

ANNUAL FINANCIAL REPORT  
OF  
KETR-FM RADIO STATION

*FOR*  
FISCAL YEAR ENDED  
AUGUST 31, 2024



**KETR-FM RADIO STATION  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED AUGUST 31, 2024**

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## FINANCIAL SECTION

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### INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Texas A&M University-Commerce  
Commerce, Texas

#### Opinions

I have audited the accompanying financial statements of KETR-FM Radio Station ("Station"), which comprise the statements of fund net position as of August 31, 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of KETR-FM Radio Station as of August 31, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis of Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Station, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Station's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### Auditor's Responsibilities for the Audit of the Financial Statements

My objective is 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 my opinions. Reasonable assurance is a high level of assurance but 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 override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Station'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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

### **Emphasis of a Matter**

As discussed in Note A, the financial statements present only the KETR-FM Radio Station and do not purport to, and do not present fairly the financial position of TAMU-Commerce as of August 31, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. My opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Station's basic financial statements. The schedules identified in the table of contents as other supplementary information are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplementary schedules identified in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used in the preparation of the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Respectfully Submitted,

*Mike Ward Accounting & Financial Consulting, PLLC*

**Mike Ward Accounting & Financial Consulting, PLLC**

Point, Texas

February 26, 2025



**KETR-FM RADIO STATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED AUGUST 31, 2024**

KETR-FM Radio is a 100,000 watt public telecommunications entity operated by Texas A&M University-Commerce. As management of KETR-FM Radio Station ("Station"), we offer the readers of the financial statements this narrative overview and analysis of the financial activities of KETR-FM Radio for the fiscal year ended August 31, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Station's financial statements, which follow this narrative.

**Financial Highlights**

- The assets of KETR-FM Radio Station exceeded its liabilities as of August 31, 2024 by \$391,928 (net position).
- The Station's total net position decreased by (\$106,646) during the current fiscal year.
- Approximately 45% of net position, or \$178,105, is available for spending at the Radio Station's discretion.
- The Station had no long-term debt during the current fiscal year.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the KETR-FM Radio Station's basic financial statements. The Station's basic financial statements consist of two components: 1) fund financial statements and 2) notes to the financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of KETR-FM Radio.

**KETR-FM RADIO STATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**AUGUST 31, 2024**

**KETR-FM Radio Station's Net Position**

	<b>Business-Type Activities</b>	
	<b>2024</b>	<b>2023</b>
Current and other assets	\$ 288,801	\$ 372,611
Capital assets	103,127	125,963
Total assets	<u>391,928</u>	<u>498,574</u>
Net position:		
Net investment in capital assets	103,127	125,963
Restricted	110,696	278,842
Unrestricted	178,105	93,769
Total net position	<u>\$ 391,928</u>	<u>\$ 498,574</u>

Net position may serve over time as one useful indicator of the Station's financial condition. The assets of KETR-FM Radio Station exceeded liabilities by \$391,928 as of August 31, 2024. The Station's net position decreased by (\$106,646), for the fiscal year ended August 31, 2024. The Station's net investment in capital assets represents 26%, or \$103,127 of this balance and includes transmission equipment, tower, broadcasting equipment and furniture and fixtures. KETR uses these capital assets to provide services to listeners; consequently, these assets are not available for future spending. Although the Station's investment in capital assets are not encumbered by indebtedness, they are not available to satisfy any outstanding liabilities. An additional portion of the Station's net position, \$110,696, or 45% represents resources that are subject to external restrictions on how they can be used. The remaining balance of \$178,105, or 19%, represents resources that may be designated for special purposes, but are unrestricted.

The Station received \$147,119 in grant funding from the Corporation for Public Broadcasting for the year ended August 31, 2024. The restricted fund balance at August 31, 2024 represents the funds remaining and unspent from all CPB grants. The radio station's private donations and corporate underwriting decreased during fiscal year 2024, resulting in a combined 17% decrease in outside support. University direct support decreased (\$104,670) for fiscal year 2024.

**KETR-FM RADIO STATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**AUGUST 31, 2024**

**KETR-FM Radio's Changes in Net Position**

	<b>Business Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating Revenues:</b>		
Grants from Corporation for Public Broadcasting	\$ 147,119	\$ 136,203
Underwriting	10,098	15,538
Miscellaneous income	25	-
Total Revenues	<u>157,242</u>	<u>151,741</u>
<b>Operating Expenses:</b>		
Program Expenses:		
Programming and Production	77,156	79,048
Broadcasting	301,666	346,159
Program Information	25,939	16,426
Depreciation	22,836	19,091
Support Services:		
Management and General	325,861	311,007
Fundraising	58,951	57,775
Underwriting	15,093	17,929
Total Expenses	<u>827,502</u>	<u>847,435</u>
Operating Income (Loss)	<u>(670,260)</u>	<u>(695,694)</u>
<b>Non-Operating Revenues:</b>		
University Appropriations	367,270	471,940
University Indirect Support	157,450	138,500
Private Contributions	27,085	29,410
University Occupancy Support	11,809	11,809
Total Non-Operating Revenues	<u>563,614</u>	<u>651,659</u>
Change in Net Position	(106,646)	(44,035)
Net Position - September 1	498,574	542,609
Net Position - August 31	<u>\$ 391,928</u>	<u>\$ 498,574</u>

The Station as a whole is primarily reliant on university appropriations, corporate and private underwriting, and grant funding from the Corporation for Public Broadcasting.

**Fund Financial Analysis** - Proprietary fund statements are prepared using the accrual basis of accounting.

**KETR-FM RADIO STATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
AUGUST 31, 2024**

**Capital Assets**

At the end of the 2024 fiscal year, the Station had \$103,127 invested in a broad range of capital assets, including its transmitter, tower and antennas, broadcasting equipment and furniture and fixtures. During the fiscal year 2024, the Station's net investment in capital assets decreased \$22,836.

**KETR-FM Radio  
Capital Assets  
As of August 31, 2024 and 2023  
(Net of Accumulated Depreciation)**

	Business-Type	
	2024	2023
Studio and Broadcast Equipment	\$ 76,170	\$ 76,170
Furniture and Fixtures	23,146	23,146
Infrastructure	199,920	199,920
Accumulated Depreciation	(196,109)	(173,273)
Total	<u>\$ 103,127</u>	<u>\$ 125,963</u>

More detailed information about the Station's capital assets is presented in Note E to the financial statements.

**Long-term Debt**

The Station currently has no long-term debt.

**Economic Factors and Next Year's Budget**

The proposed budget for the 2024 fiscal year includes anticipated revenues and appropriations totaling \$856,000 and total anticipated expenses of \$805,000.

**Requests for Information**

This financial report is designed to provide a general overview of the Station's finances and to demonstrate commitment to public accountability. Additional details can be requested by mail at the following address:

KETR-FM Radio Station  
Texas A&M University-Commerce  
PO Box 3011  
Commerce, TX 75429

## BASIC FINANCIAL STATEMENTS

**KETR-FM RADIO STATION**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2024**

	<u><b>2024</b></u>
<b>ASSETS</b>	
Current Assets:	
Cash and Investments	
Unrestricted	\$ 178,105
Restricted	110,696
Total Cash and Investments	<u>288,801</u>
Total Current Assets	<u>288,801</u>
Capital Assets:	
Equipment	76,170
Furniture & Fixtures	23,146
Infrastructure	199,920
Less: Accumulated Depreciation	<u>(196,109)</u>
Total Capital Assets, Net	<u>103,127</u>
<b>Total Assets</b>	<u>391,928</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	103,127
Restricted for:	
Grant	110,696
Unrestricted	178,105
<b>Total Net Position</b>	<u><u>\$ 391,928</u></u>

The notes to the financial statements are an integral part of these financial statements

**KETR-FM RADIO STATION**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION**  
**FOR THE YEARS ENDED AUGUST 31, 2024**

	<u><b>2024</b></u>
<b>OPERATING REVENUES:</b>	
Grants from Corporation for Public Broadcasting	\$ 147,119
Underwriting Support	10,098
Miscellaneous income	25
<b>Total Operating Revenues</b>	<u>157,242</u>
<b>OPERATING EXPENSES:</b>	
Program Expenses:	
Programming and Production	77,156
Broadcasting	301,666
Program Information	25,939
Depreciation	22,836
Support Services:	
Management and General	325,861
Fundraising	58,951
Underwriting	15,093
<b>Total Operating Expenses</b>	<u>827,502</u>
<b>Operating Income (Loss)</b>	<u>(670,260)</u>
<b>NON-OPERATING REVENUES:</b>	
University Appropriations	367,270
University Indirect Support	157,450
Private Contributions	27,085
University Occupancy Support	11,809
<b>Total Non-Operating Revenues</b>	<u>563,614</u>
<b>Change in Net Position</b>	(106,646)
<b>Net Position, September 1</b>	498,574
<b>Net Position, August 31</b>	<u><u>\$ 391,928</u></u>

The notes to the financial statements are an integral part of these financial statements

**KETR-FM RADIO STATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED AUGUST 31, 2024**

	<b>2024</b>
Cash Flows from Operating Activities	
Cash Received from Grants and Underwriting	\$ 157,242
Cash Paid to Employees	(294,050)
Cash Paid to Suppliers	(341,357)
Net Cash Provided (Used) by Operating Activities	<u>(478,165)</u>
Cash Flows from Non-capital Financing Activities	
University Appropriations	367,270
Cash Received as Gifts	27,085
Net Cash Provided by Non-capital Financing Activities	<u>394,355</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	-
Net Cash Used for Capital & Related Financing Activities	<u>-</u>
Net Increase in Cash and Cash Equivalents	(83,810)
Cash and Cash Equivalents at Beginning of Year	372,611
Cash and Cash Equivalents at End of Year	<u>\$ 288,801</u>
<b>Reconciliation of Operating Income to Net Cash</b>	
<b>Provided by Operating Activities:</b>	
Operating Income (Loss)	\$ (670,260)
Adjustment to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Depreciation	22,836
University Appropriations	169,259
Total Adjustments	192,095
Net Cash Provided (Used) by Operating Activities	<u>\$ (478,165)</u>
<b>Supplemental Cash Flow Information:</b>	
Non-cash contributions received: In-kind	<u>\$ 169,259</u>

The notes to the financial statements are an integral part of these financial statements



**KETR-FM RADIO STATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED AUGUST 31, 2024**

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

KETR-FM Radio Station ("Station") began broadcasting on the air April 7, 1975. It began as a teaching-laboratory for students at East Texas State University. In the early 1980s, FCC approved KETR to raise the tower height and to increase power from 7,500 watts to 100,000 watts. This increased the station's broadcast range from 20 miles to 75 miles. The Station has rejoined the National Public Radio programming and has moved in the direction of online and digital programming with KETR.org and a new digital transmitter that offers the opportunity to begin HD broadcasts in the future. The Station is committed to providing the northeast Texas citizens and the Texas A&M University-Commerce community with entertaining, educational, and informative programming along with serving as a learning environment for university students to pursue excellence in broadcasting.

The financial statements of the Station have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Generally accepted accounting principles include those principles prescribed by the Governmental Accounting Standards Board ("GASB") and the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments - Audit and Accounting Guide*. The more significant accounting policies of the Station are described below.

**1. Reporting Entity**

The Station is a financial reporting entity as defined by GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units". Under GASB Statement No. 14, component units are organizations for which the Station is financially accountable and all other organizations for which the nature and significance of their relationship with the Station are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. As of August 31, 2024, the Station does not have any component units.

In addition, GASB Statement No. 61 considers an organization that does not meet the financial accountability criteria to be included as a component unit if management's professional judgment determines it to be necessary and misleading if omitted. This evaluation includes consideration of whether a financial benefit or burden exists in the relationship between the entities. Management has not identified any additional organizations that fit this criteria.

**2. Basis of Presentation, Basis of Accounting**

The accounts of the Station are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, net position, revenues, and expenses. The fund type utilized by the Station is described below:

The *Proprietary Fund* is used to account for the operations of KETR-FM Radio Station as it provides broadcast programming to those in its listening area and internet radio streaming services.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary fund include the costs of production, programming, broadcasting, fundraising, administration, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. When both restricted and unrestricted funds are available for use, it is the Station's policy to use its restricted resources first, then unrestricted resources as they are needed.

Proprietary Fund financial statements are reported using the economic resources measurement focus and the accrual method of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenue as soon as all the eligibility requirements are met. Proprietary Fund financial statements follow accounting rules set forth by the Governmental Accounting Standards Board; these principles have been codified in GASB Statement No. 62.

**KETR-FM RADIO STATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED AUGUST 31, 2024**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The Station's only operating activity is the broadcast of public radio programming to its listeners within an area limited by its broadcast signal strength. It also streams its on-air programming via its internet website. The statements, exhibits and supplemental schedule were prepared on the accrual basis of accounting except for the statement of cash flows, which is a cash basis statement.

**3. Financial Statement Amounts**

**a. Cash and Cash Equivalents**

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

**b. Budget**

The Station's budget represents revenues, expenses, and transfers as approved by the University's Administration. The budget is prepared using the accrual basis of accounting.

**c. Use of Estimates**

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

**d. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**e. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. University policy is to capitalize all assets with an original cost greater than \$5,000.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	7-10
Station and Broadcast Equipment	5-7
Furniture and Fixtures	5-7

**f. Receivable and Payable Balances**

The Station believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation.

There are no outstanding receivables as of year end.

**KETR-FM RADIO STATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED AUGUST 31, 2024**

g. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets includes capital assets, less accumulated depreciation, less any outstanding debt used for the acquisition, construction or improvement of any asset, plus any unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Station or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. Unrestricted net position for the proprietary fund represents the net position available for future operations or distributions.

h. Comparative Data/Reclassification

Comparative total data for the current year to budget have been presented in the supplementary section of the financial statement in order to provide an understanding of budget to actual. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

i. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

j. Program Revenues

Program revenues include grant funding and direct corporate underwriting.

k. Program Expenses

Certain indirect costs such as administrative costs are included in the program expense reported for individual functional activities.

l. Indirect Costs

The costs of providing services have been summarized on a functional basis in the fund financial statements. Certain indirect costs have been allocated among the benefitting programs and supporting services based upon total direct operating expenses or occupied building square footage.

m. Pledges and Contributions

The Station engages in periodic fundraising campaigns manifested by offering some special programs and on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to KETR-FM for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding listeners. Contributions including pledges and membership receipts are recognized as revenue in the period received or given. However, uncollected pledges are not enforceable against contributors. Based on KETR-FM's judgment, including such factors as prior collections, no allowance for uncollectible contributions receivable is provided. All member pledges receivable are promises to give within one year of August 31, 2024. Contributions and collected pledges are components of the unrestricted operating fund inasmuch as their usage is not limited to specific activities of KETR-FM. This usage is consistent with appeals for contributions and pledges.

n. In Kind Contributions

The estimated fair market value of contributed professional services is recorded as both revenue and expense in the period the services are rendered.

The University donates office and studio space together with related occupancy costs as well as administrative support consisting of financial and general administrative department costs. The in-kind donations are recorded both as a revenue and expense in the period in which they are utilized and are recorded at their estimated cost.

**KETR-FM RADIO STATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED AUGUST 31, 2024**

**B. COMPLIANCE AND ACCOUNTABILITY**

1. Finance-Related Legal and Contractual Provisions  
 In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund net position of Individual Funds  
 Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>
None reported	Not applicable

**C. DEPOSITS AND INVESTMENTS**

As a department of TAMU-Commerce the Station does not maintain separate bank accounts, rather, all cash is a part of the TAMU-Commerce pooled cash system. As a part of the State of Texas Colleges and Universities Enterprise Fund, TAMU-Commerce is required to secure deposits through collateral pledged by depository banks and savings and loan institutions for all balances in excess of the amounts insured by the Federal Deposit Insurance Corporation. The Station's pooled bank balance as of August 31, 2024 was \$288,801. Of this amount, \$110,626 represents restricted funds attributable to grant funds available for use as of August 31, 2024.

*Credit Risk*  
 Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. All of the Station's cash deposits were either fully insured with FDIC insurance or pledged securities at year end.

*Custodial Credit Risk - Deposits*  
 To control custody and safekeeping risk, the Station (through TAMU - Commerce) collateralizes its bank deposits in accordance with the State of Texas policies. These policies require the funds be held in depository banks and savings and loans, with pledged securities covering all amounts in excess of FDIC insurance limits.

*Foreign Currency Risk*  
 This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the Station was not exposed to foreign currency risk.

**D. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value of financial instruments as of August 31, 2024 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and Short-term Investments	<u>\$ 288,801</u>	<u>\$ 288,801</u>

**KETR-FM RADIO STATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED AUGUST 31, 2024**

**E. CAPITAL ASSETS**

Capital asset activity for the period ended August 31, 2024 was as follows:

<b>Business-type Activities</b>	<b>Beginning Balances</b>	<b>Additions</b>	<b>Decreases</b>	<b>Ending Balances</b>
Capital assets, being depreciated:				
Studio & Broadcast Equipment	\$ 76,170	\$ -	\$ -	\$ 76,170
Furniture & Fixtures	23,146	-	-	23,146
Infrastructure	199,920	-	-	199,920
Total assets being depreciated:	299,236	-	-	299,236
Accumulated depreciation:				
Studio & Broadcast Equipment	(59,976)	(7,654)	-	(67,630)
Furniture & Fixtures	(12,318)	(2,778)	-	(15,096)
Infrastructure	(100,979)	(12,404)	-	(113,383)
Total accumulated depreciation:	(173,273)	(22,836)	-	(196,109)
Total capital assets being depreciated, net	125,963	(22,836)	-	103,127
Business-type activities capital assets, net	\$ 125,963	\$ (22,836)	\$ -	\$ 103,127

All depreciation relates to Broadcasting, Production and Programming, which are within the Program function.

**KETR-FM RADIO STATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2024**

**F. GRANT FROM THE CORPORATION FOR PUBLIC BROADCASTING**

The Station had grant income from the Corporation for Public Broadcasting ("CPB") in the amount of \$136,203 as of August 31, 2024. Eligibility for the Community Service Grant from CPB is allowed on a continuing basis, but is evaluated periodically for applicability. There is no assurance that awards or that reductions in grant awards will not be encountered in future years. During fiscal year 2024, the Station has utilized its grant funding in accordance to the terms and conditions set forth.

**G. CONTINGENT LIABILITIES**

The Station participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Station has not complied with the rules and regulations governing the grants, refunds of any funds received may be required and the collectability of any related receivable may be impaired. In the opinion of the Station, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**H. FEDERAL INCOME TAX**

KETR-FM Radio Station is a local government entity and as such is exempt from the payment of Federal Income Taxes under provisions of the Internal Revenue Code.

**I. LITIGATION, CLAIMS & JUDGMENTS**

Station management is unaware of any pending claims and assessments as of August 31, 2024 or the fiscal year then ended.

**J. SUBSEQUENT EVENTS**

The Station has evaluated all events or transactions that occurred after August 31, 2024 up through February 26, 2025, the date the financial statements were available to be issued. During this period, management did not take note of any events requiring disclosure.

## SUPPLEMENTARY INFORMATION

**KETR-FM RADIO STATION**  
A Public Telecommunications Entity Operated by  
Texas A&M University-Commerce  
Budgetary Comparison Schedule  
For the year ended August 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Grants from Corporation for Public Broadcasting	\$ 425,000	\$ 425,000	\$ 147,119	\$ (277,881)
University appropriations	320,000	320,000	367,270	47,270
Underwriting	-	-	10,098	10,098
Private contributions & Underwriting Support	41,000	41,000	27,085	(13,915)
Miscellaneous income	-	-	25	25
In-kind contributions:				
Donated facilities & administrative University Support	70,000	70,000	169,259	99,259
Total Revenues	<u>856,000</u>	<u>856,000</u>	<u>720,856</u>	<u>(135,144)</u>
<b>EXPENDITURES</b>				
Program services:				
Programming and production	75,000	75,000	77,156	(2,156)
Broadcasting	300,000	300,000	301,666	(1,666)
Program information	20,000	20,000	25,939	(5,939)
Depreciation	20,000	20,000	22,836	(2,836)
Total program services	<u>415,000</u>	<u>415,000</u>	<u>427,597</u>	<u>(12,597)</u>
Supporting services:				
Management and general	320,000	320,000	325,861	(5,861)
Fundraising	55,000	55,000	58,951	(3,951)
Underwriting	15,000	15,000	15,093	(93)
Total supporting services	<u>390,000</u>	<u>390,000</u>	<u>399,905</u>	<u>(9,905)</u>
Total expenditures	<u>805,000</u>	<u>805,000</u>	<u>827,502</u>	<u>(22,502)</u>
Change in Net Position	51,000	51,000	(106,646)	(157,646)
Net Position, September 1	498,574	498,574	498,574	
Net Position, August 31	<u>\$ 549,574</u>	<u>\$ 549,574</u>	<u>\$ 391,928</u>	