

MUNGER & COMPANY, CPAs

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KSDS San Diego's Jazz 88.3 Audited Financial Statements June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
KSDS San Diego's Jazz 88.3

Opinion

We have audited the accompanying financial statements of KSDS San Diego's Jazz 88.3 (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KSDS San Diego's Jazz 88.3 as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of KSDS San Diego's Jazz 88.3 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about KSDS San Diego's Jazz 88.3's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

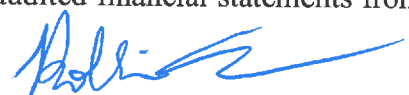
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KSDS San Diego's Jazz 88.3'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 KSDS San Diego's Jazz 88.3'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.

Report on Summarized Comparative Information

We have previously audited KSDS San Diego's Jazz 88.3 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 2, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

February 12, 2025



Munger & Company, CPAs

KSDS Jazz 88
Statement of Financial Position
June 30, 2024
(With Comparative Totals for June 30, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS:		
Cash	\$ <u>1,105,737</u>	\$ <u>1,834,041</u>
TOTAL ASSETS	\$ <u><u>1,105,737</u></u>	\$ <u><u>1,834,041</u></u>
LIABILITIES:		
Expense Reimbursement Due to SDCCD	\$ <u>1,186,791</u>	\$ <u>1,889,460</u>
TOTAL LIABILITIES	1,186,791	1,889,460
NET ASSETS WITHOUT DONOR RESTRICTIONS (DEFICIT):		
Without Donor Restrictions (Deficit)	\$ <u>(81,054)</u>	\$ <u>(55,419)</u>
TOTAL NET ASSETS (Deficit)	<u>(81,054)</u>	<u>(55,419)</u>
TOTAL LIABILITIES & NET (DEFICIT)	\$ <u><u>1,105,737</u></u>	\$ <u><u>1,834,041</u></u>

KSDS Jazz 88
Statement of Activities
For the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	2024	2023
REVENUES:		
Grants	\$ 215,123	\$ 214,310
Program Underwriting	54,928	34,745
Memberships	508,485	524,402
Donations	157,156	84,732
Sub-total Local Revenue	<u>935,692</u>	<u>858,189</u>
SDCCD - Direct Support		
SDCCD - Direct Support - Cash Transfer	<u>135,000</u>	<u>135,000</u>
Sub-Total - Direct Revenue	<u>1,070,692</u>	<u>993,189</u>
SDCCD - Institutional Support		
Personnel and Benefits	490,637	377,570
Other Indirect Costs - 30% of personnel	125,591	113,271
Sub-Total - Indirect Revenue	<u>616,228</u>	<u>490,841</u>
Total Revenues	1,686,920	1,484,030
EXPENSES:		
Local Expenses		
Management	37,966	42,791
Member Development	267,272	195,262
Sub-total Local Expenses	<u>305,238</u>	<u>238,053</u>
Direct Expenses Reimbursed to SDCCD		
Personnel - Direct	471,260	467,069
Personnel Benefits - Direct	243,498	231,043
Supplies and Other Direct Costs	148,331	26,491
Direct Support - SDCCD		
Personnel - Institutional	280,249	252,612
Personnel Benefits - Institutional	138,388	124,958
Indirect Costs - 30% of Personnel	125,591	113,271
Sub-total SDCCD Expenses	<u>1,407,317</u>	<u>1,215,444</u>
Total Expenses	<u>1,712,555</u>	<u>1,453,497</u>
Change In Net Assets	\$ (25,635)	\$ 30,533
Beginning Net (Deficit) Without Donor Restrictions	(55,419)	(85,952)
Ending Net (Deficit) Without Donor Restrictions	<u>\$ (81,054)</u>	<u>\$ (55,419)</u>

The Accompanying Notes are an integral part of the Financial Statements

KSDS Jazz 88
Statement of Functional Expenses
For the Fiscal Years Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	Program Services	Management & General	Fund- Raising	2024 Total	2023 Total
EXPENSES					
Direct Expenses					
Management	\$ -	\$ 37,966	\$ -	\$ 37,966	\$ 42,791
Member Development	195,262			267,272	195,262
Direct Expenses Reimbursed to SDCCD					
Personnel - Institutional	377,008	94,252		471,260	467,069
Personnel Benefits - Institutional	194,799	48,699		243,498	231,043
Supplies and other direct costs	118,665	29,666		148,331	26,491
Indirect Support - SDCCD					
Personnel - Institutional	224,199	56,050		280,249	252,612
Personnel Benefits - Institutional	110,710	27,678		138,388	124,958
Indirect Costs - 30% of Personnel	100,473	25,119		125,591	113,271
Total Expenses	\$ 1,321,116	\$ 319,429	\$ -	\$ 1,712,555	\$ 1,453,497

The Accompanying Notes are an integral part of the Financial Statements

KSDS Jazz 88
Statement of Cash Flows
For the Year Ended June 30, 2024
(With Comparative Totals for the Year Ended June 30, 2023)

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM - OPERATING ACTIVITIES:		
Change In Net Assets	\$ (25,635)	\$ 30,533
Adjustments to Reconcile Change in Net Assets		
To Net Cash Provided (Used) by Operating Activities:		
Increase/(Decrease) in Reimbursement Due to SDCCD	<u>(702,669)</u>	<u>84,263</u>
Net Cash Provided/(Used) by Operating Activities	(728,304)	114,796
Net Change in Cash	(728,304)	114,796
Cash at:		
Beginning of Year	<u>1,834,041</u>	<u>1,719,245</u>
End of Year	<u>\$ 1,105,737</u>	<u>\$ 1,834,041</u>

The Accompanying Notes are an integral part of the Financial Statements

KSDS San Diego's Jazz 88.3
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 1. Organization and Nature of Activities

KSDS San Diego's Jazz 88.3 (the Station) is on the campus of the San Diego City College Foundation (the Foundation). KSDS San Diego's Jazz 88.3's purpose is to provide education and experience in operating a non-profit non-commercial educational radio station, licensed to the San Diego Community College, which also provides a community service to the County of San Diego. The San Diego City College Foundation provides custodial services of managing and disbursing funds, and oversight by the Foundation's Board of Directors.

KSDS also receives substantial institutional support from the San Diego Community College District (the District). In addition, the District and the Foundation combine to perform the accounting function for KSDS.

The radio station was founded in 1951, began programming jazz in 1973 and became San Diego's only full-time jazz radio station in 1985. KSDS San Diego's Jazz 88.3 broadcasts 24 hours a day from the campus of San Diego City College with 22,000 watts at 88.3 on the FM radio dial. KSDS has a license with the FCC. If the FCC were to revoke the license, KSDS would not be able to conduct its radio broadcasts.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

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

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Cash and Cash Equivalents

Management considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. There were no cash equivalents as of June 30, 2024.

Property and Equipment

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which is 10 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. All fixed assets were fully depreciated in prior years. As such, the net -0- value is not reported on the statement of financial position.

KSDS San Diego's Jazz 88.3
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)

Management reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2024.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions are reported as restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. There were no net assets with donor restrictions as of June 30, 2024.

Revenue and Revenue Recognition

Membership dues, which are nonrefundable, are fully comprised of a contribution element and are recognized when received.

Program Underwriting – These are earned at a point and time when program underwriting is being offered.

Management recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Management records donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the year ended June 30, 2024.

KSDS San Diego's Jazz 88.3
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

Advertising Costs

Advertising costs are expensed as incurred.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates under different conditions or assumptions, and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, management has not experienced losses in any of these accounts.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Note 3. Liquidity and Availability

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

	2024	2023
Cash	<u>\$1,105,737</u>	<u>\$1,834,041</u>

As part of their liquidity management plan, cash is invested in excess of daily requirements in liquid cash accounts.

KSDS San Diego's Jazz 88.3
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 4. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, benefits supplies, and indirect costs, which are allocated on the basis of estimates of time and effort.

Note 5. Lease of Facilities

KSDS San Diego's Jazz 88.3 does not have any lease of facilities or equipment that exceed 12 months. Facilities expense however, have been included in indirect costs provided by the District as they are allocated on a year by year basis.

Note 6. Corporation for Public Broadcasting

KSDS San Diego's Jazz 88.3 receives grant funds from Corporation for Public Broadcasting (CPB), which mandates certain compliance requirements be met in order to continue to receive funding from them. CPB is a private, non-profit foundation funded by the U.S. Congress. The amount granted for the year ended June 30, 2024 and 2023 was \$214,554 and \$207,599, respectively, consisting of a Community Service Grant (CSG). In fiscal year 2003, KSDS San Diego's Jazz 88.3 qualified as a Level 7 grantee. As a condition of the grants, KSDS San Diego's Jazz 88.3 is required to file Annual Financial Reports, including audited financial statements, with the CPB.

Note 7. Support and Other Revenues

KSDS San Diego's Jazz 88.3 also receive direct support from San Diego Community College District in the amount of \$135,000 for the years ended June 30, 2024 and 2023, respectively. In addition, the District provided indirect support totaling \$616,228 and \$490,841 which included personnel, operating expenses, and other indirect costs calculated at 30 percent for the years ending June 30, 2024 and 2023.

As of June 30, 2024 and 2023, San Diego's Jazz 88.3 had liabilities to the District of \$1,186,791 and \$1,889,460, respectively.

Note 8. Retirement Plans

The District's academic and nonacademic personnel are covered by various retirement plans depending on their job classification. The District pays these expenses on behalf of the Station and they are included with other fringe benefits contributed to the Station.

Note 9. Subsequent Events

Management has evaluated subsequent events through February 12, 2025, the date the financial statements were available to be issued. Management is not aware of any subsequent events to be reported or disclosed in the financial statements.

KSDS San Diego's Jazz 88.3
Notes to Financial Statements
For the Year Ended June 30, 2024

Note 10. Management's Plans

The net deficit on the statement of financial position totaled a negative \$81,054 and \$55,419 for the years ended June 30, 2024 and 2023, respectively. KSDS is financially dependent on San Diego City College to support them. In addition, there is a possibility that continued support from the CPB, contributors, and the District in subsequent years could be reduced or eliminated. Without the ongoing financial support from District or College Foundation, KSDS would be not able to continue. At this time, there is no knowledge or expectation that either the District or College Foundation would withdraw their support for KSDS.