ALASKA PUBLIC MEDIA, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

ALASKA PUBLIC MEDIA, INC.
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JUNE 30, 2023 AND 2022

JAMESMOORE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Alaska Public Media, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alaska Public Media, Inc. (the "Corporation"), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of June 30, 2023 and 2022, and the changes in its net assets 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1(d) to the financial statements, in 2023, the Corporation adopted new accounting guidance for leases. 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.

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 Corporation's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 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 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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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.

Supplementary Information

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

James Moore & Co., P.L.

Gainesville, Florida
December 7, 2023

ALASKA PUBLIC MEDIA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,859,058	$ 1,769,880
Restricted cash and cash equivalents	453,030	781,375
Accounts and pledges receivable, net	584,152	736,276
Prepaid expenses	280,668	238,893
Total current assets	3,176,908	3,526,424
Non-current assets		
Investments	2,158,757	1,883,951
Beneficial interest in AKPM Designated Endowment Fund	266,058	228,996
Investment in transmission facilities	320,470	368,872
Property and equipment, net	1,892,419	1,911,542
Operating lease right of use asset, net	1,343,347	-
Total non-current assets	5,981,051	4,393,361
Total Assets	$ 9,157,959	$ 7,919,785
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 277,420	$ 172,385
Accrued payroll and related taxes	228,311	194,193
Deferred revenue	221,799	192,720
Current portion of operating lease liability	34,954	-
Total current liabilities	762,484	559,298
Non-current liabilities		
Operating lease liability, less current portion	1,295,913	-
Total Liabilities	2,058,397	559,298
Net assets		
Without donor restrictions		
Designated for investment in property and equipment	1,892,419	1,911,542
Designated for AKPM Designated Endowment Fund	266,058	228,996
Undesignated	4,488,055	4,271,613
With donor restrictions	453,030	948,336
Total net assets	7,099,562	7,360,487
Total Liabilities and Net Assets	$ 9,157,959	$ 7,919,785

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

ALASKA PUBLIC MEDIA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues			
Operations:			
Sustaining memberships	$ 3,529,068	$ -	$ 3,529,068
Program sponsorships	1,068,629	-	1,068,629
CPB grants	1,290,683	-	1,290,683
Other grants	440,327	449,862	890,189
In-kind contributions	19,600	-	19,600
Alaska Public Radio Network station dues	100,500	-	100,500
Investment return, net	164,790	-	164,790
Lease income	32,500	-	32,500
Broadband channel and tower revenue	34,436	-	34,436
Other income	758,133	-	758,133
Net assets released from restrictions:			
Restricted funds expended	945,168	(945,168)	-
Total public support and revenues	8,383,834	(495,306)	7,888,528
Expenses			
Program services:			
Programming and production	3,462,829	-	3,462,829
Broadcasting and engineering	1,550,233	-	1,550,233
Total program services	5,013,062	-	5,013,062
Supporting services:			
Development and underwriting	1,509,793	-	1,509,793
Management and general	1,189,119	-	1,189,119
Total supporting services	2,698,912	-	2,698,912
Total expenses before depreciation	7,711,974	-	7,711,974
Change in net assets before depreciation and loss on investment in transmission facilities	671,860	(495,306)	176,554
Other changes in net assets			
Depreciation expense	367,070	-	367,070
Loss on investment in transmission facilities	70,409	-	70,409
Change in net assets	234,381	(495,306)	(260,925)
Net assets, beginning of year	6,412,151	948,336	7,360,487
Net assets, end of year	$ 6,646,532	$ 453,030	$ 7,099,562

The accompanying notes to financial statements
are an integral part of this statement.

ALASKA PUBLIC MEDIA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues			
Operations:			
Sustaining memberships	$ 3,939,225	$ -	$ 3,939,225
Program sponsorships	1,042,465	-	1,042,465
CPB grants	1,248,486	-	1,248,486
Other grants	504,437	30,199	534,636
In-kind contributions	46,600	-	46,600
Alaska Public Radio Network station dues	111,500	-	111,500
Investment return, net	(224,822)	-	(224,822)
Tower rental revenue	71,192	-	71,192
Other income	326,296	-	326,296
Net assets released from restrictions:			
Restricted funds expended	369,667	(369,667)	-
Total public support and revenues	7,435,046	(339,468)	7,095,578
Expenses			
Program services:			
Programming and production	3,158,930	-	3,158,930
Broadcasting and engineering	1,275,035	-	1,275,035
Total program services	4,433,965	-	4,433,965
Supporting services:			
Development and underwriting	1,458,017	-	1,458,017
Management and general	1,078,347	-	1,078,347
Total supporting services	2,536,364	-	2,536,364
Total expenses before depreciation	6,970,329	-	6,970,329
Change in net assets before depreciation and loss on investment in transmission facilities	464,717	(339,468)	125,249
Other changes in net assets			
Depreciation expense	328,019	-	328,019
Loss on investment in transmission facilities	9,619	-	9,619
Change in net assets	127,079	(339,468)	(212,389)
Net assets, beginning of year	6,285,072	1,287,804	7,572,876
Net assets, end of year	$ 6,412,151	$ 948,336	$ 7,360,487

The accompanying notes to financial statements
are an integral part of this statement.

ALASKA PUBLIC MEDIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services		Supporting Services		
	Programming and Production	Broadcasting and Engineering	Development and Underwriting	Management and General	Totals
Salaries, wages, and employee benefits	$ 2,040,111	$ 596,476	$ 1,054,261	$ 494,981	$ 4,185,829
Program acquisition	883,922	-	-	-	883,922
Purchased services	285,166	96,922	50,605	298,140	730,833
Utilities	49,180	261,332	350	90,992	401,854
Maintenance	3,064	318,737	9,799	20,188	351,788
Travel and training	65,102	27,056	14,718	32,653	139,529
Promotion and advertising	4,183	122	83,051	24,598	111,954
Dues and subscriptions	49,811	35,091	47,679	16,872	149,453
Operating lease	-	-	-	79,395	79,395
Short-term lease	550	15,240	-	-	15,790
Public and employee relations	26,666	874	19,981	22,269	69,790
Equipment and furniture	22,466	190,286	-	7,752	220,504
Printing	1,577	-	135,646	1,267	138,490
Supplies and minor equipment	27,318	2,317	6,589	15,349	51,573
Shipping and postage	784	5,780	2,198	3,888	12,650
Taxes, insurance and other	2,929	-	84,916	80,775	168,620
Total expenses before depreciation	3,462,829	1,550,233	1,509,793	1,189,119	7,711,974
Depreciation	178,569	45,696	94,187	48,618	367,070
Total expenses	$ 3,641,398	$ 1,595,929	$ 1,603,980	$ 1,237,737	$ 8,079,044

The accompanying notes to financial statements
are an integral part of this statement.

ALASKA PUBLIC MEDIA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services		Supporting Services		
	Programming and Production	Broadcasting and Engineering	Development and Underwriting	Management and General	Totals
Salaries, wages, and employee benefits	$ 1,838,365	$ 508,010	$ 934,936	$ 501,360	$ 3,782,671
Program acquisition	859,166	-	-	-	859,166
Purchased services	313,382	101,503	99,511	225,837	740,233
Utilities	18,413	250,284	750	81,504	350,951
Maintenance	514	234,879	21,186	21,648	278,227
Travel and training	50,742	24,731	12,451	7,916	95,840
Promotion and advertising	638	-	134,188	5,891	140,717
Dues and subscriptions	46,823	93,300	26,381	19,124	185,628
Property rent/lease	2,880	-	-	75,625	78,505
Public and employee relations	4,992	-	27,178	26,524	58,694
Equipment and furniture	11,768	36,705	-	6,171	54,644
Printing	8,783	-	113,438	692	122,913
Supplies and minor equipment	2,382	915	807	16,238	20,342
Shipping and postage	82	3,778	5,303	4,240	13,403
Taxes, insurance and other	-	20,930	81,888	85,577	188,395
Total expenses before depreciation	3,158,930	1,275,035	1,458,017	1,078,347	6,970,329
Depreciation	159,416	44,053	81,074	43,476	328,019
Total expenses	$ 3,318,346	$ 1,319,088	$ 1,539,091	$ 1,121,823	$ 7,298,348

The accompanying notes to financial statements are an integral part of this statement.

ALASKA PUBLIC MEDIA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	$ (260,925)	$ (212,389)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized losses (gains) on investments	(86,726)	275,046
Loss (gain) on beneficial interest in AKPM Designated Endowment Fund	(10,777)	23,321
Interest and dividends reinvested	(6,285)	-
Depreciation expense	367,070	328,019
Amortization of right of use asset	37,653	-
Loss on investment in transmission facilities	70,409	9,619
Changes in operating assets and liabilities:		
Accounts and pledges receivable, net	152,124	(68,726)
Prepaid expenses	(58,025)	(44,150)
Accounts payable	44,258	23,622
Accrued payroll and related taxes	34,118	(132,765)
Deferred revenue	29,079	(28,585)
Operating lease liability	(33,883)	-
Net cash provided by operating activities	278,090	173,012
Cash flows from investing activities		
Purchases of property and equipment	(287,170)	(421,836)
Purchase of investments	(575,974)	(410,057)
Sale of investments	367,894	393,692
Investments in transmission facilities	(22,007)	(31,575)
Net cash used in investing activities	(517,257)	(469,776)
Change in cash and cash equivalents	(239,167)	(296,764)
Cash and cash equivalents, beginning of year	2,551,255	2,848,019
Cash and cash equivalents, end of year	$ 2,312,088	$ 2,551,255
Cash and cash equivalents are presented on the Statements of Financial Position as:		
Cash and cash equivalents	$ 1,859,058	$ 1,769,880
Restricted cash and cash equivalents	453,030	781,375
	$ 2,312,088	$ 2,551,255
Supplemental disclosure of noncash investing activities		
Right of use assets obtained in exchange for operating lease obligations	$ 1,381,000	$ -
Purchases of property and equipment included in accounts payable	$ 60,777	$ 42,723

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

(1) **Summary of Significant Accounting Policies:**

(a) **Organization**—Alaska Public Media, Inc. (the "Corporation") is a nonprofit corporation organized to provide educational television and radio broadcasting in the State of Alaska. In previous years, the Corporation operated as Alaska Public Telecommunications, Inc. dba Alaska Public Media. The Corporation is licensed to operate television station KAKM, channel 7, and radio station KSKA, FM 91.1 in Anchorage, Alaska. The Corporation also operates Statewide News which provides Alaska news programming to all of the public radio stations in the state.

(b) **Basis of accounting**—The accounts of the Corporation are maintained in conformity with the principles of accounting of not-for-profit accounting and have been prepared on the accrual basis.

(c) **Basis of presentation**—The Corporation reports net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions—Net assets subject to donor-imposed stipulations. Some donor-imposed restrictions are temporary in nature, such as those that will be met either by actions of the Corporation and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by laws. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Corporation reports the support as unrestricted.

At June 30, 2023, net assets with donor restrictions included unspent Robert Wood Johnson Foundation ("RWJF") grant funds. At June 30, 2022, net assets with donor restrictions included unspent American Rescue Plan Act ("ARPA") Stabilization grant funds, Alaska Center for Excellence in Journalism ("ACEJ") grant funds, and Robert Wood Johnson Foundation ("RWJF") grant funds. ARPA Stabilization grant funds are restricted to maintain programming and services and preserve the ability of stations to respond to the global pandemic, coronavirus disease "COVID-19". ACEJ and RWJF grant funds are restricted to spending on educational programming.

(d) **Recently adopted accounting guidance**—In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02: *Leases* (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

(1) **Summary of Significant Accounting Policies:** (Continued)

The Corporation adopted the new standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Corporation elected the available practical expedients to account for existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Corporation recognized on July 1, 2022 a lease liability of $1,364,750, which represents the present value of the remaining operating lease payments of $2,078,402, discounted using the Corporation's risk-free rates ranging from 3.11% to 3.12%, and a right of use asset of $1,381,000, which represents the operating lease liability of $1,364,750 adjusted for accrued rent of $16,250.

The standard had a material impact on the Corporation's statement of financial position, but did not have a significant impact on the Corporation's statements of activities, functional expenses, and cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

(e) **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. Accordingly, results could differ from those estimates.

(f) **Cash and cash equivalents**—For purposes of the statements of cash flows, management considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Restricted cash and cash equivalents include unspent grant funds that were contributed with donor restrictions.

(g) **Accounts and pledges receivable**—Accounts and pledges receivable are carried at original amounts billed or pledged, less an estimate for doubtful accounts based on periodic review by management. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to certain types of receivables. The Corporation does not require collateral or other security on accounts receivable. There was no allowance for doubtful accounts for accounts receivable recorded at June 30, 2023 and 2022. There were no pledge receivables at June 30, 2023 and 2022.

(h) **Investments**—Investments are carried at fair value, and realized and unrealized gains and losses are reflected in the accompanying statements of activities. See Note 5 for further information on fair value reporting.

(i) **Investment in transmission facilities**—The Corporation uses the cost or equity methods to account for all its investments in transmission facilities. See Note 7 for further information.

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Property and equipment**—Property and equipment are reported at historical cost. Contributed assets are reported at fair value as of the date received. The Corporation capitalizes all property and equipment costing $5,000 or more. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation for financial reporting purposes is computed using the straight-line basis over the estimated useful lives of the assets as follows:

	Years
Buildings and improvements	5 – 35 years
Equipment	3 – 20 years
Furniture and fixtures	3 – 10 years

Property and equipment are analyzed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. There were no impaired assets at June 30, 2023 and 2022.

Property purchased with certain grant funds will revert to the funding agency if the Corporation is dissolved or the property is declared a surplus. Proceeds for the sale of assets originally purchased with state or federal grant funds may be required to be returned to the granting agency.

(k) **Leases**—The Corporation leases office space and a transmission tower site. The Corporation determines if an arrangement is a lease at inception. Operating leases are included in operating lease right of use (ROU) assets and operating lease liabilities on the Corporation's balance sheets.

ROU assets represent the Corporation's right to use an underlying asset for the lease term and lease liabilities represent the Corporation's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the Corporation's leases do not provide an implicit rate, the Corporation uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Corporation's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Corporation will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Corporation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Corporation subleases a transmission tower site to a third party. Sublease income recognized and disclosed for that lease for the year ended June 30, 2023 is $32,500.

In evaluating contracts to determine if they qualify for a lease, the Corporation considers factors such as if it has obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive rights. This evaluation may require significant judgment.

(l) **Deferred revenue**—Income received to underwrite programs or facilitate programming not yet broadcasted as of the end of the fiscal year is deferred and recognized over the period in which the programming is aired. Grant and service contract awards received in excess of recognized revenues are reflected as deferred revenue in the statements of financial position.

(1) **Summary of Significant Accounting Policies:** (Continued)

(m) **Revenue recognition**—The Corporation recognizes support and revenue from a variety of sources, including but not limited to the following:

Contributions, including membership, pledges, and major gifts, are recognized when cash, securities or other assets; an unconditional promise to give or bequest; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Program sponsorships are contributions to the Corporation to support its programming or activities in the form of underwriting credit. Nothing of commensurate value is exchanged for underwriting credit, and the Corporation provides refunds for any underwriting revenues collected if the spots are not aired. Therefore, underwriting revenues contain a barrier to overcome and a right of return or a right of release of the obligation, and are recognized as revenue when the related underwriting credits are aired.

Grants for specific projects and activities are recognized as revenue when awarded and all conditions have been met. The Corporation receives cost-reimbursable grants where the contracts require a right of return or right of release of the obligation of any unspent funds. Revenue on conditional cost-reimbursable grants is recognized to the extent of costs incurred.

Revenues from production contracts, lease agreements, other rentals and services are recognized in the period earned or stipulated in the agreement, as performance obligations are satisfied.

(n) **In-kind contributions**—Contributed materials, supplies, facilities, and property are recorded at their estimated fair value at the date of donation. The Corporation reports gifts of equipment, professional services, materials and other nonmonetary contributions as support in the accompanying statements of activities.

If the fair value of contributed materials, supplies, facilities, and property cannot be reasonably determined they are not recorded. Donated personal services of nonprofessional volunteers, as well as national and local programming services, are not recorded as revenue and expense as there is no objective basis available to measure the value of such services.

Contributed advertising and promotion are recorded at the fair value of the contribution portion of the total value received.

(o) **Pledges and contributions**—The Corporation engages in periodic fundraising campaigns manifested by offering special programs and on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Corporation. Financial contributions are frequently evidenced by pledges received from responding listeners. Contributions, including unconditional promises to give and membership receipts, are recognized as revenue in the period received or given. Collected contributions and pledges are components of net assets without donor restrictions inasmuch as their usage is not limited to specific activities of the Corporation. This usage is consistent with appeals for contributions and pledges. Contributions receivable are a component of net assets with donor restrictions as they are subject to implied time restrictions.

(1) **Summary of Significant Accounting Policies:** (Continued)

Conditional promises to give are considered conditional if the terms of the agreement include both a right of return of assets received/promised and a barrier to entitlement. Conditional agreements are not recognized as pledges receivable until the conditions and barriers on which they depend are met.

(p) **Functional expenses**—The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time or effort.

(q) **Advertising costs—**Advertising costs are expensed in the period in which they are incurred. Advertising expense for the years ended June 30, 2023 and 2022 was $26,590 and $57,213, respectively.

(r) **Income taxes**—The Corporation is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Corporation files income tax returns in the U.S. Federal and state jurisdictions. The Corporation's tax returns for the past three years are subject to examination by tax authorities, and may change upon examination. The Corporation has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Corporation.

(s) **Corporation for Public Broadcasting Community Service Grants**—The Corporation for Public Broadcasting ("CPB") is a private, nonprofit grant making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants ("CSG") to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years. Certain General Provisions must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These General Provisions mainly pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

The CSGs are reported on the accompanying financial statements as increases in net assets without donor restrictions, provided they are spent in the same fiscal year they are received.

(t) **Subsequent events—**The Corporation has evaluated subsequent events through December 7, 2023, the date on which the financial statements were available to be issued. No subsequent events have been identified or disclosed.

(2) Liquidity and Availability:

The Corporation manages liquidity and availability by monitoring all cash accounts. The process is completed on an as needed basis depending on the cash requirements of the business as its general expenditures, liabilities, and other obligations come due. Financial assets available for general expenditure, that is, without donor restrictions, or internal board designations limiting their use, within one year of the balance sheet date, comprise the following:

	2023	2022
Financial assets available within one year, at year end:		
Cash and cash equivalents	$ 2,312,088	$ 2,551,255
Accounts and pledges receivable	584,152	736,276
Less those unavailable for general expenditures within one year, due to:		
With donor restrictions	453,030	948,336
Financial assets available to meet cash needs for general expenditures within one year	$ 2,443,210	$ 2,339,195

The Corporation has investments of $2,158,757 and $1,883,951 at June 30, 2023 and 2022, respectively. The Corporation structures its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations come due. Although the Corporation does not intend to liquidate assets other than for amounts needed for general expenditures budgeted during the year, these amounts could be made available if necessary. See Note 5 for additional information regarding investments.

(3) Significant Concentrations:

Information related to significant concentrations of revenues and credit risk for financial instruments owned by the Corporation, except as otherwise disclosed, is as follows:

(a) **Cash and cash equivalents**—The Corporation maintains its cash accounts at financial institutions which at times may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. As of June 30, 2023, and 2022 the uninsured cash balance totaled $1,600,070 and $1,679,283, respectively.

(b) **Revenues**—The CPB provided approximately 16% and 18% of revenue during each of the fiscal years ended June 30, 2023 and 2022, respectively.

(4) Receivables:

At June 30, 2023, 2022, and 2021, accounts receivable consists of the following:

	2023	2022	2021
Sponsorships	$ 334,152	$ 296,734	$ 216,771
Grants receivable	250,000	439,542	450,779
Total receivables	$ 584,152	$ 736,276	$ 667,550

(5) Investments and Fair Value Measurements:

The Corporation invests in various securities primarily based on its investment policy and liquidity needs.

Net investment return on the statements of activities is comprised of the following for the years ended June 30:

	2023	2022
Interest and dividends	$ 76,433	$ 88,022
Realized gain	7,690	117,510
Unrealized gain (loss)	93,140	(416,734)
Investment expense	(12,473)	(13,620)
Investment return, net	$ 164,790	$ (224,822)

The following is a summary of investment funds at June 30, 2023 and 2022:

Year	Cost	Fair Value
2023	$ 2,083,184	$ 2,158,757
2022	$ 1,886,749	$ 1,883,951

The fair value measurement accounting literature provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GAAP are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Corporation has the ability to access.

Level 2 – Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation of other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

(5) **Investments and Fair Value Measurements:** (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes to the methodology used at June 30, 2023 and 2022.

Exchange Traded Funds – Valued at quoted market prices in active markets (Level 1 inputs).

Money Market Funds – Valued at quoted market prices in active markets (Level 1 inputs).

Beneficial interest in AKPM Designated Endowment Fund – Ownership interest of the fund held by Alaska Community Foundation ("ACF") is determined based on a market valuation each quarter in accordance with ACF's operating procedures.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Corporation believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table summarizes the investments of the Corporation.

	Fair Value Measurements as of June 30, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Exchange traded funds	$ 2,084,964	$ -	$ -	$ 2,084,964
Money market funds	73,793	-	-	73,793
Beneficial interest in AKPM Designated Endowment Fund	-	-	266,058	266,058
	$ 2,158,757	$ -	$ 266,058	$ 2,424,815

	Fair Value Measurements as of June 30, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Exchange traded funds	$ 1,883,951	$ -	$ -	$ 1,883,951
Beneficial interest in AKPM Designated Endowment Fund	-	-	228,996	228,996
	$ 1,883,951	$ -	$ 228,996	$ 2,112,947

The investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

(6) **Beneficial Interest in AKPM Designated Endowment Fund:**

The Corporation established a board designated endowment fund with the Alaska Community Foundation (the "Foundation") known as the AKPM Designated Endowment Fund (the "Fund"). The assets of the Fund are held and owned by the Foundation in its corporate capacity and are not deemed to be held by the Foundation as trustee of a separate trust for the Fund.

The assets of the Fund may be co-mingled with other Foundation property for investment purposes. The Foundation shall distribute not less than annually an appropriate percentage of the fair market value of the unrestricted portion of the Fund to the Corporation to be used as the Corporation's Board of Directors deem necessary.

Upon written request, the Corporation's Board of Directors can indicate that it deems it in the best interest of the Corporation to distribute the Fund in total to the Corporation. Such a request will be subject to any restrictions placed on the gifted assets in the Fund as described in the advice of instruction documents from the contributors.

Investments are stated at fair value and realized and unrealized gains and losses are recorded in the statements of activities. The balance of the Fund was $266,058 and $228,996 at June 30, 2023 and 2022, respectively.

(7) **Investment in Transmission Facilities:**

Investment in Transmission Tower

The Corporation is a partner and has an ownership interest (34%) in Goose Bay Joint Venture. Goose Bay Joint Venture was formed for operating and maintaining a transmission tower. Goose Bay Joint Venture had a net loss of $207,087 and $28,292 for the years ended June 30, 2023 and 2022, respectively. The Corporation's allocable share of net loss for the years ended June 30, 2023 and 2022 was $70,409 and $9,619, respectively.

Investment in Anchorage Broadcast Television Consortium, Inc. (ABTC)

The Corporation purchased 5,000 shares of stock in a corporation formed for the purpose of purchasing, maintaining, and operating antennas and related equipment in order to transmit and provide television broadcast services to the Kenai and Soldotna communities. The investment recorded at cost was $10,294 at June 30, 2023 and 2022, respectively. The Corporation paid user fees of $24,184 to ABTC during the years ended June 30, 2023 and 2022.

(7) **Investment in Transmission Facilities:** (Continued)

The following details the investment activity:

	Goose Bay Joint Venture	ABTC	Total
Year Ended June 30, 2023			
Carrying value of investment, July 1, 2022	$ 358,578	$ 10,294	$ 368,872
Investment in transmission facilities	22,007	-	22,007
Loss on investment in transmission facilities	(70,409)	-	(70,409)
Total investment in Transmission Facilities	$ 310,176	$ 10,294	$ 320,470

	Goose Bay Joint Venture	ABTC	Total
Year Ended June 30, 2022			
Carrying value of investment, July 1, 2021	$ 336,622	$ 10,294	$ 346,916
Investment in transmission facilities	31,575	-	31,575
Loss on investment in transmission facilities	(9,619)	-	(9,619)
Total investment in Transmission Facilities	$ 358,578	$ 10,294	$ 368,872

(8) **Property and Equipment:**

At June 30, 2023 and 2022, property and equipment consist of the following:

	2023	2022
Buildings and improvements	$ 5,549,556	$ 5,549,556
Equipment	6,713,197	6,308,952
Furniture and fixtures	138,518	138,518
Land	15,716	15,716
	12,416,987	12,012,742
Less: Accumulated depreciation	(10,846,339)	(10,479,269)
Construction in process	321,771	378,069
Property and equipment, net	$ 1,892,419	$ 1,911,542

For the years ended June 30, 2023 and 2022, depreciation expense was $367,070 and $328,019, respectively.

(9) **Contributed Nonfinancial Assets:**

In-kind contributions included in the statement of activities for the years ended June 30, 2023 and 2022, are comprised of professional services and are valued using current rates of the professional firms. In-kind contributions are not restricted. The Corporation does not sell in-kind contributions and uses the contributed in-kind items in management and general activities.

(10) **Accrued Payroll and Related Taxes:**

At June 30, 2023 and 2022, accrued payroll and related taxes consist of the following:

	2023	2022
Accrued payroll and related taxes	$ 78,549	$ 56,107
Accrued vacation	149,762	138,086
Accrued payroll and related taxes	$ 228,311	$ 194,193

(11) **Deferred Revenue:**

At June 30, 2023 and 2022, deferred revenue consists of the following:

	2023	2022
Sponsorships	$ 127,681	$ 133,847
Grants	56,337	38,080
Other	37,781	20,793
Deferred revenue	$ 221,799	$ 192,720

(12) **Line of Credit:**

As of June 30, 2022, the Corporation had an available line of credit with a financial institution in the amount of $370,000. The line of credit matured on November 5, 2022 and was not renewed. Stated interest on the line of credit was the greater of a floating rate, equal to the prime rate (4.38% at June 30, 2022), plus 1%, or the floor rate of 5%. As of June 30, 2022, there was no outstanding balance on this line of credit.

(13) **Leases:**

For the year ended June 30, 2022, prior to the implementation of ASU 2016-02: *Leases (Topic 842)*, the Station leased the site of its headquarters building under an operating lease. Lease payments are based upon the fair market value of the land. Currently, this land has a minimum annual rent payment of $43,124 and expires in the year 2058. The Station also leased the tower site at Goose Bay from the University of Alaska under an operating lease that requires annual payments of $32,500, with a $2,500 escalator in annual rent occurring every 5 years. The lease terminates on December 31, 2037. Rental expense under all operating leases was $75,625 for the year ended June 30, 2022.

For the year ended June 30, 2023 the Station had an operating lease for the headquarters building and an operating lease for the tower site at Goose Bay, which have remaining lease terms expiring in years 2037 and 2058.

(13) **Leases:** (Continued)

The components of lease expense for the year ended June 30, 2023 were as follows:

Operating lease cost	$ 79,395
Short-term lease cost	15,790
	$ 95,185

The operating leases have a weighted average remaining lease term was 28.4 years and the weighted average discount rate was 3.11% for the year ended June 30, 2023.

Future minimum lease payments under non-cancellable leases as of June 30, 2023 were as follows:

Year Ending June 30,	Operating
2024	$ 75,624
2025	78,124
2026	78,124
2027	78,124
2028	78,124
Thereafter	1,614,658
Total future minimum lease payments	2,002,778
Less: Imputed interest	671,911
Total lease liabilities	$ 1,330,867

The Corporation had sublease revenue of $32,500 during the years ended June 30, 2023 and 2022.

(14) **Community Service Grants:**

The Corporation receives a CSG from the CPB annually. The CSGs received and expended during the most recent fiscal years were as follows:

Years of Grant	Grants Received	Expended			Uncommitted Balance at June 30, 2023
		2020-21	2021-22	2022-23	
2022-23	$ 1,134,861	$ -	$ -	$ 1,134,861	$ -
2021-22	1,079,973	-	1,079,973	-	-
2020-21	1,022,870	906,155	116,715	-	-

(15) **Employee Benefit Plan:**

The Corporation participates in a defined contribution plan. At the discretion of the Board of Directors, the Corporation may make contributions to the plan. Contributions are based on a percentage of the employee's annual salary. Contributions for the years ended June 30, 2023 and 2022 were $52,855 and $47,249, respectively.

(16) Risks and Uncertainties:

The Corporation is exposed to various risks of loss arising from litigation and claims in the normal course of business. The Corporation maintains insurance coverage to provide for risks of loss.

In the event that Goose Bay Joint Venture partnership were to cease operations, the Corporation could be liable for certain liabilities and expenses belonging to the partnership at that time.

(17) Services and Programming Agreement:

Effective July 1, 2012, the Corporation signed an agreement with Capital Community Broadcasting, Inc. ("KTOO") and Bethel Broadcasting, Inc. ("KYUK"), collectively "the Parties", to work together for the purpose of unifying public television in Alaska. The Corporation provides certain master control, operational, fundraising and back-office services to the Parties. The costs of these services are shared by all the Parties based on an annual budget and are included in program and support services in the statements of activities.

(18) Nonfederal Financial Support:

The CPB allocates a portion of its funds annually to public broadcasting entities, primarily based on nonfederal financial support ("NFFS"). NFFS is defined as the total value of cash and the fair market value of property and services received as either a contribution or a payment and meeting all of the respective criteria for each.

A "contribution" is cash, property or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be an entity except the federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcast station or for the production, acquisition, distribution or dissemination of educational television or radio program and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcasting station.

A "payment" is cash, property or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source must be a state or local government or agency thereof, or an educational institution; (2) the form of the payment must be an appropriation or contract payment in exchange for specific materials or services related to public broadcasting; (3) the purpose must be for services or materials with respect to the provision of educational or instructional television or radio programs; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcasting station.

Reported NFFS for the Corporation was $5,359,381 and $5,545,544 for the years ended June 30, 2023 and 2022, respectively.

SUPPLEMENTARY INFORMATION

ALASKA PUBLIC MEDIA, INC.
SCHEDULE OF ACTIVITIES BY DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2023

	Radio	Television	Total
Public support and revenues			
Operations:			
Sustaining memberships	$ 1,731,583	$ 1,797,485	$ 3,529,068
Program sponsorships	881,145	187,484	1,068,629
CPB grants	303,197	987,486	1,290,683
Other grants	727,935	162,254	890,189
In-kind contributions	9,800	9,800	19,600
Alaska Public Radio Network station dues	100,500	-	100,500
Investment return, net	82,395	82,395	164,790
Lease income	-	32,500	32,500
Broadband channel and tower revenue	-	34,436	34,436
Other income	460,757	297,376	758,133
Total public support and revenues	4,297,312	3,591,216	7,888,528
Expenses			
Salaries, wages, and employee benefits	2,475,460	1,710,369	4,185,829
Program acquisition	325,039	558,883	883,922
Purchased services	467,129	263,704	730,833
Utilities	226,305	175,549	401,854
Maintenance	142,345	209,443	351,788
Travel and training	80,565	58,964	139,529
Promotion and advertising	52,368	59,586	111,954
Dues and subscriptions	84,110	65,343	149,453
Operating lease	30,183	49,212	79,395
Short-term lease	-	15,790	15,790
Public and employee relations	31,352	38,438	69,790
Equipment and furniture	117,090	103,414	220,504
Printing	70,254	68,236	138,490
Supplies and minor equipment	36,699	14,874	51,573
Shipping and postage	5,953	6,697	12,650
Taxes, insurance and other	93,892	74,728	168,620
Total expenses before depreciation	4,238,744	3,473,230	7,711,974
Changes in net assets before depreciation and loss on investment in transmission facilities	58,568	117,986	176,554
Other changes in net assets			
Depreciation expense	244,713	122,357	367,070
Loss on investment in transmission facilities	-	70,409	70,409
Change in net assets	$ (186,145)	$ (74,780)	$ (260,925)

The accompanying notes to financial statements
are an integral part of this statement.