THE UNIVERSITY OF TENNESSEE AT CHATTANOOGA
WUTC-FM RADIO STATION

AUDITED FINIANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

THE UNIVERSITY OF TENNESSEE AT CHATTANOOGA
WUTC-FM RADIO STATION

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CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

The University of Tennessee at Chattanooga
WUTC-FM Radio Station
Chattanooga, Tennessee

Opinion

We have audited the accompanying financial statements of the University of Tennessee at Chattanooga WUTC-FM Radio Station (the "Station"), which comprise the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position, and its cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Station as of June 30, 2024 and 2023, and the respective changes in 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 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 the Station, 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 the Station'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 the Station's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 13 be presented to supplement the basic financial statements. Such information, 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.

Crosslin, PLLC

January 13, 2025
Nashville, Tennessee

This section of the University of Tennessee at Chattanooga's WUTC-FM Radio Station's ("WUTC" or the "Station") annual financial report presents management's discussion and analysis of the financial performance of WUTC during the fiscal year ended June 30, 2024, with comparative information presented for the fiscal year ended June 30, 2023. This discussion has been prepared by management, along with the financial statements and related note disclosures, and should be read in conjunction with them. The financial statements, notes, and this discussion are the responsibility of management.

Overview of the Financial Statements

The report consists of three basic financial statements. The statements of net position, the statements of revenues, expenses and changes in net position, and the statements of cash flows provide information on WUTC as a whole and present a long-term view of the Station's finances. The accompanying notes to the financial statements are an integral part of the financial statements and are essential to understanding the data contained in the financial statements.

The Statements of Net Position

The statements of net position present the financial position of the Station at the end of the fiscal year and include all assets, liabilities, deferred outflows/inflows of resources, and net position of the Station. It segregates the assets and liabilities into current and noncurrent components. Current assets are those that are available to satisfy current liabilities. Current liabilities are those that will be paid within one year. The difference between total assets, total liabilities, and deferred outflows/inflows of resources is net position, which is an indicator of the current financial condition of the Station. Assets and liabilities are generally measured using current values. Capital assets; however, are stated at historical cost less an allowance for depreciation.

Net position is divided into two major categories. The first category, investment in capital assets, provides the Station's equity in property, plant, and equipment owned by the Station. The second category is unrestricted net position, which is available to the Station for any lawful purpose.

The following table summarizes the Station's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2024, June 30, 2023, and June 30, 2022.

Table 1. Summary of Net Position

	2024	2023	2022
Assets			
Current assets	$ 793,702	$ 730,860	$ 996,509
Capital assets, net	230,665	256,913	205,221
Total assets	1,024,367	987,773	1,201,730
Deferred outflows of resources	8,478	5,404	9,200
Liabilities			
Current liabilities	27,323	35,382	38,578
Noncurrent liabilities	36,280	43,333	36,372
Total liabilities	63,603	78,715	74,950
Deferred inflows of resources	122,054	109,543	168,049
Net position			
Investment in capital assets	230,665	256,913	205,221
Unrestricted	616,523	548,006	762,710
Total net position	$ 847,188	$ 804,919	$ 967,931

Current assets consist of cash and cash equivalents and accounts receivable. Current liabilities include the current portion of compensated absences, accrued payroll and accounts payable. Deferred outflows of resources and inflows of resources include deferred amounts related to program dues and affiliation fees not yet incurred by the Station and deferred amounts on the community service grants not yet earned by the Station, respectively. Noncurrent liabilities consist of the long-term portion of compensated absences.

The Statements of Net Position appear on page 14.

The Statements of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the operating results of the Station, as well as the nonoperating revenues and expenses. Annual state appropriations, while budgeted for operations, are considered nonoperating revenues according to generally accepted accounting principles. While the accounting classification of "nonoperating" revenues is appropriate for financial statement presentation, these sources of income (state appropriations, subscriptions and memberships, underwriting, donated services, indirect administrative support, and other revenues) are vital to the ongoing operations of the Station.

The summary of the Station's revenues, expenses and changes in net position for the years ended June 30, 2024, 2023, and 2022, are as follows:

Table 2. Summary of Revenues, Expenses and Changes in Net Position

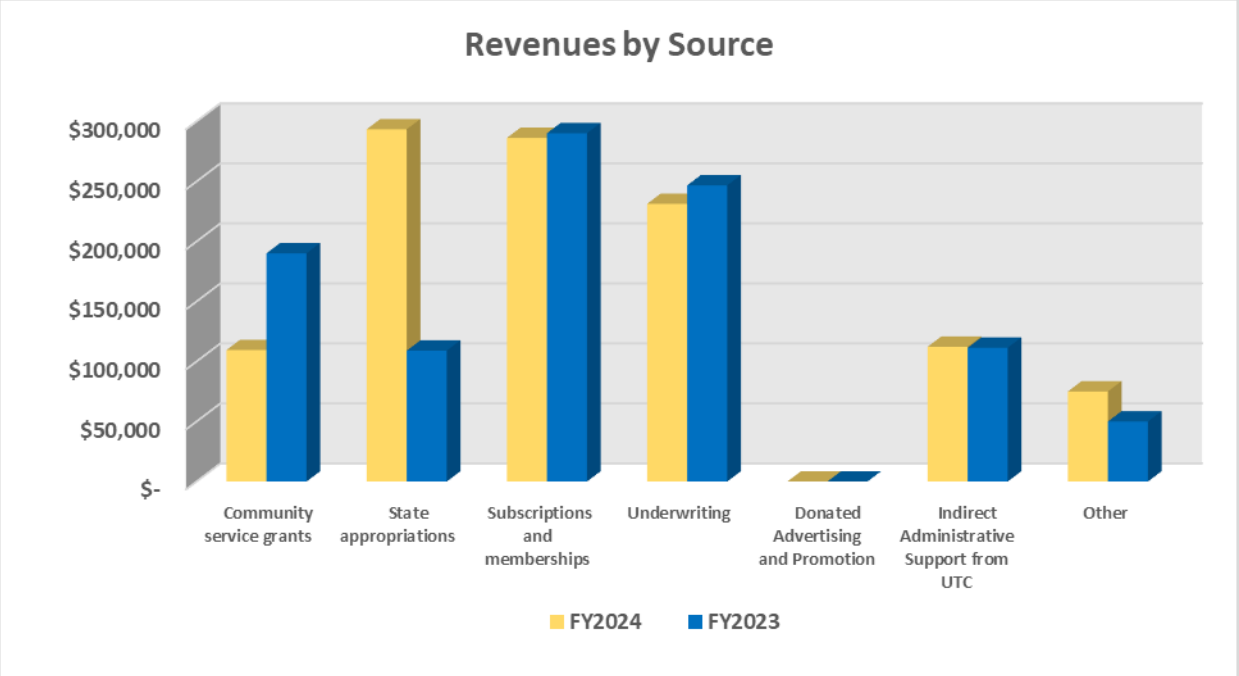
	2024	2023	2022
Operating revenues			
Community service grants	$ 109,543	$ 190,191	$ 221,995
Total operating revenues	109,543	190,191	221,995
Operating expenses	1,065,677	1,160,671	949,051
Operating loss	(956,134)	(970,480)	(727,056)
Nonoperating revenues			
State appropriations	293,469	109,046	281,869
Subscriptions and memberships	286,309	290,207	242,036
Underwriting	231,364	246,762	292,598
Indirect administrative support from UTC	112,261	111,453	93,901
Other	75,000	50,000	100,000
Total nonoperating revenues	998,403	807,468	1010,404
Change in net position	42,269	(163,012)	283,348
Net position, beginning of year	804,919	967,931	684,583
Net position, end of year	$ 847,188	$ 804,919	$ 967,931

The Statement of Revenues, Expenses and Changes in Net Position appears on page 15.

Revenues

Table 3 below illustrates revenues by source (operating and nonoperating), which were used to fund the Station's activities for the years ended June 30, 2024, 2023, and 2022.

Table 3. Revenues by Source



Comparison of Fiscal Year 2024 to Fiscal Year 2023

- Community Service Grants, representing 10% of revenue in FY 2024, decreased by $80,648, or 42%. The decrease relates to additional CPB CARES Act funding and StoryCorps funding received in FY 2023 that did not recur in FY2 024.

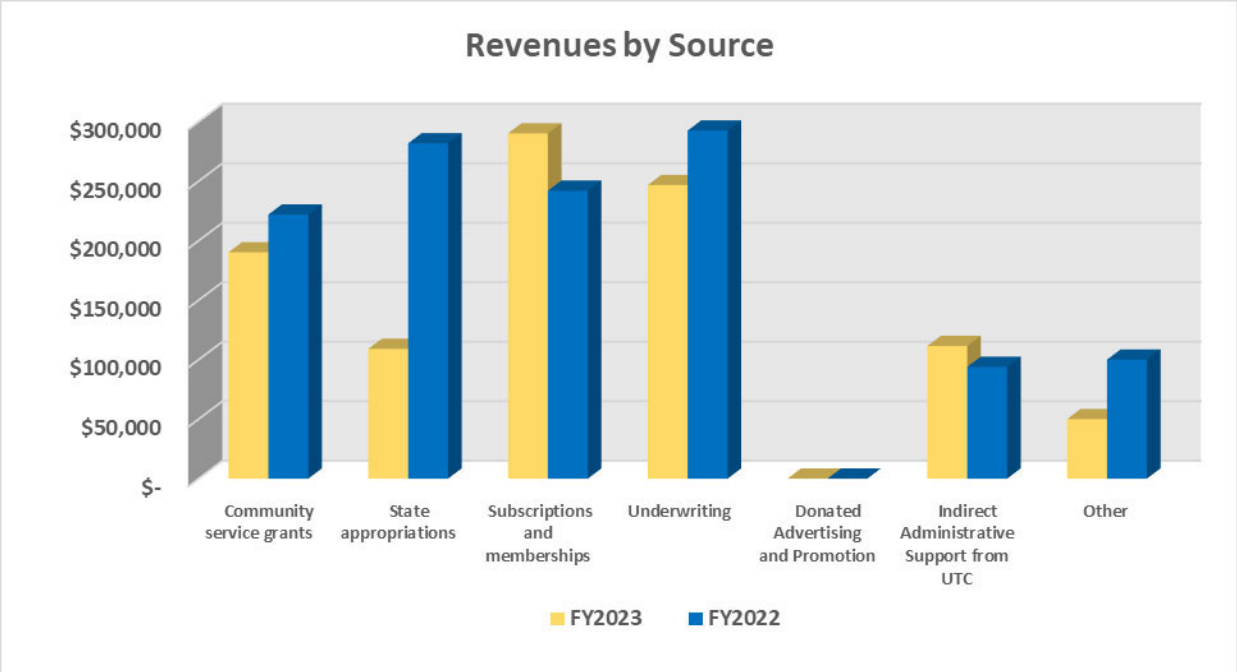
- State appropriations, representing 26% of revenue in FY 2024, increased by $184,424, or 169%. The increase relates to a higher percentage of staff and expenses being funded from state appropriations as a result of community service grants, subscriptions and membership and underwriting decreases.

- Subscriptions and memberships, representing 26% of revenue in FY 2024, decreased by $3,898, or 1%. This decrease is due to less individual donors and donations gifts.

- Underwriting, representing 21% of revenue in FY 2024, decreased by $15,398, or 6%. This decrease is due to less donations in FY 2024 compared to FY 2023.

- Indirect administrative support from UTC, representing 10% of revenue in FY 2024, increased by $808, or 1%. This increase is due to an increase in total salaries.

Table 3. Revenues by Source - Continued



Comparison of Fiscal Year 2023 to Fiscal Year 2022

- Community Service Grants, representing 19% of revenue in FY 2023, decreased by $31,803, or 14%. The decrease relates to additional funding received from CPB CARES Act Funding, which is an emergency stabilization funds for public media included in the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). These funds were received and included in deferred inflows of resources in FY 2020 and FY 2021 and then expensed and recorded as revenue in FY 2021 and FY 2022.

- State appropriations, representing 11% of revenue in FY 2023, decreased by $172,823, or 61%. The decrease relates to less expenses being funded from state appropriations because of the revenue increases in subscriptions and memberships and indirect administrative support.

- Subscriptions and memberships, representing 29% of revenue in FY 2023, increased by $48,171, or 20%. This increase is due to more individual donors and donations gifts.

- Underwriting, representing 25% of revenue in FY 2023, decreased by $45,836, or 16%. This decrease is due to less donations during the beginning of the fiscal year as the radio station was completing move to new space.

- Indirect administrative support from UTC, representing 11% of revenue in FY 2023, increased by $17,553, or 19%. This increase is due to an increase in total salaries.

Expenses

The Station's operating expenses by natural and functional classification for the years ended June, 30, 2024, 2023, and 2022, are as follows.

Table 4. Expenses by Natural and Functional Classification

Year ended June 30, 2024:

	Natural Classification			
Functional Classification	Salaries and Benefits	Operating	Depreciation	Total Functional
Programming and production	$ 198,911	$ 233,898	$ -	$ 432,809
Broadcasting	23,418	93,759	-	117,177
Program information and promotion	65,506	11,260	-	76,766
Management and general	134,428	139,204	-	273,632
Fundraising	47,683	4,799	-	52,482
Underwriting and grant solicitation	82,189	4,374	-	86,563
Depreciation	-	-	26,248	26,248
Total natural	$ 552,135	$ 487,294	$ 26,248	$ 1,065,677

Year ended June 30, 2023:

	Natural Classification			
Functional Classification	Salaries and Benefits	Operating	Depreciation	Total Functional
Programming and production	$ 226,423	$ 290,857	$ -	$ 517,280
Broadcasting	30,631	111,765	-	142,396
Program information and promotion	48,872	4,596	-	53,468
Management and general	142,718	141,919	-	284,637
Fundraising	47,536	3,974	-	51,510
Underwriting and grant solicitation	97,054	5,537	-	102,591
Depreciation	-	-	8,789	8,789
Total natural	$ 593,234	$ 558,648	$ 8,789	$ 1,160,671

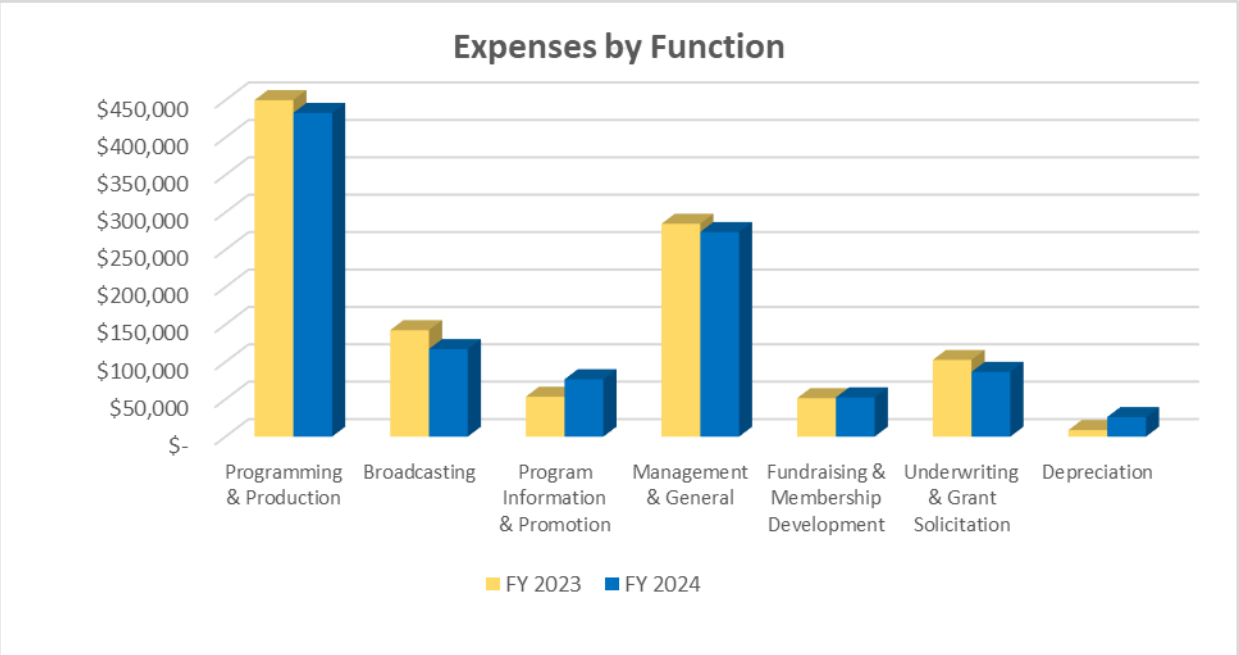
Table 4. Expenses by Natural and Functional Classification - Continued

Year ended June 30, 2022:

	Natural Classification			
Functional Classification	Salaries and Benefits	Operating	Depreciation	Total Functional
Programming and production	$ 153,484	$ 228,912	$ -	$ 382,396
Broadcasting	22,709	94,795	-	117,504
Program information and promotion	44,077	901	-	44,978
Management and general	143,118	113,902	-	257,020
Fundraising	48,254	5,056	-	53,310
Underwriting and grant solicitation	81,521	4,673	-	86,194
Depreciation	-	-	7,649	7,649
Total natural	$ 493,163	$ 448,239	$ 7,649	$ 949,051

Natural classifications show the type of expense regardless of program. For the year ended June 30, 2024, approximately 52% of total expenses are attributed to salaries and benefits. Operating expenses represent approximately 46% of total expenses. The remaining 2% of total functional expenses is a result of the current year depreciation expense.

Table 5. Expenses by Functional Classification



Comparison of Fiscal Year 2024 to Fiscal Year 2023

- Programming & Production, representing 41% of total expenses in FY 2024, decreased by $ 84,471, or 16%. This decrease is due to staffing changes.

- Broadcasting, representing 11% of total expenses in FY 2024, decreased by $25,219, or 18%. This decrease is due to costs associated with moving and installing equipment for move to new radio station space in FY 2023 that did not recur in FY 2024.

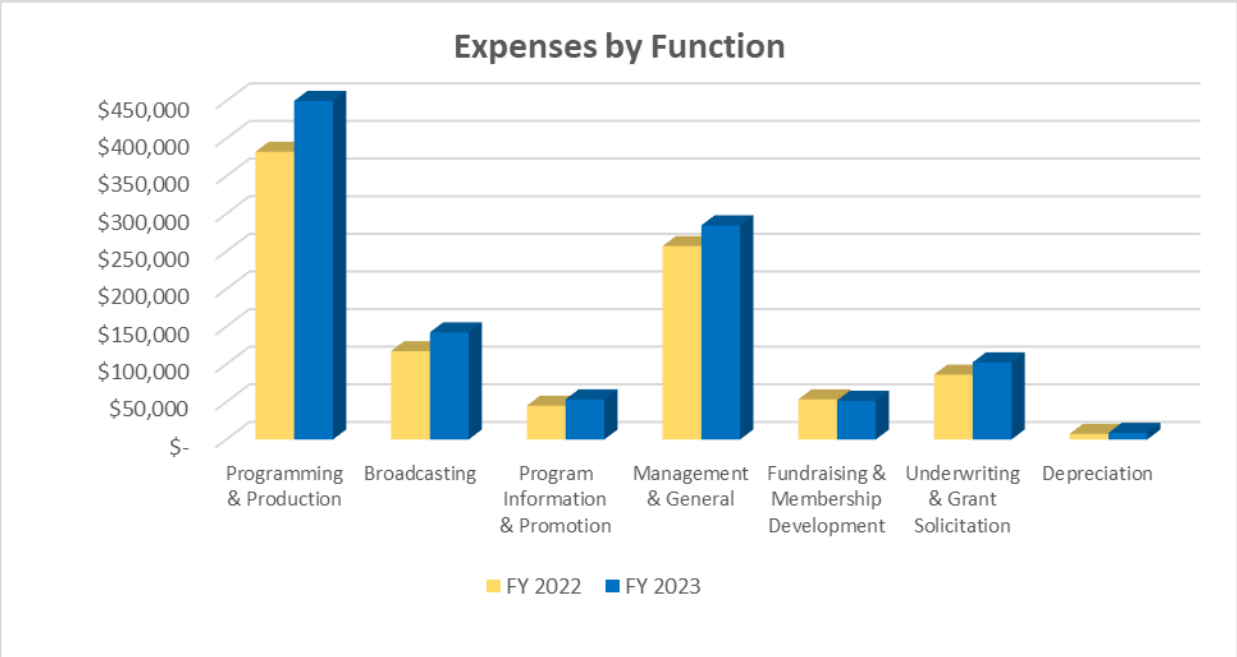
- Program information and promotion, representing 7% of total expenses in FY 2024, increased by $23,298, or 44%. The radio station ran more promotions on social media and in public media industry newspaper.

- Underwriting & Grant Solicitation, representing 8% of total expenses in FY 2024, decreased by $16,029, or 16%. This decrease is due to compensation changes.

- Management and general, representing 26% of total expenses in FY 2024, decreased by $11,005 or 4%. This decrease is related to the decrease in indirect administrative support.

- Depreciation, representing 2% of total expenses in FY 2024, increased by $17,459, or 199%. This increase is due to the depreciation of new equipment.

Table 5. Expenses by Functional Classification - Continued



Comparison of Fiscal Year 2023 to Fiscal Year 2022

- Programming & Production, representing 45% of total expenses in FY 2023, increased by $134,883, or 35%. This increase is due to staffing changes.

- Broadcasting, representing 12% of total expenses in FY 2023, increased by $24,893, or 21%. This increase is due to costs associated with moving and installing equipment for move to new radio station space.

- Program information and promotion, representing 5% of total expenses in FY 2023, increased by $8,490, or 19%. The radio station ran more promotions on social media and in public media industry newspaper.

- Underwriting & Grant Solicitation, representing 9% of total expenses in FY 2023, increased by $16,397, or 19%. This increase is due to compensation changes.

- Management and general, representing 25% of total expenses in FY 2023, increased by $27,617, or 11%. This increase is related to the increase of indirect administrative support.

- Depreciation, representing 1% of total expenses in FY 2023, increased by $1,140, or 15%. This increase is due to the depreciation of new equipment.

Capital Assets

At June 30, 2024, 2023, and 2022, the Station had $230,665, $256,913 and $205,221, respectively, invested in capital assets, net of accumulated depreciation of $413,023, $386,775 and $377,986, respectively. Depreciation charges totaled $26,248, $8,789, and $7,649 for the years ended June 30, 2024, 2023, and 2022, respectively. These assets are comprised of broadcast and production equipment and computers.

Economic Factors that Will Affect the Future

A primary economic factor facing the Station is the State of Tennessee's funding through the University. State appropriations represent approximately 26% of the Station's funding during FY 2024. Reductions in state appropriations could have an adverse effect on the Station. In addition to state appropriations, the Station relies on listener support. Through memberships and subscriptions, as well as underwriting income, the Station can provide the types of programming that are performing well.

UNIVERSITY OF TENNESSEE AT CHATTANOOGA
WUTC-FM RADIO STATION
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	$ 782,751	$ 718,302
Accounts receivable	10,951	12,558
Total current assets	793,702	730,860
NONCURRENT ASSETS:		
Capital assets, less accumulated depreciation	230,665	256,913
Total noncurrent assets	230,665	256,913
Total assets	1,024,367	987,773
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts related to NPR dues	8,478	5,404
LIABILITIES:		
CURRENT LIABILITIES:		
Current portion of compensated absences	20,188	26,568
Accrued payroll	7,135	8,814
Total current liabilities	27,323	35,382
NONCURRENT LIABILITIES:		
Noncurrent portion of compensated absences	36,280	43,333
Total noncurrent liabilities	36,280	43,333
Total liabilities	63,603	78,715
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts on community service grants	122,054	109,543
NET POSITION:		
Investment in capital assets	230,665	256,913
Unrestricted net position	616,523	548,006
Total net position	$ 847,188	$ 804,919

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF TENNESSEE AT CHATTANOOGA
WUTC-FM RADIO STATION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
OPERATING REVENUES:		
Community service grants	$ 109,543	$ 190,191
Total operating revenues	109,543	190,191
OPERATING EXPENSES:		
Program services:		
Programming and production	432,809	517,280
Broadcasting	117,177	142,396
Program information and promotion	76,766	53,468
Support services:		
Management and general	273,632	284,637
Fundraising	52,482	51,510
Underwriting and grant solicitation	86,563	102,591
Depreciation	26,248	8,789
Total operating expenses	1,065,677	1,160,671
Operating loss	(956,134)	(970,480)
NONOPERATING REVENUES:		
State appropriations	293,469	109,046
Subscriptions and memberships	286,309	290,207
Underwriting	231,364	246,762
Indirect administrative support from UTC	112,261	111,453
Other	75,000	50,000
Total non-operating revenues	998,403	807,468
CHANGE IN NET POSITION	42,269	(163,012)
NET POSITION - BEGINNING OF YEAR	804,919	967,931
NET POSITION - ENDING OF YEAR	$ 847,188	$ 804,919

The accompanying notes are an integral part of the financial statements.

UNIVERSITY OF TENNESSEE AT CHATTANOOGA
WUTC-FM RADIO STATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from community service grants	$ 122,054	$ 131,685
Cash paid to supplies and vendors	(378,106)	(443,398)
Cash paid to employees	(567,249)	(589,469)
Net cash used in operating activities	(823,301)	(901,182)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Cash paid to purchase capital assets	-	(60,482)
Net cash used in financing activities	-	(60,482)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from state appropriations	293,469	109,046
Cash received from other	75,000	137,442
Cash received from subscriptions and memberships	287,917	290,207
Cash received from underwriting income	231,364	246,762
Net cash provided by noncapital financing activities	887,750	783,457
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	64,449	(178,207)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	718,302	896,509
CASH AND CASH EQUIVALENTS - ENDING OF YEAR	$ 782,751	$ 718,302
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	$ (956,134)	$ (970,480)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	26,248	8,789
Subscriptions and memberships	(1,608)	12,558
Indirect administrative support from UTC	112,261	111,453
Other	-	(100,000)
Changes in assets and liabilities:		
Accounts Receivable	1,608	87,442
Accrued payroll	(1,679)	(8,007)
Deferred inflows/outflows of resources	9,437	(54,710)
Compensated absences	(13,434)	11,773
Net cash used in operating activities	$ (823,301)	$ (901,182)

The accompanying notes are an integral part of the financial statements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The University of Tennessee at Chattanooga WUTC-FM Radio Station (the "Station") is operated by the University of Tennessee at Chattanooga ("UTC" or the "University"). The Station is part of UTC's Division of Communications and Marketing. Only funds administered by the University are included in the financial statements. There are no financially interrelated organizations associated with the Station that are not administered by the University.

Basis of Presentation

The financial statements of the Station have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Station is engaged in business-type activities as prescribed by the Governmental Accounting Standards Board ("GASB").

Basis of Accounting

For financial statement purposes, the Station follows pronouncements issued by the GASB because of its relationship with UTC and follows the same reporting principles as the University. The University is considered a special-purpose government entity engaged only in business-type activities. Accordingly, the financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Gifts and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant interfund transactions have been eliminated.

Operating revenues include the community service grants. Operating expenses include: 1) programming and production, 2) broadcasting, 3) program information and promotion, 4) management and general, 5) fundraising, 6) underwriting and grant solicitation, and 7) depreciation.

All other activity is nonoperating in nature. This activity primarily includes: 1) state appropriations, 2) subscriptions and memberships, 3) underwriting, 4) donated advertising and promotions (when applicable), 5) indirect administrative support for services provided by the University, and 6) other revenue/expense (when applicable).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of Credit Risk

Financial instruments that potentially subject the Station to significant concentrations of credit risk consist principally of cash. The Station places cash with federally insured financial institutions and limits the amount of credit exposure to any one institution by requiring collateral.

Cash and Cash Equivalents

The Station considers all highly liquid debt instruments with original maturities of three months or less to be cash and cash equivalents. Cash and cash equivalents are reported at carrying amounts, which reasonably estimate fair value.

Capital Assets

Capital assets, which include broadcast and production equipment and computers, are reported in the statements of net position at historical cost or at acquisition value at the date of donation, less accumulated depreciation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' useful lives are not capitalized. Those expenditures are charged to operating expense as incurred. Equipment and software are capitalized when the unit acquisition cost is $5,000 or greater and the estimated useful life is one year or more. These assets are depreciated using the straight-line method over the estimated useful lives of the assets, which range from 5 to 20 years.

Compensated Absences

The Station's employees accrue annual leave at varying rates, depending on classification or length of service. Some employees also earn compensatory time. Generally, all permanent full-time employees and certain part-time employees are entitled to accrue and carry forward calendar-year maximums of 42 days of annual vacation leave. The amount of these liabilities is reported in the statements of net position.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Station records their cost of sick leave when paid. Generally, sick leave (earned one day per month with unlimited accumulation) is paid only when an employee dies or is absent because of illness or injury. Consequently, there is no liability for sick leave. The amount of unused sick leave was $208,409 and $208,722 at June 30, 2024 and 2023, respectively.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The Station has one item that qualifies for reporting in this category at both June 30, 2024 and 2023. It includes deferred amounts not yet incurred, which relate to program and affiliation fees/dues not due until FY 2024 and 2023, respectively. This deferred amount is reported in the statements of net position.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. At June 30, 2024, the Station only has one item that qualifies for reporting in this category. It is the deferred amounts not yet earned on the community service grants as the monies have not yet been spent by the Station. At June 30, 2023, the Station has two items that qualify for reporting in this category. It includes not only the deferred amounts not yet earned on the community service grants as the monies have not yet been spent by the Station but also the StoryCorps One Small Step grant funds and American Rescue Plan Act Stabilization grant funds which received from CPB that have not yet been spent by the Station in FY 2024 and FY 2023, respectively. These deferred amounts are reported in the statements of net position.

Components of Net Position

The Station's net position classifications are defined as follows:

Investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation of those assets. If the Station had debt related to the acquisition or construction of capital assets, this net position component would be presented "net" of such related debt. As of June 30, 2024 and 2023, the Station had no debt related to its capital assets.

Unrestricted net position - This component of net position consists of net position that does not meet the definition of "investment in capital assets."

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes

As part of the University, the Station is exempt from federal income taxes under Section 115 of the *Internal Revenue Code* (the "Code"). Contributions to the Station are deductible by donors as provided under Section 170 of the Code.

B. INDIRECT ADMINISTRATIVE SUPPORT

Indirect administrative support is support the Station receives from the University, including, but not limited to, the use and care of the facilities and administrative oversight by University officials. Indirect administrative support from the University was determined using UTC's federally approved facilities and administrative ("F&A") cost rate for on-campus programs. The approved rate in FY 2021 is 37.5% which is effective until June 30, 2024. These amounts were valued at $ 112,261 and $111,453 for the years ended June 30, 2024 and 2023, respectively.

C. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Equipment	$ 457,544	$ -	$ 186,144	$ 643,688
Construction in Progress	186,144	-	(186,144)	-
Less: accumulated depreciation	(386,775)	(26,248)	-	(413,023)
Capital assets, net	$ 256,913	$(26,248)	$ -	$ 230,665

C. CAPITAL ASSETS - Continued

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

	Beginning Balance	Additions	Retirements	Ending Balance
Equipment	$ 436,495	$ 21,049	$ -	$ 457,544
Construction in Progress	146,712	39,432	-	186,144
Less: accumulated depreciation	(377,986)	(8,789)	-	(386,775)
Capital assets, net	$ 205,221	$ 51,692	$ -	$ 256,913

D. COMPENSATED ABSENCES

The following is a summary of changes in compensated absences for the years ended June 30, 2024 and 2023:

	2024				
	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
Compensated absences	$69,901	$26,917	$(40,350)	$56,468	$20,188

	2023				
	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
Compensated absences	$58,129	$35,423	$(23,651)	$69,901	$26,568

E. ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2024 and 2023 totaled $10,951 and $12,558, respectively, and relates to several donations receivable from numerous individuals.