

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence Kansas

**Combined Financial Statements and
Independent Auditor's Report**

June 30, 2024 and 2023



KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence Kansas

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Independent Auditor's Report

To the Board of Directors
KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas

Opinion

We have audited the accompanying combined financial statements of KANU-FM Radio Station and Audio Reader, a component unit of the University of Kansas (a nonprofit organization), which comprise the combined statements of net position as of June 30, 2024 and 2023, and the related combined statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of KANU-FM Radio Station and Audio Reader as of June 30, 2024 and 2023, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 KANU-FM Radio Station and Audio Reader, 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 A, the financial statements present only KANU-FM Radio Station and Audio Reader, a component of the University of Kansas, and do not purport to, and do not present fairly the financial position of the University of Kansas, as of June 30, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for the years 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 these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about KANU-FM Radio Station and Audio Reader'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

Our objectives are to obtain reasonable assurance about whether the combined 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 KANU-FM Radio Station and Audio Reader'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about KANU-FM Radio Station and Audio Reader's ability to continue as a going concern for a reasonable period of time.

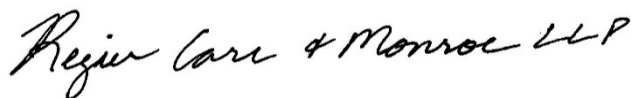
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The schedules of functional expenses on pages 19 through 22 are presented for purposes of additional analysis and are not a required part of the combined financial statements. The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.



February 11, 2025
Wichita, Kansas

KANU-FM Radio Station and Audio Reader

University of Kansas

Lawrence, Kansas

Combined Statement of Net Position

June 30, 2024

Assets	KANU - FM Radio Station	Audio Reader	Combined
Current assets			
Cash equivalents (Note A)	\$ 1,016,512	\$ 351,088	\$ 1,367,600
Pooled investments	1,088,319	4,576,079	5,664,398
Prepaid expenses	31,049	-	31,049
Total current assets	2,135,880	4,927,167	7,063,047
Noncurrent assets			
Capital assets, net	674,004	90,234	764,238
Total assets	<u>\$ 2,809,884</u>	<u>\$ 5,017,401</u>	<u>\$ 7,827,285</u>
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued liabilities	\$ 125,969	\$ 52,820	\$ 178,789
Advance from Kansas			
Department of Commerce	273,500	-	273,500
Total current liabilities	399,469	52,820	452,289
Net position			
Investment in capital assets	674,004	90,234	764,238
Unrestricted	1,538,204	4,832,451	6,370,655
Restricted - expendable	198,207	41,896	240,103
Total net position	2,410,415	4,964,581	7,374,996
Total liabilities and net position	<u>\$ 2,809,884</u>	<u>\$ 5,017,401</u>	<u>\$ 7,827,285</u>

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

KANU-FM Radio Station and Audio Reader

University of Kansas

Lawrence, Kansas

Combined Statement of Net Position

June 30, 2023

Assets	KANU - FM Radio Station	Audio Reader	Combined
Current assets			
Cash equivalents (Note A)	\$ 1,005,425	\$ 498,592	\$ 1,504,017
Pooled investments	964,047	4,370,948	5,334,995
Prepaid expenses	43,459	3,019	46,478
Total current assets	2,012,931	4,872,559	6,885,490
Noncurrent assets			
Capital assets, net	906,659	114,375	1,021,034
Total assets	<u>\$ 2,919,590</u>	<u>\$ 4,986,934</u>	<u>\$ 7,906,524</u>
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued liabilities	\$ 15,648	\$ 27,098	\$ 42,746
Net position			
Investment in capital assets	906,659	114,375	1,021,034
Unrestricted	1,816,801	4,806,476	6,623,277
Restricted - expendable	180,482	38,985	219,467
Total net position	2,903,942	4,959,836	7,863,778
Total liabilities and net position	<u>\$ 2,919,590</u>	<u>\$ 4,986,934</u>	<u>\$ 7,906,524</u>

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

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Combined Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2024

	KANU - FM Radio Station	Audio Reader	Combined
Operating revenues			
Contributions	\$ 1,352,195	\$ 222,281	\$ 1,574,476
Underwriting	146,544	-	146,544
Underwriting - KUEA	76,753	-	76,753
CPB grants funding	229,629	-	229,629
Other income	50,207	47,001	97,208
KPR bequests	10,513	2,652	13,165
Volunteer services	-	525,275	525,275
Tower rental	10,066	-	10,066
In-kind contributions	104,657	7,370	112,027
Total operating revenues	<u>1,980,564</u>	<u>804,579</u>	<u>2,785,143</u>
Expenses			
Program services	1,513,344	785,843	2,299,187
Management and general	1,148,023	406,919	1,554,942
Development / fundraising	542,512	160,875	703,387
Total expenses	<u>3,203,879</u>	<u>1,353,637</u>	<u>4,557,516</u>
Operating income (loss)	(1,223,315)	(549,058)	(1,772,373)
Nonoperating revenues			
University of Kansas appropriations	112,338	-	112,338
University of Kansas in-kind contributions			
Occupancy	36,919	-	36,919
Indirect administrative support			
KUEA	160,898	59,048	219,946
University of Kansas	321,653	89,091	410,744
Interest income and unrealized gains	97,980	405,664	503,644
Total nonoperating revenues	<u>729,788</u>	<u>553,803</u>	<u>1,283,591</u>
Increase (decrease) in net position	(493,527)	4,745	(488,782)
Net position at beginning of year	<u>2,903,942</u>	<u>4,959,836</u>	<u>7,863,778</u>
Net position at end of year	<u>\$ 2,410,415</u>	<u>\$ 4,964,581</u>	<u>\$ 7,374,996</u>

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

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Combined Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023

	KANU - FM Radio Station	Audio Reader	Combined
Operating revenues			
Contributions	\$ 1,406,906	\$ 167,183	\$ 1,574,089
Underwriting	120,445	-	120,445
Underwriting - KUEA	71,060	-	71,060
CPB grants funding	339,166	-	339,166
Other income	52,984	55,175	108,159
KPR bequests	2,869	540,341	543,210
Volunteer services	-	402,278	402,278
Tower rental	10,660	-	10,660
In-kind contributions	163,087	7,370	170,457
Total operating revenues	<u>2,167,177</u>	<u>1,172,347</u>	<u>3,339,524</u>
Expenses			
Program services	1,710,498	724,953	2,435,451
Management and general	679,334	295,785	975,119
Development / fundraising	605,545	172,563	778,108
Total expenses	<u>2,995,377</u>	<u>1,193,301</u>	<u>4,188,678</u>
Operating income (loss)	(828,200)	(20,954)	(849,154)
Nonoperating revenues			
University of Kansas appropriations	109,335	-	109,335
University of Kansas in-kind contributions			
Occupancy	36,920	-	36,920
Indirect administrative support			
KUEA	170,047	81,646	251,693
University of Kansas	325,934	88,076	414,010
Interest income and unrealized gains	9,192	33,843	43,035
Total nonoperating revenues	<u>651,428</u>	<u>203,565</u>	<u>854,993</u>
Increase in net position	(176,772)	182,611	5,839
Net position at beginning of year	<u>3,080,714</u>	<u>4,777,225</u>	<u>7,857,939</u>
Net position at end of year	<u>\$ 2,903,942</u>	<u>\$ 4,959,836</u>	<u>\$ 7,863,778</u>

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

KANU-FM Radio Station and Audio Reader

University of Kansas

Lawrence, Kansas

Combined Statement of Cash Flows

For the Year Ended June 30, 2024

	KANU - FM Radio Station	Audio Reader	Combined
Cash flows from operating activities			
Changes in net position	\$ (493,527)	\$ 4,745	\$ (488,782)
Adjustments to reconcile change in net position to net cash provided by operating activities			
Depreciation	237,666	24,141	261,807
Change in assets and liabilities			
Prepaid expenses	12,410	3,019	15,429
Accounts payable and accrued liabilities	110,321	25,722	136,043
Advance from Kansas Department of Commerce	273,500	-	273,500
Net cash provided by operating activities	140,370	57,627	197,997
Cash flows from investing activities			
Increase in short-term investments	(124,272)	(205,131)	(329,403)
Purchase of property and equipment	(5,011)	-	(5,011)
Net cash used in investing activities	(129,283)	(205,131)	(334,414)
Net increase (decrease) in cash	11,087	(147,504)	(136,417)
Cash equivalents at beginning of year	1,005,425	498,592	1,504,017
Cash equivalents at end of year	\$ 1,016,512	\$ 351,088	\$ 1,367,600

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

KANU-FM Radio Station and Audio Reader

University of Kansas

Lawrence, Kansas

Combined Statement of Cash Flows

For the Year Ended June 30, 2023

	KANU - FM Radio Station	Audio Reader	Combined
Cash flows from operating activities			
Changes in net position	\$ (176,772)	\$ 182,611	\$ 5,839
Adjustments to reconcile change in net position to net cash provided by operating activities			
Depreciation	63,097	9,632	72,729
Change in assets and liabilities			
Prepaid expenses	(31,137)	(3,019)	(34,156)
Accounts payable and accrued liabilities	(57,326)	(1,177)	(58,503)
Net cash provided by (used in) operating activities	(202,138)	188,047	(14,091)
Cash flows from investing activities			
Decrease (increase) in short-term investments	237,794	(410,701)	(172,907)
Purchase of property and equipment	(288,942)	(14,502)	(303,444)
Net cash used in investing activities	(51,148)	(425,203)	(476,351)
Net decrease in cash	(253,286)	(237,156)	(490,442)
Cash equivalents at beginning of year	1,258,711	735,748	1,994,459
Cash equivalents at end of year	<u>\$ 1,005,425</u>	<u>\$ 498,592</u>	<u>\$ 1,504,017</u>

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

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Notes to the Combined Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE A - Summary of Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Reporting entity

In 1952, the University of Kansas was granted the operating license for KANU-FM Radio Station (KANU), a listener-supported public radio station. Audio Reader (AR) commenced operations in 1971 to provide reading services to the visually impaired over the radio. The combined financial statements include the accounts of KANU-FM Radio Station and Audio Reader (the Organization), two closely related University functions under the control of one director. All material transactions between the entities have been eliminated in these combined statements.

KANU is operated by the University of Kansas (the University), with AR, a subcarrier channel broadcasting to visually impaired listeners. The University is a component unit of the State of Kansas, is governed by the Kansas Board of Regents, and is included in the State's financial statements as part of the university system component unit.

The Organization operates as one of many departments within the University. Corporation for Public Broadcasting (CPB) grantees are required to prepare financial statements that discretely display the financial position and activities of the public broadcasting entity, not those of a parent institution or governmental unit, and independent auditors must audit and opine on those separately issued statements. This requirement applies to all public broadcasting entities, regardless of whether other accounting standards require the parent institution or governmental unit to include the public broadcasting entity in its separately issued, institution-wide or government-wide financial statements.

The Organization is managed and controlled by the University of Kansas. All land and structures pertinent to the operation of the station are owned by the State of Kansas and have not been reflected as assets in the accompanying statements, except for facility improvements specific to station operations.

Measurement focus and basis of accounting

The Organization prepares its combined financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). Accordingly, the Organization's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Notes to the Combined Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE A - Summary of Accounting Policies - Continued

Use of estimates

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

Cash equivalents

Cash equivalents are funds held by the University of Kansas Endowment Association (KUEA) specifically for the Organization. In addition, cash equivalents include remaining balances of budgets held by the University for specific activities. These amounts are highly liquid, given the nature of the Organization.

Capital assets

Capital assets with a value equal or greater than \$5,000 are recorded at cost at the date of acquisition. Donated capital assets are valued at their estimated fair market value on the date of donation. Depreciation has been provided for using the straight-line method over the estimated useful lives of the assets as follows:

Improvements	25 years
Structures	25 years
Radio equipment	8 years
Office equipment	8 years
Vehicles	5 years

Maintenance and repairs are charged to expense as incurred, whereas major renewals and improvements are capitalized. When items of property and equipment are sold or disposed of, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in operations.

Change in estimate – capital assets

During the year ended June 30, 2024, the Organization revised its estimate of depreciable lives and methods for capital assets. Previously, capital assets were depreciated over useful lives of 5 to 40 years by methods other than straight-line. Management changed its estimate for consistency with the University's policies and procedures. The change is reflected prospectively and impacts the capital assets on the statement of net position. The revised estimate increased the annual depreciation expense by \$173,966 and \$14,219 for KANU and AR, respectively.

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Notes to the Combined Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE A - Summary of Accounting Policies - Continued

Pooled investments

Pooled investments consist of deposits in a University-wide, diversified, dollar denominated investment pool and have been recorded at cost which materially approximates fair market value.

Net position

Net position of the Organization is classified in the following components:

- Investment in capital assets consists of equipment net of accumulated depreciation and reduced by related debt, if any.
- Unrestricted net position is the remaining net position that does not meet the definition of invested in capital assets or restricted.
- Restricted – nonexpendable net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The Organization did not have any restricted - nonexpendable net position at June 30, 2024 and 2023.
- Restricted – expendable net position includes resources for which the Organization is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Donated personal service of volunteers

Donated personal services of volunteers are recorded as revenue and expense in the statement of revenue, expenses, and changes in net position at their estimated fair market values. This totaled \$0 for KANU and \$525,275 for AR for the year ended June 30, 2024, and \$0 for KANU and \$402,278 for AR for the year ended June 30, 2023.

In-kind contributions

In-kind contributions consist of donated professional services, programs, tickets advertising, and facilities. The transactions are recorded in revenue and expense at their estimated fair values as provided by donors. Total in-kind contributions were \$112,027 and \$170,457 for the years ended June 30, 2024 and 2023, respectively.

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Notes to the Combined Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE A - Summary of Accounting Policies - Continued

In-kind contributions - continued

Donated facilities from the University of Kansas consist of office and studio space, together with related occupancy costs, and are recorded in revenue and expense at their estimated fair rental values. This totaled \$36,919 and \$36,920 for the Organization for the years ended June 30, 2024 and 2023, respectively.

Indirect administrative support

Administrative support from the University and KUEA consists of allocated institutional and academic support and allocated physical plant operations incurred by the University and KUEA which benefits the Organization. Donated professional services are valued at their fair market values at the time of donation. This totaled \$482,551 for KANU and \$148,139 for AR for the year ended June 30, 2024, and \$495,981 for KANU and \$169,722 for AR for the year ended June 30, 2023.

Operating revenues and expenses

The Organization's statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from transactions associated with the management, scheduling, and broadcasting of radio programs, the station's principal activity. The University's support is reported as nonoperating revenues. Operating expenses are all expenses incurred in the management, scheduling, and broadcasting of radio programs.

Major gifts and bequests

CPB defines major gifts and bequests as any individual donor, including estates and trusts, who contributes an amount, in aggregate, equal to or greater than \$1,000 in the reporting year. The Organization had 234 and 211 major individual donors for the years ended June 30, 2024 and 2023, respectively.

Grant revenue recognition

Receipts from CPB community service grants and KPBC (Kansas Public Broadcasting Council) operating grants, which are generally for unrestricted purposes, are recognized as revenue when received. Receipts from all other grants are recognized as revenue when the restricted reimbursable expenditures are incurred. Grants authorized but not received are reported as a receivable if the revenue recognition criterion has been met.

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Notes to the Combined Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE A - Summary of Accounting Policies - Continued

Compensated absences

The Organization's employees are granted vacation and sick leave benefits in varying amounts depending on employment status. In the event of termination, an employee is reimbursed for accumulated vacation time at the most recent rate of pay. Accumulated sick leave is only paid out if an employee is eligible for retirement and has accrued a minimum amount of sick leave. The University retains dollar amounts for employees' leave with each pay period as part of the regular payroll process. Funds are retained in a central account, held at the University. When employees' vacation leave is paid upon termination, the funds come from the central account administered by the University. No further liability is recorded by the Organization.

Income taxes

The Organization is a function of the University of Kansas, which is exempt from federal income taxes under Section 501(c)(25) of the Internal Revenue Code.

NOTE B - Deposits and Investments

Deposits

Cash equivalents included balances on deposit with the University and KUEA, as follows:

	2024			2023		
	KANU	AR	Combined	KANU	AR	Combined
University	\$ 693,385	\$ 41,268	\$ 734,653	\$ 497,206	\$ 17,989	\$ 515,195
KUEA	323,127	309,820	632,947	508,219	480,603	988,822
Total	<u>\$ 1,016,512</u>	<u>\$ 351,088</u>	<u>\$1,367,600</u>	<u>\$ 1,005,425</u>	<u>\$ 498,592</u>	<u>\$ 1,504,017</u>

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Notes to the Combined Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE B - Deposits and Investments – Continued

Investments

The Organization may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in corporate bonds and equity securities. The Organization's investments have been included in a pooled investment account owned and managed by KUEA.

At June 30, the Organization had the following investments:

		2024		
		KANU	AR	Combined
Pooled investments				
managed by KUEA		\$ 1,088,319	\$ 4,576,079	\$5,664,398
		2023		
		KANU	AR	Combined
Pooled investments				
managed by KUEA		\$ 964,047	\$ 4,370,948	\$5,334,995

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the investment policy followed by the Organization includes ongoing assessment of the composition of fixed income investments to total investments.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Organization requires investments to be maintained in accordance with KUEA investment policy.

Concentration of credit risk – The Organization's investment policy places no limits on the amounts that may be invested in any one issuer.

Custodial Credit Risk – For deposits, custodial credit risk for deposits is the risk that, in the event of a bank failure, the Organization's deposits may not be returned to it. To minimize custodial risk, the Organization considers the financial strength of its depository relationships. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Organization will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Pooled investments managed by the KUEA are held by the investments' counterparty, not in the name of the Organization.

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Notes to the Combined Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE C - Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3: Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The following table presents the fair value measurements of assets recognized in the accompanying combined statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023:

		Fair Value Measurements at Reporting Date Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2024</u>				
Pooled investments - KANU	\$ 1,088,319	\$ -	\$ 1,088,319	\$ -
Pooled investments - AR	4,576,079	-	4,576,079	-
Total	<u>\$ 5,664,398</u>	<u>\$ -</u>	<u>\$ 5,664,398</u>	<u>\$ -</u>
<u>June 30, 2023</u>				
Pooled investments - KANU	\$ 964,047	\$ -	\$ 964,047	\$ -
Pooled investments - AR	4,370,948	-	4,370,948	-
Total	<u>\$ 5,334,995</u>	<u>\$ -</u>	<u>\$ 5,334,995</u>	<u>\$ -</u>

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Notes to the Combined Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE C - Fair Value Measurements (Continued)

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

NOTE D – Economic Dependency

As disclosed in Note A, the Organization is operated by the University from which the station receives substantial financial support. The Organization also receives substantial financial support from its members and contributions. Should a significant reduction in support from either source occur, the Organization's operations would be adversely affected.

NOTE E – Risk Management

The Organization is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health and accident benefits. The University, as a state educational institution of Kansas, is subject to the State of Kansas self-insurance program with regard to comprehensive general liability and personal injury insurance. The University is covered by the State's umbrella insurance policies for automobile liability and the Board of Regents building, contents and business interruption insurance policy. The State of Kansas does not insure state-owned automobiles for bodily injury and property damages. Also, as a state educational institution, the University is self-insured relative to worker's compensation, medical and unemployment insurance.

NOTE F – Service Organization

The Organization utilized the accounting services of KUEA and the University.

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Notes to the Combined Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE G – Capital Assets

KANU's major classes of capital assets and related accumulated depreciation are as follows:

	June 30, 2022	Additions	June 30, 2023	Additions	June 30, 2024
Leasehold imp.	\$ 9,687	\$ 14,502	\$ 24,189	\$ -	\$ 24,189
Radio equipment	2,734,584	236,595	2,971,179	-	2,971,179
Vehicles	16,865	37,845	54,710	-	54,710
Office equipment	126,537	-	126,537	5,011	131,548
Structures	1,155,128	-	1,155,128	-	1,155,128
Total assets	4,042,801	288,942	4,331,743	5,011	4,336,754
Accumulated deprec.	(3,361,987)	(63,097)	(3,425,084)	(237,666)	(3,662,750)
Total	<u>\$ 680,814</u>	<u>\$ 225,845</u>	<u>\$ 906,659</u>	<u>\$ (232,655)</u>	<u>\$ 674,004</u>

AR's major classes of capital assets and related accumulated depreciation for are as follows:

	June 30, 2022	Additions	June 30, 2023	Additions	June 30, 2024
Leasehold imp.	\$ 122,177	\$ 14,502	\$ 136,679	\$ -	\$ 136,679
Radio equipment	1,064,088	-	1,064,088	-	1,064,088
Vehicles	38,257	-	38,257	-	38,257
Office equipment	57,743	-	57,743	-	57,743
Structures	378,114	-	378,114	-	378,114
Total assets	1,660,379	14,502	1,674,881	-	1,674,881
Accumulated deprec.	(1,550,874)	(9,632)	(1,560,506)	(24,141)	(1,584,647)
Total	<u>\$ 109,505</u>	<u>\$ 4,870</u>	<u>\$ 114,375</u>	<u>\$ (24,141)</u>	<u>\$ 90,234</u>

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Notes to the Combined Financial Statements
For the Years Ended June 30, 2024 and 2023

NOTE H – Tax-Sheltered Annuity Plan

The Organization participates in a tax-sheltered annuity plan (the Plan) qualified under Section 403(b) of the Internal Revenue Code covering substantially all full-time employees. Eligible employees may contribute 5.5% of their gross salaries to the 403(b) Plan up to the maximum amount established by the IRS. Employer contributions are calculated at 8.5% of the employee's annual compensation. During the years ended June 30, 2024 and 2023, KANU made contributions to the Plan totaling \$90,972 and \$85,814, respectively. During the years ended June 30, 2024 and 2023, AR made contributions to the Plan totaling \$30,293 and \$27,463, respectively.

NOTE I – Related Party Transactions

The University provided indirect administrative support, as referenced in Note A, appropriations, and other in-kind contributions in support of station operations. For the years ended June 30, 2024 and 2023, total appropriations and support was \$470,910 and \$472,189, respectively, for KANU. For the years ended June 30, 2024 and 2023, total appropriations and support was \$89,091 and \$88,076, respectively, for the AR.

NOTE J – Subsequent Events

Management of the Organization has evaluated subsequent events through February 11, 2025, the date the financial statements were available to be issued.

Supplementary Information

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Schedule of Functional Expenses
For the Year Ended June 30, 2024
KANU-FM Radio Station

	Program Expenses				Management	Development/	
	Engineering	Programming	News	Total Program	and general	Fundraising	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ 5,908	\$ -	\$ 5,908
Advertising	-	-	-	-	-	104,321	104,321
Automotive	860	-	-	860	710	-	1,570
Bank/Credit Card fees	-	-	-	-	37,621	-	37,621
Books	-	6	-	6	-	-	6
Computer support	6,109	300	-	6,409	2,045	29,077	37,531
Contingency fund	-	-	-	-	100	-	100
Contracted work	8,147	-	19,508	27,655	9,882	-	37,537
Depreciation	-	-	-	-	237,666	-	237,666
Facility	-	-	-	-	1,880	-	1,880
Fundraising	-	-	-	-	-	26,595	26,595
Insurance	-	-	-	-	5,386	-	5,386
Live production	14,794	-	-	14,794	-	-	14,794
Memberships/subscriptions	-	12,855	8,269	21,124	4,569	4,520	30,213
Office supplies	55	-	258	313	2,776	937	4,026
Online store	-	-	-	-	-	2,243	2,243
Outreach	-	-	525	525	400	10,067	10,992
Postage	41	74	-	115	4,221	8,959	13,295
Printing	-	-	-	-	279	9,804	10,083
Programming	-	477,672	-	477,672	-	-	477,672
Recruitment	-	-	250	250	6,052	-	6,302
Salaries and fringe	40,851	619,022	42,626	702,499	541,676	252,956	1,497,131
Staff meetings	-	-	-	-	192	579	771
Supplies and parts	368	-	1,561	1,929	4,511	90	6,530
Telecommunications	2,022	-	2,151	4,173	5,959	550	10,682
Translator expense	-	-	-	-	98,704	-	98,704
Travel	-	-	1,282	1,282	707	2,861	4,850
KUEA	4,505	68,704	4,827	78,036	54,866	27,996	160,898
KU Overhead	9,650	138,311	9,650	157,611	109,361	54,681	321,653
Occupancy	1,108	15,875	1,108	18,091	12,552	6,276	36,919
Total	<u>\$ 88,510</u>	<u>\$ 1,332,819</u>	<u>\$ 92,015</u>	<u>\$ 1,513,344</u>	<u>\$ 1,148,023</u>	<u>\$ 542,512</u>	<u>\$ 3,203,879</u>

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Schedule of Functional Expenses
For the Year Ended June 30, 2024
Audio Reader

	Program Expenses					Management and general	Development/ Fundraising	Total
	Engineering	Volunteer	Programming	Outreach	Total Program			
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,292	\$ -	\$ 2,292
Advertising	-	-	-	-	-	-	7,370	7,370
Automotive	-	-	-	771	771	1,182	-	1,953
Bank/Credit Card fees	-	-	-	-	-	607	-	607
Books	-	-	5,809	-	5,809	-	-	5,809
Computer support	665	-	1,255	-	1,920	-	486	2,406
Contracted work	19,842	-	-	-	19,842	6,293	-	26,135
Depreciation	-	-	-	-	-	24,141	-	24,141
Facility	-	-	-	1,182	1,182	23,062	-	24,244
Fundraising	-	-	-	-	-	-	19,778	19,778
Insurance	-	-	-	-	-	12,262	-	12,262
Memberships/subscriptions	-	-	977	185	1,162	679	420	2,261
Outreach	-	-	-	7,981	7,981	-	-	7,981
Postage	-	19	4	4	27	1,888	2,157	4,072
Printing	-	-	-	2,428	2,428	20	2,050	4,498
Programming	-	-	6,053	-	6,053	-	-	6,053
Recruitment	-	-	-	-	-	6,434	-	6,434
Salaries and fringe	58,214	9,954	45,644	42,858	156,670	245,273	97,174	499,117
Staff meetings	-	-	-	232	232	45	-	277
Supplies and parts	60	528	1,543	918	3,049	6,989	2,754	12,792
Telecommunications	308	-	905	-	1,213	2,862	-	4,075
Translator expense	248	-	-	-	248	-	-	248
Travel	-	551	16	1,850	2,417	242	245	2,904
KUEA	6,909	1,181	5,373	5,078	18,541	28,993	11,514	59,048
KU Overhead	10,691	1,782	8,018	8,018	28,509	43,655	16,927	89,091
Volunteer recognition	-	2,514	-	-	2,514	-	-	2,514
Volunteer services	-	525,275	-	-	525,275	-	-	525,275
Total	<u>\$ 96,937</u>	<u>\$ 541,804</u>	<u>\$ 75,597</u>	<u>\$ 71,505</u>	<u>\$ 785,843</u>	<u>\$ 406,919</u>	<u>\$ 160,875</u>	<u>\$ 1,353,637</u>

KANU-FM Radio Station and Audio Reader

University of Kansas

Lawrence, Kansas

Schedule of Functional Expenses

For the Year Ended June 30, 2023

KANU-FM Radio Station

	Program Expenses				Management	Development/	
	Engineering	Programming	News	Total Program	and general	Fundraising	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ 5,969	\$ -	\$ 5,969
Advertising	-	-	-	-	-	60,546	60,546
Automotive	1,149	-	-	1,149	983	-	2,132
Computer support	6,991	5,473	-	12,464	-	25,847	38,311
Contingency fund	-	-	-	-	1,146	121	1,267
Contracted work	4,949	-	12,412	17,361	21,052	-	38,413
Depreciation	-	-	-	-	63,097	-	63,097
Equipment repair	1,569	-	-	1,569	-	-	1,569
Facility	-	-	-	-	12,009	-	12,009
Fundraising	-	-	-	-	-	37,190	37,190
Insurance	-	-	-	-	8,725	-	8,725
Live production	14,637	-	-	14,637	-	-	14,637
Memberships/subscriptions	-	12,615	17,367	29,982	10,967	4,520	45,469
Office supplies	3,616	79	534	4,229	1,470	409	6,108
Online store	-	-	-	-	-	2,453	2,453
Outreach	-	-	1,144	1,144	-	15,631	16,775
Postage	122	74	-	196	1,561	14,481	16,238
Printing	-	-	-	-	1,911	17,518	19,429
Programming	-	449,450	-	449,450	-	-	449,450
Recruitment	-	-	1,008	1,008	2,000	34	3,042
Salaries and fringe	57,624	672,647	54,206	784,477	329,753	281,018	1,395,248
Staff meetings	-	-	-	-	2,446	687	3,133
Supplies and parts	2,811	3,791	1,142	7,744	2,617	1,999	12,360
Telecommunications	4,547	-	4,177	8,724	6,448	1,300	16,472
Translator expense	-	-	-	-	84,851	-	84,851
Travel	-	-	211	211	3,883	3,390	7,484
Underwriting	-	-	-	-	-	10,849	10,849
Broadcasting	7,144	50,052	2,413	59,609	15,064	14,577	89,250
KUEA	6,802	87,064	7,142	101,008	32,989	36,050	170,047
KU Overhead	13,037	166,879	13,689	193,605	63,231	69,098	325,934
Occupancy	1,477	18,903	1,551	21,931	7,162	7,827	36,920
Total	<u>\$ 126,475</u>	<u>\$ 1,467,027</u>	<u>\$ 116,996</u>	<u>\$ 1,710,498</u>	<u>\$ 679,334</u>	<u>\$ 605,545</u>	<u>\$ 2,995,377</u>

KANU-FM Radio Station and Audio Reader
University of Kansas
Lawrence, Kansas
Schedule of Functional Expenses
For the Year Ended June 30, 2023
Audio Reader

	Program Expenses					Management	Development/	
	Engineering	Volunteer	Programming	Outreach	Total Program	and general	Fundraising	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 814	\$ -	\$ 814
Advertising	-	-	-	-	-	-	100	100
Automotive	-	-	-	1,047	1,047	32	52	1,131
Books	-	-	3,250	-	3,250	-	-	3,250
Computer support	188	-	4,282	-	4,470	-	-	4,470
Contingency fund	-	-	-	-	-	40	-	40
Contracted work	19,254	-	-	23	19,277	3,295	-	22,572
Depreciation	-	-	-	-	-	9,632	-	9,632
Facility	-	-	-	-	-	15,028	-	15,028
Fundraising	-	-	-	-	-	-	14,980	14,980
Insurance	-	-	-	-	-	11,324	-	11,324
Memberships/subscriptions	-	-	4,684	50	4,734	393	525	5,652
Outreach	-	-	193	2,748	2,941	-	15,185	18,126
Postage	57	30	-	145	232	1,636	826	2,694
Printing	-	12	7,398	-	7,410	1,356	-	8,766
Recruitment	-	-	-	-	-	7,056	-	7,056
Salaries and fringe	63,448	20,963	78,090	28,313	190,814	173,219	101,273	465,306
Staff meetings	-	-	-	-	-	629	-	629
Supplies and parts	1,732	836	2,915	2,208	7,691	3,743	1,655	13,089
Telecommunications	40	-	1,966	-	2,006	2,791	-	4,797
Travel	-	1,326	1,492	3,271	6,089	303	629	7,021
KUEA	11,431	4,082	12,247	4,899	32,659	31,026	17,961	81,646
KU Overhead	12,331	4,404	13,211	5,285	35,231	33,468	19,377	88,076
Volunteer recognition	-	4,824	-	-	4,824	-	-	4,824
Volunteer services	-	402,278	-	-	402,278	-	-	402,278
Total	<u>\$ 108,481</u>	<u>\$ 438,755</u>	<u>\$ 129,728</u>	<u>\$ 47,989</u>	<u>\$ 724,953</u>	<u>\$ 295,785</u>	<u>\$ 172,563</u>	<u>\$ 1,193,301</u>

EL DORADO	117 W. CENTRAL AVE.	EL DORADO, KS 67042-2105	316-321-1150
TUCSON	4801 E. BROADWAY BLVD., STE. 501	TUCSON, AZ 85711-3648	520-624-8229
TULSA	4200 E. SKELLY DR., STE. 560	TULSA, OK 74135-3209	918-271-5400
WICHITA	300 W. DOUGLAS AVE., STE. 900	WICHITA, KS 67202-2994	316-264-2335