



**KCIE Radio Station  
(A Department of the Jicarilla Apache Nation)**

*Financial Statements  
and  
Independent Auditor's Report  
December 31, 2023 and 2022*

**redw**  
Advisors & CPAs

**KCIE Radio Station  
(A Department of the Jicarilla Apache Nation)**

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## Independent Auditor's Report

Honorable Members of the Legislative Council  
Jicarilla Apache Nation and  
Management of KCIE Radio Station

### ***Opinion***

We have audited the financial statements of the governmental activities and major fund of KCIE Radio Station (the "Radio Station"), a department of the Jicarilla Apache Nation (the "Nation"), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Radio Station's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Radio Station as of December 31, 2023 and 2022, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Radio 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 opinion.

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

As discussed in Note 1, the financial statements of the Radio Station are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities and the major fund of the Nation that is attributable to the transactions of the Radio Station. They do not purport to, and do not, present fairly the financial position of the Nation as of December 31, 2023 and 2022, and the changes in its financial position and its cash flows, where applicable, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***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.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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 management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 financial statements, and other knowledge we obtained during our audit of the basic 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.

*REDW* LLC

Albuquerque, New Mexico

August 13, 2024

**KCIE Radio Station**  
**(A Department of the Jicarilla Apache Nation)**  
**Management’s Discussion and Analysis**  
**For the Years Ended December 31, 2023 and 2022**

**Introduction**

The Jicarilla Apache Nation (the “Nation”), as the licensee of KCIE 90.5 FM, operates the station under the Executive Branch with the program designation of KCIE Radio Station (the “Radio Station”).

Management’s discussion and analysis provides an overview of the Radio Station’s financial performance for the years ended December 31, 2023 and 2022. Read it in conjunction with the basic financial statements for the period and the annual report to the Corporation for Public Broadcasting (CPB) that accompanies the basic financial statements.

The Radio Station was originally licensed to the Nation on January 14, 1991, and will expire on October 1, 2029, and subject to renewal by the CPB. The Radio Station operates on 90.5 FM as a noncommercial FM station, serving Dulce, New Mexico and the surrounding communities. The Radio Station, through its affiliation with Native One Voice, offers a variety of educational programming, national and local news, sports, and musical entertainment.

**Overview of Operations**

The Radio Station is a department of the Nation, reporting directly to the Nation’s Legislative Council, and operates KCIE 90.5 FM under a Federal Communications Commission (the “Commission”) license issued to the Nation. The Nation appropriates operating funds for the Radio Station through the adoption of an annual budget. The Nation’s Administrative Division provides indirect administrative support for the Radio Station including financial management and reporting, human resources, facility maintenance, purchasing, and information technology support.

The Radio Station’s financial activities are managed under policies and procedures of the Administrative Division and adopted policies of the Nation and are subject to the internal audit and control of the Administrative Division. The separate external audit of the Radio Station for fiscal years 2023 and 2022, was conducted to comply with the CPB requirements. CPB is a private, nonprofit corporation created by Congress. CPB is not a governing agency and promotes telecommunications services (television, radio and on-line) for the American people.

**Overview of Financial Statements**

This annual report consists of four parts:

1. Management’s discussion and analysis
2. Basic financial statements
3. Notes to the basic financial statements
4. Required supplementary information

**KCIE Radio Station**  
**(A Department of the Jicarilla Apache Nation)**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2023 and 2022**

The basic financial statements of the Radio Station have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The basic financial statements report the department-wide and fund financial statements. These statements present different views of the Radio Station.

**Department-Wide Statements**

The statements of net position and the statements of activities are department-wide, providing both long-term and short-term information about the Radio Station's overall financial status. These department-wide financial statements are designed to provide readers with a broad overview of the Radio Station's finances, in a manner similar to a private-sector business.

The statements of net position present information on all assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position serve as a useful indicator of whether the Radio Station's financial position is improving or deteriorating.

The statements of activities present information showing how the Radio Station's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e., compensated absences).

**Fund Financial Statements**

The fund balance sheets and the statements of revenues, expenditures, and changes in fund balance provide detailed information about the Radio Station's most significant funds. All the Radio Station's activities are reported in the operating fund. The financial statements also present a budgetary comparison for the operating fund as required supplementary information.

The operating fund is a governmental fund and therefore its focus is on how cash and other financial assets flow in and out, and the balances left at year-end that are available for spending.

Governmental funds provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs.

The notes to the financial statements provide required disclosures and other information that are essential to full understanding of the material data provided in the statements. The notes present information about accounting principles, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

**KCIE Radio Station**  
**(A Department of the Jicarilla Apache Nation)**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2023 and 2022**

**Condensed Financial Information**

The following summarizes assets, liabilities, and net position:

**Table 1**  
**Statements of Net Position**  
**December 31, 2023, 2022, and 2021**

	2023	2022	2021
<b>Assets</b>			
Current assets	\$ 767,827	\$ 737,914	\$ 649,068
Capital assets, net	<u>58,826</u>	<u>32,870</u>	<u>25,714</u>
Total assets	<u>826,653</u>	<u>770,784</u>	<u>674,782</u>
<b>Liabilities</b>			
Current liabilities	767,827	737,914	649,068
Noncurrent liabilities	<u>7,794</u>	<u>18,714</u>	<u>21,868</u>
Total liabilities	<u>775,621</u>	<u>756,628</u>	<u>670,936</u>
<b>Net Position</b>			
Investment in capital assets	58,826	32,870	25,714
Unrestricted (deficit)	<u>(7,794)</u>	<u>(18,714)</u>	<u>(21,868)</u>
Total net position	<u>\$ 51,032</u>	<u>\$ 14,156</u>	<u>\$ 3,846</u>

The following summarizes changes in net position:

**Table 2**  
**Statements of Activities**  
**For the Years Ended December 31, 2023, 2022, and 2021**

	2023	2022	2021
Operating grants and contributions	\$ 155,264	\$ 130,920	\$ 85,666
Indirect administrative support	104,255	85,603	83,472
Operating expenses	(540,946)	(457,133)	(443,296)
Transfers from Jicarilla Apache Nation's general fund	<u>318,303</u>	<u>250,920</u>	<u>262,417</u>
Increase (decrease) in net position	<u>\$ 36,876</u>	<u>\$ 10,310</u>	<u>\$ (11,741)</u>

**Capital Assets**

Capital assets include all installed equipment, main studio, transmitter, and radio tower. As of December 31, 2023 and 2022, the Radio Station had capital assets of \$58,826 and \$32,870, respectively, net of depreciation. See Note 4 to the financial statements for additional information.



**KCIE Radio Station**  
**(A Department of the Jicarilla Apache Nation)**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2023 and 2022**

**Contacting Financial Management**

This financial report is designed to provide donors, members, and the general public with a general overview of the Radio Station's finances. The Radio Station's annual basic financial statements and reports to CPB are available for public inspection during business hours at the Radio Station's main studio located at Highway 64 and Narrow Gauge Road on the Jicarilla Apache Reservation or can be requested by mail at the following address:

**KCIE Radio 90.5 FM**  
P.O. Box 603  
Dulce, NM 87528

## Financial Statements

## Department-Wide Financial Statements

**KCIE Radio Station**  
**(A Department of the Jicarilla Apache Nation)**  
**Statements of Net Position**  
**December 31, 2023 and 2022**

	Governmental Activities	
	2023	2022
<b>Assets</b>		
Current assets		
Due from Jicarilla Apache Nation's general fund	\$ 767,827	\$ 737,914
Noncurrent assets		
Capital assets, net	58,826	32,870
Total assets	826,653	770,784
<b>Liabilities</b>		
Current liabilities		
Accounts payable	376	23,129
Unearned revenue	767,451	714,785
Total current liabilities	767,827	737,914
Noncurrent liabilities		
Compensated absences	7,794	18,714
Total liabilities	775,621	756,628
<b>Net Position</b>		
Investment in capital assets	58,826	32,870
Unrestricted (deficit)	(7,794)	(18,714)
Total net position	\$ 51,032	\$ 14,156

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

**KCIE Radio Station**  
**(A Department of the Jicarilla Apache Nation)**  
**Statements of Activities**  
**For the Years Ended December 31, 2023 and 2022**

	Expenses		Program Revenues		Net Revenue (Expenses) and Changes in Net Position	
			Operating Grants and Contributions		Governmental Activities	
	2023	2022	2023	2022	2023	2022
<b>Functions/Programs</b>						
Governmental activities						
Management and general	\$ 176,940	\$ 164,355	\$ -	\$ -	\$ (176,940)	\$ (164,355)
Programming and production	123,286	95,072	155,264	130,920	31,978	35,848
Indirect administrative support	104,255	85,603	-	-	(104,255)	(85,603)
Broadcasting and engineering	67,200	58,437	-	-	(67,200)	(58,437)
Program information and promotion	<u>69,265</u>	<u>53,666</u>	<u>-</u>	<u>-</u>	<u>(69,265)</u>	<u>(53,666)</u>
Total governmental activities	<u>\$ 540,946</u>	<u>\$ 457,133</u>	<u>\$ 155,264</u>	<u>\$ 130,920</u>	<u>(385,682)</u>	<u>(326,213)</u>
General revenues and transfers						
Indirect administrative support					104,255	85,603
Transfers from Jicarilla Apache Nation's general fund					<u>318,303</u>	<u>250,920</u>
Total general revenues and transfers					<u>422,558</u>	<u>336,523</u>
Changes in net position					36,876	10,310
Net position, beginning of year					<u>14,156</u>	<u>3,846</u>
Net position, end of year					<u>\$ 51,032</u>	<u>\$ 14,156</u>

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

## Fund Financial Statements

*Governmental Fund*

**KCIE Radio Station**  
**(A Department of the Jicarilla Apache Nation)**  
**Balance Sheets – Governmental Fund**  
**December 31, 2023 and 2022**

	2023	2022
<b>Assets</b>		
Due from Jicarilla Apache Nation's general fund	\$ 767,827	\$ 737,914
Total assets	\$ 767,827	\$ 737,914
<b>Liabilities</b>		
Accounts payable	\$ 376	\$ 23,129
Unearned revenue	767,451	714,785
Total liabilities	767,827	737,914
<b>Fund Balance</b>		
Unassigned	-	-
Total fund balance	-	-
Total liabilities and fund balance	\$ 767,827	\$ 737,914
Amounts reported for <i>governmental activities</i> in the statements of net position are different because:		
Fund balance - governmental fund	\$ -	\$ -
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	58,826	32,870
Some liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(7,794)	(18,714)
<b>Net position of governmental activities</b>	<b>\$ 51,032</b>	<b>\$ 14,156</b>

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



**KCIE Radio Station**  
**(A Department of the Jicarilla Apache Nation)**  
**Statements of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Years Ended December 31, 2023 and 2022**

	2023	2022
<b>Revenues</b>		
CPB grants	\$ 155,264	\$ 130,920
Indirect administrative support	<u>104,255</u>	<u>85,603</u>
Total revenues	<u>259,519</u>	<u>216,523</u>
<b>Expenditures</b>		
Current		
Management and general	187,860	167,509
Programing and production	123,286	95,072
Indirect administrative support	104,255	85,603
Program information and promotion	69,265	53,666
Broadcasting and engineering	49,329	52,036
Capital outlay	<u>43,827</u>	<u>13,557</u>
Total expenditures	<u>577,822</u>	<u>467,443</u>
Revenues under expenditures before transfers	(318,303)	(250,920)
<b>Transfers</b>		
Transfers from Jicarilla Apache Nation's general fund	<u>318,303</u>	<u>250,920</u>
Net changes in fund balance	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>
Amounts reported for <i>governmental activities</i> in the statements of activities are different because:		
Net change in fund balance - governmental funds	<u>\$ -</u>	<u>\$ -</u>
Capital outlays are reported governmental funds as expenditures. However, in the statements of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	43,827	13,557
Depreciation expense	(17,871)	(6,401)
Some expenses reported in the statements of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the change in compensated absences.	<u>10,920</u>	<u>3,154</u>
<b>Change in net position of governmental activities</b>	<u>\$ 36,876</u>	<u>\$ 10,310</u>

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

# **KCIE Radio Station**

## **(A Department of the Jicarilla Apache Nation)**

**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

### **1) Reporting Entity and Summary of Significant Accounting Policies**

#### Nature of Operations

KCIE Radio Station (the “Radio Station”) is a department of the Jicarilla Apache Nation (the “Nation”). The Radio Station’s primary function is to provide public broadcasting to the members of the Nation and surrounding local communities. The Radio Station is governed by the Nation’s Legislative Council and follows the operating and accounting policies established by the Nation. Funding sources for the Radio Station include grants from the Corporation for Public Broadcasting (CPB), cost reimbursements from the Nation, and business underwriting of public service announcements.

#### Reporting Entity

The Radio Station is a department of the Nation and is not a separate legal entity. The financial statements present only the financial position of the Radio Station and do not purport to, and do not, present fairly the financial position of the Nation, and the changes in its financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. Therefore, the financial statements for the Radio Station do not include assets and liabilities of the Nation that do not relate to the Radio Station.

#### Accounting Principles

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. This includes both department-wide statements (a statement of net position, and a statement of activities) and fund statements (for governmental funds, a balance sheet, and a statement of revenues, expenditures and changes in fund balances), together with notes to the financial statements and certain required supplemental information, including the management discussion and analysis and a budgetary comparison schedule showing original and final budgets and actual revenues and expenditures.

#### Basic Financial Statements

The Radio Station’s basic financial statements include the statement of net position, statement of activities, fund financial statements, and notes to the financial statements.

#### Department-Wide Financial Statements

The department-wide financial report governmental activities using the economic resources measurement focus and accrual basis of accounting, which includes long-term assets as well as long-term liabilities and other obligations. The department-wide financial statements focus more on the sustainability of the Radio Station as an entity and the change in aggregate financial position resulting from the activities of the fiscal year. The Radio Station does not report any business-type activities.

**KCIE Radio Station**  
**(A Department of the Jicarilla Apache Nation)**  
**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

The department-wide financial statement of net position reports all financial and capital resources of the Radio Station. It is displayed in a format of assets less liabilities equals net position, with assets and liabilities shown in order of their relative liquidity.

The department-wide statement of activities demonstrates the degree to which direct expenses of the various functions of the Radio Station are offset by program revenues. *Direct expenses* are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. *Program revenues* include (1) charges to customers or users who purchase, use, or directly benefit from goods, services, or privileges provided by a particular program or activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program or activity. Other revenues not identifiable with a particular program or activity are included as general revenues. The general revenues support the net cost of the programs and activities not covered by program revenues.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Radio Station considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Radio Station has one governmental fund, which is the general operating fund of the Radio Station. It is used to account for resources devoted to financing the general services of the Radio Station and is charged with all operating expenditures.

Use of Estimates

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

Interfund Transactions

During the course of the Radio Station's operations, the Nation's general fund reimburses the Radio Station for expenses not covered by grants. Receivable balances outstanding at year-end are classified as "due from" Jicarilla Apache Nation's general fund on the statements of net position and the governmental funds balance sheets. All balances are expected to be paid within a year.

**KCIE Radio Station**  
**(A Department of the Jicarilla Apache Nation)**

**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

The Nation also transfers money to the Radio Station to cover operational costs not covered by charges for services or grant revenues. For the years ended December 31, 2023 and 2022, the Nation transferred \$318,303 and \$250,920 to the Radio Station, respectively.

Capital Assets and Depreciation

Capital assets are presented at historical cost, less accumulated depreciation. Expenditures for additions, improvements, and replacements of capital assets are capitalized while maintenance and repairs, which do not improve or extend the service lives of the respective assets, are expensed as incurred. The Radio Station's capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$5,000 and an estimated useful life in excess of one year. Costs incurred for repair and maintenance are expensed in the period incurred.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings and improvements	5 – 30 years
Furniture, equipment, and vehicles	3 – 10 years

Gains or losses are recognized in the period when assets are retired from service or are otherwise disposed of.

Impairment of Long-Lived Assets

The Radio Station evaluates its capital assets for impairment in accordance with the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries*. This statement requires recognition of impairment of long-lived assets in the event the asset's service utility has declined significantly and unexpectedly. If the events or circumstances indicate that an asset should be reviewed for impairment, the Radio Station will assess the diminished service utility and record an impairment charge.

Unearned Revenue

Providers of resources such as grants, contracts, and other awards frequently establish eligibility requirements. Eligibility requirements may specify time requirements, may require that recipient incur allowable costs, and may be contingent upon a specified action by the recipient (such as a matching requirement). Until those requirements are met, the recognition of cash receipts for resources transmitted in advance should be reported as unearned revenue. When all eligibility requirements have been met, the Radio Station recognizes revenue and reduces unearned revenue.

**KCIE Radio Station**  
**(A Department of the Jicarilla Apache Nation)**

**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

Compensated Absences

The Radio Station allows full-time employees to accrue annual leave ranging from 4 to 8 hours per pay period. Annual leave may be accrued to a maximum of 240 hours. Upon termination, up to 240 hours of accrued annual leave will be paid to the employee. Sick leave may accrue without limitation but is not payable upon the employee's termination unless an employee is eligible for retirement. Annual leave and sick leave for eligible retirement personnel are recorded as expenditures and liabilities as incurred. The accrued balance is classified as a long-term liability and will be paid over the next several years.

Net Position and Fund Balances

In the department-wide statements, net position is classified in the following three components:

- *Investment in capital assets*: This category reports the Radio Station's investment in the carrying value of its capital assets, net of accumulated depreciation and reduced by any outstanding long-term debt used to acquire, construct, or improve those assets.
- *Restricted*: This category consists of net position with external restrictions imposed on their use by creditors, grantors, contributors, or laws or regulations of other governments; or by law through constitutional provisions or enabling legislation.
- *Unrestricted*: This category represents all other net position that does not meet the definition of "investment in capital assets" or "restricted."

Fund balances of the governmental funds are reported separately within classifications based on the hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, committed, assigned, and unassigned.

- *Nonspendable*: The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.
- *Restricted*: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

# KCIE Radio Station

## (A Department of the Jicarilla Apache Nation)

### Notes to the Financial Statements December 31, 2023 and 2022

- *Committed:* The committed fund balance classification includes amounts that can be used only for specific purposes imposed by formal action of the Legislative Council. Those committed amounts cannot be used for any other purpose unless the Legislative Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- *Assigned:* Amounts in the assigned fund balance classification are intended to be used by the organization for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts represent intended uses established by the Legislative Council or a management official delegated that authority by formal Legislative Council action.
- *Unassigned:* Unassigned fund balance is used to classify all spendable amounts not contained in the other classifications.

When both restricted and unrestricted resources are available for use, it is the Nation's policy to use restricted resources first, then unrestricted resources as they are needed. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

#### Grant Revenue

Grant revenue consists of amounts awards received from the CPB. Such receipts are considered to be voluntary nonexchange transactions in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, which requires grants with eligibility requirements are not recognized until such time that all eligibility requirements have been met.

#### Indirect Administrative Support

The Radio Station receives administrative services and support from the Nation. Indirect administrative support is calculated and recorded as revenue and expense using methods mandated by the CPB. These services are recorded as indirect administrative support revenue and expenses on the accompanying statements of revenues, expenses, and changes in net position.

#### Income Taxes

As a department of the Nation, the Radio Station is exempt from federal and state income taxes. Accordingly, no provisions for income taxes have been made in the accompanying financial statements.

**KCIE Radio Station**  
**(A Department of the Jicarilla Apache Nation)**

**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

Budgetary Information

The Radio Station follows the Nation's procedures in developing an annual budget. The Radio Station's program director compiles a list of items needed for the radio station for the upcoming fiscal year. The Nation's Administrative Division prepares the budget based on historical numbers and input from the program director. The Nation's Legislative Council adopts the budget as submitted or modifies the proposed budget before adopting it. Budget adjustments are prepared by the Administrative Division and approved by the Legislative Council. Appropriations lapse at year-end. The Radio Station's budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

New Accounting Pronouncements

The GASB has issued several new statements. Management has evaluated the future impact on the Radio Station's financial statements and determined that those statements will not significantly impact accounting or financial reporting by the Radio Station.

**2) Cash**

The Radio Station does not maintain any cash accounts. All cash accounts are maintained by the Nation.

**3) Interfund Receivables**

Interfund receivables consist of amounts due from the Nation's general fund. At December 31, 2023 and 2022, amounts due from the Nation totaled \$767,827 and \$737,914, respectively. Management believes that such receivables are fully collectible, and therefore, no allowance has been established.

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**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

**4) Capital Assets**

A summary of capital asset activity for the year ended December 31, 2023, is summarized as follows:

	Beginning Balance	Increases	Transfers	Ending Balance
<i>Capital assets not being depreciated</i>				
Construction in progress	\$ 13,557	\$ 32,085	\$ (45,642)	\$ -
Total capital assets not being depreciated	<u>13,557</u>	<u>32,085</u>	<u>(45,642)</u>	<u>-</u>
<i>Capital assets being depreciated</i>				
Buildings and improvements	102,743	-	-	102,743
Furniture and equipment	233,617	11,742	45,642	291,001
Vehicles	31,888	-	-	31,888
Total capital assets being depreciated	<u>368,248</u>	<u>11,742</u>	<u>45,642</u>	<u>425,632</u>
Less accumulated depreciation for				
Buildings and improvements	102,743	-	-	102,743
Furniture and equipment	214,304	17,871	-	232,175
Vehicles	31,888	-	-	31,888
Total accumulated depreciation	<u>348,935</u>	<u>17,871</u>	<u>-</u>	<u>366,806</u>
Total capital assets being depreciated, net	<u>19,313</u>	<u>(6,129)</u>	<u>45,642</u>	<u>58,826</u>
Total governmental capital assets, net	<u>\$ 32,870</u>	<u>\$ 25,956</u>	<u>\$ -</u>	<u>\$ 58,826</u>

A summary of capital asset activity for the year ended December 31, 2022, is summarized as follows:

	Beginning Balance	Increases	Ending Balance
<i>Capital assets not being depreciated</i>			
Construction in progress	\$ -	\$ 13,557	\$ 13,557
Total capital assets not being depreciated	<u>-</u>	<u>13,557</u>	<u>13,557</u>
<i>Capital assets being depreciated</i>			
Buildings and improvements	102,743	-	102,743
Furniture and equipment	233,617	-	233,617
Vehicles	31,888	-	31,888
Total capital assets being depreciated	<u>368,248</u>	<u>-</u>	<u>368,248</u>
Less accumulated depreciation for			
Buildings and improvements	102,743	-	102,743
Furniture and equipment	207,903	6,401	214,304
Vehicles	31,888	-	31,888
Total accumulated depreciation	<u>342,534</u>	<u>6,401</u>	<u>348,935</u>
Total capital assets being depreciated, net	<u>25,714</u>	<u>(6,401)</u>	<u>19,313</u>
Total governmental capital assets, net	<u>\$ 25,714</u>	<u>\$ 7,156</u>	<u>\$ 32,870</u>

For the years ended December 31, 2023 and 2022, depreciation expense totaled \$17,871 and \$6,401, respectively, and is allocated to the broadcasting and engineering function on the accompanying statements of activities.



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**5) Unearned Revenue**

Community Service Grant (CSG) awarded by the Corporation for Public Broadcasting (CPB) are typically for a two-year period and recipients have until September 30<sup>th</sup> of the second year to expend the full amount of the grant award. Unexpended grant awards after the two-year agreement may be subject to be returned to CPB. All grant funds not expended by September 30, 2023, must be returned to CPB on or before November 3, 2024.

At December 31, 2023 and 2022, unearned revenues totaled \$767,451 and \$714,785, respectively.

Grant Year	Grant Award	Prior Years	Expended			Amounts Refunded	Uncommitted Balance at December 31, 2022
			2021	2022	2023		
Prior years	\$ 627,376	\$ 324,238	\$ 58,979	\$ 15,429	\$ -	\$ -	\$ 228,730
2021	428,378	-	26,687	89,044	32,117	-	280,530
2022	199,855	-	-	26,447	110,405	-	63,003
2023	207,930	-	-	-	12,742	-	195,188
Totals	<u>\$ 1,463,539</u>	<u>\$ 324,238</u>	<u>\$ 85,666</u>	<u>\$ 130,920</u>	<u>\$ 155,264</u>	<u>\$ -</u>	<u>\$ 767,451</u>

**6) Long-Term Liabilities**

A summary of long-term liability activity for the year ended December 31, 2023, is summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Compensated absences	<u>\$ 18,714</u>	<u>\$ 13,676</u>	<u>\$ (24,596)</u>	<u>\$ 7,794</u>

A summary of long-term liability activity for the year ended December 31, 2022, is summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Compensated absences	<u>\$ 21,868</u>	<u>\$ 11,706</u>	<u>\$ (14,860)</u>	<u>\$ 18,714</u>

**7) Indirect Administrative Support**

The Nation's Administrative Division provides indirect administrative support for the Radio Station, including financial management and reporting, human resources, facility

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**December 31, 2023 and 2022**

and fleet maintenance, purchasing, and information technology services. The Nation negotiates annually with the United States Department of Interior, Interior Business Center, for an indirect cost rate applicable to all programs operated by the Nation. The Radio Station applied these rates to calculate the total value of administrative support provided by the Nation, as shown below.

	2023	2022
Total expenses reported on the statement of activities	\$ 540,946	\$ 457,133
Less deductions		
Depreciation expense	(17,871)	(6,401)
Change in compensated absences	10,920	3,154
CARES Act expenditures not subject to Indirect Administrative Support	-	(15,428)
Indirect administrative support	(104,255)	(85,603)
Subtotal	429,740	352,855
Negotiated indirect cost rate	24.26 %	24.26 %
Indirect administrative support	\$ 104,255	\$ 85,603

**8) Risk Management**

The Radio Station is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Nation is responsible for the acquisition and administration of all insurance and losses. Commercial insurance coverage is purchased by the Nation for claims arising from such matters. Settled claims have not exceed this commercial coverage in any of the three preceding years.

## Required Supplementary Information

**KCIE Radio Station**  
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**Budgetary Comparison Schedule – Governmental Fund**  
**For the Year Ended December 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
CPB grants and contracts	\$ 407,785	\$ 407,785	\$ 155,264	\$ (252,521)
Indirect administrative support	-	-	104,255	104,255
Total revenues	<u>407,785</u>	<u>407,785</u>	<u>259,519</u>	<u>(148,266)</u>
<b>Expenditures</b>				
Salaries and wages	245,732	245,732	203,505	42,227
Indirect administrative support	-	-	104,255	(104,255)
Fringe benefits	167,927	167,927	92,412	75,515
Professional services	136,303	136,303	58,863	77,440
Travel and training	36,713	36,713	5,260	31,453
Supplies	47,400	47,400	11,859	35,541
Capital outlay	12,177	12,177	43,827	(31,650)
Advertising	52,482	52,482	20,432	32,050
Other	25,600	25,600	7,020	18,580
Programming - restricted	87,894	87,894	17,188	70,706
Utilities	21,000	21,000	11,698	9,302
Repairs and maintenance	14,476	14,476	1,196	13,280
Subscriptions and fees	1,515	1,515	307	1,208
Total expenditures	<u>849,219</u>	<u>849,219</u>	<u>577,822</u>	<u>271,397</u>
Revenues (under) over expenditures before transfers	(441,434)	(441,434)	(318,303)	123,131
<b>Other Financing Sources</b>				
Transfers from Jicarilla Apache Nation's general fund	441,434	441,434	318,303	(123,131)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to required supplementary information.

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**Budgetary Comparison Schedule – Governmental Fund**  
**For the Year Ended December 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
CPB grants and contracts	\$ 199,855	\$ 199,855	\$ 130,920	\$ (68,935)
Indirect administrative support	-	-	85,603	85,603
Total revenues	<u>199,855</u>	<u>199,855</u>	<u>216,523</u>	<u>16,668</u>
<b>Expenditures</b>				
Salaries and wages	191,018	191,018	167,864	23,154
Indirect administrative support	-	-	85,603	(85,603)
Fringe benefits	135,386	135,386	78,529	56,857
Professional services	153,670	153,670	49,140	104,530
Travel and training	44,105	44,105	21,545	22,560
Supplies	142,941	142,941	16,365	126,576
Capital outlay	-	-	13,557	(13,557)
Advertising	40,000	40,000	12,916	27,084
Other	17,500	17,500	8,321	9,179
Programming - restricted	87,138	87,138	6,700	80,438
Utilities	22,000	22,000	6,009	15,991
Repairs and maintenance	21,000	21,000	894	20,106
Subscriptions and fees	2,425	2,425	-	2,425
Total expenditures	<u>857,183</u>	<u>857,183</u>	<u>467,443</u>	<u>389,740</u>
Revenues (under) over expenditures before transfers	(657,328)	(657,328)	(250,920)	406,408
<b>Other Financing Sources</b>				
Transfers from Jicarilla Apache Nation's general fund	347,654	347,654	250,920	(96,734)
Net change in fund balance	(309,674)	(309,674)	-	309,674
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ (309,674)</u>	<u>\$ (309,674)</u>	<u>\$ -</u>	<u>\$ 309,674</u>

See accompanying note to required supplementary information.

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**(A Department of the Jicarilla Apache Nation)**  
**Note to the Required Supplementary Information**  
**For the Years Ended December 31, 2023 and 2022**

**1) Budget Information**

The Nation adopts an annual operating budget for the Radio Station on a basis consistent with accounting principles generally accepted in the United States of America.