REPORT OF INDEPENDENT AUDITORS
AND FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

**KUNM-FM**
**(A DEPARTMENT OF THE UNIVERSITY OF NEW MEXICO)**

June 30, 2022 and 2021

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# Table of Contents

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# Report of Independent Auditors

The Board of Regents
University of New Mexico

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of KUNM-FM (the Station), a department of the University of New Mexico (UNM), which comprise the statements of net position (deficit) as of June 30, 2022 and 2021, and the related statements of revenues, expenses, and changes in net position (deficit) and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Station as of June 30, 2022 and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

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

### *Emphasis of Matter*

As discussed in Note 2, the Station adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

### *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 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7 and the schedules of proportionate share of the net pension liability and employer contributions-pension, schedule of changes in the net OPEB liability and related ratios, schedule of contributions-other postemployment benefits, and schedule of investment returns-other postemployment benefits on pages 36 through 39 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.

Moss Adams LLP

Albuquerque, New Mexico
February 13, 2023

The following discussion and analysis provides an overview of the financial position and activities of KUNM-FM (the Station) for the fiscal years ended June 30, 2022, 2021, and 2020. This discussion should be read in conjunction with the accompanying financial statements and notes. Additional information can be found in the Station's annual report to the Corporation for Public Broadcasting (CPB).

**Overview of the Operations**

The Station is a department of the University of New Mexico (UNM) and operates under Federal Communications Commission (FCC) licenses issued to the Regents of the University of New Mexico. The Station is a self-supporting department of UNM. While UNM provides indirect institutional support (e.g., studio and office space, custodial, and human resources support), it does not provide ongoing, line item funding for the radio station. UNM's indirect institutional support to the Station is significant to the Station's financial activities.

UNM is classified by the Internal Revenue Service (IRS) as an entity of the State of New Mexico and is chartered under New Mexico state law. The Station's financial activities are managed under policies and procedures of UNM and are subject to internal audit and control by UNM. UNM also operates the UNM Foundation, recognized by the IRS as a 501(c)(3) tax-exempt charitable foundation. Some financial activities (e.g., matching gifts from employers, major gifts, and donor-advised gifts from other foundations) are processed through the UNM Foundation at the request of donors. These funds are also subject to UNM audit and control.

**Overview of the Financial Statements**

The statements of net position (deficit) include the assets, liabilities, and net position (deficit) of the Station as of the end of each fiscal year. It is a point-in-time statement and provides both long-term and short-term fiscal information about the Station's investments in resources (assets), deferred outflows of resources, obligations (liabilities), deferred inflows of resources, and net position (deficit) (assets plus deferred outflow minus liabilities plus deferred inflows). It also provides the basis for evaluating the capital structure of the Station and assessing its liquidity and financial flexibility.

The statements of revenues, expenses, and changes in net position (deficit) present the results of operations of the Station for the fiscal years ended June 30, 2022 and 2021. It includes both the operating revenues and expenses. This statement measures the activity of the Station's broadcast service over the past year and can be used to determine whether the Station has recovered all its costs through listener donations, business underwriting support, grants, and other revenue-generating activities.

The statement of cash flow provides information about the sources and uses of cash by the Station. The statement reports cash receipts, cash payments, and net changes in cash resulting from operational, fund-raising, and business activities, and the change in cash during the reporting period. It is summarized in categories consisting of operating, capital financing, and investing activities.

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

**Condensed Financial Information**

| | Years Ended June 30, 2022 | 2021 As Restated | 2020 |
|---|---|---|---|
| STATEMENT OF NET POSITION | | | |
| Current assets | $ 1,120,065 | $ 1,206,913 | $ 688,488 |
| Noncurrent assets | 102,917 | 122,894 | 61,878 |
| Deferred outflows of resources | 1,923,638 | 2,449,662 | 525,932 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $ 3,146,620 | $ 3,779,469 | $ 1,276,298 |
| Current liabilities | $ 247,297 | $ 425,044 | $ 171,216 |
| Noncurrent liabilities | 2,185,856 | 5,288,031 | 2,362,850 |
| Total liabilities | 2,433,153 | 5,713,075 | 2,534,066 |
| Deferred inflows of resources | 2,980,460 | 330,094 | 252,327 |
| Net position (deficit) | | | |
| Net investment in capital assets | 47,697 | 57,692 | 61,878 |
| Unrestricted deficit | (2,314,690) | (2,321,392) | (1,571,973) |
| Total net position (deficit) | (2,266,993) | (2,263,700) | (1,510,095) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT) | $ 3,146,620 | $ 3,779,469 | $ 1,276,298 |
| STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (DEFICIT) | | | |
| Total operating revenues | $ 2,250,251 | $ 2,566,231 | $ 2,189,239 |
| Total operating expenses | 2,253,544 | 3,299,835 | 1,188,320 |
| Transfer out to KNME | - | 20,000 | - |
| CHANGE IN NET POSITION (DEFICIT) | $ (3,293) | $ (753,604) | $ 1,000,919 |

**Financial Position**

The Station's current assets are $1,120,065 as of June 30, 2022, a decrease of $86,848 as compared to the June 30, 2021 balance of $1,206,913. During fiscal year 2021, current assets increased by $518,425 from the balance of $688,488 as of June 30, 2020. These changes are primarily attributable to changes in cash and cash equivalents. The Station's net cash provided by operating activities is $176,189 for the fiscal year ended June 30, 2022, as compared to fiscal year ended June 30, 2021 in which there was a net decrease in cash from operating activities of $124,439.

Noncurrent assets decreased $19,977 as of June 30, 2022 to $102,917 compared to $122,894 as of June 30, 2021. Noncurrent assets as of June 30, 2020 were $61,878. These decreases were the result of depreciation from studio and transmitter equipment. During 2022, the Station adopted GASB Statement No. 87, *Leases,* which resulted in restatement of the right-of-use asset, net of $65,652, a lease liability of $65,202 and effect of $450 on the change in net position for the June 30, 2021.

Current liabilities were $247,297 and $425,044 as of June 30, 2022 and 2021, respectively. Current liabilities as of June 30, 2020 were $171,216. The current year decrease was caused by a decrease in unearned revenue of $174,121. The prior year increase was caused by an increase in unearned revenue and employer accrued leave.

Deferred outflows of resources, noncurrent liabilities, and deferred inflows of resources change as the result of the guidance contained in GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. As the result of this guidance, the Station records its proportionate share of the Educational Retirement Board (ERB) net pension liability and UNM's other postemployment benefits other than pensions and related deferred inflows and outflows of resources. The changes in these balances are the result of changes in the liabilities and the Stations proportionate share of it.

**Results of Operations**

Total operating revenues of $2,250,251 decreased by $315,980 for the year ended June 30, 2022 compared to $2,566,231 and increased by $376,992 for the fiscal year ended June 30, 2021 compared to $2,189,239 for the fiscal year ended June 30, 2020. The bulk of the Station's revenues from operations fall into three main categories: 1) listener sensitive income including voluntary contributions from listeners and program support from area businesses in exchange for on-air recognition (spots), 2) operating grants from the CPB, UNM Student Fees, and others, and 3) UNM Administrative Support provided. The increase in the 2021 revenues primarily relate to UNM Admin support and pension adjustments. The decrease in the 2020 revenues primarily relate to methodology changes made by CPB for the UNM Administrative Support calculation.

Total operating expenses of $2,253,544 decreased by $1,046,291 compared to $3,299,835 for the fiscal year ended June 30, 2021 and increased by $2,111,965 for the fiscal year ended June 30, 2021 compared to $1,188,320 for the fiscal year ended June 30, 2020. The increase from 2021 to 2022 in operating expenses is largely attributable to UNM pension adjustments and UNM indirect administrative support. The decrease from 2020 to 2021 in operating expenses is largely attributable to the change in the actuarial ERB liability and the CPB change in methodology for calculating UNM's Administrative Support.

### Factors Affecting Future Periods

The Station's operating budget is heavily dependent on support from its members and from the business community.

### Contacting the Company's Financial Management

The Station's annual basic financial statements and reports to the CPB are available for public inspection during business hours in the Station's public file in Oñate Hall (corner of Campus and Girard) on the UNM campus.

If you have questions about this report or need additional financial information, contact the Station General Manager Richard S. Towne at KUNM, UNM, Albuquerque, New Mexico 87131 or 505-277-8009 or RichardTowne@kunm.org.

# KUNM-FM
# (A Department of the University of New Mexico)
## Statements of Net Position (Deficit)

| | June 30, 2022 | June 30, 2021 (Restated) |
|---|---|---|
| **ASSETS AND DEFERRED OUTFLOW OF RESOURCES** | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | $ 1,092,624 | $ 926,417 |
| Accounts receivable, net of allowance for doubtful accounts of $11,969 and $9,039 at June 30, 2022 and 2021 | 27,441 | 280,496 |
| Total current assets | 1,120,065 | 1,206,913 |
| NONCURRENT ASSETS | | |
| Capital assets, net | 47,684 | 57,242 |
| Right to use assets, net | 55,233 | 65,652 |
| Total noncurrent assets | 102,917 | 122,894 |
| Total assets | 1,222,982 | 1,329,807 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Related to pensions | 1,876,228 | 2,430,657 |
| Related to other post-retirement benefits | 47,410 | 19,005 |
| Total deferred outflow of resources | 1,923,638 | 2,449,662 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | $ 3,146,620 | $ 3,779,469 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)** | | |
| CURRENT LIABILITIES | | |
| Accounts payable | $ 3,926 | $ 19,539 |
| Accrued payroll | 13,732 | 7,458 |
| Compensated absences | 65,614 | 60,032 |
| Unearned revenues | 153,913 | 328,034 |
| Lease liability, net of current portion | 10,112 | 9,981 |
| Total current liabilities | 247,297 | 425,044 |
| NONCURRENT LIABILITIES | | |
| Net pension liability | 2,008,064 | 5,123,935 |
| Net other post-retirement benefits liability | 132,684 | 108,875 |
| Lease liability | 45,108 | 55,221 |
| Total noncurrent liabilities | 2,185,856 | 5,288,031 |
| Total liabilities | 2,433,153 | 5,713,075 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Related to pensions | 2,925,054 | 264,514 |
| Related to other post-retirement benefits | 55,406 | 65,580 |
| Total deferred inflow of resources | 2,980,460 | 330,094 |
| Total liabilities and deferred inflows of resources | 5,413,613 | 6,043,169 |
| NET POSITION (DEFICIT) | | |
| Net investment in capital assets | 47,697 | 57,692 |
| Unrestricted deficit | (2,314,690) | (2,321,392) |
| Total net position (deficit) | (2,266,993) | (2,263,700) |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT) | $ 3,146,620 | $ 3,779,469 |

See accompanying notes to these financial statements.

# KUNM-FM
# (A Department of the University of New Mexico)
## Statements of Revenues, Expenses, and Changes in Net Position (Deficit)

| | Years Ended June 30, 2022 | 2021 (Restated) |
|---|---|---|
| OPERATING REVENUES | | |
| Membership and underwriting, net | $ 1,665,232 | $ 1,647,401 |
| Grants | 468,979 | 524,055 |
| University of New Mexico administrative support | 89,690 | 391,167 |
| Contributions | 26,350 | 3,608 |
| Total operating revenues | 2,250,251 | 2,566,231 |
| OPERATING EXPENSES | | |
| Personnel services | 1,374,229 | 2,241,380 |
| Materials and services | 762,638 | 1,008,712 |
| Depreciation and amortization | 19,977 | 20,614 |
| Utilities | 20,386 | 20,654 |
| Other supplies and expenses | 73,384 | 35,305 |
| Provision (recovery) for bad debt expense | 2,930 | (26,830) |
| Total operating expenses | 2,253,544 | 3,299,835 |
| Operating loss | (3,293) | (733,604) |
| TRANSFER OUT OF KNME | - | 20,000 |
| CHANGE IN NET POSITION (DEFICIT) | (3,293) | (753,604) |
| NET POSITION (DEFICIT), beginning of year, restated | (2,263,700) | (1,510,096) |
| NET POSITION (DEFICIT), end of year | $ (2,266,993) | $ (2,263,700) |

See accompanying notes to these financial statements.

# KUNM-FM
# (A Department of the University of New Mexico)
## Statements of Cash Flows

| | Years Ended June 30, 2022 | 2021 (Restated) |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Received from membership and underwriting | $ 1,915,357 | $ 1,420,005 |
| Received from grants | 294,858 | 742,509 |
| Received from other operating revenue | 116,040 | 394,775 |
| Payments to suppliers for goods and services | (872,021) | (1,045,566) |
| Payments to employees for services | (1,278,045) | (1,211,095) |
| Net cash provided by operating activities | 176,189 | 300,628 |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | |
| Purchase of capital assets | - | (5,559) |
| Payments on lease liability | (9,982) | (10,870) |
| Transfer out to KNME | - | (20,000) |
| Net cash used in financing activities | (9,982) | (36,429) |
| Net change in cash and cash equivalents | 166,207 | 264,199 |
| CASH AND CASH EQUIVALENTS, beginning of year | 926,417 | 662,218 |
| CASH AND CASH EQUIVALENTS, end of year | $ 1,092,624 | $ 926,417 |
| RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Operating loss | $ (3,293) | $ (733,604) |
| Adjustments to reconcile operating loss to net cash provided by operating activities | | |
| Depreciation and amortization expense | 19,977 | 20,614 |
| Provision (recovery) for bad debt expense | 2,930 | (26,830) |
| Changes in assets and liabilities | | |
| Accounts receivable | 250,125 | (227,396) |
| Net impact of GASB 68 deferred ins/outs/net pension expense | 99,098 | 1,037,641 |
| Net impact of GASB 75 deferred ins/outs/net other post-retirement benefits | (14,770) | (13,644) |
| Accounts payable | (15,613) | 19,105 |
| Accrued payroll | 6,274 | (87) |
| Compensated absences | 5,582 | 6,375 |
| Unearned revenues | (174,121) | 218,454 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ 176,189 | $ 300,628 |

See accompanying notes to these financial statements.

## Note 1 – Nature of Business

KUNM-FM (the Station) is an unincorporated entity operating under a license issued by the Federal Communications Commission (FCC) to the University of New Mexico (UNM). The Station is a department of UNM and receives significant grants from the Corporation for Public Broadcasting (CPB) on an annual basis. These grants are used primarily for the purchase of program rights from National Public Radio. The CPB is a private, nonprofit corporation created by Congress in 1967. Its mission is to facilitate the development of, and ensure universal access to, noncommercial high-quality programming and educational telecommunication services.

## Note 2 – Summary of Significant Accounting Policies

### Reporting Entity

The Station is a department of UNM and its financial data is included with the financial data in UNM's basic financial statements. These basic financial statements present financial information that is attributable to the Station and does not purport to present and does not present the financial position of UNM.

### Basis of Presentation

The accompanying financial statements have been prepared in accordance with the accounting disclosure and reporting requirements under Governmental Accounting Standards Board (GASB) pronouncements as the Station meets the criteria of a governmental entity. The significant accounting policies are summarized below.

The Station's financial statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. Accordingly, revenue is recognized when it is earned and expenses are recognized as soon as the liability is incurred.

Operating revenues and expenses are those incurred that relate directly to the primary operations of the Station, including administrative support from UNM and broadcast services. Unrestricted contributions and gifts do not have binding agreements and are recorded as revenues when received. Unrestricted grants are recorded as revenues at the time the grant awards are received and when eligibility requirements have been met. Restricted support and revenues are recognized upon incurring the appropriate expenses or meeting the eligibility requirements.

### Estimates

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

### Note 2 – Summary of Significant Accounting Policies (continued)

#### Cash and Cash Equivalents

The Station's cash balances are on deposit with its fiscal agent. UNM serves as the fiscal agent for the Station through which the Station participates in a pooled bank account maintained by UNM. As fiscal agent, UNM requires the financial institution holding these pooled funds to maintain minimum collateral amounts. Interest is allocated monthly to the Station's account based on its balance in the pooled bank account at the end of the preceding month. Custodial risk classifications are not available at the department level. For purposes of the statements of cash flows, the Station considers all cash accounts and all highly liquid securities and investments with an original maturity of three months or less to be cash equivalents. Certain revenues and expense accounts include noncash activity, which has been excluded from operating revenues and expenses in the statements of cash flows.

#### Accounts Receivable

The allowance for doubtful accounts is based on historical collection experience and management's evaluation of the collectability of the accounts receivable. Management reviews accounts receivable and adjusts the allowance based on identified collection issues. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Based on the information available, management believes the allowance for doubtful accounts as of June 30, 2022 and 2021 is adequate.

#### Capital Assets

Capital assets are recorded at original cost or, if donated, at estimated fair value on the date of donation. The Station's capitalization policy for moveable equipment includes all projects and/or items with a unit cost of $5,000 or more and an estimated useful life of greater than one year. Renovations to buildings that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings and 3 to 15 years for equipment.

#### Compensated Absences

The Station's annual leave plan allows employees to accumulate 252 hours of leave. Employees may be paid for hours exceeding 168 only in case of death, retirement, or involuntary separation.

#### Unearned Revenues

Unearned revenue represents cash advances received from third parties, which have eligibility requirements. The unearned revenue will be recognized as revenue once the eligibility requirement has been met.

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Deferred Outflows/Inflows of Resources**
In addition to assets, the statement of net position (deficit) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position (deficit) that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position (deficit) will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position (deficit) that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**Net Position (Deficit)**
Net position (deficit) is classified into two components: net investment in capital assets and unrestricted. The Station has no restricted net position (deficit). These classifications are defined as follows:

*Net Investment in Capital Assets* – This component of net position (deficit) consists of capital assets net of accumulated depreciation. The Station does not have any related debt.

*Unrestricted* – This component of net position (deficit) consists of net position (deficit) that does not meet the definition of “restricted” or “net investment in capital assets.”

**Grant Revenue**
The CPB distributes annual Community Service Grants (CSGs) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services.

According to the Communications Act, CSG funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years.

Certain general provisions must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These general provisions pertain to the use of grant funds, record-keeping, audits, financial reporting, mailing list, and licensee status with the FCC.

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Contributions**

Operating revenues and expenses include activities with characteristics of exchange transactions. Goods and services provided to the Station, which the Station would otherwise have to pay cash for, are recorded as in-kind contributions. Typically, the Station exchanges a service such as a promotional spot for these in-kind services. Consistent with GASB Statement No. 33, Entertainment Broadcasters, revenue for these transactions shall be reported when the promotional spots are broadcast, and the related expense shall be reported once the merchandise or service has been received. If the merchandise or services are received prior to the broadcast of the promotional spots, a liability shall be reported. Likewise, if the promotional spot is broadcast first, a receivable shall be reported. Promotional artist recordings received cannot be reasonably valued and, therefore, are not reflected by the Station's financial activity.

**Indirect Administrative Support**

The Station uses the Modified Total Direct Cost (MTDC) method, which is a method approved by CPB to compute indirect administrative support. The Station receives indirect administrative, custodial, and utility expense support from UNM. The amount of support, recorded as both revenue and other supplies and expenses, is determined by using the Other Sponsored Activities (OSA) Facilities & Administrative MTDC Base method.

**Income Taxes**

In the exercise of its essential governmental functions, the income generated by UNM and KUNM, as a department of UNM, is excluded from federal income tax under Internal Revenue Code (IRC) Section 115. However, income generated from activities unrelated to the exempt purpose of KUNM would be subject to tax under IRC Section 511(a)(2)(B).

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Plan (ERP) and additions to/deductions from ERP's fiduciary net position have been determined on the same basis as they are reported by ERP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the VEBA Trust and additions to/deductions from the VEBA Trust's fiduciary net position have been determined on the same basis as they are reported by the VEBA Trust. For this purpose, the VEBA Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Impact of Recently Issued Accounting Standards – GASB Statement No. 87 and GASB Statement No. 95 – *Leases***
This Statement defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset (e.g., buildings, land, vehicles, equipment) as specified in the contract for a period of time in an exchange or exchange-like transaction. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources (revenues) or outflows of resources (expenses) based on the payment provisions of the contract. A lessee is required to recognize a lease liability, measured at the present value of payments expected to be made during the lease term, and an intangible right-to-use lease asset, measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. A lessor is required to recognize a lease receivable, measured at the present value of lease payments expected to be received during the lease term, and a deferred inflow of resources, measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. This Statement includes an exception for short-term leases (those with a maximum possible term of 12 months or less), contracts that transfer ownership, leases of assets that are investments, and certain regulated leases. KUNM adopted this statement as of July 1, 2020. See Note 5.

GASB Statement 87, *Leases*, was adopted in fiscal year 2021, which resulted in recording a right-of-use asset, net of $65,652, a lease liability of $65,202 and effect of $450 on the change in net position for the June 30, 2021. Implementation of GASB 87 impacted previously reported fiscal year 2021 balances, as restated in the financial information table. See Note 5.

**Subsequent Events**
Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are available to be issued. The Station recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Station does not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before the financial statements are available to be issued. The Station has evaluated subsequent events through February 13, 2023.

**Note 3 – Accounts Receivable**

Accounts receivable for June 30 consisted of the following:

| | 2022 | 2021 |
|---|---|---|
| Trade receivables | $ 39,410 | $ 289,535 |
| Allowance for doubtful accounts | (11,969) | (9,039) |
| | $ 27,441 | $ 280,496 |

**Note 4 – Capital Assets**

Capital asset transactions consisted of the following during the year ended June 30, 2022:

| | June 30, 2021 | Additions | Deletions | June 30, 2022 |
|---|---|---|---|---|
| Broadcast equipment, furniture, and fixtures | $ 743,752 | $ - | $ - | $ 743,752 |
| Building improvements | 593,024 | - | - | 593,024 |
| Accumulated depreciation-equipment | (686,508) | (9,558) | - | (696,066) |
| Accumulated depreciation-building | (593,026) | - | - | (593,026) |
| Capital assets, net | $ 57,242 | $ (9,558) | $ - | $ 47,684 |

Capital asset transactions consisted of the following during the year ended June 30, 2021:

| | June 30, 2020 | Additions | Deletions | June 30, 2021 |
|---|---|---|---|---|
| Broadcast equipment, furniture, and fixtures | $ 738,193 | $ 5,559 | $ - | $ 743,752 |
| Building improvements | 593,024 | - | - | 593,024 |
| Accumulated depreciation-equipment | (676,314) | (10,194) | - | (686,508) |
| Accumulated depreciation-building | (593,026) | - | - | (593,026) |
| Capital assets, net | $ 61,877 | $ (4,635) | $ - | $ 57,242 |

### Note 5 – Leases

The Station adopted GASB Statement No. 87, *Leases*, for the year ended June 30, 2022, with retrospective applicable to all periods presented.

The impact of the adoption of GASB 87 on opening net position and on previously reported fiscal year 2021 balances is as follows:

| | June 30, | | |
|---|---|---|---|
| | 2021 as Reported | 2021 Adjustments | 2021 as Adjusted |
| Assets | | | |
| Current assets | $ 1,206,913 | $ - | $ 1,206,913 |
| Capital assets, net | 57,242 | - | 57,242 |
| Right to use assets, net | - | 65,652 | 65,652 |
| Other noncurrent assets | - | - | - |
| Total assets | $ 1,264,155 | $ 65,652 | $ 1,329,807 |
| Deferred outflows of resources | $ 2,449,662 | $ - | $ 2,449,662 |
| Liabilities | | | |
| Current liabilities | $ 415,063 | $ 9,981 | $ 425,044 |
| Noncurrent liabilities | 5,232,810 | 55,221 | 5,288,031 |
| Total liabilities | 5,647,873 | 65,202 | 5,713,075 |
| Deferred inflows of resources | 330,094 | - | 330,094 |
| Net position | | | |
| Net investment in capital assets | 57,242 | - | 57,242 |
| Net investment in right-to-use assets | - | 450 | 450 |
| Restricted | - | - | - |
| Unrestricted | (2,321,392) | - | (2,321,392) |
| Total net position | (2,264,150) | 450 | (2,263,700) |
| Total liabilities, deferred inflows of resources, and net position | $ 3,713,817 | $ 65,652 | $ 3,779,469 |

The effect was $450 on the change in net position for the June 30, 2021.

**Note 5 – Leases (continued)**

A summary of the lease asset activity during the years ended June 30, 2022 and 2021 is as follows:

| | 6/30/2021 (Restated) | Additions | Deductions | 6/30/2022 |
|---|---|---|---|---|
| Right-to-use asset | $ 76,072 | $ - | $ - | $ 76,072 |
| Accumulated amortization, right-to-use asset | (10,420) | (10,419) | - | (20,839) |
| Right-to-use asset, net | $ 65,652 | $ (10,419) | $ - | $ 55,233 |

| | 6/30/2020 | Additions (Restated) | Deductions | 6/30/2021 (Restated) |
|---|---|---|---|---|
| Right-to-use asset | $ - | $ 76,072 | $ - | $ 76,072 |
| Accumulated amortization, right-to-use asset | - | (10,420) | - | (10,420) |
| Right-to-use asset, net | $ - | $ 65,652 | $ - | $ 65,652 |

A summary of changes in the related lease liability during the years ended June 30, 2022 and 2021 is as follows:

| | 6/30/2021 (Restated) | Additions | Deductions | 6/30/2022 |
|---|---|---|---|---|
| Lease payable | $ 65,202 | $ - | $ (9,982) | $ 55,220 |

| | 06/30/2020 | Additions (Restated) | Deductions | 6/30/2021 (Restated) |
|---|---|---|---|---|
| Lease payable | $ - | $ 76,072 | $ (10,870) | $ 65,202 |

The Station is a lessee for one noncancelable leases. For leases with a maximum possible term of 12 months or less at commencement (short term), the Station recognizes expense based on the provisions of the lease contract. For leases that are not short-term, the Station recognizes a lease liability and an intangible right-to-use (RTU) lease asset.

**Note 5 – Leases (continued)**

Initial measurement of the lease payable amount is calculated at the present value of payments expected to be paid during the lease term, discounted using the department's incremental borrowing rate. The lease for the Station is capitalized as a right to use asset and lease payable discounted by the incremental borrowing rate. The right-to use-asset is also amortized on a straight-line basis over the term of the lease.

(a) *Minimum Lease Payments*

The following is a schedule of future minimum lease payments for the department as of June 30, 2022.

| | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 10,091 | $ 779 | $ 10,870 |
| 2024 | 10,224 | 646 | 10,870 |
| 2025 | 10,358 | 512 | 10,870 |
| 2026 | 8,024 | 376 | 8,400 |
| 2027 | 8,161 | 239 | 8,400 |
| 2028 | 8,362 | 38 | 8,400 |
| | $ 55,220 | $ 2,590 | $ 57,810 |

**Note 6 – Operating Leases**

The Station has short term operating lease agreements with a duration of under one year. For 2023, the lease commitments are $3,460. Equipment rental expense for the Station for the years ended June 30, 2022 and 2021 was $6,087 and $15,344, respectively.

**Note 7 – Related-Party Transactions, as Restated**

UNM administrative support of $89,690 and $391,167 for 2022 and 2021, respectively, is based on an allocation of actual indirect costs from UNM. The indirect costs calculation includes fees paid to UNM for use of UNM's accounting system of $12,149 and $11,215 for 2022 and 2021, respectively. The related expense of $81,960 and $382,562 for 2022 and 2021, respectively, is recorded as other supplies and expenses and materials and services.

The Station billed UNM for various services throughout the year that are recorded as underwriting revenue. Underwriting revenue from UNM for the years ended June 30, 2022 and 2021 was $19,327 and $13,770, respectively.

**Note 8 – Retirement Plans**

**General Information about the Pension Plan**

**Plan Description**
All of the Station's full-time employees who are employed more than 25% of a full-time equivalency are required to participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The New Mexico ERA was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB's comprehensive annual financial report. The report can also be found on NMERB's website at www.nmerb.org/annual _reports.html.

The Plan is a cost sharing, multiple-employer pension plan estabished to provide retirement and disability benefits for certified teachers and other employees of the state's public schools, institutions of higher learning, and state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-52, NMSA 1978, as amended.

The Plan is a pension trust fund of the State of New Mexico. The ERA assigns the authority to establish and amend benefit provisions to a seven-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the Plan which is a pension benefit trust fund of the State of New Mexico. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined Section 22-11-2, NMSA 1978. Employees of public schools, universities, colleges, junior colleges, technical-vocational institutions, state special schools, charter schools, and state agencies providing an education program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

**Pension Benefit**
A member's retirement benefit is determined by a formula which includes three component parts: 1) the member's final average salary (FAS), 2) the number of years of service credit, and 3) a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five year period, whichever is greater.

For members hired on or before June 30, 2019 (Tiers 1-3 members) the multiplier is 2.35%. For members hired after June 30, 2019 the multiplier accrues as follows:

| Years of Service | Benefit Percentage Earned |
|---|---|
| 1 to 10 | 1.35% |
| 10.25 to 20 | 2.35% |
| 20.25 to 30 | 3.35% |
| 30.25 plus | 2.40% |

**Note 8 – Retirement Plans (continued)**

**Summary of Plan Provisions for Retirement Eligibility**

**Tier 1: Membership prior to July 1, 2010**

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs:

- The member's age and earned service credit add up to the sum of 75 or more;
- The member is at least 65 years of age and has five or more years of earned service credit;
- The member has service credit totaling 25 years or more.

**Tier 2: Membership prior to July 1, 2010**

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010 but before July 1, 2013 – or before July 1, 2010, terminated employment, subsequently withdrew all contributions, and then becomes re-employed after July 1, 2010. These members must meet one of the following requirements.the member's age and earned service credit add up to the sum of 80 or more;

- The member's age and earned service credit add up to the sum of 80 or more;
- The member is at least 67 years of age and has five or more years of earned service credit; or
- The member has service credit totaling 30 years or more.

**Tier 3: Membership beginning on or after July 1, 2013**

Section 22-11-23.2, NMSA 1978 added eligibility requiremetns for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013 but terminated employment and subsequently withdrew all contributions, and returned to work for an ERB employer on or after July 1, 2013. These members must meet one of the following requirements:

- The member's minimum age is 55 and has earned 30 or more years of service credit. Those who retire earlier than age 55, but with 30 years of earned service credit, will have a reduction in benefits to the actuarial equivalent of retiring at age 55.
- The member's minimum age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit, will receive reduced retirement benefits, or
- The member's age is 67 and has earned five or more years of service credit.

**Note 8 – Retirement Plans (continued)**

**Tier 4: Membership beginning on or after July 1, 2019**

Section 22-11-23.3, NMSA 1978 added eligibility requiremetns for new members who were first employed on or after July 1, 2019, and had, before that date, been refunded all member contributions and had not restored all refunded contributions and interest before July 1, 2019. A member in this tier must meet one of the followng requirements.

- The member's minimum age must be 58, and the member has earned 30 or more years of service credit. A member who retires earlier than age 58 receives a reduction in benefits equal to the actuarial equvalent of retiring at age 58.
- The member's minimum age and earned service credit add up to the sum of 80 or more. Those who retire under the age of 65, and who have fewer than 30 years of earned service credit, will receive reduced retirement benefits, or
- The member's age is 67 and has earned five or more years of service credit.

*Forms of Payment:* The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary.

*Benefit Options:* The Plan has three benefit options available:

- Option A – Straight Life Benefit – The single life annuity option has no reducetions to the monthly benefit; and there is no continuing benefit due to a beneficiary or estate, except the balance, if any, of member contributions plus interest less benefits paid prior to the member's death.
- Option B – Joint 100% Survivor Benefit – The single life annuity monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the same benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.
- Option C – Joint 50% Survivor Benefit – The single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit. The reduced benefit is payable during the life of the member, with the provision that, upon death, the reduced 50% benefit is paid to the beneficiary for his or her lifetime. If the beneficiary predeceases the member, the member's monthly benefit is increased to the amount the member would have received under Option A Straight Life benefit. The member's increased monthly benefit commences in the month following the beneficiary's death.

**Note 8 – Retirement Plans (continued)**

*Disability Benefit:* An NMERB member is eligible for disability benefits if they have acquired at least 10 years of earned service credit and is found totally disabled. The disability benefit is equal to 2% of the member's Final Average Salary (FAS) multiplied by the number of years of total service credits. However, the disability benefit shall not be less than the smaller of (a) one-third of the member's FAS or (b) 2% of the member's FAS multiplied by total years of service credit projected to age 60.

*Cost of Living Adjustment (COLA):* All retired members and beneficiaries receiving benefits receive an automatic adjustment in their benefit on July 1 following the later of 1) the year a member retires, or 2) the year a member reaches age 65 (Tier 1 and Tier 2), age 67 (Tier 3) or age 67 (Tier 4).

- Tier 1 membership is comprised of employees who became members prior to July 1, 2010.
- Tier 2 membership is comprised of employees who became members after July 1, 2010, but prior to July 1, 2013.
- Tier 3 membership is comprised of employees who became members on or after July 1, 2013.
- Tier 4 membership is comprised of employees who became member on or after July 1, 2019.

If a member is eligible for a COLA, the amount depends on the annual change in the Consumer Price Index (CPI) and whether the fund is fully funded (that is, the fund's funded rate is 100%). Accordingly, if there is no increase in the CPI, or the CPI is negative, the amount of the COLA will be zero (if the CPI is negative, retirement benefits will not be decreased).

When CPI has increased and the fund is fully funded, the COLA will be the same amount as the increase in the CPI except as follows: If the increase in the CPI is 2% or greater, the COLA will be one-half of the CPI increase, not to exceed 4% or to be less than 2%.

However, while the fund is not fully funded, the COLA for retirees will be reduced based on the median annual retirement benefit, calculated after the end of each fiscal year:

- When the funded ratio is 90% or less, the COLA for retires whose annuity is at or below the median and who have 25 more years of service credit at retirement will be reduced by 10%. For retires whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 20%.

- When the funded ratio exceeds 90% but is less than 100%, the COLA for retirees whose annuity is at or below the median adjusted annuity and who had 25 or more years of service credit at retirement and will be reduced by 5%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 10%.

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

### Note 8 – Retirement Plans (continued)

*Refund of Contributions:* Members may withdraw their contributions only when they terminate covered employment in the State and their former employer(s) certification determination has been received by NMERB. Interest is paid to members when they withdraw their contributions following termination of employment at a rate set by the Board. Interest is not earned on contributions credited to accounts prior to July 1, 1971, or for contributions held for less than one year.

*Contributions:* For the fiscal years ended June 30, 2022 and 2021, educational employers contributed to the Plan based on the following rate schedule.

| Fiscal Year | Date Range | Wage Category | Member Rate | Employer Rate | Combined Rate | Increase Over Prior Year |
|---|---|---|---|---|---|---|
| 2022 | 7/1/21 to 6/30/22 | Over $24k | 10.7% | 15.15% | 25.85% | 1.00% |
| 2022 | 7/1/21 to 6/30/22 | $24k or less | 7.9% | 15.15% | 23.05% | 1.00% |
| 2021 | 7/1/20 to 6/30/21 | Over $24k | 10.7% | 14.15% | 24.85% | 0.00% |
| 2021 | 7/1/20 to 6/30/21 | $24k or less | 7.9% | 14.15% | 22.05% | 0.00% |

The contribution requirements are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by actions of the New Mexico Legislature. The Station's contributions to ERB for the fiscal years ended June 30, 2022, 2021, and 2020 were $136,820, $128,525, and $114,287, respectively, which equals the amount of the required contributions for the fiscal year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2022, the Station reported a liability of $2,008,064 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2021 using generally accepted actuarial principles. Therefore, the employers portion was established as of the measurement date of June 30, 2021. There were no significant events or changes in benefit provision that required and adjustment to the roll-forward liabilities as of June 30, 2022. The Station's proportion of the net pension liability was based on a projection of the Station's long-term share of contributions to the pension plan relative to the projected contributions of all participating educational institutions, actuarially determined. At June 30, 2021, the Station reported a liability of $5,123,935 for its proportionate share of the net pension liability. At June 30, 2021, the Station's proportion was 0.028333% which is an increase of 0.003049% from its proportation measured ast of June 30, 2020.

For the years ended June 30, 2022 and 2021, the Station recognized pension expense of $235,919 and $1,166,164, respectively.

**Note 8 – Retirement Plans (continued)**

At June 30, 2022, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | 2022 | |
|---|---|---|
| | Deferred Outflows of Resources | Deferred Inflows of Fesources |
| Differences between expected and actual experience | $ 157,782 | $ 4,945 |
| Changes in assumptions | 1,336,670 | 2,286,866 |
| Net difference between projected and actual earnings on pension plan investments | - | 499,365 |
| Change in proportion and differences between Station contributions and proportionate share of contributions | 244,956 | 133,878 |
| Station contributions subsequent to the measurement date | 136,820 | - |
| Total | $ 1,876,228 | $ 2,925,054 |

At June 30, 2021, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | 2021 | |
|---|---|---|
| | Deferred Outflows of Resources | Deferred Outflows of Resources |
| Differences between expected and actual experience | $ 31,809 | $ 19,758 |
| Changes in assumptions | 2,053,204 | - |
| Net difference between projected and actual earnings on pension plan investments | 173,988 | - |
| Change in proportion and differences between Station contributions and proportionate share of contributions | 43,131 | 244,756 |
| Station contributions subsequent to the measurement date | 128,525 | - |
| Total | $ 2,430,657 | $ 264,514 |

**Note 8 – Retirement Plans (continued)**

The $136,820 reported as deferred outflows of resources related to pensions resulting from Station contributions subsequent to the measurement date of June 30, 2021 will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Years Ending June 30, | |
|---|---|
| 2023 | $ (67,100) |
| 2024 | (540,774) |
| 2025 | (411,151) |
| 2026 | (166,621) |
| Total | $ (1,185,646) |

*Actuarial Assumptions:* The total pension liability in the June 30, 2021 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.30% |
| Salary Increases | 3.00% composed of 2.30% inflation, plus a 0.70% productivity increase rate, plus a step-rate promotional increase for members with less than 10 years of service. |
| Investment Rate of Return | 7.00% compounded annually, net of expenses. This is made up of a 2.30% inflation rate and a 4.70% real rate of return. |
| Mortality | *Healthy Males:* 2020 GRS Southwest Region Teacher Mortality Table, set back one year and scaled at 95%. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.<br><br>*Healthy Females:* 2020 GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. |
| Retirement Age | Experience-based table rates based on age and service, adopted by the NMERB Board on April 21, 2020 in conjunction with the six-year experience study for the period ending June 30, 2019. |

**Note 8 – Retirement Plans (continued)**

The actuarial assumptions and methods are set by the Plan's Board of Trustees, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 17, 2020, the Board adopted the new assumptions presented in the 2020 Actuarial Experience Study.

The long-term expected rate of return on pension plan investments was determined using a building-block approach that includes the following:

- Rate of return projections that are the sum of current yield plus projected changes in price (valuations, defaults, etc.)
- Application of key economic projections (inflation, real growth, dividends, etc.)
- Structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

| Asset Class | Target Allocation |
|---|---|
| Equities | 31% |
| Fixed income | 24% |
| Alternatives | 44% |
| Cash | 1% |
| | |
| Long term expected rate of return | 7.00% |

*Discount Rate:* A single discount rate of 7.0% was used to measure the total pension liability as of June 30, 2021. This is a 3.11% increase over the rate of 3.89% rate used in the prior measurement year. The 7.00% was based on a long-term expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

A single discount rate of 3.89% was used to measure the total pension liability as of June 30, 2020. This is a 3.36% decrease over the rate of 7.25% rate used in the prior measurement year. The 3.89% was based on a long-term expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Note 8 – Retirement Plans (continued)**

The projections of cash flows used to determine the single discount rates assumed that plan member and employer contributions will be made at the current statutory levels.

*Sensitivity of the Station's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:* The following presents the Station's proportionate share of the net pension liability at June 30, 2022, which was measured using the discount rate of 7.00%, as well as what the net pension liability would have been if it were calculated using a discount rate that was one percentage point lower (6.00%) or on percentage point higher (8.00%) than the current discount rate.

| | Year Ended June 30, 2022 | | |
|---|---|---|---|
| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
| Station's proportionate share of the net pension liability | $ 2,843,235 | $ 2,008,064 | $ 1,317,930 |

| | Year Ended June 30, 2021 | | |
|---|---|---|---|
| | 1% Decrease (2.89%) | Current Discount Rate (3.89%) | 1% Increase (4.89%) |
| Station's proportionate share of the net pension liability | $ 6,471,090 | $ 5,123,935 | $ 4,040,229 |

*Pension Plan Fiduciary Net Position:* Detailed information about the pension plan's fiduciary net position is available in separately issued NMERB's financial reports. The reports can be found on NMERB's website at https://www.nmerb.org/Annual_reports.html .

**Note 9 – Other Postemployment Benefits (OPEB)**

**Article I. General Information about the OPEB Plan**

*Plan Description:* The University of New Mexico Retiree Welfare Benefit Trust (VEBA Trust) administers the University of New Mexico Retiree Welfare Benefit Plan (VEBA Plan) – a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible employees of the University. The University if the fiduciary of the VEBA Trust's financial statements and required supplementary information are included in the University financial report.

**Note 9 – Other Postemployment Benefits (OPEB) (continued)**

Management of the VEBA Plan is vested in the VEBA Trust's VEBA Committee, which consists of nine members:

- UNM Controller or Designee
- UNM Vice President of Human Resources or Designee
- Two Faculty Appointees (appointed by the UNM President)
- Two Staff Appointees (appointed by the UNM President)
- Member of the Debt Investment Advisory Committee (ex-officio, appointed by the UNM President)
- Two UNM Presidential Appointees

*Plan Membership:* In order for a retiree of the Station to be eligible for OPEB other than basic life insurance, the employee must have been hired prior to July 1, 2015 and contribute to the VEBA Trust for at least five continuous years immediately prior to retirement. If hired prior to July 1, 2013 and retiring prior to July 1, 2018, employees must continually contribute to the VEBA Trust. Employees were automatically enrolled into the VEBA Trust upon its establishment unless they requested to opt out. Opportunities to opt out will occur annually during the benefits open enrollment period. Employees hired on or after July 1, 2015 are not eligible for OPEB other than basic life insurance. Contributions to the VEBA Trust are not required for the basic life insurance benefit since these benefits are not funded through the VEBA Trust.

*Benefits Provided:* The VEBA Plan provides health, dental, and life insurance coverage to eligible retirees and their covered dependents. Eligible retirees of the Station receive healthcare coverage through a self-insured medical plan, including prescription drugs administered through UNM LoboHealth (administered by UNM Team health and BCSC of NM) and Presbyterian Health Plan. Prescription drug benefits are administered by Express Scripts, inc. Eligible Medicare retirees receive healthcare coverage through one of seven fully insured medical and prescription drug plans: Humana PPO, Aetna PPO ESA, Blue Cross Blue Shield HMO I (Enhanced), Blue Cross Blue Shield HMO II (Standard), Presbyterian Select HMO-POS, Presbyterian Premier HMO-POS, and UHC AARP supplement. Eligible retirees are also offered one of two dental insurance benefit options: Premier High Option and PPO Low Option. Basic life insurance benefits are available to retirees of the University without the requirement to opt in to the VEBA Trust. The authority to establish and amend the benefit provisions rests with the Board of Regents.

**Note 9 – Other Postemployment Benefits (OPEB) (continued)**

*Contributions*: The contribution requirements of VEBA Plan members and UNM are established and may be amended by the UNM Board of Regents. Retiree contributions for medical and dental insurance are required for both retiree and dependent coverage. Retirees are required to pay the full premiums less a subsidy provided by UNM. The contribution percentage to premiums 65 years of age and over is determined by service credits paid into the VEBA as follows:

| 65+ Retirees | | |
|---|---|---|
| Number of VEBA Service Credit Years Contributed | UNM | Retiree |
| 5-9 | 10% | 90% |
| 10-14 | 15% | 85% |
| 15-19 | 20% | 80% |
| 20-24 | 25% | 75% |
| Grandfathered with 25+ Service Credits | 30% | 70% |

The contribution percentage to premiums for retirees under the age of 65 is determined by service credits paid into the VEBA and their preretirement annual salaray as follows:

| Pre-65 Retirees | | | | | | |
|---|---|---|---|---|---|---|
| | Less than $25,000 | | $25,000 - $34,999 | | $35,000 and above | |
| Number of VEBA Service Credit Years Contributed | UNM | Retiree | UNM | Retiree | UNM | Retiree |
| 5-9 | 25% | 75% | 20% | 80% | 15% | 85% |
| 10-14 | 30% | 70% | 25% | 75% | 20% | 80% |
| 15-19 | 35% | 65% | 30% | 70% | 25% | 75% |
| 20-24 | 40% | 60% | 35% | 65% | 30% | 70% |
| Grandfathered with 25+ Service Credits | 60% | 40% | 50% | 50% | 40% | 60% |

Benefits-eligible employees, who do not opt-out of the VEBA Trust, contribute 0.75% of their salary to the VEBA Trust in order to ensure that the health benefits continue into retirement. UNM matches the 0.75% contribution made by the employee.

**Investments**

*Investment Policy:* The VEBA Trust's policy in regard to the allocation of invested assets was established and may be amended by the VEBA Committee. The long-term objective of the VEBA Trust is to earn a return sufficient to preserve the purchasing power of the VEBA Trust to fund retirement benefits for contributing employees. Ultimately, the goal is to achieve an annual total return, net of management and custodial fees that equals or exceeds the estimated annual benefit distributions, and inflation as measured by the U.S. Department of Labor All Urban Consumer Price Index (CPI-U).

**Note 9 – Other Postemployment Benefits (OPEB) (continued)**

Given the current significant unfunded status of the VEBA Plan, an intermediate return objective is established to reflect the return goal during the accumulation phase. The accumulation phase is defined as the time to achieve a VEBA Trust balance sufficient to support 30% of the annual required contribution. During the accumulation phase, the VEBA Trust has the ability to pursue a higher return since distributions are not allowed and regular contributions are expected to be significant relative to the current VEBA Trust balance. As such, the intermediate return objective is 7-8% over a full market cycle.

The following was the adopted asset allocation policy as of June 30, 2022:

| | Allocation | |
|---|---|---|
| Asset Class | Target | Maximum |
| Equities | 65% | 65% |
| Fixed income | 35% | 45% |
| Alternatives | 0% | 15% |
| | 100% | |

*Rate of Return*: For the years ended June 30, 2022 and 2021, the annual money-weighted rates of return on investments, net of investment expense, were (17.43)% and 26.04%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The Station's net OPEB liability was rolled forward on an actuarial basis from the valuation measured as of July 1, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2021 but adjusted for a change in the discount rate.

*Actuarial Assumptions:* The total OPEB liability was determine by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Salary increases | 2.0% |
| Investment rate of return | 8.0%, net of OPEB plan investments expense, including inflation |
| Healthcare cost trend rates | Pre-Medicare: 6.1% initially, reduced by decrements to a rate of 4.5% after nine years<br>Post-Medicare: 6.4% initially, reduced by decrements to a rate of 4.5% after nine years<br>Dental: 4.0% |

Mortality rates were based on the PUB-2010 "General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020."

**Note 9 – Other Postemployment Benefits (OPEB) (continued)**

*Discount Rate*: The discount rate was determined by blending the University's long-term rate of return on assets and the interest rate reported under the 20-Year Municipal Bond Index. GASB 75 requires the use of an interest rate based on the 20-Year Municipal Bond Index for payments expected to be made outside of the VEBA trust assets. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was used for the determination of this rate. The interest rate is the index rate that is reported on the last Friday prior to the measurement date. A blended discount rate was calculated based on separating the projected future payments between those paid from the VEBA Trust and those paid from general assets. The VEBA Trust assets were projected using the expected employer and employee payroll contributions and the expected long-term rate of return. Payments from the VEBA Trust were assumed to begin when the projected asset amount is fully-funded and all future projected benefit payments will be paid from the VEBA Trust. The VEBA Trust is expected to be fully-funded in the year 2030. The blended discount rates used for the fiscal year ending June 30, 2022 and 2021 are 6.80% and 7.09% respectively.

The net OPEB liability was measured as of July 1, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020. At June 30, 2022, the Station reported a liability of $132,685 for its proportionate share of the net OPEB liability. At June 30, 2021, the Station reported a liability of $108,875 for its proportionate share of the net OPEB liability. The Station's proportion of the net OPEB liability was based on the total salaries of the Station's employees in positions eligible for postretirement benefits relative to the total salaries of all UNM's employees in positions eligible for postretirement benefits. At June 30, 2022, the Station's proportion was 0.124141%, which was a 0.002514% increase from its proportion measured as of June 30, 2020. At June 30, 2021, the Station's proportion was 0.121627%, which was a 0.017292% decrease from its proportion measured as of June 30, 2020.

*Sensitivity of the Station's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate:* The following presents the Station's net OPEB liability at June 30, 2022, which was measured using a discount rate of 6.80%, as well as what the net OPEB liability would have been if it were calculated using a discount rate that was one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current discount rate.

| | Year Ended June 30, 2022 | | |
|---|---|---|---|
| | 1% Decrease (5.80%) | Current Discount Rate (6.80%) | 1% Increase (7.80%) |
| Net OPEB liability | $ 156,082 | $ 132,684 | $ 110,872 |

**Note 9 – Other Postemployment Benefits (OPEB) (continued)**

The following presents the Station’s net OPEB liability at June 30, 2021, which was measured using a discount rate of 6.09%, as well as what the net OPEB liability would have been if it were calculated using a discount rate that was one percentage point lower (7.09%) or one percentage point higher (8.09%) than the current discount rate.

| | Year Ended June 30, 2021 | | |
|---|---|---|---|
| | 1% Decrease (6.09%) | Current Discount Rate (7.09%) | 1% Increase (8.09%) |
| Net OPEB liability | $ 130,020 | $ 108,875 | $ 87,878 |

*Sensitivity of the Station’s Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates:* The following presents the Station’s proportionate share of the net OPEB liability at June 30, 2022 and 2021, which was measured using the current healthcare cost trend rates (Pre-Medicare: 6.1% decreasing to 4.5%, Post-Medicare: 6.4% decreasing to 4.5%, Dental: 4%), as well as what the Station’s proportionate share of the net OPEB liability would have been if it were calculated using healthcare cost trend rates that were one percentage point lower (Pre-Medicare: 5.1% decreasing to 3.5%, Post-Medicare: 4.4% decreasing to 3.5%, Dental: 3%) or one percentage point higher (Pre-Medicare: 7.1% decreasing to 5.5%, Post-Medicare: 7.4% decreasing to 5%, Dental: 5%) than the current healthcare cost trend rates.

| | Year Ended June 30, 2022 | | |
|---|---|---|---|
| | 1% Decrease | Current Discount Rate | 1% Increase |
| | (Pre-Medicare: 5.1% decreasing to 3.5%, Post-Medicare: 5.4% decreasing to 3.5%, Dental: 3%) | (Pre-Medicare: 6.1% decreasing to 4.5%, Post-Medicare: 6.4% decreasing to 4.5%, Dental: 4%) | (Pre-Medicare: 7.1% decreasing to 5.5%, Post-Medicare: 7.4% decreasing to 5%, Dental: 5%) |
| Net OPEB liability | $ 110,872 | $ 132,684 | $ 156,082 |

| | Year Ended June 30, 2021 | | |
|---|---|---|---|
| | 1% Decrease | Current Discount Rate | 1% Increase |
| | (Pre-Medicare: 4.5% decreasing to 4%, Post-Medicare: 4.4% decreasing to 4%, Dental: 3%) | (Pre-Medicare: 5.5% decreasing to 5%, Post-Medicare: 5.4% decreasing to 5%, Dental: 4%) | (Pre-Medicare: 6.5% decreasing to 6%, Post-Medicare: 6.4% decreasing to 6%, Dental: 5%) |
| Net OPEB liability | $ 87,878 | $ 108,875 | $ 130,020 |

**Note 9 – Other Postemployment Benefits (OPEB) (continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**
For the years ended June 30, 2022 and 2021, the Station recognized OPEB (income) expense of ($12,163) and ($7,178), respectively. At June 30, 2022 and 2021, the Station reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ - | $ 6,475 |
| Changes of assumptions | 8,627 | 10,828 |
| Net difference between projected and actual earnings on OPEB plan investments | 23,680 | 22,049 |
| Changes in proportion and differences between Station's total salaries and proportionate share of total salaries | 6,028 | 16,054 |
| Station contributions subsequent to the measurement date | 9,075 | - |
| Total | $ 47,410 | $ 55,406 |

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Changes of assumptions | $ 6,020 | $ 44,528 |
| Net difference between projected and actual earnings on OPEB plan investments | 1,652 | - |
| Changes in proportion and differences between Station's total salaries and proportionate share of total salaries | 4,865 | 21,052 |
| Station contributions subsequent to the measurement date | 6,468 | - |
| Total | $ 19,005 | $ 65,580 |

**Note 9 – Other Postemployment Benefits (OPEB) (continued)**

The $9,075 reported as deferred outflows of resources related to OPEB resulting from Station contributions subsequent to the measurement date of July 1, 2021 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. The $6,468 reported as deferred outflows of resources related to OPEB resulting from Station contributions subsequent to the measurement date of July 1, 2020 was recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Years Ending June 30, | | |
|---|---|---|
| 2023 | $ | (9,591) |
| 2024 | | (9,019) |
| 2025 | | (4,641) |
| 2026 | | 1,383 |
| 2027 | | 4,797 |
| Total | $ | (17,071) |

# Required Supplementary Information

## REQUIRED SUPPLEMENTARY INFORMATION – PENSION

### Schedule of Proportionate Share of Net Pension Liability and Employer Contributions

The schedule of proportionate share of net pension liability and the schedule of employer contributions present multiyear trend information for the last 10 fiscal years. Fiscal Years 2015 was the first year of implementation; therefore, only eight years are shown. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

### Schedule of Proportionate Share of Net Pension Liability – ERB Plan

| Fiscal year<br>Measurement date | 2022<br>2021 | 2021<br>2020 | 2020<br>2019 | 2019<br>2018 | 2018<br>2017 | 2017<br>2016 | 2016<br>2015 | 2015<br>2014 |
|---|---|---|---|---|---|---|---|---|
| Station’s proportion of the net pension liability | 0.02833% | 0.02528% | 0.01294% | 0.03044% | 0.02912% | 0.03005% | 0.02878% | 0.02950% |
| Station’s proportionate share of the net pension liability | $ 2,008,064 | $ 5,123,935 | $ 2,228,499 | $ 3,619,774 | $ 3,236,553 | $ 2,162,568 | $ 1,863,943 | $ 1,683,174 |
| Station’s covered – employee payroll | $ 820,213 | $ 782,795 | $ 845,994 | $ 829,156 | $ 822,151 | $ 852,590 | $ 813,833 | $ 808,887 |
| Station’s proportionate share of the net pension liability as a percentage of its covered – employee payroll | 244.82% | 654.57% | 263.42% | 436.56% | 393.67% | 253.65% | 229.03% | 208.09% |
| Plan fiduciary net position as a percentage of the total pension liability | 69.77% | 39.11% | 64.13% | 52.17% | 52.95% | 61.58% | 63.97% | 66.54% |

### Schedule of Employer Contributions – ERB Plan

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|
| Statutorily required employer contribution | $ 136,820 | $ 128,525 | $ 114,287 | $ 119,501 | $ 118,243 | $ 115,255 | $ 118,510 | $ 113,123 |
| Contributions in relation to the statutorily required contribution | 136,820 | 128,525 | 114,287 | 119,501 | 118,243 | 115,255 | 118,510 | 113,123 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Station’s covered-employee payroll | $ 851,661 | $ 820,213 | $ 782,795 | $ 845,994 | $ 829,156 | $ 822,151 | $ 852,590 | $ 813,833 |
| Contributions as a percentage of covered-employee payroll | 16.07% | 15.67% | 14.60% | 14.13% | 14.26% | 14.02% | 13.9% | 13.9% |

**Notes to Schedules**

**Changes in Benefit Provisions**
There were no modifications to the benefit provisions that were reflected in the actuarial valuation as of June 30, 2021 and 2020.

**Changes in Assumptions and Methods**
Actuarial assumptions and methods are set by the Board of Trustee, based upon recommendations made by the Plan's actuary. The Board adopted new assumptions on April 21, 2017 in conjunction with the six-year actuarial experience study period ending June 30, 2016. At that time, The Board adopted a number of economic assumption changes, including a decrease in the inflation assumption from 3.00% to 2.50%. The 0.50% decrease in the inflation assumption also led to decreases in the nominal investment return assumption from 7.75% to 7.25%, the assumed annual wage inflation rate from 3.75% to 3.25%, the payroll growth assumption from 3.50% to 3.00%, and the annual assumed COLA from 2.00% to 1.90%.

### Schedule of Changes in the Net OPEB Liability and Related Ratios

The schedule of changes in KUNM's net OPEB liability and related ratios presents multiyear trend information for the last 10 fiscal years. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

| | Measurement Date June 30, 2021 | Measurement Date June 30, 2020 | Measurement Date June 30, 2019 | Measurement Date June 30, 2018 | Measurement Date June 30, 2017 |
|---|---|---|---|---|---|
| Proportion of the net OPEB liability (asset) | 0.12414% | 0.12163% | 0.13892% | 0.13704% | 0.13277% |
| Proportionate share of the net OPEB liability | $ 132,684 | $ 108,875 | $ 134,351 | $ 171,960 | $ 173,780 |
| Covered payroll | $ 820,213 | $ 782,795 | $ 845,994 | $ 829,156 | $ 822,151 |
| Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll | 16.18% | 13.91% | 15.88% | 20.74% | 21.14% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.30% | 0.29% | 0.44% | 0.72% | 1.02% |

*Benefit Changes:* None

Differences between expected and actual experience: There is no change in the Total OPEB liability from the fiscal year ended June 30, 2020 to fiscal year 2021 due to differences in expected and actual experience.

*Changes of Assumptions:* The $7,285 decrease in the liability from the fiscal year ending June 30, 2017 to the fiscal year ending June 30, 2018 is due to the increase in the assumed discount rate as of the measurement date. The $14,498 decrease in the liability from the fiscal year ending June 30, 2018 to the fiscal year ending June 30, 2019 is due to the increase in the assumed discount rate as of the measurement date. The $47,043 decrease in the liability from June 30, 2019 to June 30, 2020 is due to the decrease in the assumed discount rate from 6.78% as of June 30, 2019 to 6.69% as of June 30, 2020, as well as updates to the trend, excise tax and mortality assumptions. The $38,508 increase in the liability from June 30, 2020 to June 30, 2021 is due to the increase in the assumed discount rate from 6.69% as of June 30, 2020 to 7.09% as of June 30, 2021, as well as updates to the trend, excise tax and mortality assumptions. The $6,475 decrease in the liability from June 30, 2021 to June 30, 2022 is due to the decrease in the assumed discount rate from 7.09% as of June 30, 2021 to 6.80% as of June 30, 2022, as well as updates to the trend, excise tax and mortality assumptions.

### Schedule of Employer Contributions – Other Postemployment Benefits

The schedule of investment contributions present multiyear trend information for the last 10 fiscal years. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

| | Year Ended June 30, 2022 | Year Ended June 30, 2021 | Year Ended June 30, 2020 | Year Ended June 30, 2019 | Year Ended June 30, 2018 |
|---|---|---|---|---|---|
| Contractually required contributions | $ 47,410 | $ 19,005 | $ 24,649 | $ 10,035 | $ 10,438 |
| Contributions in relation to the contractually required contribution | 47,410 | 24,649 | 24,649 | 10,035 | 10,438 |
| Contribution deficiency (excess) | $ - | $ (5,644) | $ - | $ - | $ - |
| Covered payroll | $ 820,213 | $ 782,795 | $ 845,994 | $ 829,156 | $ 822,151 |
| Contributions as a percentage of covered payroll | 5.78% | 2.43% | 2.91% | 1.21% | 1.27% |

### Schedule of Investment Returns – Other Postemployment Benefits

The schedule of investment returns present multiyear trend information for the last 10 fiscal years. Until a full 10-year trend is compiled, information for those years for which information is available will be presented.

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Annual money-weighted rate of return, net of investment expense | 17% | 26% | 5% | 6% | 7% |