

Alaska Public Media, Inc.

Financial Statements
and Supplementary Information

Years Ended June 30, 2024 and 2023



WIPFLI

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Alaska Public Media, Inc. (the "Station"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2024, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Alaska Public Media, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit 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 Alaska Public Media, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Alaska Public Media, Inc. as of and for the year ended June 30, 2023 were audited by other auditors whose report dated December 7, 2023, expressed an unmodified opinion on those financial statements.

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 Alaska Public Media, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Alaska Public Media, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Alaska Public Media, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Revenue and Expenses by License Type, 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.

Wipfli LLP

Wipfli LLP

South Portland, Maine
January 16, 2025

Alaska Public Media, Inc.

Statements of Financial Position

<i>June 30,</i>	2024	2023
Assets		
Cash and cash equivalents	\$ 1,598,828	\$ 1,859,058
Restricted cash and cash equivalents	104,503	453,030
Accounts receivable	342,729	334,152
Grants and contributions receivable	54,988	250,000
Prepaid expenses and other	313,529	280,668
Total current assets	2,414,577	3,176,908
Investments	2,380,618	2,158,757
Beneficial interest in AKPM Designated Endowment Fund	330,389	266,058
Investment in transmission facilities	374,433	320,470
Property and equipment, net	1,573,972	1,892,419
Right-of-use asset - operating leases	1,304,623	1,343,347
Total assets	\$ 8,378,612	\$ 9,157,959
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 276,559	\$ 277,420
Accrued expenses	247,145	228,311
Current portion of operating lease liability	38,598	34,954
Deferred revenue	224,369	221,799
Total current liabilities	786,671	762,484
Operating lease - long-term portion	1,257,315	1,295,913
Total liabilities	2,043,986	2,058,397
Net assets		
Net assets without donor restrictions		
Designated for investment in property and equipment	1,573,972	1,892,419
Designated for AKPM Designated Endowment Fund	330,389	266,058
Undesignated	4,325,762	4,488,055
Total net assets without donor restrictions	6,230,123	6,646,532
With donor restrictions	104,503	453,030
Total net assets	6,334,626	7,099,562
Total liabilities and net assets	\$ 8,378,612	\$ 9,157,959

See accompanying notes to financial statements.

Alaska Public Media, Inc.

Statement of Activities

<i>Year Ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Sustaining memberships	\$ 3,719,665	\$ -	\$ 3,719,665
Underwriting	1,015,759	-	1,015,759
CPB grants	1,415,666	-	1,415,666
Other grants	333,824	-	333,824
Vehicle donations	100,613	-	100,613
ARCS	146,347	-	146,347
Alaska Public Radio Network station dues	125,250	-	125,250
Shared services revenue	34,517	-	34,517
Rental income	64,836	-	64,836
Investment income	266,935	-	266,935
Gain on investment in transmission facilities	2,135	-	2,135
Other revenue	256,931	-	256,931
Net assets released	348,527	(348,527)	-
Total revenue	7,831,005	(348,527)	7,482,478
Expenses			
Program services:			
Programming and production	3,742,980	-	3,742,980
Broadcasting and engineering	1,729,164	-	1,729,164
Total program services	5,472,144	-	5,472,144
Development and underwriting	1,596,201	-	1,596,201
Management and general	1,179,069	-	1,179,069
Total expenses	8,247,414	-	8,247,414
Change in net assets	(416,409)	(348,527)	(764,936)
Net assets, beginning of year	6,646,532	453,030	7,099,562
Net assets, end of year	\$ 6,230,123	\$ 104,503	\$ 6,334,626

See accompanying notes to financial statements.

Alaska Public Media, Inc.

Statement of Activities

<i>Year Ended June 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Sustaining memberships	\$ 3,529,068	\$ -	\$ 3,529,068
Underwriting	1,068,629	-	1,068,629
CPB grants	1,290,683	-	1,290,683
Other grants	440,327	449,862	890,189
In-kind and trade contributions	19,600	-	19,600
Vehicle donations	63,594	-	63,594
ARCS	493,713	-	493,713
Alaska Public Radio Network station dues	100,500	-	100,500
Shared services revenue	91,388	-	91,388
Rental income	66,936	-	66,936
Investment income	164,790	-	164,790
Loss on investment in transmission facilities	(70,409)	-	(70,409)
Other revenue	109,438	-	109,438
Net assets released	945,168	(945,168)	-
Total revenue	8,313,425	(495,306)	7,818,119
Expenses			
Program services:			
Programming and production	3,641,398	-	3,641,398
Broadcasting and engineering	1,595,929	-	1,595,929
Total program services	5,237,327	-	5,237,327
Development and underwriting	1,603,980	-	1,603,980
Management and general	1,237,737	-	1,237,737
Total expenses	8,079,044	-	8,079,044
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

See accompanying notes to financial statements.

Alaska Public Media, Inc.

Statement of Functional Expenses

<i>Year Ended June 30, 2024</i>	Programming and Production	Broadcasting and Engineering	Development and Underwriting	Management and General	Total
Salaries and employee benefits	\$ 2,299,989	\$ 538,682	\$ 1,104,984	\$ 570,440	\$ 4,514,095
Program acquisition	938,593	-	-	-	938,593
Contract services	256,898	95,375	52,674	247,228	652,175
Maintenance	3,451	406,414	6,114	17,570	433,549
Utilities	35,266	263,347	911	90,717	390,241
Depreciation	-	367,194	-	-	367,194
Taxes, insurance and other	2,290	-	98,908	85,970	187,168
Printing	2,448	-	169,028	63	171,539
Travel and training	96,198	26,478	9,466	26,270	158,412
Dues and subscriptions	46,399	7,168	69,331	18,620	141,518
Promotion and advertising	8,608	-	56,729	15,570	80,907
Operating lease	-	-	-	63,145	63,145
Public and employee relations	30,169	43	19,954	15,492	65,658
Equipment and furniture	10,778	18,011	-	9,687	38,476
Supplies and minor equipment	8,414	2,716	1,615	15,589	28,334
Shipping and postage	764	3,736	6,321	2,244	13,065
Short-term lease	2,715	-	166	464	3,345
Total	\$ 3,742,980	\$ 1,729,164	\$ 1,596,201	\$ 1,179,069	\$ 8,247,414

See accompanying notes to financial statements.

Alaska Public Media, Inc.

Statement of Functional Expenses

<i>Year Ended June 30, 2023</i>	Programming and Production	Broadcasting and Engineering	Development and Underwriting	Management and General	Total
Salaries and employee benefits	\$ 2,040,111	\$ 596,476	\$ 1,054,261	\$ 494,981	\$ 4,185,829
Program acquisition	883,922	-	-	-	883,922
Contract services	285,166	96,922	50,605	298,140	730,833
Maintenance	3,064	318,737	9,799	20,188	351,788
Utilities	49,180	261,332	350	90,992	401,854
Depreciation	178,569	45,696	94,187	48,618	367,070
Taxes, insurance and other	2,929	-	84,916	80,775	168,620
Printing	1,577	-	135,646	1,267	138,490
Travel and training	65,102	27,056	14,718	32,653	139,529
Dues and subscriptions	49,811	35,091	47,679	16,872	149,453
Promotion and advertising	4,183	122	83,051	24,598	111,954
Operating lease	-	-	-	79,395	79,395
Public and employee relations	26,666	874	19,981	22,269	69,790
Equipment and furniture	22,466	190,286	-	7,752	220,504
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
Short-term lease	550	15,240	-	-	15,790
Total	\$ 3,641,398	\$ 1,595,929	\$ 1,603,980	\$ 1,237,737	\$ 8,079,044

See accompanying notes to financial statements.

Alaska Public Media, Inc.

Statements of Cash Flows

Years Ended June 30,	2024	2023
Change in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ (764,936)	\$ (260,925)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	367,194	367,070
Amortization of right-of-use asset	38,724	20,653
Gain on investments and beneficial interest	(183,528)	(100,830)
(Gain) loss on investment in transmission lines	(2,135)	70,409
Changes in operating assets and liabilities:		
Accounts receivable	(8,577)	42,582
Grants receivable	195,012	109,542
Prepaid expenses and other	(32,861)	(41,775)
Accounts payable	(861)	44,258
Accrued expenses	18,834	34,118
Deferred revenues	2,570	29,079
Operating lease liability	(34,954)	(33,133)
Net cash flows from operating activities	(405,518)	281,048
Cash flows from investing activities:		
Proceeds from the sale of investments	374,056	367,894
Purchase of investments	(476,720)	(578,932)
Investment in transmission lines	(51,828)	(22,007)
Purchase of property and equipment	(48,747)	(287,170)
Net cash flows from investing activities	(203,239)	(520,215)
Net changes in cash and cash equivalents	(608,757)	(239,167)
Cash and cash equivalents, beginning of year	2,312,088	2,551,255
Cash and cash equivalents, end of year	\$ 1,703,331	\$ 2,312,088
Cash and cash equivalents consist of the follows:		
Cash and cash equivalents	\$ 1,598,828	\$ 1,859,058
Restricted cash and cash equivalents	104,503	453,030
Total	\$ 1,703,331	\$ 2,312,088
Supplemental noncash investing activities:		
Right-of-use assets obtained in exchange for operating lease obligation	\$ -	\$ 1,364,000
Purchase of property and equipment included in accounts payable	\$ -	\$ 60,777

See accompanying notes to financial statements.

Alaska Public Media, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Activities

Alaska Public Media, Inc. (the Station), is a not-for-profit corporation organized to provide educational television and radio broadcasting in the State of Alaska. The Station is licensed to operate television station KAKM, channel 7, and radio station KSKA, FM 91.1 in Anchorage, Alaska. The Station also operates Statewide News which provides Alaska news programming to all of the public radio stations in the state.

Basis of Accounting

The financial statements of the Station are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restriction expires within the same reporting period in which the contribution is received. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

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

Cash and Cash Equivalents

The Station considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Alaska Public Media, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable consist primarily of underwriting and other various receivables. Beginning July 1, 2023, the carrying amount of accounts receivable is reduced by an allowance that reflects management's best estimate of the current expected credit losses. The estimate of the allowance for credit losses is based on an analysis of historical loss experience, current receivables aging, and management's assessment of current conditions and expected changes during a reasonable and supportable forecast period. The Station uses an aging method to estimate allowances for credit losses. Management assesses collectability by pooling receivables with similar risk characteristics and evaluates receivables individually when specific customer balances no longer share those risk characteristics. An allowance for credit losses was not considered necessary at June 30, 2024 and 2023.

Grants and Contributions Receivable

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in net assets with donor restrictions. Unrestricted promises to give to be collected in future periods are also recorded as an increase to net assets with donor restrictions and reclassified to net assets without restrictions when received, unless the donor's intention is to support current-period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge.

Management individually reviews all past due promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts.

AKPM Designated Endowment Fund

The Station placed funds with Alaska Community Foundation (the "Community Foundation") for the benefit of the Station. The Station granted variance power to the Community Foundation, which allows the Community Foundation to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the Community Foundation's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the Community Foundation for the Station's benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

Alaska Public Media, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Investments

The Station carries investments in marketable securities with readily determined fair values and all investments in debt securities at their fair values in the statement of financial position. Quoted market prices in active markets are used as the basis of measurement. Investment income, including unrealized gains and losses are included in the change in net assets in the statements of activities.

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Donated assets are recorded at fair value at the date of donation, or, if sold immediately after receipt, at the amount of sales proceeds received (which are considered a fair measure of the value at the date of donation). Those investments for which fair value is not readily determinable are carried at cost or, if donated, at fair value at the date of donation, or if no value can be estimated, at a nominal value.

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

Investments in transmission facilities are calculated using the cost or equity method. The Station evaluates the method used for each investment.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Property and Equipment

Purchased property and equipment in excess of \$5,000 are recorded at cost and donated equipment is recorded at fair value at the date of donation. Maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed. Depreciation is provided on a straight-line basis over the estimated lives of the respective assets ranging from three to forty years.

Alaska Public Media, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets

The Station reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Station has not recognized any impairment of long lived assets during 2024 and 2023.

Revenue and Revenue Recognition

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 over time. Amounts received in advance are included in deferred revenue.

Grant Revenue

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

- **Grant Awards That Are Contributions** - Grants awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.
- **Grant Awards That Are Exchange Transactions** - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Alaska Public Media, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Contribution Revenue (Continued)

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Underwriting revenues are contributions to the Station to support its programming or activities in the form of underwriting credit. Nothing of commensurate value is exchanged for underwriting credit, and the Station 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.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Station. Contributed advertising and promotion are recorded at the fair value of the contribution portion of the total value received.

Contributed materials, supplies, facilities, and property are recorded at their estimated fair value at the date of donation. The Station 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.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis in the statements of activities. The statements of functional expenses present the natural classification details of expenses by function. Expenses which directly benefit the program, and management and general are charged to the respective functional area on the basis of actual cost. Accordingly, certain other personnel, office, and building costs have been allocated across functional groups based on salaries and benefits per functional classification.

Alaska Public Media, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Advertising Costs

The Station expenses advertising costs as incurred. Advertising expense totaled \$80,907 and \$111,954 for the years ended 2024 and 2023, respectively.

Income Tax Status

The Station is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law, though it is subject to tax on income unrelated to its exempt purpose. Accordingly, no provision or liability for income taxes has been included in the financial statements. Management does not believe there are any uncertain tax positions as of June 30, 2024 and 2023.

Right-of-Use Assets and Leases Obligations

The Station is a lessee in two noncancelable operating leases for land, for the office building site and a transmission tower site. If the contracts provide the Station the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The Station has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for finance leases is amortized on a straight-line basis over the lease term.

For all underlying classes of assets, the Station has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Station is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Station recognizes short-term lease cost on a straight-line basis over the lease term.

For all underlying classes of assets, the Station separates lease and non-lease components to determine the lease payment.

Alaska Public Media, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Reclassification

Certain amounts as previously reported in the 2023 financial statements have been reclassified to conform to the 2024 presentation. Such reclassifications have no effect on reported amounts of net assets or change in net assets.

Subsequent Events

The Station has evaluated events and transactions for potential recognition or disclosure in the financial statements through January 16, 2025, which is the date the financial statements were available to be issued.

Note 2: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

<i>As of June 30,</i>	2024	2023
Cash and cash equivalents	\$ 1,703,331	\$ 2,312,088
Accounts receivable	342,729	334,152
Grants and contributions receivable	54,988	250,000
Total financial assets	2,101,048	2,896,240
Less: amounts not available to be used within one year		
Net assets with donor restrictions	(104,503)	(453,030)
Financial assets available to meet general expenditures over the next twelve months	\$ 1,996,545	\$ 2,443,210

The Station manages its liquidity and reserves following three principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The Station has investments of \$2,380,618 and \$2,158,757 as of June 30, 2024 and 2023, respectively. The Station structures its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations come due. Although the Station does not intend to liquidate assets for other than for amounts needed for general expenditures budgeted during the year, these amounts could be made available if necessary.

Alaska Public Media, Inc.

Notes to Financial Statements

Note 3: Concentration of Credit Risk

The Station maintains cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At certain times during the year, cash balances may be in excess of FDIC coverage. As of June 30, 2024, the Station has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Note 4: Accounts Receivable and Contract Balances

Opening and closing balances for contract liabilities, and accounts receivable arising from contracts with customers include:

<i>As of June 30:</i>	2024	2023	2022
Accounts receivable	\$ 342,729	\$ 334,152	\$ 376,734
Contract liabilities - deferred revenue	\$ 224,369	\$ 221,799	\$ 192,720

Contract assets arise when the Station transfers goods or services to a customer in advance of receiving consideration and the right to consideration is conditioned on something other than the passage of time. Contract assets are transferred to receivables when the right to receive consideration becomes unconditional and the Station is able to invoice the customer. Contract liabilities represent the Station's obligation to transfer goods or services to a customer when consideration has already been received from the customer. When transfer of control of the related good or service occurs, contract liabilities are reclassified, and revenue is recognize

Note 5: Beneficial Interest in AKPM Designated Endowment Fund

The Station has a beneficial interest in a fund held by Alaska Community Foundation for the purpose of helping to further and carry out the charitable and educational purposes of the Station and its programs. As of June 30, 2024 and 2023, the fair value of the fund was \$330,389 and \$266,058, respectively.

Contractually, Alaska Community Foundation retains legal ownership of principal amounts contributed. However, because the Station names itself as the beneficiary of such contributions, even though the variance power is explicitly stated in the gift instrument to Alaska Community Foundation, the fair value of the fund is reported in the statement of financial position as beneficial interest in assets held by others.

Alaska Public Media, Inc.

Notes to Financial Statements

Note 6: Property and Equipment

Property and equipment consist of the following:

<i>As of June 30,</i>	2024	2023
Building and improvements	\$ 5,549,556	\$ 5,549,556
Equipment	6,992,425	7,034,968
Furniture and fixtures	138,517	138,517
Land	15,716	15,716
Construction in progress	91,290	-
	12,787,504	12,738,757
Accumulated depreciation	(11,213,532)	(10,846,338)
Total	\$ 1,573,972	\$ 1,892,419

Note 7: Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value.

- Money market funds, exchange traded funds (ETF's) are valued using quotes from pricing vendors based on recent trading activity and other observable market data.
- Ownership interest of beneficial interest held by Alaska Community Foundation is determined based on a market valuation each quarter in accordance with Alaska Community Foundation's operating procedures.

The following tables present the balances of assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy at June 30:

<i>As of June 30, 2024</i>	Level 1	Level 2	Level 3	Total
Money market funds	\$ 79,327	\$ -	\$ -	\$ 79,327
Exchange traded funds	2,301,291	-	-	2,301,291
Beneficial interest in AKPM Designated Endowment Fund	-	-	330,389	330,389
Total	\$ 2,380,618	\$ -	\$ 330,389	\$ 2,711,007

Alaska Public Media, Inc.

Notes to Financial Statements

Note 7: Fair Value Measurements (Continued)

<i>As of June 30, 2023</i>	Level 1	Level 2	Level 3	Total
Money market funds	\$ 73,793	\$ -	\$ -	\$ 73,793
Exchange traded funds	2,084,964	-	-	2,084,964
Beneficial interest in AKPM Designated Endowment Fund	-	-	266,058	266,058
Total	\$ 2,158,757	\$ -	\$ 266,058	\$ 2,424,815

There were no assets or liabilities measured at fair value on a nonrecurring basis as of June 30, 2024 and 2023.

Note 8: Investment in Transmission Facilities

The Station 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 net income (loss) of \$6,278 and \$(207,087) for the years ended June 30, 2024 and 2023, respectively. The Station's allocable share of the net income (loss) for the years ended June 30, 2024 and 2023 was \$2,135 and \$(70,409), respectively.

The Station's 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 service to the Kenai and Soldotna communities. The investment recorded at cost was \$10,294 at June 30, 2024 and 2023. The Station paid user fees of \$24,184 to ABTC during the years ended June 30, 2024 and 2023.

Note 9: Leases

The Station's leases for the building site and transmission tower site expire in the years 2058 and 2037, respectively. The leases entered into includes one or more options to renew. The renewal terms can extend the lease term up to 40 additional years. The exercise of lease renewal options is at the Station's sole discretion. The annual lease payments for the building site and transmission tower site are approximately \$43,120 and \$32,500, respectively.

The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Station's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payment and variable payments. Variable lease payments are not included in lease payments used to determine the lease liability and are recognized as variable costs when incurred.

Alaska Public Media, Inc.

Notes to Financial Statements

Note 9: Leases (Continued)

Components of lease expense were as follows for the years ended June 30:

	2024	2023
Operating lease costs	\$ 63,145	\$ 79,395
Short term lease cost	3,345	15,790
Total	\$ 66,490	\$ 95,185

The weighted average remaining lease term of the operating leases is 26 years and 28 years as of June 30, 2024 and 2023, respectively. The weighted average discount rate of the operating leases is 3.11% as of June 30, 2024 and 2023.

Future minimum lease payments are as follows as of June 30, 2024:

<i>Years Ending</i>	Amount
2025	\$ 78,128
2026	78,128
2027	78,128
2028	78,128
2029	78,128
Thereafter	1,536,530
Total future minimum lease payments	1,927,170
Less imputed interest	(631,257)
Total	\$ 1,295,913

Note 10: Tower Leases

The Station subleases broadcasting tower space to a third party under a lease agreement. The terms of the agreement extend through December 2027 and provide the lessee the right to broadcast non-commercial radio programming. The lessee has the option to renew the lease agreement for three successive five-year periods. Revenue from this lease was approximately \$33,000 for the years ended 2024 and 2023.

Future minimum lease revenues, are as follows at June 30, 2024:

<i>Years Ending June 30,</i>	Amount
2025	\$ 32,931
2026	31,833
2027	32,413
2028	33,011
Total	\$ 130,188

Alaska Public Media, Inc.

Notes to Financial Statements

Note 11: Net Assets with Donor Restriction

Net assets with donor restrictions are restricted for the following purposes or periods.

<i>As of June 30,</i>	2024	2023
Grants	\$ 104,503	\$ 453,030
Total	\$ 104,503	\$ 453,030

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

<i>Years Ended June 30,</i>	2024	2023
ARPA	\$ -	\$ 751,000
Programming and general operations	348,527	194,168
Total	\$ 348,527	\$ 945,168

Alaska Public Media, Inc.

Schedule of Revenue and Expenses by License Type

<i>Years Ended June 30,</i>	2024			2023		
	TV	FM	Total	TV	FM	Total
Revenues:						
Sustaining memberships	\$ 1,818,606	\$ 1,901,059	\$ 3,719,665	\$ 1,797,485	\$ 1,731,583	\$ 3,529,068
Underwriting	185,709	830,050	1,015,759	187,484	881,145	1,068,629
CPB grants	1,083,532	332,134	1,415,666	987,486	303,197	1,290,683
Other grants	165,946	167,878	333,824	162,254	727,935	890,189
In-kind and trade contributions	-	-	-	9,800	9,800	19,600
Vehicle donations	50,306	50,307	100,613	31,797	31,797	63,594
ARCS	146,347	-	146,347	164,571	329,142	493,713
Alaska Public Radio Network station dues	-	125,250	125,250	-	100,500	100,500
Shared services revenue	18,616	15,901	34,517	23,194	68,194	91,388
Rental income	64,836	-	64,836	66,936	-	66,936
Investment income	133,467	133,468	266,935	82,395	82,395	164,790
Other revenue	248,825	8,106	256,931	77,814	31,624	109,438
Total revenue	3,916,190	3,564,153	7,480,343	3,591,216	4,297,312	7,888,528
Expenses						
Programming and production	1,492,636	2,250,344	3,742,980	1,418,428	2,222,970	3,641,398
Broadcasting and engineering	1,208,059	521,105	1,729,164	968,922	627,007	1,595,929
Development and underwriting	783,155	813,046	1,596,201	733,659	870,321	1,603,980
Management and general	420,239	758,830	1,179,069	474,580	763,157	1,237,737
Total expenses	3,904,089	4,343,325	8,247,414	3,595,589	4,483,455	8,079,044
Net change	\$ 12,101	\$ (779,172)	\$ (767,071)	\$ (4,373)	\$ (186,143)	\$ (190,516)

See independent auditor's report.