

APACHE RADIO BROADCASTING CORPORATION
(d/b/a KNNB Radio)

Financial Statements and
Independent Auditor's Report

April 30, 2024

**Apache Radio Broadcasting Corporation
(d/b/a KNNB Radio)**

TABLE OF CONTENTS

Financial Section

Independent Auditor’s Report 1-2

Financial Statements

Statement of Financial Position..... 3

Statement of Activities 4

Statement of Cash Flows 5

Notes to Financial Statements..... 6-9

Supplemental Information

Schedule of Functional Expenses 10

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Apache Radio Broadcasting Corporation
Whiteriver, AZ

Opinions

We have audited the accompanying financial statements of Apache Radio Broadcasting Corporation (d/b/a KNNB Radio), which comprise the statements of financial position as of April 30, 2024 and 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of Apache Radio Broadcasting Corporation (d/b/a KNNB Radio) as of April 30, 2024 and 2023, 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Apache Radio Broadcasting Corporation (d/b/a KNNB Radio), 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 opinions.

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 Apache Radio Broadcasting Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Apache Radio Broadcasting 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 Apache Radio Broadcasting 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.

Donham & Associates

Donham & Associates, Certified Public Accountants, LLC
Albuquerque, NM
February 7, 2025



Apache Radio Broadcasting Corporation
(d/b/a KNNB Radio)
Statement of Financial Position
April 30, 2024

	2024	2023
<u>Assets</u>		
Current Assets		
Cash and Cash Equivalents	\$ 831,930	\$ 658,104
Total Current Assets	831,930	658,104
Property and Equipment, net	2,029	4,243
Total Assets	\$ 833,959	\$ 662,347
 <u>Net Assets</u>		
Unrestricted	833,959	662,347
Temporarily Restricted	-	-
Permanently Restricted	-	-
Total Net Assets	833,959	662,347
Total Liabilities and Net Assets	\$ 833,959	\$ 662,347

See accompanying notes to financial statements.

Apache Radio Broadcasting Corporation
(d/b/a KNNB Radio)
Statement of Activities
Year Ended April 30, 2024

	<u>2024</u>	<u>2023</u>
Revenues and Other Support		
CPB Grants	\$ 233,972	\$ 329,727
Tribal Appropriations	98,705	86,369
Contributions and Donations	<u>8,825</u>	<u>9,915</u>
Total Revenues and Other Support	<u>341,502</u>	<u>426,011</u>
Operating Expenses		
Salaries and Fringe Benefits	118,130	150,109
Professional Fees	9,500	15,959
Supplies	122	341
Utilities	18,174	15,994
Minor Office Equipment	-	7,670
Program Production & Acquisition	19,888	25,022
Dues & Subscriptions	1,862	5,706
Depreciation	<u>2,214</u>	<u>2,214</u>
Total Expenses	<u>169,890</u>	<u>223,015</u>
Increase (Decrease) in Unrestricted Net Assets	171,612	202,996
Increase (Decrease) in Temporarily Restricted Net Assets	-	-
Increase (Decrease) in Permanently Restricted Net Assets	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets	171,612	202,996
Net Assets, Beginning of Year	<u>662,347</u>	<u>459,351</u>
Net Assets, End of Year	<u>\$ 833,959</u>	<u>\$ 662,347</u>

See accompanying notes to financial statements.

Apache Radio Broadcasting Corporation
(d/b/a KNNB Radio)
Statement of Cash Flows
Year Ended April 30, 2024

	2024	2023
<u>Cash Flows from Operating Activities:</u>		
Operating Income	\$ 171,612	\$ 202,996
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used) by Operating Activities:		
Depreciation	2,214	2,214
Net Cash Provided (Used) by Operating Activities	173,826	205,210
 <u>Cash Flows from Investing Activities:</u>		
Purchases of Equipment	-	-
Net Cash Provided (Used) by Investing Activities	-	-
 Net Increase (Decrease) In Cash	173,826	2,214
 Cash, Beginning of Year	658,104	452,894
 Cash, End of Year	\$ 831,930	\$ 658,104

See accompanying notes to financial statements.

Apache Radio Broadcasting Corporation
(d/b/a KNNB Radio)
Notes to Financial Statements
April 30, 2024

Note 1 – Summary of Significant Accounting Policies

Organization

Apache Radio Broadcasting Corporation (d/b/a KNNB Radio), is an Arizona non-profit corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The Station's primary purpose is to provide public broadcasting to the people of the White Mountain Apache Tribe and surrounding communities. The Station is located in Whiteriver, Arizona and operates on FM 88.1 and 89.9. The Station is licensed by the FCC and has been broadcasting since January, 1984. The Station is governed by a Board of Directors and administered by a manager.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenues are recognized when earned rather than received, and expenses are recognized when the related liability is incurred rather than when paid.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 958-205, Not-for-Profit Entities — Presentation of Financial Statements. Under this section, the Station is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- *Unrestricted net assets* represent that portion of net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.
- *Temporarily restricted net assets* represent assets whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by actions of the Station. When the stipulated time restriction ends or action is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. The Station had no temporarily restricted net assets at April 30, 2024 or 2023.
- *Permanently restricted net assets* represent the part of net assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Station. The Station had no permanently restricted net assets at April 30, 2024 or 2023.

Contributions Received

Contributions received are recognized as revenues or gains in the period pledged or received and as assets or decreases of liabilities, depending on the form of the benefits received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets, if the restrictions expire in the reporting period in which revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently

Apache Radio Broadcasting Corporation
(d/b/a KNNB Radio)
Notes to Financial Statements
April 30, 2024

Note 1 – Summary of Significant Accounting Policies – continued

restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions of significant long-lived assets and significant gifts to acquire long-lived assets are reported as temporarily restricted assets and an implied time restriction is imposed on those assets that expire over the useful life of the asset, provided that the donated assets were received without stipulation as to how long they must be used. Other contributions of long-lived assets and gifts to acquire long-lived assets are reported as unrestricted assets in the period received.

Contributions Receivable

Unconditional promises to give (contributions receivable) are recognized as revenues or gains in the period the pledge is received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when collected or when the conditions on which they depend are substantially met.

Use of Estimates

Financial statement preparation 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 financial statement date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Station considers all highly liquid investments with an original maturity of three months or less as cash equivalents. The Station's cash is pooled with other White Mountain Apache Tribe cash balances. The Station's share of the cash pool at April 30, 2024 and 2023 is \$ and \$658,104, respectively.

Property and Equipment

Property and equipment acquisitions in excess of \$1,000 and all expenditures for renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation and amortization is computed using the straight-line method over the asset's estimated useful lives ranging from 3 to 30 years.

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. CSG's are used to augment the financial resources of public broadcasting entities which enables the entities 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

Apache Radio Broadcasting Corporation
(d/b/a KNNB Radio)
Notes to Financial Statements
April 30, 2024

Note 1 – Summary of Significant Accounting Policies – continued

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, unrestricted funds may be used at the discretion of recipients for purposes relating primarily to local production and acquisition of programming. In addition, the grants may be used to sustain activities begun with CSG's 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 pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

Subsequent Events

Subsequent events were evaluated through February 7, 2024, the date which the financial statements were available to be issued, and no subsequent events material to the financial statements were noted.

Note 2 – Grants Receivable

Grants receivable at April 30, 2024, consist of Community Service Grant amount of \$0 due from the Corporation for Public Broadcasting.

Note 3 – Property and Equipment

Property and equipment consist of the following at April, 30:

	2024	2023
Buildings and Improvements	\$135,000	\$135,000
Furniture and Equipment	217,472	217,472
Vehicles	16,000	16,000
Total Depreciable Property and Equipment	368,472	368,472
Less Accumulated Depreciation and Amortization	(366,443)	(364,229)
Total Property and Equipment	\$ 2,029	\$ 4,243

Apache Radio Broadcasting Corporation
(d/b/a KNNB Radio)
Notes to Financial Statements
April 30, 2024

Note 4 – Community Service Grant

The Station was awarded a community service grant in the amount of \$139,331 for the 2023 federal fiscal year with an expenditure period of October 1, 2022 through September 30, 2023. The restricted portion, which must be used for the acquisition, promotion and distribution of national programming, was \$37,799.

The Station was awarded a community service grant in the amount of \$190,459 for the 2024 federal fiscal year with an expenditure period of October 1, 2023 through September 30, 2024. The restricted portion, which must be used for the acquisition, promotion and distribution of national programming, was \$39,215.

Note 5 – Risk Management

The Station is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

SUPPLEMENTAL INFORMATION

Apache Radio Broadcasting Corporation
(d/b/a KNNB Radio)
Schedule of Functional Expenses
Year Ended April 30, 2024

	2024 Program Services				2024 Supporting Services	
	Programming & Production	Broadcasting & Engineering	Program Information & Promotion	Total	Management & General	Totals
Salaries and Fringe Benefits	\$ 23,626	\$ 23,626	\$ 23,626	\$ 70,878	\$ 47,252	\$ 118,130
Professional Fees	1,900	1,900	1,900	5,700	3,800	9,500
Supplies	24	24	24	73	49	122
Minor Office Equipment	-	-	-	-	-	-
Utilities	3,635	3,635	3,635	10,904	7,270	18,174
Program Prod. & Acquisition	19,888	-	-	19,888	-	19,888
Dues & Subscriptions	372	372	372	1,117	745	1,862
Depreciation	443	443	443	1,328	886	2,214
Total	\$ 49,888	\$ 30,000	\$ 30,000	\$ 109,889	\$ 60,001	\$ 169,890

	2023 Program Services				2023 Supporting Services	
	Programming & Production	Broadcasting & Engineering	Program Information & Promotion	Total	Management & General	Totals
Salaries and Fringe Benefits	\$ 30,022	\$ 30,022	\$ 30,022	\$ 90,065	\$ 60,044	\$ 150,109
Professional Fees	3,192	3,192	3,192	9,575	6,384	15,959
Supplies	68	68	68	205	136	341
Minor Office Equipment	-	-	-	-	7,670	7,670
Utilities	3,199	3,199	3,199	9,596	6,398	15,994
Program Prod. & Acquisition	25,022	-	-	25,022	-	25,022
Dues & Subscriptions	1,141	1,141	1,141	3,424	2,282	5,706
Depreciation	443	443	443	1,328	886	2,214
Total	\$ 63,087	\$ 38,065	\$ 38,065	\$ 139,216	\$ 83,799	\$ 223,015