

**KIWR-FM Radio
(A Public Telecommunications Entity Operated by
Iowa Western Community College,
Council Bluffs, Iowa)**

FINANCIAL REPORT

June 30, 2023 and 2022

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| OFFICIALS | 3 |
| INDEPENDENT AUDITOR'S REPORT | 4-6 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS | 7-10 |
| FINANCIAL STATEMENTS | |
| Statements of net position | 11 |
| Statements of revenues, expenses and changes in net position | 12 |
| Statements of cash flows | 13-14 |
| Notes to financial statements | 15-20 |
| OTHER SUPPLEMENTARY INFORMATION | |
| Supplemental schedules of functional expenses | 21-22 |
| 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 <i>GOVERNMENT AUDITING STANDARDS</i> | 23-24 |

Iowa Western Community College
OFFICIALS

| <u>Name</u> | <u>Title</u> | <u>Term expires</u> |
|--------------------------|--------------------------------|---------------------|
| Board of Trustees | | |
| Connie Hornbeck | President | 2023 |
| Dr. John Marshall | Vice President | 2023 |
| Stan Sibley | Member | 2023 |
| Randy Pash | Member | 2025 |
| John McBride | Member | 2023 |
| Kirk Madsen | Member | 2025 |
| Tom Riley | Member | 2025 |
| Matt Johnson | Member | 2025 |
| Chris Blake | Member | 2025 |
| Community College | | |
| Dr. Daniel Kinney | President | |
| Edwin Holtz | Board Treasurer | |
| Erin McKee | Board Secretary | |
| Sophia John | General Manager, KIWR-FM Radio | |

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Iowa Western Community College
Council Bluffs, Iowa

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of KIWR-FM Radio (a public telecommunications entity operated by Iowa Western Community College, Council Bluffs, Iowa), which comprise the statements of net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KIWR-FM Radio as of June 30, 2023 and 2022, and the changes in its net position and its cash flows 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 KIWR-FM Radio 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 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 KIWR-FM Radio'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 KIWR-FM Radio'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 7 through 10 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2024, on our consideration of KIWR-FM Radio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 KIWR-FM Radio's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KIWR-FM Radio's internal control over financial reporting and compliance.

Denman CPA LLP
Denman CPA LLP

West Des Moines, Iowa
January 11, 2024

KIWR-FM Radio

Iowa Western Community College

Council Bluffs, Iowa

(A Public Telecommunications Entity Operated by Iowa Western Community College, Council Bluffs, Iowa)

Management's Discussion and Analysis

Years Ended June 30, 2023 and 2022

INTRODUCTION AND REPORTING ENTITY

The following discussion and analysis is an overview of the financial position and activities of KIWR-FM Radio (the Radio Station or KIWR) for the years ended June 30, 2023 and 2022. Management of the Radio Station (Station management) has prepared the following discussion and it should be read with the financial statements and related footnotes which follow this section.

The Radio Station is operated by Iowa Western Community College (IWCC).

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the Radio Station consist of the Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows. These statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – For Public Colleges and Universities*. Statement No. 35 established standards for external financial reporting for all public colleges and universities, which includes the basic financial statements noted above. Statement No. 35 also requires the classification of net position into three categories – net investment in capital assets; restricted; and unrestricted.

The Statements of Net Position include Assets, Liabilities and Net Position of the Radio Station as of June 30, 2023 and 2022. These statements are classified into Current Assets, Capital Assets, Current Liabilities, and Noncurrent Liabilities, with Net Position classified into the applicable categories as noted above. The Statements of Revenues, Expenses and Changes in Net Position depict the Operating Revenues and Expenses resulting in an Operating Income for fiscal years 2023 and 2022, which is then combined with Nonoperating Revenue, Expenses, and Transfers to provide the total Change in Net Position. The Statements of Cash Flows show the sources and uses of cash flows from operating activities, cash flows from non-capital financing activities (if any), and cash flows from capital and related financing activities. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

FINANCIAL HIGHLIGHTS

Net Position of the Radio Station for the years ended June 30, 2023 (fiscal year 2023) and 2022 (fiscal year 2022) totaled (\$389) and (\$12,220), respectively. The Radio Station continues its strong position in the marketplace as local and regional businesses work with 89.7 The River (KIWR's station name) to reach the 18-34 year old demographic.

In fiscal year 2023, the Radio Station's Operating Revenues totaled \$1,015,293, while Operating Expenses were \$974,191. The Net Operating Income for fiscal year 2023 was \$41,102. Donated program and support services (donated support) totaled \$239,571 for fiscal year 2023, which represents indirect administration support from IWCC. The amount of donated support is reflected as revenues in the accompanying statements of revenues, expenses and changes in net position. As expenses of an equivalent amount are also recognized, there is no impact on total net position.

In fiscal year 2022, the Radio Station's Operating Revenues totaled \$1,042,681, while Operating Expenses were \$950,429. The Net Operating Income for fiscal year 2022 was \$92,252. Donated program and support services (donated support) totaled \$229,591 for fiscal year 2022, which represents indirect administration support from IWCC.

The Radio Station's capital assets, net of accumulated depreciation/amortization, totaled \$502,147 and \$558,828 at June 30, 2023 and 2022, respectively. The Radio Station had outstanding current liabilities (excluding lease agreement payable) of \$120,538 and \$113,936 at June 30, 2023 and 2022, respectively, including, salaries payable, payroll taxes payable, deferred revenue, and amounts due to IWCC. The Radio Station had \$482,966 and \$569,737 of lease agreement payable obligations as of June 30, 2023 and 2022, respectively.

FINANCIAL ANALYSIS OF THE STATEMENTS

The Radio Station's condensed comparative financial statements are presented below for fiscal years 2023, 2022, and 2021.

Current assets consist of cash, investments, accounts receivable, and amounts due from IWCC. Capital assets are presented net of accumulated depreciation/amortization of \$974,255, \$869,800, and \$766,242 at June 30, 2023, 2022, and 2021, respectively. Current liabilities consist of accounts payable, salaries payable, payroll taxes and employee benefits payable, deferred revenue, amounts due to IWCC, and the current portion of lease agreement payable. Noncurrent liabilities consist of lease agreement payable. Net position is classified as net investment in capital assets and unrestricted, as applicable.

KIWR-FM Radio Condensed Statements of Net Position

| | <u>FY23</u> | <u>FY22</u> | <u>FY21</u> |
|----------------------------------|-----------------|--------------------|-------------------|
| Assets | | | |
| Current assets | \$ 100,968 | \$ 112,625 | \$ 143,108 |
| Capital assets | <u>502,147</u> | <u>558,828</u> | <u>649,615</u> |
| Total assets | <u>603,115</u> | <u>671,453</u> | <u>792,723</u> |
| Liabilities | | | |
| Current liabilities | 215,909 | 200,707 | 224,297 |
| Noncurrent liabilities | <u>387,595</u> | <u>482,966</u> | <u>569,737</u> |
| Total liabilities | <u>603,504</u> | <u>683,673</u> | <u>794,034</u> |
| Net position | | | |
| Net investment in capital assets | 19,181 | (10,909) | — |
| Unrestricted | <u>(19,670)</u> | <u>(1,311)</u> | <u>(1,311)</u> |
| Total net position | <u>\$ (389)</u> | <u>\$ (12,220)</u> | <u>\$ (1,311)</u> |

Operating revenues consist primarily of local support, Corporation for Public Broadcasting appropriations, IWCC support, underwriting, rental income, fees for services and miscellaneous, and donated support. Operating expenses consist primarily of program services and support services. Nonoperating revenue, expenses, and transfers consist of interest income from investments, transfers (to) from IWCC, and interest expense on lease agreement payable.

KIWR-FM Radio
Condensed Statements of Revenues, Expenses and Changes in Net Position

| | <u>FY23</u> | <u>FY22</u> | <u>FY21</u> |
|---|------------------|--------------------|-------------------|
| Local support | \$ 113,618 | \$ 125,238 | \$ 189,852 |
| Corporation for Public Broadcasting | 59,542 | 103,420 | 232,109 |
| Underwriting | 381,893 | 319,679 | 208,520 |
| Rental income | 110,481 | 72,333 | 50,745 |
| Fees for services and miscellaneous | 110,188 | 192,420 | 3,025 |
| Donated support | <u>239,571</u> | <u>229,591</u> | <u>336,666</u> |
| Total operating revenues | <u>1,015,293</u> | <u>1,042,681</u> | <u>1,020,917</u> |
| | | | |
| Program services | 649,426 | 623,213 | 659,416 |
| Support services | <u>324,765</u> | <u>327,216</u> | <u>333,822</u> |
| Total operating expenses | <u>974,191</u> | <u>950,429</u> | <u>993,238</u> |
| | | | |
| Operating income | <u>41,102</u> | <u>92,252</u> | <u>27,679</u> |
| | | | |
| Interest on investments | 58 | 58 | 211 |
| Transfers to IWCC | - | (60,896) | - |
| Interest expense on lease agreement payable | <u>(29,329)</u> | <u>(42,323)</u> | <u>(29,201)</u> |
| Net nonoperating revenue, expenses, and transfers | <u>(29,271)</u> | <u>(103,161)</u> | <u>(28,990)</u> |
| | | | |
| Change in net position | 11,831 | (10,909) | (1,311) |
| | | | |
| Net position, beginning of year | <u>(12,220)</u> | <u>(1,311)</u> | <u>-</u> |
| | | | |
| Net position, end of year | <u>\$ (389)</u> | <u>\$ (12,220)</u> | <u>\$ (1,311)</u> |

OTHER SIGNIFICANT MATTERS

89.7 The River broadcasts its 100,000 watt signal from a tower height of 1,150 feet located in the Council Bluffs/Omaha metro area. The alternative rock format of the station appeals to key demographics from ages 18-34. The popularity of The River continues to provide a key marketing asset in the promotion of Iowa Western Community College to prospective students.

Operating revenues were down \$27,388 in fiscal year 2023 totaling \$1,015,293. Expenses in fiscal year 2023 increased to \$974,191 compared to \$950,429 in fiscal year 2022. Local support decreased 9.3% versus fiscal year 2022. CPB funding decreased by 42.4% or \$43,878. Underwriting revenues increased by 19.5% or \$62,214. Rental income increased by 52.7% or \$38,148. Fees for services and miscellaneous decreased by 42.7% or \$82,232. Finally, donated support was slightly higher due to the increased costs of services provided by the College.

Operating revenues were up \$21,764 in fiscal year 2022 totaling \$1,042,681. Expenses in fiscal year 2022 decreased to \$950,429 compared to \$993,238 in fiscal year 2021. Local support decreased 34.0% versus fiscal year 2021. CPB funding decreased by 55.4% or \$128,689. Underwriting revenues increased by 53.3% or \$111,159. Rental income increased by 42.5% or \$21,588. Fees for services and miscellaneous increased by over 6,000% or \$189,395. Finally, donated support was lower primarily due to the impact from the adoption of GASB Statement No. 87, *Leases* on the calculation of the allocated amount.

The Board of Trustees and Administration of Iowa Western Community College continue to recognize the value the Radio Station provides to IWCC. With its popularity in the 18-34 year old demographic, IWCC benefits from the continued exposure provided during daily broadcasts. Secondly, IWCC broadcasting students receive “on-the-job live” experiences while working at the Radio Station.

The 89.7 The River station management will continue to be actively involved in the promotion and staging of local area concerts. Their involvement ranges from promoting relatively unknown startup bands at smaller local area venues to working in cooperation with national music promotions to host one or two major summer concerts. As the economy and the COVID-19 environment improve and concert goers become willing to spend more dollars for tickets, the Radio Station revenue picture will continue to improve.

CONTACTING THE RADIO STATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Radio Station's constituents, taxpayers in the service district and KIWR creditors with a general overview of the Radio Station's finances and to demonstrate KIWR's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Iowa Western Community College, 2700 College Road, Council Bluffs, IA 51503.

KIWR-FM Radio
(A Public Telecommunications Entity Operated by
Iowa Western Community College, Council Bluffs, Iowa)
STATEMENTS OF NET POSITION

| | June 30 | |
|--|------------------|--------------------|
| | 2023 | 2022 |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 38,498 | \$ — |
| Investments | — | 38,440 |
| Accounts receivable | 62,470 | 24,555 |
| Due from Iowa Western Community College | — | 49,630 |
| Total current assets | <u>100,968</u> | <u>112,625</u> |
| CAPITAL ASSETS | | |
| Buildings and fixed equipment | 20,682 | 20,682 |
| Other structure and improvements | 214,022 | 166,248 |
| Furniture, machinery and equipment | 520,789 | 520,789 |
| Right-to-use leased equipment | 720,909 | 720,909 |
| Total | <u>1,476,402</u> | <u>1,428,628</u> |
| Less accumulated depreciation and amortization | 974,255 | 869,800 |
| Capital assets, net | <u>502,147</u> | <u>558,828</u> |
| Total assets | <u>603,115</u> | <u>671,453</u> |
| LIABILITIES AND NET POSITION | | |
| CURRENT LIABILITIES | | |
| Accounts payable | 1,312 | 192 |
| Salaries payable | 16,916 | 18,183 |
| Payroll taxes and employee benefits payable | 2,918 | 3,107 |
| Deferred revenue | 61,994 | 95,454 |
| Due to Iowa Western Community College | 37,398 | — |
| Lease agreement payable | 95,371 | 86,771 |
| Total current liabilities | <u>215,909</u> | <u>200,707</u> |
| NONCURRENT LIABILITIES | | |
| Lease agreement payable | 387,595 | 482,966 |
| Total liabilities | <u>603,504</u> | <u>683,673</u> |
| NET POSITION | | |
| Net investment in capital assets | 19,181 | (10,909) |
| Unrestricted | (19,570) | (1,311) |
| Total net position | <u>\$ (389)</u> | <u>\$ (12,220)</u> |

See Notes to Financial Statements.

KIWR-FM Radio
(A Public Telecommunications Entity Operated by
Iowa Western Community College, Council Bluffs, Iowa)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

| | <u>Year ended June 30</u> | |
|---|---------------------------|--------------------|
| | <u>2023</u> | <u>2022</u> |
| OPERATING REVENUES | | |
| Local support | \$ 113,618 | \$ 125,238 |
| Corporation for Public Broadcasting, Community Service Grants | 59,542 | 103,420 |
| Underwriting | 231,653 | 170,459 |
| Underwriting, Iowa Western Community College | 145,500 | 144,000 |
| Underwriting, trade | 4,740 | 5,220 |
| Rental income | 110,481 | 72,333 |
| Fees for services | 100,353 | 183,369 |
| Miscellaneous | 9,835 | 9,051 |
| Donated program and support services | <u>239,571</u> | <u>229,591</u> |
| Total operating revenues | <u>1,015,293</u> | <u>1,042,681</u> |
| OPERATING EXPENSES | | |
| Program services | | |
| Programming and production | 266,448 | 248,548 |
| Broadcasting | 281,420 | 274,060 |
| Program information | <u>101,558</u> | <u>100,605</u> |
| | <u>649,426</u> | <u>623,213</u> |
| Support services | | |
| Management and general | 100,201 | 102,654 |
| Fundraising and membership development | 85,572 | 87,802 |
| Underwriting and grant solicitation | <u>138,992</u> | <u>136,760</u> |
| | <u>324,765</u> | <u>327,216</u> |
| Total operating expenses | <u>974,191</u> | <u>950,429</u> |
| OPERATING INCOME | <u>41,102</u> | <u>92,252</u> |
| NONOPERATING REVENUE, EXPENSES, AND TRANSFERS | | |
| Interest on investments | 58 | 58 |
| Transfers to Iowa Western Community College | - | (60,896) |
| Interest expense on lease agreement payable | <u>(29,329)</u> | <u>(42,323)</u> |
| Net nonoperating revenue, expenses, and transfers | <u>(29,271)</u> | <u>(103,161)</u> |
| CHANGE IN NET POSITION | 11,831 | (10,909) |
| NET POSITION | | |
| Beginning of year | <u>(12,220)</u> | <u>(1,311)</u> |
| End of year | \$ <u>(389)</u> | \$ <u>(12,220)</u> |

See Notes to Financial Statements.

KIWR-FM Radio
(A Public Telecommunications Entity Operated by
Iowa Western Community College, Council Bluffs, Iowa)
STATEMENTS OF CASH FLOWS

| | Year ended June 30 | |
|---|---------------------------|------------------|
| | 2023 | 2022 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Local support | \$ 113,618 | \$ 125,238 |
| Corporation for Public Broadcasting, Community Service Grants | 101,848 | 100,191 |
| Underwriting | 339,238 | 385,420 |
| Rental income | 37,715 | 72,766 |
| Fees for services | 100,353 | 183,369 |
| Miscellaneous | 9,835 | 9,051 |
| Programming and production | (189,141) | (172,006) |
| Broadcasting | (123,298) | (118,393) |
| Program information | (73,770) | (72,849) |
| Management and general | (73,489) | (70,817) |
| Fundraising and membership development | (66,765) | (68,920) |
| Underwriting and grant solicitation | <u>(99,298)</u> | <u>(97,112)</u> |
| Net cash flows from operating activities | <u>76,846</u> | <u>275,938</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition of capital assets | (47,774) | (12,771) |
| Principal paid on lease agreement payable | (86,771) | (79,878) |
| Interest paid on lease agreement payable | (29,329) | (42,323) |
| Payments and transfers (to) from Iowa Western Community College | <u>125,526</u> | <u>(140,966)</u> |
| Net cash flows from capital and related financing activities | <u>(38,348)</u> | <u>(275,938)</u> |
| NET CHANGE IN CASH | 38,498 | - |
| CASH | | |
| Beginning of year | <u>-</u> | <u>-</u> |
| End of year | <u>\$ 38,498</u> | <u>\$ -</u> |

See Notes to Financial Statements.

KIWR-FM Radio
(A Public Telecommunications Entity Operated by
Iowa Western Community College, Council Bluffs, Iowa)
STATEMENTS OF CASH FLOWS (continued)

| | Year ended June 30 | |
|---|---------------------------|-------------------|
| | 2023 | 2022 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating income | \$ <u>41,102</u> | \$ <u>92,522</u> |
| Adjustments to reconcile operating income to net cash flows from operating activities | | |
| Depreciation and amortization | 104,455 | 103,558 |
| Changes in assets and liabilities | | |
| Accounts receivable | (37,915) | 70,961 |
| Prepaid expenses | - | 9,209 |
| Accounts payable | 1,120 | (1,148) |
| Salaries payable | (1,267) | 3,266 |
| Payroll taxes and employee benefits payable | (189) | 637 |
| Deferred revenue | <u>(30,460)</u> | <u>(2,797)</u> |
| Total adjustments | <u>35,744</u> | <u>183,686</u> |
| Net cash flows from operating activities | \$ <u>76,846</u> | \$ <u>275,938</u> |
| SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES | | |
| Interest income reinvested | \$ <u>58</u> | \$ <u>58</u> |

See Notes to Financial Statements.

KIWR-FM Radio
(A Public Telecommunications Entity Operated by
Iowa Western Community College, Council Bluffs, Iowa)
NOTES TO FINANCIAL STATEMENTS

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

KIWR-FM Radio (the Radio Station) is a public, noncommercial radio station. The Radio Station operates with a power of 100,000 watts, reaching a potential audience of an 80-mile radius in western Iowa and eastern Nebraska. The Radio Station is operated by and its financial activity is included in the financial statements of Iowa Western Community College, Council Bluffs, Iowa (the College). The Radio Station is dependent upon support from the Corporation for Public Broadcasting, Iowa Western Community College, and the public.

General

In its accounting and financial reporting, the Radio Station follows accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The Radio Station follows the provisions of GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. GASB Statement No. 35 established standards for external financial reporting for all public colleges and universities, which includes a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows prepared on the direct method, as well as the notes to the financial statements. It requires the classification of net position into three categories – net investment in capital assets, restricted and unrestricted. The Radio Station had no restricted net position at June 30, 2023 and 2022.

Net Investment in Capital Assets - Capital assets, net of accumulated depreciation and amortization and outstanding debt obligations, including lease agreements payable, attributable to the acquisition, construction or improvement of those assets.

Unrestricted Net Position - Net position that is not subject to externally imposed stipulations.

Basis of Accounting

The financial statements of the Radio Station have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are reported when earned and expenses are recorded when materials and services are received.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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 may differ from the estimates and assumptions used in preparing the financial statements.

Cash and Cash Equivalents

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, they have a maturity date no longer than three months.

Investments

Investments consist of nonnegotiable certificates of deposit which are stated at cost.

KIWR-FM Radio
(A Public Telecommunications Entity Operated by
Iowa Western Community College, Council Bluffs, Iowa)
NOTES TO FINANCIAL STATEMENTS

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts receivable are presented net of an allowance for doubtful accounts. The allowance as of June 30, 2023 and 2022 was \$1,620.

Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are stated at fair market value at date of donation. The Radio Station's capitalization policy is to capitalize items greater than \$5,000. Depreciation/amortization is calculated using the straight-line method over the following estimated useful lives:

| | |
|------------------------------------|-------------|
| Buildings and fixed equipment | 10-25 years |
| Other structure and improvements | 10-25 years |
| Furniture, machinery and equipment | 5-25 years |
| Right-to-use leased equipment | 5-10 years |

Management periodically reviews capital assets for impairment.

Leases

The Radio Station is the lessee for a noncancellable lease of equipment. The Radio Station has recognized a lease liability and an intangible right-to-use leased asset (lease asset) in the financial statements.

At the commencement of a lease, the Radio Station initially 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 the lease payment made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis, typically over its useful life or the lease term, whichever is shorter.

Key estimates and judgments related to leases include how the Radio Station determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

The Radio Station uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Radio Station generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and, if applicable, any purchase option price the Radio Station is reasonably certain to exercise.

The Radio Station monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

The lease asset is reported with capital assets and lease liability is reported as lease agreement payable on the statement of net position.

KIWR-FM Radio
(A Public Telecommunications Entity Operated by
Iowa Western Community College, Council Bluffs, Iowa)
NOTES TO FINANCIAL STATEMENTS

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Program and Support Services

The Radio Station receives the use of facilities and administrative support from Iowa Western Community College. The donated facilities from the College consist of office and studio space together with related occupancy costs and are recorded as revenues and expenses at estimated fair rental values. Administrative support from the College consists of allocated financial and student development department costs and certain other expenses incurred by the College on behalf of the Radio Station. The allocation of the donated facilities and administrative support from the College is determined using methods prescribed by the Corporation for Public Broadcasting.

Deferred Revenue

Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets have not been spent for their intended purpose. Deferred revenue consists of unspent tower rental proceeds of \$-0- and \$72,766 at June 30, 2023 and 2022, respectively, and unspent Corporation for Public Broadcasting, Community Service Grants proceeds of \$61,994 and \$19,688 at June 30, 2023 and 2022, respectively.

NOTE 2 INVESTMENTS

The Radio Station's deposits in banks (including cash and investments) at June 30, 2023 and 2022 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The Radio Station is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Iowa Western Community College Board of Trustees; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The Radio Station had nonnegotiable certificates of deposit at June 30, 2023 and 2022 which are valued at cost of \$-0- and \$38,440, respectively, which approximates market value.

Interest rate risk. The Radio Station's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the Radio Station.

KIWR-FM Radio
(A Public Telecommunications Entity Operated by
Iowa Western Community College, Council Bluffs, Iowa)
NOTES TO FINANCIAL STATEMENTS

NOTE 3 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 is as follows:

| | <u>July 1, 2022</u> <u>balance</u> | <u>Additions</u> | <u>June 30, 2023</u> <u>balance</u> |
|--|---------------------------------------|--------------------|--|
| Buildings and fixed equipment | \$ 20,682 | \$ — | \$ 20,682 |
| Other structure and improvements | 166,248 | 47,774 | 214,022 |
| Furniture, machinery and equipment | 520,789 | — | 520,789 |
| Right-to-use leased equipment | <u>720,909</u> | <u>—</u> | <u>720,909</u> |
| Total capital assets being depreciated/amortized | <u>1,428,628</u> | <u>47,774</u> | <u>1,476,402</u> |
| Less accumulated depreciation/amortization | | | |
| Buildings and fixed equipment | 20,682 | — | 20,682 |
| Other structure and improvements | 166,248 | 637 | 166,885 |
| Furniture, machinery and equipment | 509,005 | 1,248 | 510,253 |
| Right-to-use leased equipment | <u>173,865</u> | <u>102,570</u> | <u>276,435</u> |
| Total accumulated depreciation/amortization | <u>869,800</u> | <u>104,455</u> | <u>974,255</u> |
| Capital assets, net | <u>\$ 558,828</u> | <u>\$ (56,681)</u> | <u>\$ 502,147</u> |

Capital asset activity for the year ended June 30, 2022 is as follows:

| | <u>July 1, 2021</u> <u>balance</u> | <u>Additions</u> | <u>June 30, 2022</u> <u>balance</u> |
|--|---------------------------------------|--------------------|--|
| Buildings and fixed equipment | \$ 20,682 | \$ — | \$ 20,682 |
| Other structure and improvements | 166,248 | — | 166,248 |
| Furniture, machinery and equipment | 508,018 | 12,771 | 520,789 |
| Right-to-use leased equipment | <u>720,909</u> | <u>—</u> | <u>720,909</u> |
| Total capital assets being depreciated/amortized | <u>1,415,857</u> | <u>12,771</u> | <u>1,428,628</u> |
| Less accumulated depreciation/amortization | | | |
| Buildings and fixed equipment | 20,682 | — | 20,682 |
| Other structure and improvements | 166,248 | — | 166,248 |
| Furniture, machinery and equipment | 508,018 | 987 | 509,005 |
| Right-to-use leased equipment | <u>71,294</u> | <u>102,571</u> | <u>173,865</u> |
| Total accumulated depreciation/amortization | <u>766,242</u> | <u>103,558</u> | <u>869,800</u> |
| Capital assets, net | <u>\$ 649,615</u> | <u>\$ (90,787)</u> | <u>\$ 558,828</u> |

KIWR-FM Radio
(A Public Telecommunications Entity Operated by
Iowa Western Community College, Council Bluffs, Iowa)
NOTES TO FINANCIAL STATEMENTS

NOTE 4 LEASE AGREEMENT PAYABLE

The Radio Station has entered into a lease agreement for the rental of equipment. This lease agreement requires monthly payments, ranging from \$9,485 in 2022 to \$10,996 in 2028, over a lease period of approximately five years. An implicit interest rate of 5.625% is applicable to this lease agreement payable. During the year ended June 30, 2023, principal and interest paid on the lease agreement payable were \$86,771 and \$29,329, respectively. During the year ended June 30, 2022, principal and interest paid on the lease agreement payable were \$79,878 and \$42,323, respectively.

Future principal and interest payments on the lease agreement payable as of June 30, 2023 are as follows:

| <u>Year ending June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|-------------------|------------------|-------------------|
| 2024 | \$ 95,371 | \$ 24,213 | \$ 119,584 |
| 2025 | 104,574 | 18,598 | 123,172 |
| 2026 | 114,411 | 12,449 | 126,860 |
| 2027 | 124,940 | 5,728 | 130,668 |
| 2028 | <u>43,670</u> | <u>314</u> | <u>43,984</u> |
| Total | <u>\$ 482,966</u> | <u>\$ 61,302</u> | <u>\$ 544,268</u> |

NOTE 5 RETIREMENT PLANS

Radio Station employees may elect to participate in the Iowa Public Employees Retirement System (IPERS) or the Teachers Insurance and Annuity Association (TIAA) retirement program. If no election is designated by the employee, the employee will automatically be enrolled in IPERS.

The Radio Station contributes to the Iowa Public Employees Retirement System which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117. Information and disclosures regarding the net pension liability, deferred outflows of resources, and deferred inflows of resources as required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27* attributed to the employees of the Radio Station are included as a component of these respective amounts as reported in the Iowa Western Community College June 30, 2023 financial statements. Sufficient information is not available to allow management of the Radio Station to estimate the net pension liability, deferred outflows of resources, and deferred inflows of resources attributable to its employees. Plan members were required to contribute 6.29% of their covered salary in fiscal years 2023 and 2022. The Radio Station was required to contribute 9.44% of annual payroll in fiscal years 2023 and 2022. Contribution requirements are established by State statute. The Radio Station's required and actual contributions to IPERS for the years ended June 30, 2023 and 2022 were \$9,939 and \$13,011, respectively.

The Radio Station contributes to the TIAA retirement program which is a defined contribution plan. TIAA administers the retirement plan for the Radio Station. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible Radio Station employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employees vest immediately. As specified by the contract with TIAA, and in accordance with the Code of Iowa, each employee was required to contribute 6.29% of their annual salary, including overtime pay, in fiscal years 2023 and 2022, and the Radio Station was required to contribute 9.44% in fiscal years 2023 and 2022. The Radio Station's required and actual contributions to TIAA for the years ended June 30, 2023 and 2022 were \$21,371 and \$15,204, respectively. The employees' required and actual contributions to TIAA for the years ended June 30, 2023 and 2022 were \$14,374 and \$10,131, respectively.,

KIWR-FM Radio
(A Public Telecommunications Entity Operated by
Iowa Western Community College, Council Bluffs, Iowa)
NOTES TO FINANCIAL STATEMENTS

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Iowa Western Community College administers a single-employer benefit plan which provides medical, prescription drug and dental benefits for retirees and their eligible dependents. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Radio Station employees are eligible for these OPEB benefits administered by the College.

Individuals who are employed by the College, including those employed by the Radio Station, and who are also eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement if they are age 55 with 10 years of service. Coverage during retirement continues in the group health and dental plans. Employees covered by the plan make contributions toward the plan premiums.

The College obtains an actuarial valuation in order to determine its total OPEB liability. Information and disclosures regarding the total OPEB liability and deferred outflows of resources and deferred inflows of resources as required by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* attributed to the employees of the Radio Station are included as a component of these respective amounts as reported in the Iowa Western Community College June 30, 2023 financial statements. Sufficient information is not available to allow management of the Radio Station to estimate the total OPEB liability and deferred outflows of resources and deferred inflows of resources attributable to its employees.

There were no benefit payments made under this plan to eligible Radio Station employees during the years ended June 30, 2023 and 2022.

NOTE 7 RELATED PARTY ACTIVITY

KIWR-FM Radio is included in the financial statements of Iowa Western Community College, Council Bluffs, Iowa. Indirect administration support from the College of \$239,571 and \$229,591 for the years ended June 30, 2023 and 2022, respectively, is included in revenues under donated program and support services. The expense is allocated among the program and support services.

Underwriting support from the College of \$145,500 and \$144,000 for the years ended June 30, 2023 and 2022, respectively, is included in revenues.

For the years ended June 30, 2023 and 2022, the Radio Station had amounts due from (to) the College of \$(37,398) and \$49,630, respectively, for administration support.

KIWR-FM Radio
SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES
Year ended June 30, 2023

| | Program services | | | | Support services | | | | Total |
|--|----------------------------------|-------------------|------------------------|------------------------------|------------------------------|---|---|------------------------------|-------------------|
| | Programming and production | Broadcasting | Program information | Total program services | Management and general | Fundraising and membership development | Underwriting and grant solicitation | Total support services | |
| OPERATING EXPENSES | | | | | | | | | |
| Salaries, related payroll costs and fringe benefits | \$ 142,217 | \$ 104,792 | \$ 52,396 | \$ 299,405 | \$ 41,168 | \$ 33,683 | \$ 74,851 | \$ 149,702 | \$ 449,107 |
| Professional services | 22,084 | - | 11,533 | 33,617 | 9,465 | 19,222 | 7,689 | 36,376 | 69,993 |
| Memberships | 308 | - | - | 308 | 132 | - | - | 132 | 440 |
| Printing and reproduction services | - | - | 153 | 153 | 153 | 767 | 460 | 1,380 | 1,533 |
| Communications | - | 505 | - | 505 | 1,179 | - | - | 1,179 | 1,684 |
| Utilities | - | 13,337 | - | 13,337 | 3,334 | - | - | 3,334 | 16,671 |
| Postage | - | - | 57 | 57 | - | 199 | 29 | 228 | 285 |
| Group meeting | - | - | - | - | 155 | - | 103 | 258 | 258 |
| Other services | 20,373 | 2,511 | 283 | 23,167 | 3,642 | - | 1,130 | 4,772 | 27,939 |
| Materials and supplies | 3,698 | - | 3,698 | 7,396 | 14,794 | - | 14,794 | 29,588 | 36,984 |
| Out of state travel | - | 1,813 | - | 1,813 | 453 | - | - | 453 | 2,266 |
| Purchases for resale | - | - | 5,480 | 5,480 | - | 12,785 | - | 12,785 | 18,265 |
| Depreciation and amortization | - | 102,570 | - | 102,570 | 1,886 | - | - | 1,885 | 104,455 |
| Indirect administration | 75,872 | 55,892 | 27,958 | 159,722 | 21,945 | 17,968 | 39,936 | 79,849 | 239,571 |
| Donated services | 1,896 | - | - | 1,896 | 1,896 | 948 | - | 2,844 | 4,740 |
| Total | <u>\$ 266,448</u> | <u>\$ 281,420</u> | <u>\$ 101,558</u> | <u>\$ 649,426</u> | <u>\$ 100,201</u> | <u>\$ 85,572</u> | <u>\$ 138,992</u> | <u>\$ 324,765</u> | <u>\$ 974,191</u> |

See accompanying independent auditor's report.

KIWR-FM Radio
SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES (continued)
Year ended June 30, 2022

| | Program services | | | | Support services | | | | Total |
|--|----------------------------------|--------------------------|--------------------------|------------------------------|------------------------------|---|---|------------------------------|--------------------------|
| | Programming and production | Broadcasting | Program information | Total program services | Management and general | Fundraising and membership development | Underwriting and grant solicitation | Total support services | |
| OPERATING EXPENSES | | | | | | | | | |
| Salaries, related payroll costs and fringe benefits | \$ 133,855 | \$ 98,630 | \$ 49,315 | \$ 281,800 | \$ 38,748 | \$ 31,702 | \$ 70,450 | \$ 140,900 | \$ 422,700 |
| Professional services | 9,314 | - | 12,440 | 21,754 | 3,991 | 20,734 | 8,294 | 33,019 | 54,773 |
| Memberships | 818 | - | - | 818 | 351 | - | - | 351 | 1,169 |
| Printing and reproduction services | - | - | 102 | 102 | 103 | 512 | 307 | 922 | 1,024 |
| Communications | - | 439 | - | 439 | 1,023 | - | - | 1,023 | 1,462 |
| Utilities | - | 14,872 | - | 14,872 | 3,718 | - | - | 3,718 | 18,590 |
| Postage | - | - | 83 | 83 | - | 289 | 41 | 330 | 413 |
| Group meeting | - | - | - | - | 109 | - | 73 | 182 | 182 |
| Other services | 26,365 | 3,089 | 1,651 | 31,105 | 9,716 | - | 6,602 | 16,318 | 47,423 |
| Materials and supplies | 3,180 | - | 3,180 | 6,360 | 12,721 | - | 12,720 | 25,441 | 31,801 |
| Minor equipment | - | - | - | - | 6,625 | - | - | 6,625 | 6,625 |
| Out of state travel | - | 678 | - | 678 | 169 | - | - | 169 | 847 |
| In state travel | 217 | 217 | 54 | 488 | 54 | - | - | 54 | 542 |
| Purchases for resale | - | - | 6,987 | 6,987 | - | 16,302 | - | 16,302 | 23,289 |
| Other expense | - | - | - | - | 1,220 | - | - | 1,220 | 1,220 |
| Depreciation and amortization | - | 102,571 | - | 102,571 | 987 | - | - | 987 | 103,558 |
| Indirect administration | 72,711 | 53,564 | 26,793 | 153,068 | 21,031 | 17,219 | 38,273 | 76,523 | 229,591 |
| Donated services | 2,088 | - | - | 2,088 | 2,088 | 1,044 | - | 3,122 | 5,220 |
| Total | <u>\$ 248,548</u> | <u>\$ 274,060</u> | <u>\$ 100,605</u> | <u>\$ 623,213</u> | <u>\$ 102,654</u> | <u>\$ 87,802</u> | <u>\$ 136,760</u> | <u>\$ 327,216</u> | <u>\$ 950,429</u> |

See accompanying independent auditor's report.

**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***

Board of Trustees
Iowa Western Community College
Council Bluffs, Iowa

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, the financial statements of KIWR-FM Radio (a public telecommunications entity operated by Iowa Western Community College, Council Bluffs, Iowa) as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated January 11, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KIWR-FM Radio'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of KIWR-FM Radio's internal control. Accordingly, we do not express an opinion on the effectiveness of KIWR-FM Radio'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 entity's 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether KIWR-FM Radio's 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 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 KIWR-FM Radio's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KIWR-FM Radio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Denman CPA LLP

West Des Moines, Iowa
January 11, 2024