

# BOISE STATE PUBLIC RADIO NETWORK

Fiscal Year 2022



**A Public Telecommunications Entity  
Operated by Boise State University**

**Report of Independent Auditors and  
Financial Statements for the Year  
Ended June 30, 2022 and 2021**





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## INDEPENDENT AUDITORS' REPORT

Idaho Office of the State Board of Education  
Boise State Public Radio Network

### Report on the Audits of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of Boise State Public Radio Network, a public telecommunications entity operated by Boise State University, which comprises the statements of net position as of June 30, 2022 and 2021 and the related statements of revenues, expenses, and changes in net position, and the statements of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Boise State Public Radio Network, as of June 30, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Boise State Public Radio Network 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 opinions. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Boise State Public Radio Network'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.

### ***Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Boise State Public Radio Network'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 Boise State Public Radio Network'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 management's discussion and analysis, as listed in the table of contents, 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.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Boise State Public Radio Network's basic financial statements. The accompanying Statements of Revenues, Expenses, and Changes in Net Position by Station (supplementary information) is presented for purposes of additional analysis is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic 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 on our consideration of Boise State Public Radio Network'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 result of that testing, and not to provide an opinion on the effectiveness of Boise State Public Radio Network's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Boise State Public Radio Network's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Denver, Colorado

March 10, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022**

Management's Discussion and Analysis ("MD&A") presents an overview of the financial performance of Boise State Public Radio Network (the "Network") based on currently known facts, decisions and conditions, and is designed to assist readers in understanding the accompanying financial statements. The MD&A discusses financial performance during the current year in comparison to prior years with emphasis on the current year.

### **Overview of the Financial Statements and Financial Analysis**

The financial statements for the fiscal years ended June 30, 2022 and June 30, 2021 are prepared in accordance with Governmental Accounting Standards Board ("GASB"). There are three financial statements presented: the statements of net position; the statements of revenues, expenses and changes in net position; and the statements of cash flows.

### **Summary Statements of Net Position**

The statements of net position present the assets, liabilities, deferred inflows and net position of the Network as of the current fiscal year-end in comparative format with the prior fiscal year-end. The purpose of the statements of net position is to present to the readers of the financial statements a point-in-time fiscal snapshot of the Network. The difference between current and non-current classification is discussed in the footnotes to the financial statements.

From the data presented, readers of the statements of net position are able to determine the assets available to continue the operations of the Network. They are also able to determine how much the Network owes vendors, investors and lending institutions. Finally, the statements of net position provide a picture of the net position and available funds for expenditure by the Network.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the Network's net equity in capital assets. The next category is restricted, expendable. Restricted, expendable net position is available for expenditure by the Network for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets, if any. The final category is unrestricted net position. Unrestricted net position is available to the Network for any legal purpose of the Network.

Summary Statements of Net Position			
Fiscal Years Ended June 30,			
	2022	2021	2020
<b>ASSETS:</b>			
Current assets	\$ 2,995,713	\$ 2,614,555	\$ 1,999,975
Capital assets, net	1,159,656	1,233,897	1,273,772
Total assets	<u>\$ 4,155,369</u>	<u>\$ 3,848,452</u>	<u>\$ 3,273,747</u>
<b>LIABILITIES:</b>			
Current liabilities	\$ 1,062,160	\$ 446,418	\$ 602,786
Non-current liabilities	76,746	149,117	217,447
Total liabilities	<u>1,138,906</u>	<u>595,535</u>	<u>820,233</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to grants	396,518	494,626	227,235
Total deferred inflows of resources	<u>396,518</u>	<u>494,626</u>	<u>227,235</u>
<b>NET POSITION:</b>			
Net investment in capital assets	1,010,539	1,016,450	991,811
Restricted, expendable	462,126	469,927	-
Unrestricted	1,147,280	1,271,914	1,234,468
Total net position	<u>2,619,945</u>	<u>2,758,291</u>	<u>2,226,279</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 4,155,369</u>	<u>\$ 3,848,452</u>	<u>\$ 3,273,747</u>

The Network's total assets increased during fiscal year 2022 by \$306,917 to \$4,155,369. Increases in Due from Boise State University Foundation (the "Foundation") and Cash and cash equivalents were offset by a decrease in Capital assets, net were the primary drivers of the increase in total assets.

The Network's total assets increased during fiscal year 2021 by \$574,705 to \$3,848,452. Increases in Cash and cash equivalents, Due from Boise State University Foundation (the "Foundation") and Accounts receivable, net were the primary drivers of the increase.

Liabilities increased by \$543,371 to \$1,138,906 during fiscal year 2022. The change is primarily related to increases in the amount owed to reimburse Boise State University for operating expenses and Unearned revenue were offset by a decrease in Notes payable.



Liabilities decreased by \$224,698 to \$595,535 during fiscal year 2021. The change is primarily related to decreases in the amount owed to reimburse Boise State University for operating expenses, Uneamed revenue and Notes payable offset by an increase in Accounts payable and accrued liabilities.

Deferred inflows of resources decreased \$98,108 to \$396,518 during fiscal year 2022 as compared to an increase of \$267,391 to \$494,626 during fiscal year 2021. The changes relate to fluctuations in community service grants received by the station through the Corporation for Public Broadcasting (“CPB”).

Net position decreased \$138,346 to \$2,619,945 during fiscal year 2022 as compared to an increase of \$532,012 to \$2,758,291 during fiscal year 2021. An increase in personnel costs due to the filling of vacant positions during fiscal year 2022 is the primary driver of the decrease in Unrestricted net position. Restricted, expendable net position is primarily related to the unspent American Rescue Act stabilization funds from the CPB. The station continues to expand programming through private grants, memberships and underwriting revenues.

### **Summary Statements of Revenues, Expenses and Changes in Net Position**

Changes in total net position as presented in the statements of net position are based on the activity presented in the statements of revenues, expenses and changes in net position. The purpose of the statements is to present the revenues earned by the Network, both operating and non-operating, and the expenses incurred by the Network, both operating and non-operating, and any other revenues, expenses, gains and losses incurred by the Network.

Generally speaking, operating revenues are earned by providing services to the various customers and constituencies of the Network. Operating expenses are those expenses incurred to acquire or produce the services provided in return for operating revenues and to carry out the functions of the Network. Non-operating revenues are revenues received for which services are not provided.

The Network will always reflect a net operating loss because gifts are considered non-exchange transactions and presented as non-operating revenue. Per GASB No. 34, *“Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments”* and GASB No. 35, *“Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges and Universities,”* state general fund appropriations are also defined as non-operating revenue.

Summary Statements of Revenues, Expenses, and Changes in Net Position			
Fiscal Years Ended June 30,			
	2022	2021	2020
Operating revenues	\$ 1,377,496	\$ 1,348,912	\$ 1,543,469
Operating expenses	4,871,456	4,690,232	5,090,423
Operating loss	(3,493,960)	(3,341,320)	(3,546,954)
Net non-operating revenues	3,355,614	3,873,332	3,394,213
Increase (decrease) in net position	(138,346)	532,012	(152,741)
Net position - Beginning of year	2,758,291	2,226,279	2,379,020
Net position - End of year	\$ 2,619,945	\$ 2,758,291	\$ 2,226,279

Operating revenues increased \$28,584 from \$1,348,912 to \$1,377,496 during fiscal year 2022. An increase in CPB funding and other private grants and contracts offset by a decrease in Indirect administrative support.

Operating revenues decreased by \$194,557 from \$1,543,469 to \$1,348,912 during fiscal year 2021. A decrease in private grants and contracts revenue and federal work study were the primary drivers.

Operating expenses increased by \$181,224 from \$4,690,232 to \$4,871,456 during fiscal year 2022. The increase is primarily related to increases in personnel costs and institutional memberships offset by a reduction in supplies expenditures.

Operating expenses decreased by \$400,191 from \$5,090,423 to \$4,690,232 during fiscal year 2021. The decrease is primarily due to reductions in personnel costs and services expenditures.

Net non-operating revenues decreased by \$517,718 from \$3,873,332 to \$3,355,614 during fiscal year 2022. This is primarily the result of a one-time distribution of American Rescue Act stabilization funds from the CPB in fiscal year 2021 combined with decreases in state appropriations and memberships. Net position decreased in fiscal year 2022 by \$138,346 as compared to an increase in net position in fiscal year 2021 of \$532,012.

Net non-operating revenues increased by \$479,119 from \$3,394,213 to \$3,873,332 during fiscal year 2021. This is primarily the result of increases in Gifts and a one-time distribution of American Rescue Act stabilization funds from the CPB offset by a decrease in state appropriations. Net position increased in fiscal year 2021 by \$532,012 as compared to a decrease in net position in fiscal year 2020 of \$152,741.

### ***Capital Asset and Debt Administration***

The Network's capital assets, net decreased by \$74 thousand from \$1.23 million in 2021 to \$1.16 million in 2022 with depreciation and retirements outpacing new asset additions.

The Network has not issued any new debt.

### **Economic Outlook**

State appropriations represented approximately 8% of the Network's total revenue in fiscal year 2022 as compared to 9% in fiscal year 2021.

Beginning with fiscal year 2018, the Network accepted a series of grants to lead a collaboration among several public radio entities in the Mountain West to share resources to produce stories and content affecting the region. One of those grants continued into fiscal year 2022. This grant funding is expected to decrease as this joint effort matures. During the COVID pandemic, the Network was the recipient of stabilization funding, most recently the American Rescue Plan Act of 2021 (ARPA). The largesse of this one-time funding was not repeated, though the Network was a recipient of a smaller one-time amount of \$20,000 in fiscal year 2022 to support the coverage of information on public health.

Private grants and contracts provided 12% of the Network's revenue in fiscal year 2022. Growth in fundraising efforts is expected to continue through membership and underwriting gifts, the latter which has exceeded goals. Membership includes major gifts, which continues to be a subcategory of growth. Together, membership and underwriting provided 60% of total Network support in fiscal year 2022, supplying the majority of revenue, showing the depth of individual community support. Such funding from audience members is vital and is supported by recurring on-air membership drives, engagement events and fundraising across digital platforms.

**BOISE STATE PUBLIC RADIO  
STATEMENTS OF NET POSITION  
JUNE 30, 2022 AND JUNE 30, 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash with Treasurer	\$ 99,697	\$ 74,973
Cash and cash equivalents	578,848	550,143
Accounts receivable, net	177,294	186,663
Prepaid expense	14,618	3,493
Inventories	16,472	12,716
Due from Boise State University Foundation	2,108,784	1,786,567
<b>Total current assets</b>	<b>2,995,713</b>	<b>2,614,555</b>
<b>NON-CURRENT ASSETS:</b>		
Capital assets, net	1,159,656	1,233,897
<b>Total non-current assets</b>	<b>1,159,656</b>	<b>1,233,897</b>
<b>TOTAL ASSETS</b>	<b>\$ 4,155,369</b>	<b>\$ 3,848,452</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 87,609	\$ 102,878
Accrued salaries and benefits payable	128,577	112,201
Compensated absences payable	152,667	151,350
Unearned revenue	43,266	11,659
Notes payable - current portion	72,371	68,330
Due to Boise State University	577,670	-
<b>Total current liabilities</b>	<b>1,062,160</b>	<b>446,418</b>
<b>NON-CURRENT LIABILITIES:</b>		
Notes payable	76,746	149,117
<b>Total non-current liabilities</b>	<b>76,746</b>	<b>149,117</b>
<b>TOTAL LIABILITIES</b>	<b>1,138,906</b>	<b>595,535</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred inflows related to grants	396,518	494,626
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>396,518</b>	<b>494,626</b>
<b>NET POSITION:</b>		
Net investment in capital assets	1,010,539	1,016,450
Restricted, expendable	462,126	469,927
Unrestricted	1,147,280	1,271,914
<b>TOTAL NET POSITION</b>	<b>2,619,945</b>	<b>2,758,291</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 4,155,369</b>	<b>\$ 3,848,452</b>

See notes to financial statements.

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**BOISE STATE PUBLIC RADIO  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**


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	<b>2022</b>	<b>2021</b>
<b>OPERATING REVENUES:</b>		
CPB funding and other private grants and contracts	\$ 577,558	\$ 541,180
Indirect administrative support	680,200	695,300
Other	119,738	112,432
<b>Total operating revenues</b>	<b>1,377,496</b>	<b>1,348,912</b>
<b>OPERATING EXPENSES:</b>		
Personnel	2,703,318	2,517,213
Services	931,965	913,327
Supplies	215,253	286,027
Insurance, utilities and rent	171,117	152,147
Depreciation and amortization	91,218	89,391
Miscellaneous	758,585	732,127
<b>Total operating expenses</b>	<b>4,871,456</b>	<b>4,690,232</b>
<b>OPERATING LOSS:</b>	<b>(3,493,960)</b>	<b>(3,341,320)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
State appropriations	381,965	481,159
Memberships	2,122,627	2,206,052
Underwriting	790,266	691,284
Gifts	40,836	39,354
Net investment income	110	111
Interest expense	(10,740)	(14,555)
Gain on retirement of capital assets	10,550	-
American rescue plan act	20,000	469,927
<b>Net non-operating revenues</b>	<b>3,355,614</b>	<b>3,873,332</b>
<b>(DECREASE) INCREASE IN NET POSITION</b>	<b>(138,346)</b>	<b>532,012</b>
<b>NET POSITION — Beginning of year</b>	<b>2,758,291</b>	<b>2,226,279</b>
<b>NET POSITION — End of year</b>	<b>\$ 2,619,945</b>	<b>\$ 2,758,291</b>

See notes to financial statements.

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**BOISE STATE PUBLIC RADIO  
STATEMENTS OF CASH FLOWS  
FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**


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	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Grants and contracts	\$ 510,634	\$ 617,867
Other operating receipts	118,239	113,822
Payments for personnel costs	(2,380,349)	(2,497,787)
Payments for services	(118,545)	(293,113)
Payments for supplies	27,511	(81,367)
Payments for insurance, utilities and rent	(112,545)	(111,101)
Other operating payments	(679,476)	(718,720)
<b>Net cash used in operating activities</b>	<u>(2,634,531)</u>	<u>(2,970,399)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
State appropriations	381,965	481,159
Memberships	1,598,554	1,792,602
Underwriting	732,103	659,634
Gifts	60,835	509,281
<b>Net cash provided by non-capital financing activities</b>	<u>2,773,457</u>	<u>3,442,676</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of capital assets	(16,977)	(49,516)
Principal paid on notes payable	(68,330)	(64,514)
Interest paid on notes payable	(10,740)	(14,555)
Proceeds from sale of capital assets	10,550	-
<b>Net cash used in capital and related financing activities</b>	<u>(85,497)</u>	<u>(128,585)</u>
<b>NET CHANGE IN CASH, CASH EQUIVALENTS AND CASH WITH TREASURER</b>	<u>53,429</u>	<u>343,692</u>
<b>CASH, CASH EQUIVALENTS AND CASH WITH TREASURER - BEGINNING OF THE YEAR</b>	<u>625,116</u>	<u>281,424</u>
<b>CASH, CASH EQUIVALENTS AND CASH WITH TREASURER - END OF THE YEAR</b>	<u><u>\$ 678,545</u></u>	<u><u>\$ 625,116</u></u>

See notes to financial statements.

**BOISE STATE PUBLIC RADIO  
STATEMENTS OF CASH FLOWS (continued)  
FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**

	<b>2022</b>	<b>2021</b>
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH AND CASH EQUIVALENTS USED IN OPERATING ACTIVITIES:</b>		
Operating loss	\$ (3,493,960)	\$ (3,341,320)
<b>ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>		
Depreciation expense/amortization of intangible	91,218	89,391
<b>CHANGES IN ASSETS, LIABILITIES AND DEFERRED INFLOWS:</b>		
Receivables - operating - net	84,259	(73,040)
Due from Boise State University Foundation	198,662	248,405
Prepaid expense	(11,125)	(3,493)
Accounts payable & accrued liabilities	(15,269)	73,079
Accrued salaries & benefits payable	16,376	2,151
Compensated absences	1,317	(13,825)
Due to Boise State University	577,670	(109,632)
Deferred inflows related to grants	(98,108)	267,391
Unearned revenue	14,429	(109,506)
<b>Net cash used in operating activities</b>	<b><u>\$ (2,634,531)</u></b>	<b><u>\$ (2,970,399)</u></b>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:</b>		
Indirect administrative support from Boise State University	\$ 680,200	\$ 695,300
Gifts, donated services, trade and sponsorships	87,600	52,655
<b>Total non-cash transactions</b>	<b><u>\$ 767,800</u></b>	<b><u>\$ 747,955</u></b>

See notes to financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021

### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization** – Boise State Public Radio Network (the “Network”) is a network of noncommercial radio stations operated by Boise State University (the “University”) in Boise, Idaho. The Network consists of two qualified station grantees of the Corporation for Public Broadcasting, KBSU FM and KBSW FM.

The financial statements for fiscal years ended June 30, 2022 and June 30, 2021 are prepared in accordance with Governmental Accounting Standards Board (“GASB”). The Network is not a separate legal entity. Rather it is a department of the University and these departmental financial statements are presented for the purpose of reporting to the Corporation for Public Broadcasting.

**Basis of Accounting** – For financial reporting purposes, the Network is considered a special-purpose government entity, engaged only in business-type activities. Accordingly, the Network’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (“GAAP”). Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

**Cash with Treasurer** – Balances classified as Cash with Treasurer are amounts that have been remitted to the State of Idaho as a result of the student tuition and fee collection process and, once remitted, are under the control of the State Treasurer. Such funds are released to the Network as reimbursement for expenditures incurred.

**Cash and Cash Equivalents** – The Network considers all liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents.

**Accounts Receivable, Net** – Accounts receivable consists of underwriting and membership pledges. Receivables are shown net of allowance and are expected to be collected within the next fiscal year.

**Inventories** – Inventories consist of gift vouchers received and are valued at lower of cost or market, at the time received as a donation.

**Due from Boise State University Foundation** – The Network’s membership revenues are deposited directly with the Foundation. Due from Boise State University Foundation represents the amount of cash the Foundation administers on behalf of the Network.



**Capital Assets, Net** – Property and equipment are stated at cost when purchased or constructed, or if acquired by gift, at the estimated acquisition value at date of gift. The Network’s capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year.

Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 50 years for buildings and 5 to 13 years for equipment.

**Unearned Revenue** – Unearned revenue consists of amounts received for underwriting and grant funding received prior to meeting all of the eligibility requirements.

**Compensated Absences Payable** – Employee vacation pay that is earned but unused is accrued at year-end for financial statement purposes. Compensated absence costs are included in benefits expense in the statements of revenues, expenses, and changes in net position.

**Non-current Liabilities** – Non-current liabilities include the principal amount of notes payable due in more than one year.

**Deferred Inflows of Resources** – Deferred inflows of resources are an acquisition of net position that is applicable to future reporting periods. Similar to liabilities, they have a negative effect on net position. Deferred inflows of resources that relate to grants include grants where all of the eligibility requirements have been met except for a time requirement.

**Net Position** – The Network’s net position is classified as follows:

*Net Investment in Capital Assets* – This represents the Network’s total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not expended for capital assets; such amounts are not included as a component of net investment in capital assets.

*Restricted, Expendable* – Restricted, expendable net position includes resources in which the Network is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

*Unrestricted* – Unrestricted net position represents resources derived from state appropriations, and sales and services. These resources are used for transactions related to the general operations of the Network, and may be used at the discretion of Network management to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Network's policy is to first apply the expense toward restricted resources, if any, and then toward unrestricted resources.

**Revenue Recognition** – Grants and contracts and support from the University are recorded as revenue when received. Restricted grants that are refundable are recorded as revenue to the extent that they have been expended for the purpose specified by the donor or grantor during the period.

In-kind contributions are recorded as revenue and expense in the financial statements. In-kind contributions consist of trades for products and services and are valued at their estimated fair market value at date of receipt.

Donated services and administrative support from the University consists of direct services provided to the Network including payroll and other operating expenditures funded through local funds and state appropriations, and an allocation of costs and certain other indirect expenses incurred by the University on behalf of the Network.

**Classification of Revenues** – The Network has classified its revenues as either operating or non-operating revenues according to the following criteria:

*Operating Revenues* – Operating revenues include activities that have the characteristics of exchange transactions, such as most federal, state and private grants and contracts.

*Non-operating Revenues* – Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts, memberships, contributions, and other revenue resources that are defined as non-operating revenues by GASB No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting," and GASB Statement No. 34, such as state general appropriations and investment income.

**Use of Accounting Estimates** – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent liabilities, and revenues and expenses during the year at the date of the financial statements. Actual results could differ from those estimates.

**Reclassifications** – Certain items reported in the 2021 financial statements have been reclassified to conform to the current 2022 financial statement presentation. Such reclassifications had no effect on the previously reported change in net position.

**Newly Implemented Accounting Standard** – In June 2017, GASB issued Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Payments on leases with a term of 12 months or less or leases with a present value of \$100,000 or less are expensed as incurred. These leases are not included in assets or liabilities on the statement of net position. Lessor agreements are included in the statement of net position as accounts receivable (lease receivables) and deferred inflows of resources. All lessor agreements are property leases. Payments received on leases with a term of 12 months or less or leases with a present value of \$200,000 or less are recognized as revenue as received. These leases are not included in accounts receivable or deferred inflows of resources on the statement of net position.

The University has implemented GASB 87 for the period ending June 30, 2022. Changes adopted conform to the provisions of this Statement and are effective from July 1, 2021 forward. A restatement of the financial statements for all prior periods presented was not practicable and the cumulative effect of applying this Statement retroactively was not calculable to warrant a restatement of beginning net position.

The University did not identify any leases associated with BSPR that met the reporting requirements of GASB 87 as of June 30, 2022.

## 2. ACCOUNTS RECEIVABLE, NET

Accounts receivable consisted of the following at June 30:

<b>Accounts Receivable</b>	<b>2022</b>	<b>2021</b>
Unbilled charges	\$ -	\$ 85,393
Underwriting	182,194	110,608
Pledges receivable	12,438	9,134
Total accounts receivable	194,632	205,135
Less: Allowance for doubtful receivables	(17,338)	(18,472)
<b>Total accounts receivable, net</b>	<b>\$ 177,294</b>	<b>\$ 186,663</b>

## 3. UNEARNED REVENUE

Unearned revenue consisted of the following at June 30:

<b>Unearned Revenue</b>	<b>2022</b>	<b>2021</b>
Underwriting	\$ 28,837	\$ 11,659
Federal, state and private grants and contracts	14,429	-
<b>Total unearned revenue</b>	<b>\$ 43,266</b>	<b>\$ 11,659</b>

#### 4. CAPITAL ASSETS, NET

Following are the changes in capital assets for the year ended June 30, 2022:

	2022				
	Balance June 30, 2021	Additions	Transfers	Retirements	Balance June 30, 2022
<b>Capital assets not being depreciated:</b>					
Construction in progress	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total assets not being depreciated</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other capital assets:</b>					
Buildings and improvements	\$ 1,075,395				\$ 1,075,395
Furniture and equipment	2,312,491	16,977		(111,737)	2,217,731
Intangibles	469,199				469,199
<b>Total other capital assets</b>	<b>3,857,085</b>	<b>16,977</b>	<b>-</b>	<b>(111,737)</b>	<b>3,762,325</b>
<b>Less accumulated depreciation:</b>					
Buildings and improvements	(218,314)	(28,081)			(246,395)
Furniture and equipment	(1,935,675)	(63,137)		111,737	(1,887,075)
Intangibles	(469,199)				(469,199)
<b>Total accumulated depreciation</b>	<b>(2,623,188)</b>	<b>(91,218)</b>	<b>-</b>	<b>111,737</b>	<b>(2,602,669)</b>
<b>Other capital assets, net</b>	<b>\$ 1,233,897</b>	<b>\$ (74,241)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,159,656</b>
<b>Capital assets summary:</b>					
Capital assets not being depreciated	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets at cost	3,857,085	16,977	-	(111,737)	3,762,325
<b>Total cost of capital assets</b>	<b>3,857,085</b>	<b>16,977</b>	<b>-</b>	<b>(111,737)</b>	<b>3,762,325</b>
<b>Less accumulated depreciation</b>	<b>(2,623,188)</b>	<b>(91,218)</b>	<b>-</b>	<b>111,737</b>	<b>(2,602,669)</b>
<b>Capital assets, net</b>	<b>\$ 1,233,897</b>	<b>\$ (74,241)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,159,656</b>

Following are the changes in capital assets for the year ended June 30, 2021:

	2021				Balance June 30, 2021
	Balance June 30, 2020	Additions	Transfers	Retirements	
Capital assets not being depreciated:					
Construction in progress	\$ -	\$ -	\$ -	\$ -	\$ -
Total assets not being depreciated	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets:					
Buildings and improvements	\$ 1,075,395	\$ -	\$ -	\$ -	\$ 1,075,395
Furniture and equipment	2,262,976	49,515	-	-	2,312,491
Intangibles	469,199	-	-	-	469,199
Total other capital assets	3,807,570	49,515	-	-	3,857,085
Less accumulated depreciation:					
Buildings and improvements	(190,233)	(28,081)	-	-	(218,314)
Furniture and equipment	(1,874,366)	(61,309)	-	-	(1,935,675)
Intangibles	(469,199)	-	-	-	(469,199)
Total accumulated depreciation	(2,533,798)	(89,390)	-	-	(2,623,188)
Other capital assets, net	\$ 1,273,772	\$ (39,875)	\$ -	\$ -	\$ 1,233,897
Capital assets summary:					
Capital assets not being depreciated	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets at cost	3,807,570	49,515	-	-	3,857,085
Total cost of capital assets	3,807,570	49,515	-	-	3,857,085
Less accumulated depreciation	(2,533,798)	(89,390)	-	-	(2,623,188)
Capital assets, net	\$ 1,273,772	\$ (39,875)	\$ -	\$ -	\$ 1,233,897

## 5. NOTES PAYABLE

In June 2014, the Network entered into an unsecured \$600,000 ten-year note payable with Boise State University to finance the remodel and upgrades needed for the radio station studios.

### Notes Payable – Outstanding:

Notes Payable	June 30, 2022					
	Original Face Value	Terms	Interest Rate	Maturity Date	Outstanding Balance 2022	Outstanding Balance 2021
Boise State University note payable	\$ 600,000	10 years	5.76%	2024	\$ 145,076	\$ 217,447
<b>Total notes payable</b>					<b>\$ 145,076</b>	<b>\$ 217,447</b>

### Notes Payable – Principal and interest maturities:

Notes Payable Principal and Interest As of June 30, 2022				
	Principal	Interest	Total	
2023	\$ 72,371	\$ 6,699	\$ 79,070	
2024	76,652	2,418	79,070	
2025	94	-	94	
<b>Total</b>	<b>\$ 149,117</b>	<b>\$ 9,117</b>	<b>\$ 158,234</b>	

### Notes Payable – Roll forward:

Notes Payable Roll Forward As of June 30, 2022				
	Ending Balance June 30, 2021	Reductions	Ending Balance June 30, 2022	Amounts due within one year
Notes payable	\$ 217,447	\$ (72,371)	\$ 145,076	\$ 72,371

Notes Payable Roll Forward As of June 30, 2021				
	Ending Balance June 30, 2020	Reductions	Ending Balance June 30, 2021	Amounts due within one year
Notes payable	\$ 281,961	\$ (64,514)	\$ 217,447	\$ 68,330

## 6. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources consisted of the following at June 30:

Deferred Inflows	2022	2021
Deferred inflows related to grants	\$ 396,518	\$ 494,626
<b>Total Deferred inflows of resources</b>	<b>\$ 396,518</b>	<b>\$ 494,626</b>

## 7. RELATED PARTY

The Boise State University Foundation, Inc. (the “Foundation”) was established for the purpose of soliciting donations and to hold and manage invested donations for the exclusive benefit of Boise State University, which includes the Network. The Network paid to the Foundation \$50,163 and \$42,289 in fiscal years 2022 and 2021, respectively for payments made by the Foundation on behalf of the Network. These amounts are included in operating expenses. The Foundation owed the Network \$2,108,784 and \$1,786,567 for Network membership contributions collected and held by the Foundation as of June 30, 2022 and 2021, respectively.

The Network incurred \$577,670 and \$0 operating expenses in fiscal years 2022 and 2021, respectively that were not reimbursed to Boise State University. These amounts are included in due to Boise State University and operating expenses.

The Network recorded \$680,200 and \$695,300 in indirect administrative support in operating revenue and a corresponding offset in operating expenses in fiscal years 2022 and 2021, respectively. Indirect administrative support represents the value of services Boise State University (the “institutional licensee”) provides to the Network for facilities and administrative costs (F&A) and occupancy value.



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## 8. PENSION AND OTHER POSTEMPLOYMENT BENEFITS

### ***Pension Benefits***

The Station's employees are Boise State University (University) employees and are covered, through the University, by the Public Employee Retirement System of Idaho (PERSI), which is a state of Idaho public employees' retirement system. The University does not maintain the accounting records, hold the investments for or administer the PERSI.

The University contributes to the Base Plan which is a cost-sharing multiple-employer defined benefit pension plan administered by PERSI that covers substantially all employees of the State of Idaho, its agencies and various participating political subdivisions. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

The University records a liability (asset) that represents its proportionate share of its participation in the PERSI Base Plan, referred to as the Net Pension Liability. As of June 30, 2022 and 2021, the University reported a liability (asset) of (\$639,122) and \$20,341,665, respectively. The liability (asset) is not allocated down to the department level; thus, the Network does not report such liability.

A summary of information regarding the Base Plan is below. More information can be found in both the University's financial statements. In addition, PERSI issues a publicly available financial report. That report may be obtained on the PERSI website at [www.persi.idaho.gov](http://www.persi.idaho.gov).

- ***Pension Benefits***
  - The Base Plan provides retirement, disability and death and survivor benefits of eligible members or beneficiaries. Benefits are based on members' years of service, age and highest average salary. Members become fully vested in their retirement benefits with five years of credited service (five months for elected or appointed officials). Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. The annual service retirement allowance for each month of credited service is 2% of the average monthly salary for the highest consecutive 42 months.
  - The benefit payments for the Base Plan are calculated using a benefit formula adopted by the Idaho Legislature. The Base Plan is required to provide a 1% minimum cost of living increase per year provided the Consumer Price Index increases 1% or more. The PERSI Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6%, whichever is less; however, any amount above the 1% minimum is subject to review by the Idaho Legislature.
- ***Member and Employer Contributions***
  - Member and employer contributions paid to the Base Plan are set by statute and are established as a percent of covered compensation.
  - Contribution rates are determined by the PERSI Board within limitations as defined by state law.
  - The contribution rates for employees are set by state statute at 60% of the employer rate.

- As of June 30, 2021 (measurement date of the Net Pension liability), the employee rate was 7.16 % of annual pay. The employer contribution rate is set by the Retirement Board and was 11.94% of covered compensation.
- The University contributions, including for those Network employees, were \$3,921,730 and \$3,606,266 for the years ended June 30, 2022 and 2021, respectively.

### ***Other Postemployment Benefits (OPEB)***

Similar to pension benefits, Idaho state agencies are also required to contribute to postemployment benefits (OPEB) for healthcare, disability and life insurance for retired or disabled employees. The Department of Administration (DAS) administers OPEB for the following:

- Healthcare
- Disability
- Retiree Life Insurance.

In addition, PERSI administers the Sick Leave Insurance Reserve fund. Descriptions of the benefits and required contributions are described below.

Similar to the pension benefits, the University records (assets) liabilities that represents its proportionate share of its participation in these plans. These (assets) liabilities are not allocated down to the department level; thus, the Network does not report such (assets) liability. As of June 30, 2022 and 2021, the OPEB-related (assets)/liabilities recorded by the University were:

- DAS Retiree Healthcare Plan: \$2.2 million and \$2.2 million, respectively
- DAS Long-Term Disability Plan: \$136 thousand and \$138 thousand, respectively
- DAS Retiree Life Plan: \$29.3 million and \$29.3 million, respectively
- PERSI Sick Leave Insurance Reserve Trust: (\$28.1) million and (\$21.8) million, respectively

### ***OPEB Plans Administered by DAS***

Details of the plans can be found in the Annual Comprehensive Report of the State of Idaho, which may be obtained from the Office of the Idaho State Controller, 700 West State Street, 4th Floor, P.O. Box 83720, Boise, ID 83720-0011, [www.sco.idaho.gov](http://www.sco.idaho.gov). A brief summary of plan descriptions and funding policies are as follows:

- ***Retiree Healthcare Plan*** – A retired officer or employee of the university who receives monthly retirement benefits from the Public Employee Retirement System of Idaho (PERSI) may elect to purchase retiree health insurance coverage for themselves and eligible dependents. The employee must be receiving monthly PERSI benefits at the time of retirement and must have 10 or more years (20,800 or more hours) of credited service. An officer or employee must have been an active employee on or before June 30, 2009 and must retire directly from state service. Coverage is not available to Medicare-eligible retirees or their Medicare-eligible dependents. Retirees eligible for medical health insurance pay the majority of the premium cost; however, the retiree plan costs are subsidized by the employer and active employee plan. The benefit is at least \$1,860 per retiree per year. Employers were charged \$11.60 per active employee per month towards the retiree premium cost.

- **Long-Term Disability Plan** – Disabled employees are defined by the Plan and definitions can be obtained in the University’s financial statements. Once deemed disabled, the waiting period of the longest of 26 continuous weeks of total disability or exhaustion of accrued sick leave must be met. For up to 30 months following the date of disability an employee may continue healthcare coverage under this plan. Each employer pays 100% of the employer’s share of medical and dental premiums while the employee remains disabled. The employee is required to pay the normal active employee contribution for the plan and rate category in which the employee is enrolled.

The plan provides Long-Term Disability income benefits to active employees who become disabled, generally up to a maximum age of 70. The gross benefit equals 60% of monthly pre-disability salary or \$4,000, whichever is less. The plan also provides basic life insurance and dependent life insurance to disabled employees, generally up to a maximum age of 70. The employer pays 100% of the premiums. This portion of the basic life insurance and dependent life coverage is not included in the actuarial estimate as this is considered an insured benefit.

- **Retiree Life Insurance Plan** – Boise State University provides basic life insurance to certified retired employees. In general, the employee must have completed at least 30 years of credited service or the sum of his/her age at retirement and years of credited service must total at least 80 to qualify for this benefit. Eligible retirees receive basic life insurance coverage equal to 100% of their annual salary at retirement.

#### ***OPEB Plan Administered by PERSI***

- **Sick Leave Insurance Reserve Trust Funds**

**Plan Description** – The PERSI administers the Sick Leave Insurance Reserve Fund (SLIRF), cost sharing, multiple-employer defined benefit OPEB plan that provides payments of eligible postretirement insurance premiums on behalf of retired state and public school district employees, based on accumulated unused sick leave at the time of retirement. The SLIRF is classified as a trust fund.

The PERSI issues a publicly available financial report that includes financial statements and required supplementary information, which can be found at [www.persi.idaho.gov](http://www.persi.idaho.gov).

All state government employers are statutorily required to contribute to a sick leave account administered by the PERSI. Employer's contributions are a percentage of payroll collected each pay cycle and are held in trust for future benefits. The state is responsible for any unfunded benefit obligations through contribution rate adjustments.

University employees are limited to the number of allowable hours of sick leave they may use as part of the unused sick leave program. Members may use one-half of sick leave hours accrued up to the allowable maximum multiplied by their rate of compensation at retirement. The rate for University contributions was 0.65% of covered salary at June 30, 2022 and at June 30, 2021. Contribution percentages are based on the number of days of paid sick leave earned during the contract year. The PERSI Board approved a sick leave holiday effective January 1, 2020; the holiday was extended in October 2020 for fiscal year 2022. The holiday results in no contributions for employers until July 1, 2022.

**BOISE STATE PUBLIC RADIO  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY STATION  
FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**

	KBSU		KBSW		TOTAL	
	2022	2021	2022	2021	2022	2021
<b>OPERATING REVENUES:</b>						
CPB funding and other private grants and contracts	\$ 111,993	\$ 173,178	\$ 465,565	\$ 368,002	\$ 577,558	\$ 541,180
Indirect administrative support	217,500	221,400	462,700	473,900	680,200	695,300
Other	38,194	35,977	81,544	76,455	119,738	112,432
<b>Total Operating Revenues:</b>	<b>367,687</b>	<b>430,555</b>	<b>1,009,809</b>	<b>918,357</b>	<b>1,377,496</b>	<b>1,348,912</b>
<b>OPERATING EXPENSES:</b>						
Personnel	732,751	806,976	1,970,567	1,710,237	2,703,318	2,517,213
Services	282,210	291,603	649,755	621,724	931,965	913,327
Supplies	69,981	91,395	145,272	194,632	215,253	286,027
Insurance, utilities, and rent	55,827	48,768	115,290	103,379	171,117	152,147
Depreciation and amortization	29,190	28,657	62,028	60,734	91,218	89,391
Miscellaneous	233,932	234,707	524,653	497,420	758,585	732,127
<b>Total Operating Expenses</b>	<b>1,403,891</b>	<b>1,502,106</b>	<b>3,467,565</b>	<b>3,188,126</b>	<b>4,871,456</b>	<b>4,690,232</b>
<b>OPERATING LOSS:</b>	<b>(1,036,204)</b>	<b>(1,071,551)</b>	<b>(2,457,756)</b>	<b>(2,269,769)</b>	<b>(3,493,960)</b>	<b>(3,341,320)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
State appropriations	122,229	153,971	259,736	327,188	381,965	481,159
Memberships	679,240	708,259	1,443,387	1,497,793	2,122,627	2,206,052
Underwriting	252,885	160,949	537,381	530,335	790,266	691,284
Gifts	13,068	12,616	27,768	26,738	40,836	39,354
Net Investment Income	35	35	75	76	110	111
Interest Expense	(3,437)	(4,666)	(7,303)	(9,889)	(10,740)	(14,555)
Loss on retirement of capital asset	3,376	-	7,174	-	10,550	-
Other	6,400	213,778	13,600	256,149	20,000	469,927
<b>Net Non-Operating Revenues</b>	<b>1,073,796</b>	<b>1,244,942</b>	<b>2,281,818</b>	<b>2,628,390</b>	<b>3,355,614</b>	<b>3,873,332</b>
<b>INCREASE IN NET POSITION</b>	<b>37,592</b>	<b>173,392</b>	<b>(175,938)</b>	<b>358,620</b>	<b>(138,346)</b>	<b>532,012</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>572,064</b>	<b>398,672</b>	<b>2,186,227</b>	<b>1,827,607</b>	<b>2,758,291</b>	<b>2,226,279</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 609,656</b>	<b>\$ 572,064</b>	<b>\$ 2,010,289</b>	<b>\$ 2,186,227</b>	<b>\$ 2,619,945</b>	<b>\$ 2,758,291</b>

**BOISE STATE PUBLIC RADIO  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY STATION  
FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**

	KBSU		KBSW		TOTAL	
	2022	2021	2022	2021	2022	2021
<b>OPERATING REVENUES:</b>						
CPB funding and other private grants and contracts	\$ 111,993	\$ 173,178	\$ 465,565	\$ 368,002	\$ 577,558	\$ 541,180
Indirect administrative support	217,500	221,400	462,700	473,900	680,200	695,300
Other	38,194	35,977	81,544	76,455	119,738	112,432
<b>Total Operating Revenues:</b>	<b>367,687</b>	<b>430,555</b>	<b>1,009,809</b>	<b>918,357</b>	<b>1,377,496</b>	<b>1,348,912</b>
<b>OPERATING EXPENSES:</b>						
Personnel	732,751	806,976	1,970,567	1,710,237	2,703,318	2,517,213
Services	282,210	291,603	649,755	621,724	931,965	913,327
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Depreciation and amortization	29,190	28,657	62,028	60,734	91,218	89,391
Miscellaneous	233,932	234,707	524,653	497,420	758,585	732,127
<b>Total Operating Expenses</b>	<b>1,403,891</b>	<b>1,502,106</b>	<b>3,467,565</b>	<b>3,188,126</b>	<b>4,871,456</b>	<b>4,690,232</b>
<b>OPERATING LOSS:</b>	<b>(1,036,204)</b>	<b>(1,071,551)</b>	<b>(2,457,756)</b>	<b>(2,269,769)</b>	<b>(3,493,960)</b>	<b>(3,341,320)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
State appropriations	122,229	153,971	259,736	327,188	381,965	481,159
Memberships	679,240	708,259	1,443,387	1,497,793	2,122,627	2,206,052
Underwriting	252,885	160,949	537,381	530,335	790,266	691,284
Gifts	13,068	12,616	27,768	26,738	40,836	39,354
Net Investment Income	35	35	75	76	110	111
Interest Expense	(3,437)	(4,666)	(7,303)	(9,889)	(10,740)	(14,555)
Gain on retirement of capital asset	3,376	-	7,174	-	10,550	-
Other	6,400	213,778	13,600	256,149	20,000	469,927
<b>Net Non-Operating Revenues</b>	<b>1,073,796</b>	<b>1,244,942</b>	<b>2,281,818</b>	<b>2,628,390</b>	<b>3,355,614</b>	<b>3,873,332</b>
<b>INCREASE IN NET POSITION</b>	<b>37,592</b>	<b>173,392</b>	<b>(175,938)</b>	<b>358,620</b>	<b>(138,346)</b>	<b>532,012</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>572,064</b>	<b>398,672</b>	<b>2,186,227</b>	<b>1,827,607</b>	<b>2,758,291</b>	<b>2,226,279</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 609,656</b>	<b>\$ 572,064</b>	<b>\$ 2,010,289</b>	<b>\$ 2,186,227</b>	<b>\$ 2,619,945</b>	<b>\$ 2,758,291</b>

**BOISE STATE PUBLIC RADIO NETWORK**  
**REPORT ON INTERNAL CONTROLS IN ACCORDANCE WITH**  
**GOVERNMENT AUDITING STANDARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**



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**BOISE STATE PUBLIC RADIO NETWORK  
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**INDEPENDENT AUDITORS' 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**

Idaho Office of the State Board of Education  
Boise State Public Radio Network  
Boise, Idaho

We have audited, in accordance with the 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 the Boise State Public Radio Network, a public telecommunications entity operated by Boise State University, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Boise State Public Radio Network's basic financial statements, and have issued our report thereon dated .

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Boise State Public Radio Network'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Boise State Public Radio Network's internal control. Accordingly, we do not express an opinion on the effectiveness of Boise State Public Radio Network'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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a material a weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.



### **Boise State Public Radio Network's Response to Findings**

Boise State Public Radio Network's response to the finding identified in our audit is described in the accompanying schedule of findings. Boise State Public Radio Network's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Compliance and Other Matters**

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Denver, Colorado  
March 10, 2023

**BOISE STATE PUBLIC RADIO NETWORK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

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***Section I – Financial Statement Findings***

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**2022-001**

**Type of Finding:**

- Significant Deficiency in Internal Control over Financial Reporting

**Condition:** Reconciliations were not being performed between the contribution revenue recorded on the general ledger and contribution revenue system, Raiser's Edge.

**Criteria or specific requirement:** Contributions and memberships are an important element to the Network's operations. The Network utilizes a fundraising and donor management tool, Raiser's Edge, in order to track, monitor, and collect contributions. In order to ensure contributions are properly being recorded within the general ledger, a basic internal control over contribution accounting is to reconcile such systems as Raiser's Edge to the general ledger.

**Context:** During our testing over contribution revenue, we originally observed that the amount recorded within Raiser's Edge did not reconcile to the general ledger. Upon further investigation, we observed that the reason for this outage was due to the fact that there had not been a periodic (monthly/quarterly) or annual reconciliation between the general ledger and Raiser's Edge by the Network.

**Effect:** As a result of our inquiry regarding the difference between the general ledger and Raiser's Edge, management was ultimately able to resolve the difference and adjust the trial balance to correct the error. Yet, the risk of misstatement of Contribution Revenues in the general ledger is higher when such reconciliations are not being performed on a regular basis.

**Cause:** Due to turnover at the Network, the reconciliations went unperformed.

**Repeat Finding:** Yes.

**Recommendation:** Reconciliations should be performed monthly between the general ledger and Raiser's Edge. Such reconciliations should be reviewed by someone other than the preparer who is familiar with accounting and control practices.

**Views of responsible officials:** There is no disagreement with this audit finding.

**BOISE STATE PUBLIC RADIO NETWORK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

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***Section I – Financial Statement Findings (Continued)***

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**2022-002**

**Type of Finding:**

- Material Weakness in Internal Control over Financial Reporting

**Condition:** Reconciliations were not being performed between the underwriting revenue recorded on the general ledger and underwriting revenue system, Marketron.

**Criteria or specific requirement:** In order to ensure underwriting revenues are properly recorded within the general ledger, a basic internal control over underwriting accounting is to reconcile such systems as Marketron to the general ledger.

**Context:** During audit procedures on underwriting revenue, we observed that sampled contracts which corresponded to FY22 activities were not included in the general ledger revenue. Upon further investigation, we discovered there is no reconciliation between Marketron and the general ledger, resulting in misstatements to go undetected.

**Effect:** Underwriting revenue was originally understated by \$100,083 As a result, a material adjustment was made in order to properly state the balance at fiscal year-end.

**Cause:** Proper internal controls were not in place as it relates to revenue recognition of the Underwriting Revenue process.

**Repeat Finding:** No.

**Recommendation:** Management should perform reconciliations monthly between the general ledger and Marketron. Such reconciliations should be reviewed by someone other than the preparer who is familiar with accounting and control practices.

**Views of responsible officials:** There is no disagreement with this audit finding.



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