December 2024, the Organization carried $5,144 in inventory.

Concentrations of credit risk – Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and grant receivable. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Revenue recognition – The Organization follows ASC Topic 958-605, Revenue Recognition i n accordance with ASC 958-605, unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. Donations of property and equipment are recorded as noncash contributions at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Disaggregated Revenue – Underwriting revenue is recognized when the Organization provides air time to the customer. Hence, economic factors can materially affect the nature, timing, and uncertainty of revenues and cash flows from underwriting revenue.

Performance Obligations – Contract performance for underwriting obligations is satisfied at the time when services are provided. The Organization does not charge interest on accounts receivable and has no formal obligation for refunds.

Significant Judgments – There were no significant judgments used for the recognition of revenue for 2024. Also, during 2024, there were no changes in the judgments utilized for determining the timing of the satisfaction of performance obligations or transaction prices allocated to performance obligations.

Expense allocation – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and statement of functional expense. Accordingly, certain costs have been allocated among the programs and supporting

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

services benefited. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Accounts and grants receivable – Accounts and grants receivable are recorded at cost. The Organization provides an allowance based on historical collection coupled with a review of existing receivables. For accounts receivable, the allowance for doubtful accounts as of December 31, 2024 was $1,605. The Organization considers all grants receivable to be fully collectible. As a result, the allowance for doubtful accounts for grants receivable as of December 31, 2024 was $-0-.

Use of estimates – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Property and Equipment Depreciation – Property and equipment that are purchased are stated at cost. Depreciation is computed by using the straight-line method based over the estimated useful lives of the assets. Buildings and building improvements have been depreciated over periods ranging from 15 to 39 years. All other depreciable property has been depreciated over periods ranging from 4 to 15 years. Expenditure for repairs and maintenance and fixed assets under $8,000 are charged to operating expenses as incurred.

Income taxes – The Organization is a nonprofit organization as described in Section 501(c)(3) of the United States Internal Revenue Code and is exempt from federal and state income taxes. As such, only unrelated business income is subject to income tax. The Organization is not classified as a private foundation.

Uncertain tax positions – The Organization files IRS Form 990. Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by the Organization in its tax returns that might be uncertain. The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management of the Organization does not believe the financial statements include any uncertain tax positions and determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Liquidity – Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Compensated Absences – Employees of the Organization are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. At December 31, 2024, the accrued vacation liability amounted to $6,010.

Donated Services – A number of volunteers contributed services to the Organization. Only the contributed services that meet the reporting criteria for recognition have been reported at the fair market value for the services provided. Contributed services that do not meet the reporting criteria have not been included in the financial statements.

Contributions – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Fair Value Measurement – Under FASB ASC 820, Fair Value Measurements and disclosure (SFAS No.157), Fair value is defined as the exchange price that would be received for an asset or paid to transfer (an exit price) in the principal or most advantageous market for the asset or liability in an order transaction between market participants on the measurement date.

The organization has determined that there were no material differences between the carrying value and the fair value of its financial assets and liabilities at December 31, 2024, and therefore, no adjustment for the effect of FASB ASC 820 was made to the Organization's financial statements at December 31, 2024.

Functional expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Leases – The Organization determines if an arrangement is a lease at inception. Right-of-use (ROU) assets represent our right to use an underlying asset for the lease term and lease liabilities

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

represent our obligation to make lease payments. The ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date or at lease modification date for certain lease modifications. For all leases, we use a rate that represents a collateralized incremental borrowing rate based on similar terms and information available at lease commencement date or at the modification date for certain lease modifications in determining the present value of lease payments. In addition to the lease payments, the determination of an ROU asset may also include certain adjustments related to lease incentives and initial direct costs incurred. Options to extend or terminate a lease are included in the determination of the ROU asset and lease liability only when it is reasonably certain that we will exercise that option.

Lease expense for operating leases is recognized on a straight-line basis over the lease term, while the lease expense for finance leases is recognized using the effective interest method. ROU assets are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable. For operating leases, if deemed impaired, the ROU asset is written down and the remaining balance is subsequently amortized on a straight-line basis which results in lease expense recognition that is similar to finance leases. For all leases, we have elected to account for the contractual lease and non-lease components as a single lease component and include in the calculation of the lease liability.

For all leases, we have elected to account for the contractual lease and non-lease components as a single lease component and include in the calculation of the lease liability.

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 in the balance sheet. Additionally, in July 2018, the FASB issued ASU 2018-11, Leases (Topic 842) - Targeted Improvements, which, among other things, 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.

New Accounting Pronouncement – On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return.

The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Going Concern Evaluation – The Organization has evaluated whether there were conditions or events that raised substantial doubt about the entity's ability to continue as a going concern for a period of one year from the date the financial statements were issued.

NOTE 3 – DATE OF MANAGEMENT REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosures through March 18, 2025 the date that the financial statements were available to be issued.

NOTE 4 – CONCENTRATIONS AND CREDIT RISK

Financial Instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents. Cash on deposit with two financial institutions at December 31, 2024 was approximately $275,760 and was insured up to $250,000 by the National Credit Union Administration (NCUA). At December 31, 2024, the Organization's balances did not exceed the insured limits.

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

Accounts receivable	$ 8,978
Less: allowance for doubtful accounts	(1,500)
Total	$7,478

NOTE 6 – GRANTS RECEIVABLE

Grants receivable consist of the following:

Grants receivable	$ 88,666
Less: allowance for doubtful accounts	-0-
Total	$88,666

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Organization could be party to various legal actions normally associated in the course of its operation, the aggregate effect of which, in management's opinion would not be material to the future financial condition of the organization.

NOTE 8 – PROPERTY AND EQUIPMENT

A summary of the cost and accumulated depreciation of property and equipment is as follows:

Land	$	49,037
Building		327,919
Equipment		744,233
Ground improvements		6,500
		1,127,689
Less: Accumulated depreciation		(865,836)
Property and equipment, net	$	261,853

Depreciation for the year ended December 31, 2024 was approximately $14,856.

NOTE 9 – NON-CASH CONTRIBUTIONS

The Organization receives donations of services and products from various sources. When such services represent specialized skills that would be otherwise purchased and the value of the services can be readily ascertained, those values are recorded as contributed services and charged to the appropriate expense category in the financial statements. When contributed services do not meet the criteria for recognition, they are not recognized in the financial statements. The amount of these donations recorded at fair market value for the year ended December 31, 2024 comprised of the following:

Professional services donations	$	9,379
Compact discs		764
Underwriting trades		12,337
Goods and services		13,800
Fundraising materials		3,962
Total	$	40,242

NOTE 10 – CONCENTRATION OF REVENUE

Redwood Community Radio, Inc. receives a substantial amount of revenue from grant funding. The largest source of grant funding is the Corporation for Public Broadcasting Community Service Grant (CSG), which accounts for 24% of total income, excluding In - kind contributions, and 51% of total grants.

NOTE 11– ACCOUNTS PAYABLE

Accounts payable consist of the following:

Professional audit fees	$ 10,000
Operating expenses	11,906
Total	$21,906

NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2024, net assets with donor restrictions are as follows:

Corporation for Public Broadcasting CSG	$ 38,666
Press Forward	50,000
Total	$ 88,666

NOTE 13 – AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2024:

Financial assets at year end	
Cash and cash equivalents	$ 275,760
Accounts receivable - net	7,478
Grants receivable - net	88,666
Total financial assets	$ 371,904
Less those unavailable to be used within one year	(88,666)
Financial assets available to meet general expenditure over the next twelve months	$ 283,238

NOTE 14 – LEASE COMMITMENTS

The Organization entered into long-term leases for properties on which to locate radio transmitters, antennae, and related equipment as follows:

The KEET TV lease was entered into by the Organization on June 1, 2022. The initial lease term is five years, with the option to extend for an additional five years. The lease calls for a base payment of $1,300 with a 12% annual increase beginning on June 1, 2023 and a 3% increase beginning June 1, 2028. Monthly payments for 2024 ranged from $1,456 to $1,631. The Organization intends to exercise their option to extend for an additional five years.

LEASE COMMITMENTS – continued

The Cahto Peak lease was a long-term lease entered into by the Organization on January 1, 1997. This lease has since become a month-to-month lease. The lease calls for a base payment of $182 with optional adjustments annually on January 1st according to the Consumer Price Index (CPI). Monthly payments for 2024 were $469. The Organization intends to keep this lease indefinitely. We will calculate 25 years at a time.

Pratt Mountain lease was entered into by the Organization on May 1, 2016. The initial lease term was five years, with the option to extend for five additional five-year terms. The lease calls for base payments of $1,400, increasing by the CPI. Monthly payments for 2024 ranged from $1,812 to $1,884. The Organization intends to exercise the option to extend for the remaining four five-year terms.

Future minimum lease payments under these operating leases as of December 31, 2024:

2025	$	43,468
2026		44,564
2027		45,766
2028		46,128
2029 and thereafter		581,469
Total	$	761,396

Operating lease right-of-use assets as of December 31, 2024 were as follows:

Right - of - use assets:		
Operating lease assets	$	698,513
Lease liabilities:		
Current operating lease liabilities		16,008
Noncurrent operating lease liabilities		745,388
Total operating lease liabilities	$	761,396

Total related lease payments during 2024 totaled $46,602.

NOTE 15 – SUBSEQUENT EVENTS

Under FASB ASC 855, subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or ready to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements.

SUBSEQUENT EVENTS – continued

The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are issued. The Organization is not aware of any material subsequent events.