



Consolidated Financial Statements  
June 30, 2024 and 2023

KCRW-FM Radio

Santa Monica Community College  
District

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## Independent Auditor's Report

To the Board of Trustees  
Santa Monica Community College District and  
KCRW-FM Radio  
Santa Monica, California

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the consolidated financial statements of the business-type activities of KCRW-FM Radio (the Station or KCRW), a public telecommunications operation of Santa Monica Community College District (the District) as of and for the years ended June 30, 2024 and 2023, and the related notes to the consolidated financial statements, which collectively comprise the Station's basic consolidated financial statements as listed in the table of contents.

In our opinion based on our audit and the report of the other auditors, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of KCRW-FM Radio (the Station or KCRW) as of June 30, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of KCRW Foundation, Inc. (the Foundation), an affiliate, which statements reflect total assets of \$54,409,419 and \$53,237,241 as of June 30, 2024 and June 30, 2023, respectively, and total revenues of \$29,647,683 and \$28,476,425 for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Station, 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 opinions.

### ***Emphasis of Matter***

As discussed in Note 1, the consolidated financial statements of the Station are intended to present the financial position and the changes in financial position attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of the Santa Monica Community College District as of June 30, 2024 and June 30, 2023, and the changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for twelve months beyond the consolidated 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 consolidated 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 and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 Station'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 Station’s ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 4 through 10, and other required supplementary schedules as listed on the table of contents on pages 36 through 38, be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated February 12, 2025, on our consideration of Station’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Station’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Station’s internal control over financial reporting and compliance.



Rancho Cucamonga, California  
February 12, 2025

## **NATURE OF THE ORGANIZATION**

The following discussion and analysis provides an overview of the financial position and activities of KCRW-FM Radio (the Station or KCRW) for the twelve-month period ended June 30, 2024. This discussion has been prepared by management and should be read in conjunction with the consolidated financial statements and notes thereto which follow this section.

The Station is maintained on the campus of the Santa Monica Community College District (the District) in the city of Santa Monica, California. The Station is a community service of the District and provides more than 1.6M listener hours each week with an eclectic schedule of music, news, information, and cultural programming. As a member-supported, non-commercial station, its 44,000 members/subscribers provide the Station with the largest single source of financial support. In turn, the Station and other member stations provide National Public Radio (NPR) with a third of their overall budget.

KCRW Foundation, Inc. (the Foundation) was established to promote and provide financial support to the Station. The Foundation is a separate legal entity, a 501(c)(3) nonprofit public benefit corporation, maintains a separate Board of Directors, and its activities are not governed or controlled by the Station. Support is derived from foundation grants, underwriting contributions, individual contributions, and membership donations.

Separation of activities between the Foundation and the Station is not always clearly distinguishable and has developed over the years based on the need to raise additional funds through the Foundation to support the Station's operations. Revenue is generated by both the Foundation and the Station. Generally, the Corporation for Public Broadcasting funds are recognized by the Station, whereas underwriting revenue, membership donations, income from fundraising events, and other contribution revenues are recognized by the Foundation. Expenses are shared, with the majority of payroll paid through the Foundation.

Therefore, because of the nature and significance of the Foundation's relationship with the Station, the Foundation's accounts are presented in annual combined financial statements in order to achieve meaningful financial statements that fully and fairly disclose the financial position and results of the Station's operations.

## **PROGRAM SUMMARY**

KCRW is one of the nation's leading National Public Radio affiliates, featuring an eclectic mix of music, news, information, and cultural programming.

Each week KCRW produces 100 hours of original news, music, and culture content - including award winning, impactful, public service journalism - delivered on-air, online, and in person to diverse, curious communities. KCRW also invests in original podcast, broadcast, and digital programs that explore storytelling, design, music commentary, and experimental radio programming. KCRW is celebrated for its live events and partners with local organizations to offer live music and cultural events attended by more than 200,000 people from throughout Southern California each year.

KCRW's team of producers, DJs, and journalists has received many prestigious honors, including The George Foster Peabody Award, Edward R. Murrow Award, Los Angeles Press Club Awards, and Radio & Television News Directors Association Awards. KCRW's music team is widely recognized for discovering new music around the world and has a long history of introducing emerging artists to American audiences.

#### **PROGRAM HIGHLIGHTS IN 2024**

- At a time when music curation is being driven by algorithms and artificial intelligence, KCRW's human-curated music programming is a precious source of real connection. The Station's "Live From" sessions and Guest DJ sets bring intimate performances and candid conversations by emerging and established artists to our audience. This year, 39 "Live From" sessions were hosted at the Annenberg Performance Studio at KCRW HQ and Apogee Studio, including Corinne Bailey Rae and Asha Puthli; and 35 Guest DJ sets from St. Vincent and John Stamos. These performances were hosted in Santa Monica, CA for 1,000+ guests cumulatively and were shared with our local and national audience of 3.1M+ listeners.
- Each year, KCRW produces community gatherings that invoke human connection, multicultural celebration, and civic engagement by providing barrier-free access to arts and culture. For more than a decade, KCRW's Summer Nights concert series has welcomed tens of thousands of community members for performances by emerging artists and KCRW DJs at culturally significant locations. Last season, these 15 outdoor festivals attracted visitors to distinct artistic institutions, such as MOCA Geffen & JANM, the Hammer, and Descanso Gardens. Many of these partnering organizations return to KCRW each summer eager for the chance to highlight their museums and spaces and expand their impact and visitorship.
- KCRW's new Open House series convenes people for art and music throughout the year and expands our roster of partnerships with community organizations, such as The Autry Museum of the American West. This initiative intentionally reaches into neighborhoods and draws people to explore and connect with more corners of Los Angeles.
- KCRW launched "The Anti-Dread Climate Podcast" and an accompanying newsletter with Caleigh Wells, KCRW Climate Reporter, and Candice Dickens-Russell, environmental educator and CEO of Friends of the LA River. Together, they ease listeners' climate anxieties by offering positive, refreshing, and solution-oriented actions to make the planet healthier and more sustainable now and for generations to come.
- As KCRW is located in a major hub for creative industries, a news focus this fiscal year was the SAG-AFTRA and WGA strikes in Hollywood that affected people, businesses, and programming. Going beyond the general reporting of the negotiation efforts, our team prioritized sharing the stories of people whose lives were affected significantly by the strikes.
- The Station is committed to creating a robust pipeline of talent to train and diversify the next generation of public media professionals. To this end, the Station has created a variety of programs such as the Report LA Fellowship, Engineering Apprenticeship, and Young Creators Project.

## **CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

The consolidated statement of net position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of the Station as of the end of the fiscal year and is prepared using the accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. The consolidated statement of net position is a point of time financial statement whose purpose is to present to the readers a fiscal snapshot of the Station.

From the data presented, readers of the consolidated statement of net position are able to determine the assets available to continue the operations of the Station. Readers are also able to determine how much the Station owes vendors and employees. Finally, the consolidated statement of net position provides a picture of the net position and their availability for expenditure by the Station.

The difference between total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources (net position) is one indicator of the current financial condition of the Station; the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost.

The net position is divided into three major categories. The first category, invested in capital assets, provides the equity amount in property, plant and equipment owned by the Station. The second category, expendable restricted net position, are net position available to be spent by the Station for purposes as determined by external entities and/or donors that have placed time or purpose restrictions on the use of the assets. The third category is unrestricted net position that is available to the Station for any lawful purpose of the Station.

The consolidated statement of net position for the fiscal years ended June 30, 2024, 2023, and 2022 is summarized below:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>			
Current assets	\$ 57,768,068	\$ 57,780,376	\$ 57,412,610
Noncurrent assets	<u>1,751,960</u>	<u>891,147</u>	<u>1,404,798</u>
Total assets	<u>59,520,028</u>	<u>58,671,523</u>	<u>58,817,408</u>
Deferred Outflows of Resources	<u>447,171</u>	<u>410,231</u>	<u>166,271</u>
<b>Liabilities</b>			
Current liabilities	2,571,604	2,587,747	3,128,036
Long-term liabilities	<u>2,701,018</u>	<u>1,930,185</u>	<u>1,700,974</u>
Total liabilities	<u>5,272,622</u>	<u>4,517,932</u>	<u>4,829,010</u>
Deferred Inflows of Resources	<u>44,556</u>	<u>73,734</u>	<u>389,613</u>
<b>Net Position</b>			
Invested in capital assets	344,650	424,549	576,998
Restricted	4,379,726	5,746,343	7,349,105
Unrestricted	<u>49,925,645</u>	<u>48,319,196</u>	<u>45,838,953</u>
Total net position	<u>\$ 54,650,021</u>	<u>\$ 54,490,088</u>	<u>\$ 53,765,056</u>

- Current assets are mainly cash, investments and pledges receivable. Non-current assets are mainly long-term pledges receivable and net capital assets. The increase in total assets from June 30, 2023 is primarily due to increase of right-to-use leased assets recognized in the 2023-2024 year.
- Deferred outflows of resources increased primarily due to the differences between expected and actual experience in the measurement of the total pension liability the State pension program.
- Current liabilities consist of accounts payable and accrued expenses which slightly decreased from June 30, 2023.

- Non-current liabilities consist of accrued vacation, leases, and net pension liability. The increase is primarily attributable to the current year additions of leases at the Foundation of \$752,361. An additional increase of \$119,359 is attributable to an increase of the net pension liability.
- Net pension liability increased mainly due to differences between the expected and actual experience of the actuarial assumptions during the 2022-2023 measurement period, resulting a higher net liability and increase in deferred outflows of resources for differences between expected and actual experience.

Changes in total net position as presented on the statement of net position are based on the activity presented in the consolidated statement of revenues, expenses, and changes in net position. The purpose of this statement is to present the operating and nonoperating revenues earned, whether received or not, by the Station, the operating and nonoperating expenses incurred, whether paid or not, by the Station, and any other revenues, expenses, gains and/or losses earned or incurred by the Station. Thus, this statement presents the Station's results of operations.

Generally, operating revenues are earned for providing services to the various members or customers of the Station. Operating expenses are those expenses incurred to acquire or produce the goods and services provided in return for the operating revenues and to fulfill the mission of the Station. Nonoperating revenues are those received or pledged for which goods and services are not provided.

The consolidated statement of revenues, expenses, and changes in net position for the fiscal year ended June 30, 2024, 2023, and 2022 is summarized below:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Activity			
Operating revenues			
Subscription and membership income	\$ 6,214,978	\$ 6,223,634	\$ 6,325,844
Contributions	13,642,833	13,953,526	15,583,233
Contributed goods and services	2,685,295	2,759,353	2,063,014
Contributed administrative support	2,582,869	2,457,208	2,519,989
Other grants	1,304,323	1,621,913	1,577,099
Other operating income	11,148	28,612	52,829
Total operating revenues	<u>26,441,446</u>	<u>27,044,246</u>	<u>28,122,008</u>
Total operating expenses	<u>30,859,507</u>	<u>29,417,971</u>	<u>26,704,779</u>
Operating Income (Loss)	<u>(4,418,061)</u>	<u>(2,373,725)</u>	<u>1,417,229</u>
Nonoperating Income (Loss)			
Investment income (loss), net	<u>4,577,994</u>	<u>3,098,757</u>	<u>(5,425,114)</u>
Change in Net Position	159,933	725,032	(4,007,885)
Net Position, Beginning of Year	<u>54,490,088</u>	<u>53,765,056</u>	<u>57,772,941</u>
Net Position, End of Year	<u>\$ 54,650,021</u>	<u>\$ 54,490,088</u>	<u>\$ 53,765,056</u>

- The decrease in total operating revenue is attributable to a decrease in underwriting contributions.
- Contributed administrative support is from the District (the licensee). "Institutional stations" can claim contributed administrative support from their licensees. Institutional stations are departments, divisions, or units of the licensee that are not legally discrete and are often dependent upon the licensee for support. Included in this category are stations licensed to public universities and colleges. Therefore, the Station has been deemed to be an "institutional station" and has included contributed administrative support from the licensee.
- Total operating expenses are primarily for programming, broadcasting, promotion, and fundraising and membership expenses for both the Station and the Foundation. Total operating expense increased in the current year. Fiscal year 2024 included an investment in programming and an increase in community events expense.
- Nonoperating income (expenses) consist of investment gains (losses) on the Foundation investments.

#### **CAPITAL ASSETS**

As of June 30, 2024 and 2023, the Station had \$1,468,757 and \$889,097, respectively, invested in net capital assets, primarily related to Station operations. Total capital assets consist of data processing equipment and broadcasting equipment and right-to-use assets consisted of site rentals for broadcasting antennas and IT equipment.

#### **LONG-TERM LIABILITIES**

As of June 30, 2024 and 2023, the Station had \$2,966,802 and \$2,173,824, respectively, in long-term liabilities. These long-term liabilities consisted of leases, accrued vacation and the net pension liability. See Notes 7 and 8 for more detailed information regarding these liabilities.

#### **STATEMENT OF CASH FLOWS**

The consolidated statement of cash flows provides information about cash receipts and cash payments during the fiscal year. This statement also helps users assess the Station's ability to generate positive cash flows, meet obligations as they come due and the need for external financing.

The statement of cash flows is divided into three parts. The first part reflects operating cash flows and shows the net cash flows from operating activities of the Station. The second part provides information from investing activities and the amount of investment earnings received. The third part shows cash flows from capital and related financing activities. This part deals with the cash used for the acquisition and construction of capital and related items and lease principal paydown.

The consolidated statement of cash flows for the fiscal years ended June 30, 2024, 2023, and 2022 is summarized below:

	2024	2023	2022
Cash Provided By (Used By)			
Operating activities	\$ (2,873,953)	\$ (292,564)	\$ 1,786,902
Investing activities	1,036,477	(982,168)	(996,395)
Capital and related financing activities	(383,567)	(364,052)	(739,290)
Net Change in Cash and Cash Equivalents	(2,221,043)	(1,638,784)	51,217
Cash and Cash Equivalents, Beginning of Year	11,249,131	12,887,915	12,836,698
Cash and Cash Equivalents, End of Year	\$ 9,028,088	\$ 11,249,131	\$ 12,887,915

- Cash flows used in operating activities in 2024 relates to a decrease in underwriting contributions and an increase in personnel expenses.
- Cash flows from investing activities includes investment activity on amounts held by the Foundation. Use of cash in 2023 and 2022 relates to the reinvestment of dividends and purchase of investments.
- Cash flows from capital and related financing activities consists of the purchase of capital assets and payments on the lease liabilities.

#### **ECONOMIC FACTORS THAT MAY AFFECT THE FUTURE**

The economic position of the Station is closely tied to that of the District, and, therefore, the State of California. As the Station serves its various constituents, income, and fluctuations thereto, depend on the ability of the District to support the Station while continuing to serve its current student body. Under the current economic conditions existing in the state, the exact nature of the District's financial status is difficult to forecast.

#### **CONTACTING KCRW-FM RADIO MANAGEMENT**

This financial report is designed to provide our donors, taxpayers, investors, and creditors with a general overview of the Station's finances and to show the Station's accountability for funding received. If you have any questions about this report or need any additional information, contact Tejal Ajmera, Chief Financial Officer by email at [tejal.ajmera@kcrw.org](mailto:tejal.ajmera@kcrw.org).

KCRW-FM Radio  
Santa Monica Community College District  
Consolidated Statements of Net Position  
June 30, 2024 and 2023

	2024		
	KCRW-FM	KCRW Foundation, Inc.	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 4,545,050	\$ 4,834,374	\$ 9,379,424
Investments	-	45,011,777	45,011,777
Pledge receivable, net - current portion	-	2,915,810	2,915,810
Prepaid expense and other assets	-	461,057	461,057
Pledge receivable, net - less current portion	-	283,203	283,203
Capital assets, net	565,559	903,198	1,468,757
Total assets	<u>5,110,609</u>	<u>54,409,419</u>	<u>59,520,028</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources related to pensions	<u>447,171</u>	-	<u>447,171</u>
<b>Liabilities</b>			
Accounts payable	-	2,305,820	2,305,820
<b>Long-term liabilities</b>			
Long-term liabilities other than pensions, due within one year	97,737	168,047	265,784
Long-term liabilities other than pensions, due in more than one year	626,394	752,361	1,378,755
Net pension liability	<u>1,322,263</u>	-	<u>1,322,263</u>
Total liabilities	<u>2,046,394</u>	<u>3,226,228</u>	<u>5,272,622</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources related to pensions	<u>44,556</u>	-	<u>44,556</u>
<b>Net Position</b>			
Net investment in capital assets	344,650	-	344,650
<b>Restricted for</b>			
Capital campaign	-	3,086,814	3,086,814
Programs	-	10,000	10,000
Time restricted	-	1,282,912	1,282,912
Unrestricted	<u>3,122,180</u>	<u>46,803,465</u>	<u>49,925,645</u>
Total net position	<u>\$ 3,466,830</u>	<u>\$ 51,183,191</u>	<u>\$ 54,650,021</u>

KCRW-FM Radio  
Santa Monica Community College District  
Consolidated Statements of Net Position  
June 30, 2023

	2023		
	KCRW-FM	KCRW Foundation, Inc.	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 4,545,185	\$ 6,703,946	\$ 11,249,131
Investments	-	42,812,742	42,812,742
Pledge receivable, net - current portion	-	3,224,195	3,224,195
Prepaid expense and other assets	-	494,308	494,308
Pledge receivable, net - less current portion	-	2,050	2,050
Capital assets, net	889,097	-	889,097
Total assets	<u>5,434,282</u>	<u>53,237,241</u>	<u>58,671,523</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources related to pensions	410,231	-	410,231
<b>Liabilities</b>			
Accounts payable	135	2,343,973	2,344,108
<b>Long-term liabilities</b>			
Long-term liabilities other than pensions, due within one year	243,639	-	243,639
Long-term liabilities other than pensions, due in more than one year	727,281	-	727,281
Net pension liability	1,202,904	-	1,202,904
Total liabilities	<u>2,173,959</u>	<u>2,343,973</u>	<u>4,517,932</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources related to pensions	73,734	-	73,734
<b>Net Position</b>			
Invested in capital assets	424,549	-	424,549
<b>Restricted for</b>			
Capital campaign	-	4,443,563	4,443,563
Programs	-	53,038	53,038
Time restricted	-	1,249,742	1,249,742
Unrestricted	3,172,271	45,146,925	48,319,196
Total net position	<u>\$ 3,596,820</u>	<u>\$ 50,893,268</u>	<u>\$ 54,490,088</u>

KCRW-FM Radio  
Santa Monica Community College District  
Consolidated Statements of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2024

	2024			
	KCRW-FM	KCRW Foundation, Inc.	Eliminations	Total
<b>Revenues</b>				
Operating revenues				
Subscription and membership income	\$ -	\$ 6,214,978	\$ -	\$ 6,214,978
Contributions	-	13,642,833	-	13,642,833
Contributed goods and services	-	2,685,295	-	2,685,295
Grants from Corporation for Public Broadcasting	1,274,323	-	-	1,274,323
Grants from federal sources	-	30,000	-	30,000
Contributed administrative support from Santa Monica Community College District	97,434	2,485,435	-	2,582,869
Contributed support from KCRW Foundation, Inc.	2,029,259	-	(2,029,259)	-
Other operating income	-	11,148	-	11,148
Total operating revenues	<u>3,401,016</u>	<u>25,069,689</u>	<u>(2,029,259)</u>	<u>26,441,446</u>
<b>Expenses</b>				
Operating expenses				
Programming and production	3,531,006	12,659,668	(2,029,259)	14,161,415
Broadcasting and engineering	-	3,041,958	-	3,041,958
Program information and promotion	-	5,060,024	-	5,060,024
Management and general	-	2,842,506	-	2,842,506
Fundraising and membership development	-	5,753,604	-	5,753,604
Total operating expenses	<u>3,531,006</u>	<u>29,357,760</u>	<u>(2,029,259)</u>	<u>30,859,507</u>
Operating loss	<u>(129,990)</u>	<u>(4,288,071)</u>	<u>-</u>	<u>(4,418,061)</u>
<b>Nonoperating Income</b>				
Investment income, net	-	4,577,994	-	4,577,994
Change in Net Position	(129,990)	289,923	-	159,933
Net Position - Beginning of Year	<u>3,596,820</u>	<u>50,893,268</u>	<u>-</u>	<u>54,490,088</u>
Net Position - End of Year	<u>\$ 3,466,830</u>	<u>\$ 51,183,191</u>	<u>\$ -</u>	<u>\$ 54,650,021</u>

KCRW-FM Radio  
Santa Monica Community College District  
Consolidated Statements of Revenues, Expenses, and Changes in Net Position  
Year Ended June 30, 2023

	2023			
	KCRW-FM	KCRW Foundation, Inc.	Eliminations	Total
<b>Revenues</b>				
Operating revenues				
Subscription and membership income	\$ -	\$ 6,223,634	\$ -	\$ 6,223,634
Contributions	-	13,953,526	-	13,953,526
Contributed goods and services	-	2,759,353	-	2,759,353
Grants from Corporation for Public Broadcasting	1,255,926	-	-	1,255,926
Grants from federal sources	320,987	45,000	-	365,987
Contributed administrative support from Santa Monica Community College District	89,665	2,367,543	-	2,457,208
Contributed support from KCRW Foundation, Inc.	1,717,785	-	(1,717,785)	-
Other operating income	-	28,612	-	28,612
Total operating revenues	<u>3,384,363</u>	<u>25,377,668</u>	<u>(1,717,785)</u>	<u>27,044,246</u>
<b>Expenses</b>				
Operating expenses				
Programming and production	3,449,958	11,101,662	(1,717,785)	12,833,835
Broadcasting and engineering	-	2,772,729	-	2,772,729
Program information and promotion	-	5,001,942	-	5,001,942
Management and general	-	2,825,608	-	2,825,608
Fundraising and membership development	-	5,983,857	-	5,983,857
Total operating expenses	<u>3,449,958</u>	<u>27,685,798</u>	<u>(1,717,785)</u>	<u>29,417,971</u>
Operating (loss)	<u>(65,595)</u>	<u>(2,308,130)</u>	<u>-</u>	<u>(2,373,725)</u>
<b>Nonoperating Income</b>				
Investment income, net	-	3,098,757	-	3,098,757
Change in Net Position	(65,595)	790,627	-	725,032
Net Position - Beginning of Year	<u>3,662,415</u>	<u>50,102,641</u>	<u>-</u>	<u>53,765,056</u>
Net Position - End of Year	<u>\$ 3,596,820</u>	<u>\$ 50,893,268</u>	<u>\$ -</u>	<u>\$ 54,490,088</u>

KCRW-FM Radio  
Santa Monica Community College District  
Consolidated Statements of Cash Flows  
Year Ended June 30, 2024

	2024		
	KCRW-FM	KCRW Foundation, Inc.	Total
<b>Operating Activities</b>			
Subscription and membership income	\$ -	\$ 6,214,978	\$ 6,214,978
Contributions	-	13,492,035	13,492,035
Grants from Corporation for Public Broadcasting	1,274,323	-	1,274,323
Grants from federal sources	-	30,000	30,000
Other operating income	-	11,148	11,148
Interest and dividends	-	1,384,508	1,384,508
Payments for operating expenses	(1,346,063)	(23,934,882)	(25,280,945)
<b>Net cash flows provided by (used by) operating activities</b>	<b>(71,740)</b>	<b>(2,802,213)</b>	<b>(2,873,953)</b>
<b>Investing Activities</b>			
Interest and dividends reinvested	-	(1,225,371)	(1,225,371)
Proceeds from sale of investments	-	5,962,102	5,962,102
Purchases of investments	-	(3,700,254)	(3,700,254)
<b>Net cash flows provided by investing activities</b>	<b>-</b>	<b>1,036,477</b>	<b>1,036,477</b>
<b>Capital and Related Financing Activities</b>			
Acquisition of capital assets	(29,792)	-	(29,792)
Principal paid on leases	(243,639)	(103,836)	(347,475)
Interest paid on capital debt	(6,300)	-	(6,300)
<b>Net cash flows used by capital and related financing activities</b>	<b>(279,731)</b>	<b>(103,836)</b>	<b>(383,567)</b>
<b>Net change in cash and cash equivalents</b>	<b>(351,471)</b>	<b>(1,869,572)</b>	<b>(2,221,043)</b>
Cash and cash equivalents - beginning of the year	4,545,185	6,703,946	11,249,131
<b>Cash and cash equivalents - end of the year</b>	<b>\$ 4,193,714</b>	<b>\$ 4,834,374</b>	<b>\$ 9,028,088</b>
<b>Reconciliation of operating loss to net cash flows provided by (used by) operating activities</b>			
Operating loss	\$ (129,990)	\$ (4,288,071)	\$ (4,418,061)
Bad debt expense	-	40,800	40,800
Reinvested investment dividends, net of fees	-	1,342,482	1,342,482
Depreciation and amortization expense	353,330	121,046	474,376
Adjustments to reconcile loss to net cash flows provided by (used by) operating activities			
Changes in operating assets and liabilities			
Prepaid expenses and other assets	-	33,251	33,251
Pledges receivable	-	(13,568)	(13,568)
Deferred outflows related to pensions	(36,940)	-	(36,940)
Accounts payable	(135)	(38,153)	(38,288)
Unearned revenue	-	-	-
Accrued vacation	3,150	-	3,150
Net pension liability	119,359	-	119,359
Deferred inflows related to pensions	(29,178)	-	(29,178)
<b>Net cash provided by (used by) operating activities</b>	<b>\$ 279,596</b>	<b>\$ (2,802,213)</b>	<b>\$ (2,522,617)</b>
<b>Noncash Transactions</b>			
Recognition of lease liabilities arising from obtaining right-to-use leased assets	\$ -	\$ 1,024,244	\$ 1,024,244.00

See Notes to Financial Statements

KCRW-FM Radio  
Santa Monica Community College District  
Consolidated Statements of Cash Flows  
Year Ended June 30, 2023

	2023		
	KCRW-FM	KCRW Foundation, Inc.	Total
<b>Operating Activities</b>			
Subscription and membership income	\$ -	\$ 6,223,634	\$ 6,223,634
Contributions	-	15,190,946	15,190,946
Grants from Corporation for Public Broadcasting	1,255,926	-	1,255,926
Grants from federal sources	-	45,000	45,000
Other operating income	-	28,612	28,612
Interest and dividends	-	1,111,677	1,111,677
Payments for operating expenses	(1,232,746)	(22,915,613)	(24,148,359)
Net cash flows provided by (used by) operating activities	<u>23,180</u>	<u>(315,744)</u>	<u>(292,564)</u>
<b>Investing Activities</b>			
Interest and dividends reinvested	-	(1,065,634)	(1,065,634)
Proceeds from sale of investments	-	3,960,792	3,960,792
Purchases of investments	-	(3,877,326)	(3,877,326)
Net cash flows provided by investing activities	<u>-</u>	<u>(982,168)</u>	<u>(982,168)</u>
<b>Capital and Related Financing Activities</b>			
Acquisition of capital assets	(5,000)	-	(5,000)
Principal paid on leases	(359,052)	-	(359,052)
Net cash flows used by capital and related financing activities	<u>(364,052)</u>	<u>-</u>	<u>(364,052)</u>
Net change in cash and cash equivalents	(340,872)	(1,297,912)	(1,638,784)
Cash and cash equivalents - beginning of the year	4,886,057	8,001,858	12,887,915
Cash and cash equivalents - end of the year	<u>\$ 4,545,185</u>	<u>\$ 6,703,946</u>	<u>\$ 11,249,131</u>
<b>Reconciliation of operating loss to net cash flows provided by (used by) operating activities</b>			
Operating loss	\$ (65,595)	\$ (2,308,130)	\$ (2,373,725)
Bad debt expense	-	14,758	14,758
Reinvested investment dividends, net of fees	-	1,075,399	1,075,399
Depreciation and amortization expense	516,501	-	516,501
Adjustments to reconcile to net cash flows provided by (used by) operating activities			
Changes in operating assets and liabilities			
Prepaid expenses	-	(84,531)	(84,531)
Pledges receivable	-	1,070,898	1,070,898
Deferred outflows related to pensions	(243,960)	-	(243,960)
Accounts payable	(19,750)	(84,138)	(103,888)
Unearned revenue	(320,987)	-	(320,987)
Accrued vacation	65,843	-	65,843
Net pension liability	407,007	-	407,007
Deferred inflows related to pensions	(315,879)	-	(315,879)
Net cash provided by (used by) operating activities	<u>\$ 23,180</u>	<u>\$ (315,744)</u>	<u>\$ (292,564)</u>

## **Note 1 - Summary of Significant Accounting Policies**

### **Organization**

KCRW-FM Radio is comprised of the following consolidated activities:

KCRW-FM Radio (the Station or KCRW) is owned and operated by the Santa Monica Community College District (the District) located in Santa Monica, California. As such, the District exercises oversight responsibility over the Station. This includes the designation of its management, the District's ability to influence Station operations, financial interdependency, and accountability for the Station's fiscal matters. Accordingly, the Station's KCRW-FM accounts are also included in the District's financial statements.

KCRW Foundation, Inc. (KCRW Foundation) was established to promote and provide financial support to the Santa Monica Community College District's (the District) radio station KCRW-FM (the Station). The Station's license is held by the District. The Station is operated by the District and KCRW Foundation pursuant to an agreement dated June 3, 2014. KCRW Foundation is a separate legal entity, a 501(c)(3) nonprofit public benefit corporation. KCRW Foundation maintains a separate Board of Director's.

These financial statements are not intended to, and do not purport to, present fairly the financial position and the changes in financial position of the District in accordance with accounting principles generally accepted in the United States of America.

KCRW-FM is a program of the Santa Monica Community College District. The District is a public education institution and is considered a political subdivision of the State of California and is, therefore, tax exempt and not subject to filing informational returns.

### **Method of Accounting**

#### **Financial Reporting Entity**

The Station considered its financial and operational relationships with potential component units under the reporting entity definition of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*.

The basic, but not the only, criterion for including another organization in the Station's reporting entity for financial reports is the ability of the Station's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one entity is dependent on another and a financial benefit or burden relationship is present, and that the dependent unit should be reported as part of the other.

Oversight responsibility is derived from the Station's power and includes but is not limited to: financial interdependency; selection of governing authority; designation of management; ability to significantly influence operations; and accountability for fiscal matters.

Due to the nature and significance of their relationship with the Station, including ongoing financial support of the Station or its other component units, certain organizations warrant inclusion as part of the financial reporting entity. A legally separate, tax exempt organization should be reported as a component unit of the District if all of the following criteria are met.

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the Station, its component units, or its constituents.
2. The Station, or its component units, are entitled to, or have the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the Station, or its component units, is entitled to, or has the ability to otherwise access, are significant to the Station.

The accompanying consolidated financial statements include the accounts of the Station and the KCRW Foundation, Inc. (the Foundation). The Foundation is a nonprofit organization exempt from Federal and State income taxes as described in Section 501(c)(3) of the Internal Revenue Code and was organized to promote and provide financial support for the District's radio station, KCRW-FM (89.9 FM). Its support comes primarily from corporate underwriting and donor contributions. The Foundation is a legally separate entity, maintains a separate Board of Directors and its activities are not governed or controlled by the Station. The Foundation issues separate financial statements which may be obtained from the Station. These consolidated financial statements are not intended to present fairly the financial position and changes in financial position of the District in compliance with accounting principles generally accepted in the United States of America.

Based solely on the application of the criteria listed above, the Foundation would not be considered a reporting entity, however, the Foundation's accounts are discretely presented in the accompanying consolidated financial statements in order to present meaningful financial statements that fully and fairly disclose the financial position and changes in financial position of the Station. Exclusion of the Foundation from the reporting entity would render the consolidated financial statements incomplete, primarily due to its close affiliation to the Station. The Foundation's accounts are discretely presented to allow the financial statement users to distinguish between the Station and the Foundation.

### **Financial Statement Presentation**

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by GASB, including Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis - for State and Local Governments* and Statement No. 35, *Basic Financial Statements and Management Discussion and Analysis of Public College and Universities*, issued in June and November 1999. The activity of the Station is presented in an Enterprise format which includes a statement of cash flows, and the financial statement presentation required by GASB No. 34 and No. 35 provides a comprehensive, consolidated perspective of the Station's financial activities.

### **Basis of Accounting**

For financial reporting purposes, KCRW-FM is considered a special-purpose government engaged in business-type activities. Accordingly, the Station's consolidated financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated including expenses incurred by KCRW-FM but paid by the Foundation.

For internal accounting purposes, KCRW-FM maintains its records on the accrual basis of accounting in accordance with generally accepted accounting principles. The accounting policies of the Station also conform to the requirements of "Principles of Accounting, and Financial Reporting for Public Telecommunications Entities" issued by the Corporation for Public Broadcasting.

### **Cash and Cash Equivalents**

The KCRW-FM's available cash is deposited with the District's Auxiliary Fund. This Fund pools the cash deposits from several District programs. The Foundation cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less from the date of acquisition.

### **Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the consolidated financial statements. The cost of prepaid items is recorded as an expense when consumed rather than when purchased.

### **Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the statement of net position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The District reports deferred outflows of resources for pension related items.

In addition to liabilities, the consolidated Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items.

### **Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the California Public Employees' Retirement System (CalPERS) plan for schools (the Plan) and additions to/deductions from the Plan's fiduciary

net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value. The net pension liability attributable to the Station will be paid by employee contributions and by the Station.

### **Unearned Revenue**

Unearned revenues arise when resources are received by the Station before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the Station has a legal claim to the resources, the liability for unearned revenue is removed from the consolidated statement of net position and the revenue is recognized. Unearned revenue is primarily composed of amounts received from Federal grants received before the eligibility requirements are met.

### **Compensated Absences**

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the consolidated financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year-end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid. liability for this benefit is reported on the consolidated financial statements.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the Station's financial statements. However, retirement credit for unused sick leave is applicable to all classified members who retire after January 1, 1999. At retirement, each member will receive 0.004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

### **Capital Assets, Depreciation and Amortization**

The Station maintains an initial unit cost capitalization threshold of \$5,000 or more and an estimated useful life greater than one year. Purchased equipment and facility improvements are recorded at cost or, if donated, at acquisition value at date of donation. The Station had a combined \$1,468,757 and \$889,097 invested in net capital assets, as of June 30, 2024 and 2023, respectively. Total capital assets consist of leased sites, data processing equipment and broadcasting equipment with useful lives ranging from 5-20 years.

The Station records the value of intangible right-to-use assets based on the underlying leased asset in accordance with GASB Statement No. 87, *Leases*. The right-to-use intangible asset is amortized each year for the term of the contract or useful life of the underlying asset.

The Station records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the years ended June 30, 2024 and June 30, 2023.

### **Leases**

The Station recognizes a lease liability and an intangible right-to-use leased asset in the consolidated financial statements. At the commencement of the lease term, the Station measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use leased asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. Subsequently, the right-to-use leased asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

### **Subscription and Memberships**

New and renewing membership donations are recognized when received, as the exchange element is considered to be de minimis.

### **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of revenues, expenses and changes in net position and detailed in the schedules of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates.

### **Advertising and Promotion**

The Station expenses advertising and promotion costs as incurred. For the years ended June 30, 2024 and June 30, 2023 advertising and promotion expense totaled \$2,869,790 and \$3,016,936, respectively.

### **Contributed Goods and Services**

The Station receives contributed goods and services, including program services, professional services and equipment. Such contributions are recorded as revenue and expense in the period received at fair market value. Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In the case of contributed equipment, an asset is recorded based on acquisition value at date of contribution. For the year ended June 30, 2024 and 2023, the Station recognized in-kind contribution revenue, primarily of advertising and promotion services, of \$2,685,295 and \$2,759,353, respectively, which have been recorded in the accompanying consolidated financial statements.

### **Estimates**

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

### **Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position related to net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Station or through external restrictions imposed by donors, creditors, grantors, or laws or regulations of other governments. The Station first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The consolidated financial statements as of June 30, 2024 and 2023 reported restricted net position of \$4,379,726 and \$5,746,343, respectively.

### **Classification of Revenues**

The Station has classified its revenues as either operating or nonoperating revenues according to the following criteria:

**Operating revenues:** Operating revenues include activities that have the characteristics of exchange transactions, such as subscription and most local grants and contracts.

**Nonoperating revenues:** Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as investment income, that are defined as nonoperating revenues.

### **Note 2 - Contributions and Pledges Receivable**

As of June 30, 2024, the total contributions and pledges receivable, net of allowance, were \$3,199,013. The amount is expected to be received within one year is \$2,915,810 with the remaining \$283,203 due between one to five years. The allowance for doubtful accounts was \$11,797.

As of June 30, 2023, the total contributions and pledges receivable, net of allowance, were \$3,226,245. The amount is expected to be received within one year is \$3,224,195 with the remaining \$2,050 due between one to five years. The allowance for doubtful accounts was \$7,647.

Contributions and pledges receivable at June 30, 2024 and 2023 include in-kind contributions of advertising and promotion services to be collected in future years of \$1,032,912 and \$1,210,942, respectively.

### **Note 3 - Deposits and Investments**

#### **Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Station's deposits may not be returned to it. The Station does not have a deposit policy for custodial risk.

#### **KCRW-FM**

This is the risk that in the event of a bank failure, the Station's deposits may not be returned to it. The Station does not have a policy for custodial credit risk. However, the California *Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits. As of June 30, 2024 and 2023, the Station had approximately \$4.5 million and approximately \$4.0 million, respectively, exposed to custodial credit risk by being uninsured and collateral held by pledging bank's trust not in the Station's name.

#### **KCRW Foundation**

The Foundation maintains their cash deposits in various financial institutions. Since the Foundation needs to maintain certain amounts of cash available in bank accounts to meet cash flow needs, portions of these deposits are beyond the Federal Deposit Insurance Corporation insurance level, \$250,000, at certain times of the year.

#### **Custodial Credit Risk - Investments**

This is the risk that, in the event of the failure of the counterparty, the Station will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. As of June 30, 2024 and 2023, the Station's investment balance of approximately \$45.0 million and approximately \$44.8 million, respectively, was exposed to custodial credit risk due to balances in excess of insured amounts, unregistered and held by the brokerage firm which is also the counterparty for these securities. The Station does not have a policy limiting the amount of securities that can be held by counterparties.

#### **Concentration of Credit Risk**

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer. The Foundation places no limit on the amount that may be invested in any one issuer. In accordance with Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*, requirements, the Foundation is exposed to concentration of credit risk whenever investments in any one issuer exceeds five percent. Currently the Foundation has 86% invested in mutual funds, 13% invested in U.S. Treasury notes, and less than 1% in cash and cash equivalents.

**Note 4 - Investments (KCRW Foundation)**

The Foundation categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value. The following provides a summary of the hierarchy used to measure fair value:

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
- Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.
- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District’s own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

The Foundation’s fair value measurements are as follows at June 30, 2024:

	2024 Fair Value Measurements Using		
Year Ended June 30, 2024	Level 1	Level 2	
Mutual Funds			
Equity	\$ 22,773,753	\$ 22,773,753	\$ -
Fixed income	15,713,204	15,713,204	-
US Treasury Notes	6,098,331	-	6,098,331
Total investments	\$ 44,585,288	\$ 38,486,957	\$ 6,098,331

All assets have been valued using a market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets or group of assets.

**Note 5 - Capital Assets**

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

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024
Capital Assets Being Depreciated and Amortized				
Equipment	\$ 1,515,324	\$ 29,792	\$ -	\$ 1,545,116
Right-to-use leased sites	1,141,172	-	(540,138)	601,034
Right-to-use leased equipment	-	1,024,244	-	1,024,244
	<u>2,656,496</u>	<u>1,054,036</u>	<u>(540,138)</u>	<u>3,170,394</u>
Total capital assets being depreciated or amortized				
Less Accumulated Depreciation and Amortization				
Equipment	(1,087,097)	(127,016)	-	(1,214,113)
Right-to-use leased sites	(680,302)	(226,314)	540,138	(366,478)
Right-to-use leased equipment	-	(121,046)	-	(121,046)
	<u>(1,767,399)</u>	<u>(474,376)</u>	<u>540,138</u>	<u>(1,701,637)</u>
Total accumulated depreciation and amortization				
Total capital assets, net	<u>\$ 889,097</u>	<u>\$ 579,660</u>	<u>\$ -</u>	<u>\$ 1,468,757</u>

**Note 6 - Restrictions and Limitations on Net Position Balances**

Net position with donor restrictions - expendable consist of the following:

	2024	2023
Capital Campaign	\$ 3,086,814	\$ 4,443,563
Time Restricted	1,282,912	1,249,742
Julia Child Fellowship	10,000	-
Bookworm	-	29,874
Podcast Bootcamp	-	23,164
	<u>\$ 4,379,726</u>	<u>\$ 5,746,343</u>
Total net position with donor restrictions		

**Note 7 - Long-Term Liabilities Other than Pensions**

**Summary**

The changes in the Station’s long-term liabilities other than pensions during the year ended June 30, 2024 consisted of the following:

	Balance, July 1, 2023	Additions	Deductions	Balance, June 30, 2024	Due in One Year
Leases	\$ 464,548	\$ 1,024,244	\$ (347,475)	\$ 1,141,317	\$ 265,784
Accrued vacation	506,372	-	(3,150)	503,222	-
<b>Total</b>	<b>\$ 970,920</b>	<b>\$ 1,024,244</b>	<b>\$ (350,625)</b>	<b>\$ 1,644,539</b>	<b>\$ 265,784</b>

**Description of Long-Term Liabilities**

Payments for the accrued vacation are made by the KCRW-FM fund. Payments for the leases are made by KCRW Foundation and the KCRW-FM fund.

**Leases**

The Station has entered into several agreements to lease sites for its broadcasting operation and for broadcasting equipment. The leases run through the 2028-2029 fiscal year, with annual increases up to 5.00%. The Station paid total principal and interest costs of \$389,832. At June 30, 2024, the Station recognized right to use leased assets, net of accumulated amortization, of \$1,137,754 and lease liabilities of \$1,141,317 related to these agreements. During the fiscal year, the Station recorded \$347,360 in amortization expense and \$42,305 in interest expense for the right to use of the sites and equipment. The Station used discount rates between 0.31%-6.15% based on the estimated incremental borrowing rate for financing over a similar time period.

The Station’s liability on lease agreements with option to purchase is summarized below:

Fiscal Year	Principal	Interest	Total
2025	\$ 265,784	\$ 53,378	\$ 319,162
2026	259,938	42,005	301,943
2027	226,715	30,184	256,899
2028	207,165	17,970	225,135
2029	181,715	5,249	186,964
<b>Total</b>	<b>\$ 1,141,317</b>	<b>\$ 148,786</b>	<b>\$ 1,290,103</b>

**Note 8 - California Public Employees’ Retirement System (CalPERS) - Schools Pool Plan**

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Classified employees are members of the California Public Employees’ Retirement System (CalPERS).

For the fiscal year ended June 30, 2024, the Station reported its proportionate share of net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense for the above plan as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
KCRW-FM Radio CalPERS (Schools Pool Plan)	\$ 1,322,263	\$ 447,171	\$ 44,556	\$ 194,901

**Plan Description**

Qualified employees are eligible to participate in the Plan under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees’ Retirement Law. The Station’s employees are covered as part of the District.

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2022, annual actuarial valuation reports, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <http://www.calpers.ca.gov/page/forms-publications>.

**Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member’s final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member’s beneficiary if the member dies while actively employed. An employee’s eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2024, are summarized as follows:

	<u>On or Before December 31, 2012</u>	<u>On or After January 1, 2013</u>
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.1% - 2.5%
Required employee contribution rate	7.00%	8.00%
Required employer contribution rate	26.68%	26.68%

**Contributions**

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Station is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2024, are presented above and the total Station contributions were \$188,008.

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

As of June 30, 2024, the Station reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$1,322,263. The net pension liability was measured as of June 30, 2023. The Station’s proportion of the net pension liability was based on a projection of the Station’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. The Station’s proportionate share for the measurement periods of June 30, 2023 and June 30, 2022, was 0.0037% and 0.0035%, respectively, resulting in a net increase in the proportionate share of 0.0002%.

For the year ended June 30, 2024, the Station recognized pension expense of \$194,901. At June 30, 2024, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 188,008	\$ -
Change in proportion and differences between contributions made and the Station's proportionate share of contributions	8,757	24,248
Differences between projected and actual earnings on the pension plan investments	141,237	-
Differences between expected and actual experience in the measurement of the total pension liability	48,253	20,308
Changes of assumptions	60,916	-
Total	\$ 447,171	\$ 44,556

The deferred outflow of resources related to pensions resulting from Station contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 26,346
2026	15,608
2027	94,888
2028	4,395
Total	\$ 141,237

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and Station’s proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 20,475
2026	36,771
2027	16,124
Total	\$ 73,370

**Actuarial Methods and Assumptions**

Total pension liability for the School Employer Pool was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023. The financial reporting actuarial valuation as of June 30, 2022, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	6.90%
Investment rate of	6.90%
Consumer price inflation	2.30%
Wage growth	Varies by entry age and services

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity - cap-weighted	30%	4.45%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	(5%)	(0.59%)

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at the current member contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return on the School Employer Pool investments was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the Station’s proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (5.90%)	\$ 1,911,651
Current discount rate (6.90%)	1,322,263
1% increase (7.90%)	835,148

**Note 9 - Schedules of Functional Expenses – KCRW-FM and KCRW Foundation Inc.**

These schedules present information on the Station’s costs of providing various programs and supporting activities have been summarized on a functional basis in the Consolidated Statements of Revenues, Expenses, and Changes in Net Position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

KCRW-FM as of June 30, 2024:

	<u>Program Services</u> <u>Programming and Production</u>
Compensation and Related Expenses	
Salaries	\$ 701,526
Benefits	454,529
Total compensation and related expenses	<u>1,156,055</u>
Depreciation and amortization	353,330
Electricity and gas	35,881
Equipment	70,966
Indirect administrative support	97,434
Insurance	8,187
Interest	3,170
Legal	1,763
Other contract services	6,930
Program acquisition	1,625,659
Rent expense	156,821
Supplies	5,158
Utilities	9,652
Total expenses	<u><u>\$ 3,531,006</u></u>

KCRW-FM Radio  
Santa Monica Community College District  
Notes to Financial Statements  
June 30, 2024 and 2023

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KCRW-FM as of June 30, 2023:

	<u>Program Services</u> <u>Programming and Production</u>
Compensation and Related Expenses	
Salaries	\$ 760,852
Benefits	223,480
Total compensation and related expenses	<u>984,332</u>
Depreciation and amortization	516,501
Electricity and gas	32,704
Equipment	121,156
Indirect administrative support	89,665
Insurance	7,487
Interest	9,171
Legal	1,852
Other contract services	7,990
Program acquisition	1,576,912
Rent expense	74,262
Supplies	9,301
Utilities	18,625
Total expenses	<u>\$ 3,449,958</u>

KCRW-FM Radio  
Santa Monica Community College District  
Notes to Financial Statements  
June 30, 2024 and 2023

KCRW Foundation, Inc. as of June 30, 2024:

	Program Services				Support Services			Total Expenses
	Programming and Production	Broadcasting and Engineering	Program Information and Promotion	Total	Management and General	Fundraising	Total	
Compensation and Related Expenses								
Salaries	\$ 7,164,649	\$ 1,277,441	\$ 1,405,759	\$ 9,847,849	\$ 1,568,918	\$ 1,054,605	\$ 2,623,523	\$ 12,471,372
Payroll taxes	556,206	95,356	106,724	758,286	114,074	81,686	195,760	954,046
Benefits and taxes	891,026	194,836	181,508	1,267,370	259,649	114,399	374,048	1,641,418
Total compensation and related expenses	8,611,881	1,567,633	1,693,991	11,873,505	1,942,641	1,250,690	3,193,331	15,066,836
Professional fees	1,720,234	226,012	482,287	2,428,533	351,194	2,353,099	2,704,293	5,132,826
Donated support from Santa Monica Community College District	1,370,453	206,543	532,160	2,109,156	220,615	155,664	376,279	2,485,435
Advertising and promotion	-	-	1,772,872	1,772,872	-	1,096,918	1,096,918	2,869,790
Dues and subscriptions	79,903	75,233	116,279	271,415	67,473	184,795	252,268	523,683
Occupancy	4,890	489,950	-	494,840	-	-	-	494,840
Telephone and data communications	38,612	123,669	377,604	539,885	7,016	12,464	19,480	559,365
Credit card and bank fees	3	-	-	3	300	401,588	401,888	401,891
Consultants	259,088	-	52,035	311,123	-	-	-	311,123
Community events	516,789	-	-	516,789	-	-	-	516,789
Postage	269	512	19,182	19,963	144	254,408	254,552	274,515
Equipment purchases, rental and maintenance	355	161,695	1,212	163,262	1,443	-	1,443	164,705
Insurance	4,311	8,188	389	12,888	140,809	-	140,809	153,697
Amortization	-	121,046	-	121,046	-	-	-	121,046
Conference and travel	31,436	18,852	4,402	54,690	23,564	31,801	55,365	110,055
Office expense	4,133	31	1,363	5,527	29,553	2,540	32,093	37,620
Interest on finance lease	-	39,135	-	39,135	-	-	-	39,135
Printing	39	-	570	609	-	9,336	9,336	9,945
Bad debt expense	-	-	-	-	40,800	-	40,800	40,800
Staff development	8,826	3,459	5,678	17,963	2,133	-	2,133	20,096
Grants and awards	2,047	-	-	2,047	11,588	301	11,889	13,936
Taxes and licenses	6,399	-	-	6,399	3,233	-	3,233	9,632
Total expenses	\$ 12,659,668	\$ 3,041,958	\$ 5,060,024	\$ 20,761,650	\$ 2,842,506	\$ 5,753,604	\$ 8,596,110	\$ 29,357,760

KCRW-FM Radio  
Santa Monica Community College District  
Notes to Financial Statements  
June 30, 2024 and 2023

KCRW Foundation, Inc. as of June 30, 2023:

	Program Services				Support Services			Total Expenses
	Programming and Production	Broadcasting and Engineering	Program Information and Promotion	Total	Management and General	Fundraising	Total	
Compensation and Related Expenses								
Salaries	\$ 6,722,785	\$ 1,018,653	\$ 1,465,184	\$ 9,206,622	\$ 1,470,575	\$ 865,388	\$ 2,335,963	\$ 11,542,585
Payroll taxes	516,696	78,327	112,828	707,851	115,705	66,483	182,188	890,039
Benefits and taxes	860,584	153,514	139,167	1,153,265	286,069	81,722	367,791	1,521,056
<b>Total compensation and related expenses</b>	<b>8,100,065</b>	<b>1,250,494</b>	<b>1,717,179</b>	<b>11,067,738</b>	<b>1,872,349</b>	<b>1,013,593</b>	<b>2,885,942</b>	<b>13,953,680</b>
Professional fees	908,793	294,265	431,516	1,634,574	390,444	2,701,931	3,092,375	4,726,949
Donated support from Santa Monica Community College District	1,349,466	153,439	500,968	2,003,873	220,593	143,077	363,670	2,367,543
Advertising and promotion	6,756	-	1,829,224	1,835,980	5,000	1,175,956	1,180,956	3,016,936
Dues and subscriptions	78,820	122,512	112,521	313,853	57,386	186,882	244,268	558,121
Occupancy	12,960	509,290	400	522,650	-	-	-	522,650
Telephone and data communications	32,896	141,252	300,504	474,652	6,184	13,943	20,127	494,779
Credit card and bank fees	10	-	20	30	300	381,752	382,052	382,082
Consultants	255,782	-	59,800	315,582	-	-	-	315,582
Community events	306,367	-	-	306,367	-	-	-	306,367
Postage	515	1,409	31,577	33,501	277	240,142	240,419	273,920
Equipment purchases, rental and maintenance	484	266,682	738	267,904	4,673	1,336	6,009	273,913
Insurance	638	7,487	344	8,469	189,255	-	189,255	197,724
Conference and travel	32,363	20,864	5,316	58,543	12,408	116,943	129,351	187,894
Office expense	6,255	483	698	7,436	43,303	445	43,748	51,184
Printing	2,918	78	9,637	12,633	1,311	6,323	7,634	20,267
Bad debt expense	-	-	-	-	14,758	-	14,758	14,758
Staff development	980	4,269	1,300	6,549	2,969	1,166	4,135	10,684
Gifts and awards	5,495	-	200	5,695	2,182	368	2,550	8,245
Taxes and licenses	99	205	-	304	2,216	-	2,216	2,520
<b>Total expenses</b>	<b>\$ 11,101,662</b>	<b>\$ 2,772,729</b>	<b>\$ 5,001,942</b>	<b>\$ 18,876,333</b>	<b>\$ 2,825,608</b>	<b>\$ 5,983,857</b>	<b>\$ 8,809,465</b>	<b>\$ 27,685,798</b>



Required Supplementary Information  
June 30, 2024 and 2023

**KCRW-FM Radio**

**Santa Monica Community College  
District**

KCRW-FM Radio  
Santa Monica Community College District  
Schedule of the Station's Proportionate Share of the Net Pension Liability – CalPERS – Schools Pool Plan  
Year Ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
KCRW-FM Radio's portion of the net pension liability	<u>0.0037%</u>	<u>0.0035%</u>	<u>0.0039%</u>	<u>0.0042%</u>	<u>0.0051%</u>
KCRW-FM Radio's proportionate share of the net pension liability	<u>\$ 1,322,263</u>	<u>\$ 1,202,904</u>	<u>\$ 795,897</u>	<u>\$ 1,283,935</u>	<u>\$ 1,495,502</u>
KCRW-FM Radio's covered payroll reported as of the period fiscal year to align with the measurement date at the net pension liability	<u>\$ 677,714</u>	<u>\$ 604,928</u>	<u>\$ 596,087</u>	<u>\$ 766,381</u>	<u>\$ 732,483</u>
KCRW-FM Radio's proportionate share of the net pension liability as a percentage of its covered payroll	<u>195.11%</u>	<u>198.85%</u>	<u>133.52%</u>	<u>167.53%</u>	<u>204.17%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>70%</u>	<u>81%</u>	<u>70%</u>	<u>70%</u>
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

KCRW-FM Radio  
Santa Monica Community College District  
Schedule of the Station's Proportionate Share of the Net Pension Liability – CalPERS – Schools Pool Plan  
Year Ended June 30, 2024

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
KCRW-FM Radio's portion of the net pension liability	<u>0.0056%</u>	<u>0.0058%</u>	<u>0.0068%</u>	<u>0.0071%</u>	<u>0.0067%</u>
KCRW-FM Radio's proportionate share of the net pension liability	<u>\$ 1,493,606</u>	<u>\$ 1,475,434</u>	<u>\$ 1,339,819</u>	<u>\$ 1,041,042</u>	<u>\$ 755,482</u>
KCRW-FM Radio's covered payroll reported as of the period fiscal year to align with the measurement date at the net pension liability	<u>\$ 802,176</u>	<u>\$ 866,323</u>	<u>\$ 838,170</u>	<u>\$ 817,050</u>	<u>\$ 700,000</u>
KCRW-FM Radio's proportionate share of the net pension liability as a percentage of its covered payroll	<u>186.19%</u>	<u>170.31%</u>	<u>159.85%</u>	<u>127.41%</u>	<u>107.93%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>71%</u>	<u>72%</u>	<u>74%</u>	<u>79%</u>	<u>83%</u>
Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

KCRW-FM Radio  
Santa Monica Community College District  
Schedule of Station Contributions – CalPERS – Schools Pool Plan  
Year Ended June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 188,008	\$ 171,936	\$ 138,589	\$ 123,390	\$ 151,138
Contributions in relation to the contractually required contribution	<u>188,008</u>	<u>171,936</u>	<u>138,589</u>	<u>123,390</u>	<u>151,138</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
KCRW FM's covered payroll	<u>\$ 704,678</u>	<u>\$ 677,714</u>	<u>\$ 604,928</u>	<u>\$ 596,087</u>	<u>\$ 766,381</u>
Contributions as a percentage of covered payroll	<u>26.680%</u>	<u>25.370%</u>	<u>22.910%</u>	<u>20.700%</u>	<u>19.721%</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 132,301	\$ 124,586	\$ 120,315	\$ 99,298	\$ 96,175
Contributions in relation to the contractually required contribution	<u>132,301</u>	<u>124,586</u>	<u>120,315</u>	<u>99,298</u>	<u>96,175</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
KCRW FM's covered payroll	<u>\$ 732,483</u>	<u>\$ 802,176</u>	<u>\$ 866,323</u>	<u>\$ 838,170</u>	<u>\$ 817,050</u>
Contributions as a percentage of covered payroll	<u>18.062%</u>	<u>15.531%</u>	<u>13.888%</u>	<u>11.847%</u>	<u>11.771%</u>

**Note 1 - Purpose of Schedule**

**Schedule of the Station's Proportionate Share of the Net Pension Liability - CalPERS - Schools Pool Plan**

The schedule presents information on the Station's proportionate share of the net pension liability, the plan's fiduciary net position and, when applicable, the State's proportionate share of the net pension liability associated with the Station.

- *Changes in Benefit Terms* - There were no changes in benefit terms since the previous valuation.
- *Changes of Assumptions* - There were no changes of assumptions since the previous valuation.

**Schedule of Station Contributions - CalPERS - Schools Pool Plan**

This schedule presents information on the Station's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution.



Independent Auditor's Report  
June 30, 2024 and 2023

**KCRW-FM Radio**

**Santa Monica Community College  
District**



**Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Board of Trustees  
Santa Monica Community College District and  
KCRW-FM Radio  
Santa Monica, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of the business-type activities of KCRW-FM Radio (the Station or KCRW), a public telecommunications operation of Santa Monica Community College District (the District), as of and for the year ended June 30, 2024, and the related notes to the consolidated financial statements, which collectively comprise the Station’s basic consolidated financial statements and have issued our report thereon dated February 12, 2025. Our report includes a reference to other auditors who audited the financial statements of KCRW Foundation, Inc., as described in our report on the Station’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Emphasis of Matter**

As discussed in Note 1, the consolidated financial statements of the Station are intended to present the financial position and the changes in financial position attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of Santa Monica Community College District as of June 30, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Station’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Station’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Station’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Station's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Station's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Station's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Station's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rancho Cucamonga, California  
February 12, 2025

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.