

KISU-FM

**A Public Telecommunications Entity Operated by
The State Board of Education – Idaho University System**



Report of Independent Auditor's
and Financial Statements
June 30, 2020 and 2019

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KISU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE STATE BOARD OF EDUCATION—IDAHO UNIVERSITY SYSTEM

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THE STATE BOARD OF EDUCATION—IDAHO UNIVERSITY SYSTEM

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

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

Overview of the Financial Statements and Financial Analysis

The financial statements for the fiscal years ended June 30, 2020 and 2019 are prepared in accordance with Governmental Accounting Standard Board (“GASB”) principles. There are three financial statements presented: the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows.

Statement of Net Position

The statement of net position presents the assets, liabilities, and net position of the Station as of the current fiscal year-end in comparative format with the prior fiscal year-end. The purpose of the statement of net position is to present to the readers of the financial statements a point-in-time fiscal snapshot of the Station. The statement of net position presents year-end data concerning assets (current and noncurrent), liabilities (current and noncurrent) and net position (assets minus liabilities). The difference between current and noncurrent classification is discussed in the footnotes to the financial statements.

Financial Statement Presentation

From the data presented, readers of the statement of net position are able to determine the assets available to continue the operations of the Station. They also are able to determine how much the Station owes vendors, investors and lending institutions. Finally, the statement of net position provides a picture of the net position (assets minus liabilities) and its availability for expenditure by the Station.

Net position is divided into two major categories. The first category, net investment in capital assets, provides the System’s equity in capital assets. The last category is unrestricted net position. Unrestricted net position is available to the Station for any lawful purpose of the Station.

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Idaho State University

KISU Radio

Summary Statement of Net Position
As Of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS:		
Current assets	\$ 283,606	\$ 118,014
Capital assets, net	15,241	-
Other long-term assets	<u>12,757</u>	<u>11,897</u>
Total assets	<u>311,604</u>	<u>129,911</u>
LIABILITIES:		
Current liabilities	47,261	65,919
Noncurrent liabilities	<u>28,018</u>	<u>23,722</u>
Total liabilities	<u>75,279</u>	<u>89,641</u>
NET POSITION:		
Unrestricted net position	221,084	40,270
Net investment in capital assets	<u>15,241</u>	-
Total net position	<u>\$ 236,325</u>	<u>\$ 40,270</u>

The Station's total assets increased during fiscal year 2020 from \$129,911 to \$311,604. The increase in assets is primarily due to a cash increase from positive operations in the fiscal year and a new one-time grant for their portion of the CPB CARES grant monies.

Liabilities decreased from \$89,641 to \$75,279 during fiscal year 2020. The decrease is due primarily to a smaller amount of CPB funds remaining unearned at the end of the fiscal year.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the statement of net position are based on the activity presented in the statement of revenues, expenses and changes in net position. The purpose of the statement is to present the revenues earned by the Station, both operating and nonoperating, and the expenses incurred by the Station, both operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the Station.

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

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Idaho State University

KISU Radio

Summary Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2020 and 2019

	2020	2019
Operating revenues	\$ 668,777	\$ 471,834
Operating expenses	472,722	385,705
Operating revenue	196,055	86,129
Increase/(Decrease) in net position	196,055	86,129
Net position, Beginning of year	40,270	(45,859)
Net position, End of year	\$ 236,325	\$ 40,270

Operating revenues increased \$196,943 due primarily to new one-time grant monies from a CPB CARES grant and a CPB required methodology change in calculating indirect administrative support (IAS) which increased the calculated non-federal financial support the Station receives from the University.

Operating expenses increased \$87,017 due to the same reason as mentioned above for operating revenue increase.

Statement of Cash Flows

The final statement presented by the Station is the statement of cash flows. This statement presents detailed information about the cash activity of the Station during the year.

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Idaho State University

KISU Radio

Summary Statement of Cash Flows
For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash provided (used) by:		
Operating activities	\$ 194,598	\$ (29,121)
Capital financing activities	(16,495)	-
Net increase in cash	178,103	(29,121)
Cash, Beginning of year	<u>100,088</u>	<u>129,209</u>
Cash, End of year	<u>\$ 278,191</u>	<u>\$ 100,088</u>

Cash increased from 2019 to 2020 due to positive operations for the fiscal year and the new one-time CARES grant funds.

Economic Outlook

Revenue streams to KISU FM radio are from three major sources, with about 23-percent coming from ASISU student fee funding, underwriting from both profits and non-profits, along with “member” or listener donations accounting for about 27-percent, 13-percent coming from indirect administrative support from Idaho State University, and Community Service Grant funding from the Corporation for Public Broadcasting providing the rest. As always, there were some unanticipated costs for some capital improvements and repairs, but KISU spending remained within budget parameters.

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STATEMENT OF NET POSITION
AS OF JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 278,191	\$100,088
Accounts receivable	5,193	19,316
Allowance for doubtful accounts	(1,155)	(3,197)
Pledges receivable	1,377	1,807
Total current assets	<u>283,606</u>	<u>118,014</u>
NONCURRENT ASSETS:		
Capital assets, net	15,241	-
Other long-term assets	12,757	11,897
Total noncurrent assets	<u>27,998</u>	<u>11,897</u>
TOTAL ASSETS	<u><u>311,604</u></u>	<u><u>129,911</u></u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	4,939	1,602
Wages payable	9,069	10,256
Accrued compensated absences	8,586	5,696
Unearned revenue	24,667	48,365
Total current liabilities	<u>47,261</u>	<u>65,919</u>
NONCURRENT LIABILITIES:		
Other post-employment benefits	28,018	23,722
Total noncurrent liabilities	<u>28,018</u>	<u>23,722</u>
TOTAL LIABILITIES	<u>75,279</u>	<u>89,641</u>
NET POSITION:		
Unrestricted net position	221,084	40,270
Net investment in capital assets	15,241	-
TOTAL NET POSITION	<u><u>\$ 236,325</u></u>	<u><u>\$ 40,270</u></u>

The Notes to the Financial Statements are an integral part of this Statement

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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Contributions	\$ 117,964	\$ 134,123
Grants from CPB	247,172	127,212
Donations	60,950	47,000
<i>Support from Idaho State Education System</i>		
Indirect administrative support from ISU	89,578	13,747
Associated Students of Idaho State University	<u>153,113</u>	<u>149,752</u>
Total operating revenues	<u>668,777</u>	<u>471,834</u>
OPERATING EXPENSES		
Programming and production	109,159	105,356
Broadcasting and engineering	48,971	45,880
Program information and promotion	3,375	5,012
Management and general	261,182	180,169
Fundraising and membership development	33	1,250
Underwriting and grant solicitation	48,748	47,093
Depreciation and amortization	<u>1,254</u>	<u>945</u>
Total operating expenses	<u>472,722</u>	<u>385,705</u>
OPERATING INCOME (LOSS)	<u>196,055</u>	<u>86,129</u>
CHANGE IN NET POSITION	<u>196,055</u>	<u>86,129</u>
NET POSITION, Beginning of year	<u>40,270</u>	<u>(45,859)</u>
NET POSITION, End of year	<u>\$ 236,325</u>	<u>\$ 40,270</u>

The Notes to the Financial Statements are an integral part of this Statement

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STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
ASISU support	\$ 153,113	\$149,752
Community service grants	223,474	117,504
Other operating revenues (contributions)	130,475	125,239
Donations	60,950	47,000
Payments to suppliers for goods and services	(178,370)	(267,575)
Payments to employees for services	(195,044)	(201,041)
Net cash provided (used) by operating activities	<u>194,598</u>	<u>(29,121)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchase of capital assets	(16,495)	-
Net cash provided by capital financing activities	(16,495)	-
NET INCREASE (DECREASE) IN CASH	<u>178,103</u>	<u>(29,121)</u>
CASH, BEGINNING OF THE YEAR	<u>100,088</u>	<u>129,209</u>
CASH, END OF THE YEAR	<u>\$ 278,191</u>	<u>\$100,088</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income/(loss)	196,055	86,129
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation expense	1,254	945
Forgiveness of debt	-	-
CHANGES IN ASSETS AND LIABILITIES:		
Accounts receivable, net	14,123	(8,838)
Bad debt expense	(2,042)	1,761
Pledges receivable	430	(1,807)
Other long-term assets	(860)	(1,589)
Accounts payable	3,337	(95,100)
Wages payable	(1,187)	3,297
Compensated absences	2,890	(2,410)
Unearned revenue	(23,698)	(9,708)
Other post-employment benefits	4,296	(1,801)
Net cash flows provided by operating activities	<u>\$ 194,598</u>	<u>\$(29,121)</u>

The Notes to the Financial Statements are an integral part of this Statement

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NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. *Organization.* KISU-FM (the Station) is operated by the Idaho University System, which is controlled by the Idaho State Board of Education. The Station is a not-for-profit public radio station operating from the campus of Idaho State University. KISU operates with four funds at ISU. This audit of KISU's financial statements does not represent the entire financials of ISU. Currently, KISU services the Pocatello and Idaho Falls areas and parts of Idaho that are within the KISU reception area. The Station relies on grants, university support and public contributions.
2. *Financial Statement Presentation.* The Station's financial statements are presented in accordance with the requirements of the Government Accounting Standards Board.
3. *Basis of Accounting.* For financial reporting purposes, the Station is considered a special program of the Associated Students of Idaho State University (ASISU) engaged only in business-type activities. Accordingly, the Station'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.
4. *Use of Accounting 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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.
5. *Cash and Cash Equivalents.* The Station considers all liquid investments with a remaining maturity of three months or less at the date of acquisition to be cash equivalents. Cash balances that are restricted and not expected to be expended within the subsequent fiscal year are classified as noncurrent assets.
6. *Accounts Receivable, Net.* Accounts receivable consists of underwriting, membership and restricted grant expenditures that have been incurred but not yet reimbursed. Receivables are shown net of allowance and are expected to be collected within the next fiscal year.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

7. Capital Assets, Net. Capital assets with a cost, or donated assets with an estimated fair market value on the date of receipt, of \$5,000 or more and an estimated useful life of more than one year are capitalized. As of July 1, 2010, intangible assets with a cost, or donated assets with an estimated fair market value on the date of receipt, of \$200,000 or more and an estimated useful life of more than one year are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 5 to 13 years for equipment. Depreciation is reported as a management and general expense in the statement of revenues, expenses and changes in net position. Depreciation expense recognized was \$1,254 and \$945 in 2020 and 2019, respectively.

8. Compensated Absences. Employees' compensated absences are accrued when earned. The obligation and expenditure incurred during the year are recorded as accrued compensated absences in the statement of net position and as a component of management and general in the statement of revenues, expenses and changes in net position. Upon termination, the employee is paid the accumulated vacation leave. Amounts recorded as accrued compensated absences include employer benefits.

9. Other Post-Employment Benefits (OPEB). The University participates in other post-employment benefit plans relating to health and disability administered by the State of Idaho as agent multiple-employer defined benefit plans. The life insurance benefit is a single-employer defined benefit plan. Idaho Code, Sections 67-5760 to 67-5767 and 72-1335, establish the benefits and contribution obligations. Each of these benefits is provided by the University to retired or disabled employees. The most recent actuarial valuation is as of July 1, 2018. The University has not set aside any assets to pay future benefits; the University funds these benefits on a pay-as-you-go basis. Details of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be obtained from the Office of the Idaho State Controller, 700 W State Street, 4th Floor, P.O. Box 83720, Boise, ID 83720-0011 www.sco.idaho.gov.

For full OPEB note disclosure, please refer to Note 12 in the University's financial statements. Since the station is a component unit of the University, the assets and liabilities of the station are the assets and liabilities of the University. The University's financial statements can be found at <https://www.isu.edu/financeadmin/financial-reporting/financial-reports/>.

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NOTES TO FINANCIAL STATEMENTS

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

10. Net Position. The Station's net position is classified as follows:

Net investment in capital assets: This represents the Station'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 yet expended for capital assets, such amounts are not included as a component of net investment in capital assets. The Station had no outstanding debt for the years ended June 30, 2020 and 2019, respectively.

Restricted net position: The component of net position that reports the constraints placed on the use of net position by either external parties or enabling legislation. The Station had no restricted assets for the years ended June 30, 2020 and 2019, respectively.

Unrestricted net position: The difference between the assets and liabilities that is not reported in net investment in capital assets and restricted assets.

It is the Station's policy to expend restricted resources first and to use unrestricted resources when the restricted resources have been depleted.

11. Classification of Activities. The Station has classified its revenues as either operating or nonoperating.

Operating revenues: Operating revenues generally result from donations from the general public and underwriting of broadcast programs. Operating revenues include (1) operating grants from the Corporation for Public Broadcasting (CPB), (2) contributions from semi-annual fund drives, (3) in-kind contributions, (4) support from ASISU, and (5) underwriting.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue resources that are defined as nonoperating 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.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

12. Community Service Grants. The CPB is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public telecommunications entities. CSGs are used to augment the financial resources of public broadcasting stations and thereby to enhance the quality of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated Section 396(k)(7), (1983) Supplement. In any event, each grant must be expended within two years of the initial grant authorization.

The grants received by the Station are broken out into a restricted and unrestricted portion based on a percentage identified by CPB. The unrestricted portion of the grants may be used at the discretion of the recipients. The Station uses these funds primarily for purposes relating to production and programming. Also, the grants may be used to sustain activities initiated 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 lists and licensee status with the Federal Communications Commission. The grants are reported in the accompanying financial statements as unrestricted operating revenues.

13. Pledges Receivable. Pledges receivable are monies received from the Station's annual fund drives and other individual donations received throughout the year. The Station records pledges receivable at their fair value and discounts pledges to their net present value based on current market interest rates and the expected payment schedule set out by the donor. Subsequent changes to the discount on pledges are recognized as income, either restricted or unrestricted, as appropriate. At the current time there are no pledges receivable that are greater than one year and management believes all pledges receivable are collectible.
14. Tax Status. As a state institution of higher education, the income of the Station is exempt from federal and state income tax under Internal Revenue Code Section 115. However, income generated from activities not related to the exempt purpose would be subject to income tax under Internal Revenue Code Section 511(a)(2)(B).

NOTE B – INDIRECT ADMINISTRATIVE SUPPORT

The Station receives a significant amount of administrative and physical plant support from Idaho State University (ISU) at no cost to the Station. For the fiscal year ending June 30, 2020, the Station used the new Standard method required by CPB (Corporation for Public Broadcasting) to value the administrative and physical plant support provided by ISU. The value of administrative and plant support received from ISU for the year ending June 30, 2020, is estimated to be \$89,578 and is presented as Indirect

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Administrative Support (IAS). The Statement of Revenues, Expenditures, and Changes in Net Position includes indirect administrative support revenue and administrative expense of \$89,578. This is much higher than the prior year amount of \$13,747 and that is due to the new CPB-developed IAS methodology that is required to be used in fiscal year 2020.

NOTE C – CAPITAL ASSETS

Following are the changes in capital assets for the years ended June 30, 2020 and 2019.

	2020				
	Balance	Additions	Deletions	Transfers and Other Changes	Balance
	July 1, 2019				June 30, 2020
Capital assets:					
Furniture, fixtures and equipment	\$ 83,009	\$ 16,495	\$ -	\$ -	\$ 99,504
Total capital assets	83,009	16,495	-	-	99,504
Less accumulated depreciation:					
Furniture, fixtures and equipment	(83,009)	(1,254)			(84,263)
Total accumulated depreciation	(83,009)	(1,254)	-	-	(84,263)
Capital assets, net	\$ -	\$ 15,241	\$ -	\$ -	\$ 15,241
	2019				
	Balance	Additions	Deletions	Transfers and Other Changes	Balance
	July 1, 2018				June 30, 2019
Capital assets:					
Furniture, fixtures and equipment	\$ 83,009	\$ -	\$ -	\$ -	\$ 83,009
Total capital assets	83,009	-	-	-	83,009
Less accumulated depreciation:					
Furniture, fixtures and equipment	(82,064)	(945)			(83,009)
Total accumulated depreciation	(82,064)	(945)	-	-	(83,009)
Capital assets, net	\$ 945	\$ (945)	\$ -	\$ -	\$ -

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NOTE D – OPTIONAL RETIREMENT PLANS

Effective July 1, 1990, the Idaho State Legislature authorized the Idaho State Board of Education to establish an Optional Retirement Plan (ORP), a defined contribution plan, for faculty and exempt employees. The employee contribution requirement for the ORP is based on a percentage of the total payroll. Employer contributions are determined by the State of Idaho. The plan provisions were established by, and may be amended by, the State of Idaho.

New faculty and exempt employees hired on or after July 1, 1990, automatically enroll in the ORP and select a vendor option. Faculty and exempt employees hired before July 1, 1990, had a one-time opportunity to enroll in the ORP. Enrollees in the ORP no longer belong to PERSI. Vendor options in the ORP include the *Teachers Insurance and Annuity Association - College Retirement Equities Fund* and the *Variable Annuity Life Insurance Company*.

Participants are immediately fully vested in the ORP. Retirement benefits are available as either a lump sum or any portion thereof upon attaining 55 years of age.

Contributions to the ORP are as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
KISU contributions paid	\$ 9,223	\$ 9,314	\$ 9,032
Employee contributions	\$ 6,946	\$ 7,015	\$ 6,801
Total contributions	<u>\$ 16,169</u>	<u>\$ 16,329</u>	<u>\$ 15,833</u>
KISU contribution rate	9.27%	9.27%	9.27%
Employee contribution rate	6.98%	6.98%	6.98%

Although enrollees in the ORP no longer belong to PERSI, KISU is required to contribute a percentage of the annual covered payroll to PERSI. Effective July 1, 2007, the percentage was changed from 3.03% to 1.49%, allowing the difference of 1.54% to be used to increase the University's contribution to ORP retirement accounts. In addition, the payoff period of PERSI's unfunded liability obligation was extended from July 1, 2015, to July 1, 2025. During the years ended June 30, 2020 and 2019, supplemental funding payments to PERSI were \$1,485 and \$1,500, respectively. These amounts are not included in the regular KISU ORP contribution in the table above.

Supplemental Retirement Plans – Full and part time benefited faculty and professional staff enrolled in the ORP as their regular retirement plan may enroll in the 403(b) and the 457(b) plans. It should be noted that KISU currently has two benefited employees.

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457(b) – Deferred Compensation Plan:

The 457(b) is a voluntary retirement savings plan covered under Section 457(b) of the Internal Revenue Code. All KISU employees are eligible to participate in this plan. The plan is funded exclusively through employee pre-tax contributions.

403(b) Plan:

The 403(b) is a voluntary tax-sheltered retirement plan covered under Section 403(b) of the Internal Revenue Code. All KISU employees are eligible to participate in this plan. The plan is funded exclusively by employee pre-tax contributions.

Roth 403(b) Plan:

The Roth 403(b) is a voluntary retirement savings plan covered under Section 403(b) of the Internal Revenue Code. All KISU employees are eligible to participate in this plan. The plan is funded exclusively by employee post-tax contributions.

Termination Payments – Employees who qualify for retirement under ORP are eligible to use 50% of the cash value of their unused sick leave to continue their medical insurance coverage through the University. The University partially funds these obligations by depositing 0.65% of employee gross payroll to PERSI, who administers the plan for all participating ISU employees and retirees under a trust fund. The total contributions for the years ended June 30, 2020 and 2019 were \$374 and \$654, respectively.

Pension Liability – There is no pension liability for KISU since the ORP is a defined contribution plan and contributions are paid in full annually. However, as mentioned earlier in this note, the ORP does pay a percentage (1.49%) to PERSI to help cover PERSI's defined benefit pension liability. This pension liability is completely owned by the PERSI defined benefit plan and is not, in any way, attributed to the ORP defined contribution plan.

NOTE E - RELATED PARTY TRANSACTIONS

The Idaho State University Foundation (the "Foundation") was established for the purpose of soliciting donations to hold for the exclusive benefit of Idaho State University, which includes the Station. In fiscal year 2020, the Station received \$60,950 from the Foundation. This amount is included in operating revenues.

NOTE F – UNEARNED REVENUE

Cash advances received through community service grants from the Corporation for Public Broadcasting are recorded as unearned revenue when received and revenues are recognized when expenditures of the grant funds are incurred.

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NOTE G – ACCOUNTING FOR LEASES

In fiscal 2009, KISU entered into a 25-year lease agreement with Teton Communications for building and tower space under a noncancelable operating lease. Total costs for such lease was \$8,952 for the year ended June 30, 2020. In fiscal 2016, KISU entered into a ten-year lease agreement with Idaho Wireless Corp. for building and radio tower space under a noncancelable operating lease. Total costs for such lease was \$19,656 for the year ended June 30, 2020.

Future minimum lease payments at June 30, 2020 are as follows:

<u>Fiscal Years</u>	<u>Payments</u>
2021	\$ 28,776
2022	29,639
2023	30,528
2024	31,444
2025	32,387
2026-2030	100,146
2031-3035	60,864
Totals	<u>\$ 313,784</u>

NOTE H – CONCENTRATIONS AND CONTINGENCIES

The Station operates its programs with aid of funding primarily from (1) CPB CSG grants, (2) support from the Idaho University System, (3) public contributions and (4) underwriting. A major reduction in the level of support from any of these funding sources could have a negative impact on the Station's ability to maintain its current programs.

The Station must use its CSGs within a two-year grant period. Any unexpended funds must be returned to CPB. Although it is a possibility that the funds could not be spent within the grant period, the Station's management deems the contingency remote.

NOTE I – SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to June 30, 2020 to determine the need for any adjustments to and/or disclosure within the audited financial statements for the year ended June 30, 2020. This analysis has been performed through November 30, 2020.

Required Supplementary Information

Required Supplementary Information

Schedule of Changes in Employer's Total OPEB Liability and Related Ratios Last 10 - Fiscal Years*

	2020	2019	2018
Changes for the Year			
Service Cost	\$ (728)	\$ (1,179)	\$ (1,181)
Interest on Total OPEB Liability	(828)	(1,187)	(1,179)
Plan Changes	-	-	-
Economic/Demographic Gains (Losses)	-	383	-
Assumption Changes	(3,543)	2,586	-
Expected Benefit Payments	803	1,198	1,259
Net Changes	(4,296)	1,801	(1,101)
Total OPEB Liability, Beginning Balance	(23,722)	(25,523)	(24,422)
Total OPEB Liability, Ending Balance	\$ (28,018)	\$ (23,722)	\$ (25,523)
Employer's covered-employee payroll	\$ 141,154	\$ 142,520	\$ 142,267
Total OPEB liability as a percentage of covered-employee payroll	19.85%	16.64%	17.94%

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Station will present information for those years for which information is available.

Data reported is measured as of June 30, 2019 (measurement date).

Required Supplementary Information

Required Supplementary Information

Schedule of Changes in Employer's OPEB-SLIRF Liability and Related Ratios Last 10 - Fiscal Years*

(dollars in thousands)	2020	2019	2018
Changes for the Year			
Service Cost	\$ 323	\$ 392	\$ -
Interest	493	583	
Effect of plan changes	-	(542)	
Assumption Changes	106	17	
Contributions Employer	(560)	(673)	(773)
Net investment income	(1,201)	(1,628)	
Proportion Changes	(23)	257	989
Administrative expense	3	4	
Net Changes	(860)	(1,589)	215
Total OPEB Asset, Beginning Balance	(11,897)	(10,308)	(10,523)
Total OPEB Asset, Ending Balance	\$ (12,757)	\$ (11,897)	\$ (10,308)
Employer's covered-employee payroll	\$ 141,154	\$ 142,520	\$ 142,267
Total OPEB liability (asset) as a percentage of covered-employee payroll	9.04%	8.35%	9.31%

*GASB Statement No. 75 requires ten years of information to be presented in this table, However, until a full 10-year trend is compiled, the University will present information for those years for which information is available.