



KANW-FM

(A Department of Albuquerque Municipal School District No. 12)

Financial Statements
and
Independent Auditor's Report

June 30, 2024

KANW-FM
(A Department of Albuquerque Municipal School District No. 12)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Albuquerque Municipal School District #12
Albuquerque, New Mexico

Opinion

We have audited the accompanying financial statements of the business-type activities of KANW-FM in Albuquerque, New Mexico, as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business type activities of KANW-FM in Albuquerque New Mexico, as of June 30, 2024, and the changes in its financial position and 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 Albuquerque Municipal School District #12, 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.

Emphasis of Matter

As discussed in Note #1, the financial statements present only the financial position, the changes in financial position, and cash flows of KANW-FM in Albuquerque, New Mexico, and do not purport to, and do not, present fairly the financial position of the Albuquerque Municipal School District #12, as of June 30, 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. Our opinion is not modified with respect to this matter.

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.

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 Albuquerque Municipal School District #12'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.

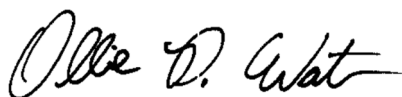
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matter

We have previously audited KANW-FM's 2023 financial statements, and we expressed an unmodified opinion on the financial statements of the business-type activities in our report dated February 7, 2024. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in material respects with the audited financial statements from which it has been derived.



Ollie D. Waters, CPA, CMA
Waters and Company, LLC
Albuquerque, New Mexico
February 7, 2025

KANW-FM
(A Department of Albuquerque Municipal School District No. 12)
Management's Discussion and Analysis
June 30, 2024

Introduction and Reporting Entity

This Management's Discussion and Analysis is intended to serve as an introduction to the financial performance of KANW-FM Radio Station (the Station) for the fiscal year ended June 30, 2024. Management of the Station has prepared the following discussion, which should be read in conjunction with the basic financial statements for the period.

The Station is a department of the Albuquerque Municipal School District No. 12 (the District), operating under a Federal Communications Commission (FCC) license issued to the District. The District appropriates operating funds for the Station through the adoption of an annual budget. The District provides indirect administrative support for the Station including financial management and reporting, human resources, facility maintenance, purchasing, and information technology support.

The Station's financial activities are managed under policies and procedures of the District and are subject to internal audit and control of the District. The District and the Station both receive annual external audits. For the Station, the external audit is conducted to comply with the Corporation for Public Broadcasting (CPB) requirements to receive grant funding. CPB is a private, nonprofit corporation created by Congress. CPB is not a governing agency and promotes telecommunications services (television, radio and on-line) for the American people.

KANW operates on 89.1 FM and KANW HD1 Albuquerque, a non-profit, non-commercial public radio station serving Albuquerque, and Northern, Central and Western New Mexico. Station programming originates from studios at 2020 Coal Avenue SE, Albuquerque, NM. The Station also operates repeater stations KIDS 88.1 FM in Grants, NM, KGGG 88.1 FM in Gallup, KEDP 91.1 FM in Las Vegas, KANR 91.9 FM in Santa Rosa, NM and 106.9 FM K295DC in Santa Rosa, and KXNM 88.7 in Encino. These stations re-broadcast the programming of KANW and provides the only public radio service in many of these communities. KANW also operates KANW-2 HD2 Albuquerque, KANM 90.3 FM in Grants, 107.5 FM, K298BY FM in Albuquerque, 91.1 FM K216AW in Grants, 91.1 FM, K216GQ in Espanola.

General Financial Information

The Station's basic financial statements include a statement of net position, statement of revenues, expenses and changes in net position, and the statement of cash flows. The financial statements are prepared in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB).

The notes to the basic financial statements provide required disclosures and other information that is essential to fully understanding the material and data provided in the statements. The notes present information about the Station's accounting policies, significant account balances

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and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

Proprietary Fund Financial Statements

The statement of net position and the statement of revenues, expenses and changes in net position provide both long-term and short-term information about the Station's overall financial status. These financial statements are designed to provide readers with a broad overview of the Station's finances, in a manner similar to a private-sector business. Financial information is reported using the full-accrual method of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

The statement of net position presents information on all of the Station's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the organization is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the Station's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e., accrued leave).

Summary Financial Information

The following table presents a summary of net position at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Current Assets	\$ 1,473,923	\$ 1,521,473
Capital Assets, net	<u>1,213,952</u>	<u>1,343,941</u>
Total Assets	<u>2,687,875</u>	<u>2,865,414</u>
<u>Liabilities</u>		
Current Liabilities	290,698	299,581
Non-Current Liabilities	<u>18,482</u>	<u>15,867</u>
Total Liabilities	<u>309,180</u>	<u>315,448</u>
<u>Net Position</u>		
Invested in Capital Assets, net	1,213,952	1,343,941
Unrestricted	<u>1,164,743</u>	<u>1,206,025</u>
Total Net Position	<u>\$ 2,378,695</u>	<u>\$ 2,549,966</u>

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Current assets, which consist of cash and cash equivalents, decreased \$47,550, or -3.1%, which is mostly due to lower underwriting contributions and music and merchandise sales, and rising expenses. Unrestricted net position also decreased by -3.4% or \$41,282. Total net position decreased \$171,271, or -6.7%, mainly due to increase in expenses and decrease in capital assets net of depreciation.

The following table presents a summary of the Station's operations for the years ending June 30, 2024 and 2023:

	2024	2023
Operating Revenues:		
CPB Grants	\$ 242,198	\$ 223,278
Membership & Contributions	488,452	398,279
Underwriting Support	89,330	92,659
Merchandise Sales	18,251	27,642
Total Operating Revenues	838,231	741,858
Operating Expenses:		
Broadcasting	73,374	62,787
Programming and Production	174,020	166,844
Program Information and Promotion	319,833	268,151
Fundraising and Membership Development	205,318	165,847
Management and General	97,454	74,516
Indirect Administrative Support	81,711	62,979
Depreciation	144,510	118,168
Total Operating Expenses	1,096,220	919,292
Operating Income (Loss)	(257,989)	(177,434)
Non-Operating Revenues (Expenses):		
Indirect Administrative Support from the District	81,711	62,979
Capital Contributions from the District	5,007	-
Total Non-Operating Revenues (Expenses)	86,718	62,979
Increase (Decrease) in Net Position	(171,271)	(114,455)
Net Position, beginning	2,549,966	2,664,421
Net Position, ending	\$ 2,378,695	\$ 2,549,966

The Station's total revenues increased by \$96,373 or 12.99%. This is mostly due to increased CPB Grants and member contributions. Total operating expenses increased \$176,928 or 19.25%, which is mostly attributable to an increase in broadcasting costs, and management and other

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Management's Discussion and Analysis

June 30, 2024

general expenses. Expenses directly related to operations increased \$131,854, due to increases in the costs of programming, promotion and production, and fundraising and membership development, in addition to the previously mentioned broadcasting costs and management and other general expenses. Non-operating revenues (expenses) consist of indirect administrative support and capital contributions from the District.

Economic Factors

Due to reduced enrollment, budget decreases in the State's Public Education Department may result in decreased funding to the District, which could result in decreased District support for the Station's operations. Presently management is not able to quantify the possible economic impacts of the declining student enrollment to the Station.

The Station operates KIDS-FM in Grants and KANR-FM (formerly KNLK) in Santa Rosa as a community service. Both stations provide the only public radio service in these areas. The revenue from these two repeater stations does not cover operational costs.

Requests for Information

The Station's annual basic financial statements and reports to the CPB are available for public inspection during business hours in the Station's public file located at 2020 Coal Avenue SE, Albuquerque, NM 87106. If you have questions about this report or need additional information, contact the Station's General Manager at (505) 242-7163.

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Statement of Net Position - Proprietary Fund

June 30, 2024

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,473,923	\$ 1,521,473
Total Current Assets	<u>1,473,923</u>	<u>1,521,473</u>
Non-Current Assets:		
Capital Assets, Net of Depreciation	<u>1,213,952</u>	<u>1,343,941</u>
Total Assets	<u>2,687,875</u>	<u>2,865,414</u>
<u>Liabilities</u>		
Current Liabilities:		
Accounts Payable	17,320	9,475
Unearned Revenue - CPB Grant	264,275	282,291
Compensated Absences	<u>9,103</u>	<u>7,815</u>
Total Current Liabilities	<u>290,698</u>	<u>299,581</u>
Non-Current Liabilities:		
Compensated Absences	<u>18,482</u>	<u>15,867</u>
Total Liabilities	<u>309,180</u>	<u>315,448</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Related Debt	1,213,952	1,343,941
Unrestricted	<u>1,164,743</u>	<u>1,206,025</u>
Total Net Position	<u>\$ 2,378,695</u>	<u>\$ 2,549,966</u>

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(A Department of Albuquerque Municipal School District No. 12)
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund
Year Ended June 30, 2024

	2024	2023
Operating Revenues:		
CPB Grants	\$ 242,198	\$ 223,278
Membership Contributions and Contributed Support	488,452	398,279
Underwriting Support	89,330	92,659
Music and Other Merchandise Sales	18,251	27,642
Total Operating Revenues	<u>838,231</u>	<u>741,858</u>
Operating Expenses:		
Broadcasting	73,374	62,787
Programming and Production	174,020	166,844
Program Information and Promotion	319,833	268,151
Fundraising and Membership Development	205,318	165,847
Management and General	97,454	74,516
Indirect Administrative Support	81,711	62,979
Depreciation	144,510	118,168
Total Operating Expenses	<u>1,096,220</u>	<u>919,292</u>
Operating Income (Loss)	<u>(257,989)</u>	<u>(177,434)</u>
Non-Operating Revenues (Expenses):		
Indirect Administrative Support from the District	81,711	62,979
Capital Contributions from the District	5,007	-
Total Non-Operating Revenues (Expenses)	<u>86,718</u>	<u>62,979</u>
Increase (Decrease) in Net Position	<u>(171,271)</u>	<u>(114,455)</u>
Net Position, Beginning of Year	2,549,966	2,664,421
Net Position, End of Year	<u>\$ 2,378,695</u>	<u>\$ 2,549,966</u>

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Statement of Cash Flows - Proprietary Fund
Year Ended June 30, 2024

	2024	2023
<u>Cash Flows from Operating Activities</u>		
CPB Grants	\$ 224,182	\$ 229,607
Receipts from Contributions, Underwriting and Fundraising	577,782	490,938
Music and Merchandise Sales	18,251	27,642
Payments to Suppliers and Employees	(858,251)	(739,344)
Net Cash Provided by (Used in) Operating Activities	<u>(38,036)</u>	<u>8,843</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Acquisition of Property and Equipment	(9,514)	(85,208)
Net Cash Provided by (Used in) Capital Financing Activities	<u>(9,514)</u>	<u>(85,208)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(47,550)	(76,365)
Cash and Cash Equivalents, Beginning of Year	1,521,473	1,597,838
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,473,923</u></u>	<u><u>\$ 1,521,473</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating Income (Loss)	\$ (257,989)	\$ (177,434)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	144,510	118,168
Indirect Administrative Support from the District	81,711	62,979
Changes in Assets and Liabilities:		
Accounts Payable	7,845	(2,195)
Unearned Revenue - CPB Grant	(18,016)	6,328
Compensated Absences	3,903	997
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (38,036)</u></u>	<u><u>\$ 8,843</u></u>

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(A Department of Albuquerque Municipal School District No. 12)
Notes to Financial Statements
June 30, 2024

1) Summary of Significant Accounting Policies

Organization

KANW-FM Radio Station (the Station) is a non-profit, non-commercial radio station owned and operated by the Albuquerque Municipal School District No. 12 (the District). The Station's financial activities are managed under policies and procedures of the District. Funding sources for the Station include grants from the Corporation for Public Broadcasting (CPB), business underwriting of public service announcements, public contributions, and support from the District.

Reporting Entity

The Station is one of several departments of the District, not a separate legal entity. The financial statements present only the financial position of the Station and do not purport to, and do not, present fairly the financial position of the District, and the changes in its financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. Therefore, the financial statements for the Station do not include assets and liabilities of the District that do not relate to the Station.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The financial statements of the Station have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. The Station reports as a business type activity, as defined by GASB Statement No. 34; business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

Non-exchange transactions, in which the Station gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Net Position

The Station's net position is classified for financial reporting in the following net position categories:

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Notes to Financial Statements
June 30, 2024

1) Summary of Significant Accounting Policies - continued

Invested in capital assets, net of related debt – This category reports the Station’s investment in the carrying value of its capital assets, net of accumulated depreciation and reduced by any outstanding long-term debt used to acquire, construct, or improve those assets.

Restricted – This category consists of net assets with external restrictions imposed on their use by creditors, grantors, contributors, or laws or regulations of other governments; or by law through constitutional provisions or enabling legislation. The Station did not have any restricted net assets on June 30, 2024 or 2023.

Unrestricted – This category represents all other net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

When both restricted and unrestricted resources are available for use, it is the Station’s policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The District is exempt from income taxes under Section 115(1) of the Internal Revenue Code, as amended. As a department of the District, the Station is also exempt from income taxes.

Inter-fund Receivables and Payables

During the course of operations, transactions occur between the Station and the District that may result in amounts owed or receivable between the entities. If balances are outstanding at year end, receivables are classified as “due from” and payables are classified as “due to” the District on the statement of net position. There were no inter-fund receivables or payables for the years ended June 30, 2024, and 2023.

Cash and Cash Equivalents

For purposes of the basic financial statements, cash and cash equivalents consist of funds held by the District on behalf of the Station and restricted for the benefit of the Station.

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Notes to Financial Statements
June 30, 2024

1) Summary of Significant Accounting Policies - continued

Capital Assets and Depreciation

Under the District's policy, all computers and individual assets costing \$5,000 or more are capitalized at cost if purchased, or at acquisition value on the date of the gift if donated. In addition, assets should be capitalized if the aggregate acquisition cost is deemed significant at the time of purchase, even if the individual cost falls below the District's threshold of \$5,000. Beginning with fiscal year 2024, the significant threshold related to aggregate asset acquisition for the District is \$1,000,000. There were no aggregate asset acquisitions meeting the \$1,000,000 threshold for the Station for the year ended June 30, 2024.

Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets. 20 to 40 years for buildings and improvements, and 5 to 10 years for computers, vehicles, furniture, fixtures, and equipment. Repairs and maintenance are charged to operating expenses as incurred.

Accounts Payable

Accounts payable are comprised of amounts payable to vendors at year end.

Unearned Revenue

Unearned revenue represents grant funding received for which the service has not yet been provided. Unearned revenue will be recorded as revenue as the services are provided.

Compensated Absences

The District's policy regarding vacation time permits employees to accumulate earned but unused vacation leave. Upon separation from District employment, an employee is reimbursed for the accumulated vacation leave, up to 176 hours. The liability for these compensated absences is reported in the financial statements of proprietary funds as a liability when it is incurred. The current portion of this liability is based on historical trends.

Indirect Administrative Support

The Station receives administrative services and support from the District. Calculated in accordance with CPB financial reporting guidelines, indirect administrative support from the District consists of allocated administrative and physical plant support. These services are recorded as indirect administrative support revenue and expenses in the accompanying financial statements.

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Notes to Financial Statements

June 30, 2024

2) Cash and Cash Equivalents

The Station does not maintain any cash accounts. All cash accounts are maintained by the District. The District's cash accounts were fully insured by the FDIC or secured by pledged collateral held by the pledging institution. At June 30, 2024, and 2023, the carrying amount of cash was \$1,473,923 and \$1,521,473, respectively. The carrying amount equals the bank balance.

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3) Capital Assets

Capital asset activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Capital assets not depreciated:				
Construction in Progress	\$ -	\$ 571	\$ -	\$ 571
Total capital assets, not depreciated	-	571	-	571
Capital assets being depreciated:				
Buildings and Improvements	2,124,296	-	-	2,124,296
Furniture and Equipment	468,132	13,950	(15,938)	466,144
Vehicles	36,255	-	-	36,255
Total capital assets being depreciated	2,628,683	13,950	(15,938)	2,626,695
Less accumulated depreciation:				
Buildings and Improvements	(859,553)	(128,535)		(988,088)
Furniture and Equipment	(388,934)	(15,975)	15,938	(388,971)
Vehicles	(36,255)	-	-	(36,255)
Total accumulated depreciation	(1,284,742)	(144,510)	15,938	(1,413,314)
Total capital assets being depreciated, net	1,343,941	(130,560)	-	1,213,381
Business-type activities capital assets, net	\$ 1,343,941	\$ (129,989)	\$ -	\$ 1,213,952

Capital asset activity for the year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Capital assets not depreciated:				
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Total capital assets, not depreciated	-	-	-	-
Capital assets being depreciated:				
Buildings and Improvements	2,124,296	-	-	2,124,296
Furniture and Equipment	382,923	85,209	-	468,132
Vehicles	36,255	-	-	36,255
Total capital assets being depreciated	2,543,474	85,209	-	2,628,683
Less accumulated depreciation:				
Buildings and Improvements	(757,798)	(101,755)	-	(859,553)
Furniture and Equipment	(372,521)	(16,413)	-	(388,934)
Vehicles	(36,255)	-	-	(36,255)
Total accumulated depreciation	(1,166,574)	(118,168)	-	(1,284,742)
Total capital assets being depreciated, net	1,376,900	(32,959)	-	1,343,941
Business-type activities capital assets, net	\$ 1,376,900	\$ (32,959)	\$ -	\$ 1,343,941

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Notes to Financial Statements
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4) Community Service Grants (CSG)

The Station receives a Community Service Grant (CSG) from the Corporation for Public Broadcasting annually. The Community Service Grants received and expended during the five most recent fiscal years were as follows:

Year of Grant	Grants Received	Expended					Balance at June 30, 2024
		2020	2021	2022	2023	2024	
2020	\$ 193,441	-	\$ 138,149	\$ 55,292			-
2021	209,205	-	-	155,795	\$ 53,410		-
2022	222,552	-	-	-	169,868	\$ 52,684	-
2023	229,607	-	-	-	-	189,514	\$ 40,093
2024	224,182	-	-	-	-	-	224,182
		\$ -	\$ 138,149	\$ 211,087	\$ 223,278	\$ 242,198	\$ 264,275

5) Indirect Administrative Support

Indirect support from the District consists of allocated administrative and physical plant support incurred by the District to support the Station's daily operating activities. The fair value of this support is recognized in the financial statements as indirect administrative support. Starting with the 2020 fiscal year, for the period ending June 30, 2020, the Station implemented the new indirect administrative support (IAS) calculation developed by CPB for all institutional stations eligible for IAS. The administrative rate is calculated as a percentage of the District's indirect costs divided by the District's direct costs, with the percentage then applied to the Station's net direct expenses. The combined value of this support included in the financial statements for the years ended June 30, 2024, and 2023, are \$81,711 and \$62,979, respectively.

6) Risk Management

The Station is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is responsible for the acquisition and administration of all insurance and losses. Risk management expenditures for the Station are accounted for in the period incurred, if applicable. There were no risk management expenditures for the years ended June 30, 2024, and 2023.

7) Subsequent Events

Management has evaluated subsequent events through February 7, 2025, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements. There are no pending or known threatened legal proceedings involving material matters to which the Station is a party.