

KRCU 90.9 FM
A PUBLIC BROADCASTING ENTITY
OPERATED BY
SOUTHEAST MISSOURI STATE UNIVERSITY

FINANCIAL STATEMENTS

Years ended June 30, 2022 and 2021

KRCU 90.9 FM
A PUBLIC BROADCASTING ENTITY
OPERATED BY
SOUTHEAST MISSOURI STATE UNIVERSITY

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June 30, 2022

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KRCU 90.9 FM
A Public Broadcasting Entity Operated by
Southeast Missouri State University
Management's Discussion and Analysis
For the Years Ended June 30, 2022 and 2021

Overview of the Financial Statements and Financial Analysis

Southeast Missouri State University is proud to present its financial statements for National Public Radio Station KRCU 90.9 FM (the Station) for the fiscal years ended June 30, 2022 and 2021. 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.

This discussion and analysis of the Station's financial statements provides an overview of its financial activities for the year.

Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net position of the Station as of the end of the fiscal year. The Statement of Net Position is a point of time financial statement. The purpose of the Statement of Net Position is to present to the readers of the financial statements a fiscal snapshot of KRCU 90.9 FM. The Statement of Net Position presents end-of-year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent), and Net Position (Assets minus Liabilities).

Current assets consist primarily of unrestricted and restricted cash and cash equivalents, and prepaid expenses. Current assets totaled \$472,956 at June 30, 2022 and \$523,402 at June 30, 2021. That was a decrease in current assets of \$50,446 from June 30, 2021.

The majority of noncurrent assets are capital assets which are recorded net of accumulated depreciation. Please refer to Note 3 in the footnotes to the basic financial statements for more information regarding the University's policy for depreciating capital assets.

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 are also able to determine how much the Station owes vendors. Finally the Statement of Net Position provides a picture of the net position (assets minus liabilities) and their availability for expenditure by the Station.

Current liabilities consist primarily of accounts payable, accrued compensation, and due to University. Current liabilities totaled \$255,270 at June 30, 2022 and \$271,361 at June 30, 2021. The decrease in current liabilities was \$16,091 from June 30, 2021.

Noncurrent liabilities which totaled \$0 at June 30, 2022 and \$282,071 at June 30, 2021, consists of Deferred Revenue.

Net position is divided into three major categories. The first category, net investment in capital assets, provides the Station's equity in property, plant and equipment. The next category is restricted net position. Expendable restricted net assets are available for expenditures by the Station but must be spent for purposes as determined by the donors and/or external entities that have placed item or purpose restrictions on the use of the assets. The final category is unrestricted net position. Unrestricted assets are available to the Station for any lawful purpose of the Station.

The total assets of the Station decreased \$4,084 from \$1,429,144 at June 30, 2021 to \$1,305,060 at June 30, 2022.

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 received by the Station, both operating and non-operating, and the expenses paid by the Station, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the Station.

Total operating revenues for fiscal year 2022 were \$1,008,602, up \$380,658 from operating revenues of \$627,944 in fiscal year 2021. The University increased their appropriation to KRCU by \$79,656 in fiscal year 2022. Operating expenses increased \$185,226 from \$648,765 at June 30, 2021 to \$833,991 at June 30, 2022. KRCU experienced an operating gain in 2022 of \$174,611 and a net operating loss in 2021 of \$20,821.

Economic Outlook

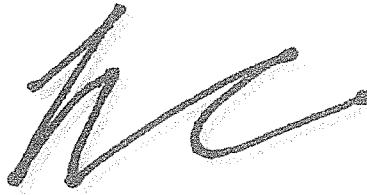
Southeast Missouri State University is the only four-year, public university located in the southeast portion of Missouri between St. Louis and the Arkansas border. Declining traditional-age college prospects, increased competition, and growing concerns about the affordability of college education have led to a decline in overall enrollment at the University the past several academic years. The University is continuously working on strategies to help the institution overcome these and other challenges in order to remain an academically vibrant and financially viable engine of personal and economic development for its region and beyond.

In fall 2016, the University announced a goal to retain at least 80% of first-time, full-time students to the second year and to graduate at least 60% of first-time, full-time students in six years. In the fall of 2020, the University achieved the desired retention rate of 80% for freshman to sophomore. And while that retention rate slipped some in Fall of 2021, the University remains committed to this goal. The University has recently received a multi-year Title III grant in order to bolster retention and success rates among all students. This internal focus will help Southeast to achieve its six-year graduation rate goal, which have generally been trending upward.

During fiscal year 2020, Southeast identified a budget need of nearly \$21 million and created a three-year plan to address it which included operations cuts of 12.5% for each division spread over fiscal years 2021, 2022, and 2023 as well as enhanced revenues. The University worked hard to complete these objectives. Southeast continues to monitor its fiscal health – working to make long-term strategic decisions that will bolster the University. While the University expects to continue to face budgetary challenges due to the changing economic landscape, decline in college aged students, and change in perception of higher education; the University has shown itself capable in responding to such challenges. The University is more focused than ever on maximizing its net tuition revenues, pursuing financially advantageous partnerships, and ensuring that its expenditures reflect its highest priority – student success.

Contacting the University's Financial Management

The financial report is designed to provide a general overview of the University's finances and to show the University's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to the Vice President for Finance and Administration, One University Plaza, MS3000, Cape Girardeau, MO 63701.



MEMBER
MSCPA
AICPA

HILLIN AND COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS

JAMES HILLIN, CPA
JOHN HILLIN, CPA

364 S. Broadview St.
Cape Girardeau, Missouri 63703
573-334-8200
Fax 573-334-8578

ASSOCIATES
BRITTANY ELLIS
ZACH WESTRICH
CHARLIE GARDNER

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of KRCU

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of KRCU 90.9 FM Radio (a Public Broadcasting Entity operated by and a division of Southeast Missouri State University), which comprise the statements of financial position as of June 30, 2022 and June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of KRCU 90.9 FM Radio as of June 30, 2022 and June 30, 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of KRCU 90.9 FM Radio and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about KRCU 90.9 FM Radio's ability

to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KRCU 90.9 FM Radio's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about KRCU 90.9 FM Radio's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

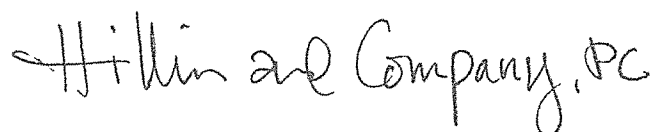
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The management's discussion and analysis is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with

auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2023, on our consideration of KRCU 90.9 FM Radio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of KRCU 90.9 FM Radio's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KRCU 90.9 FM Radio's internal control over financial reporting and compliance.

Yours truly,

A handwritten signature in black ink that reads "Hillin and Company, PC". The signature is written in a cursive, flowing style.

HILLIN AND COMPANY, PC

Cape Girardeau, Missouri
February 13, 2023



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JAMES HILLIN, CPA
JOHN HILLIN, CPA

364 S. Broadview St.
Cape Girardeau, Missouri 63703
573-334-8200
Fax 573-334-8578

ASSOCIATES
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CHARLIE GARDNER

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

To the Board of Trustees of KRCU

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of KRCU 90.9 FM, which comprise the statements of financial position as of June 30, 2022 and June 30, 2021 and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 13, 2023

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered KRCU 90.9 FM's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KRCU 90.9 FM's internal control. Accordingly, we do not express an opinion on the effectiveness of KRCU 90.9 FM's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

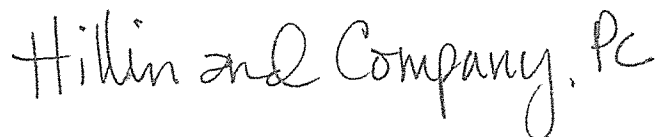
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether KRCU 90.9 FM's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yours truly,

A handwritten signature in black ink that reads "Hillin and Company, PC". The script is cursive and fluid, with the letters "H", "C", and "P" being notably larger and more stylized.

HILLIN AND COMPANY, PC

Cape Girardeau, Missouri
February 13, 2023

KRCU 90.9 FM
A PUBLIC BROADCASTING ENTITY
OPERATED BY
SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENTS OF NET POSITION

For the Years Ended June 30, 2022 and June 30, 2021

<u>ASSETS:</u>	<u>2022</u>	<u>2021</u>
Current Assets:		
Cash and Cash Equivalents	\$ 171,127	\$ 451,786
Restricted Cash and Cash Equivalents	298,921	65,963
Prepaid Expenses	2,908	5,653
Total Current Assets	<u>\$ 472,956</u>	<u>\$ 523,402</u>
Noncurrent Assets:		
Equipment, Net	\$ 832,104	\$ 905,742
Total Noncurrent Assets	<u>\$ 832,104</u>	<u>\$ 905,742</u>
Total Assets	<u><u>\$ 1,305,060</u></u>	<u><u>\$ 1,429,144</u></u>
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable	\$ 7,677	\$ 10,479
Due to University	229,386	242,130
Accrued Compensation	18,207	18,752
Total Current Liabilities	<u>\$ 255,270</u>	<u>\$ 271,361</u>
<u>NONCURRENT LIABILITIES:</u>		
Deferred Revenue	\$ 0	\$ 282,071
Total Noncurrent Liabilities	<u>\$ 0</u>	<u>\$ 282,071</u>
Total Liabilities	<u>\$ 255,270</u>	<u>\$ 553,432</u>
<u>NET POSITION:</u>		
Net Investment in Capital Assets	\$ 832,104	\$ 905,742
Restricted	298,921	65,963
Unrestricted	(81,235)	(95,993)
Total Net Position	<u>\$ 1,049,790</u>	<u>\$ 875,712</u>
Total Liabilities and Net Position	<u><u>\$ 1,305,060</u></u>	<u><u>\$ 1,429,144</u></u>

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

KRCU 90.9 FM
A PUBLIC BROADCASTING ENTITY
OPERATED BY
SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2022 and 2021

<u>REVENUES:</u>	<u>2022</u>	<u>2021</u>
Operating Revenues		
General Appropriation from the University	\$ 160,000	\$ 145,882
Donated Facilities and Administrative		
Support from University	190,746	111,090
Corporation for Public Broadcasting Grant	233,304	92,555
CPB Cares	200,306	112,136
Contributions	214,861	164,283
Other Operating Revenues	9,385	1,998
Total Operating Revenues	<u>\$ 1,008,602</u>	<u>\$ 627,944</u>
 <u>EXPENSES:</u>		
Operating Expenses		
Program Services:		
Programming and Production	\$ 382,490	\$ 244,926
Broadcasting	174,092	136,364
Program Information and Promotion	10,189	2,628
Subtotal	<u>\$ 566,771</u>	<u>\$ 383,918</u>
Supporting Services:		
Management and General	\$ 122,844	\$ 136,824
Fund Raising and Membership Development	52,981	40,355
Underwriting and Grant Solicitation	18,290	13,719
Subtotal	<u>\$ 194,115</u>	<u>\$ 190,898</u>
Depreciation Expense	<u>\$ 73,638</u>	<u>\$ 69,109</u>
Disposal	0	4,840
Total Operating Expenses	<u>\$ 834,524</u>	<u>\$ 648,765</u>
 CHANGE IN NET POSITION	 \$ 174,078	 \$ (20,821)
 NET POSITION, BEGINNING OF YEAR	 <u>875,712</u>	 <u>896,533</u>
NET POSITION, END OF YEAR	<u>\$ 1,049,790</u>	<u>\$ 875,712</u>

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

KRCU 90.9 FM
A PUBLIC BROADCASTING ENTITY
OPERATED BY
SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENTS OF CASH FLOWS

For Years Ended June 30, 2022 and 2021

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2022</u>	<u>2021</u>
Institutional Commitment	\$ 160,000	145,882
Contributions	127,072	110,193
Underwriting	87,789	54,090
Grants	151,539	326,438
Other Income	9,385	1,998
Payments to Vendors and Suppliers	(279,934)	(224,969)
Payments to Employees	(290,808)	(272,585)
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u>\$ (34,957)</u>	<u>\$ 141,047</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Repayment of Advances from Southeast Missouri State University	\$ (12,745)	\$ (12,743)
Purchases of Capital Assets		(159,838)
NET CASH PROVIDED/(USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (12,745)</u>	<u>\$ (172,581)</u>
INCREASE (DECREASE) IN CASH	\$ (47,702)	\$ (31,534)
CASH, BEGINNING OF YEAR	<u>517,750</u>	<u>549,283</u>
CASH, END OF YEAR	<u><u>\$ 470,048</u></u>	<u><u>\$ 517,749</u></u>
<u>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ 174,078	\$ (20,821)
Adjustments to Reconcile Net Income to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation Expense	73,639	69,109
Disposal		4,840
Donated Equipment as part of University Commitment		(24,553)
Change in Assets and Liabilities:		
Prepaid Expenses	2,744	587
Accounts Payable	(2,802)	(13,152)
Deferred Revenue	(282,071)	121,702
Accrued Compensation	(545)	3,335
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u><u>\$ (34,957)</u></u>	<u><u>\$ 141,047</u></u>
NONCASH TRANSACTIONS:		

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

KRCU 90.9 FM
A PUBLIC BROADCASTING ENTITY OPERATED BY
SOUTHEAST MISSOURI STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2022 and 2021

NOTE 1: NATURE OF OPERATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations:

KRCU 90.9 FM (the Station) is operated by Southeast Missouri State University, Cape Girardeau, Missouri (the University). All amounts contained in this report are included in the audited financial statements of the University, a component unit of the State of Missouri, as of June 30, 2022 and 2021. As the Station is a part of the University, it is exempt from federal and state income taxes.

Accounting Basis:

The accompanying financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting in accordance with the regulations of the Corporation for Public Broadcasting (CPB) and the accounting principles generally accepted in the United States of America for public colleges and universities and is presented in accordance with the reporting model as prescribed in GASB Statement No.34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments and GASB Statement No. 35. Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities.

Presentation Basis:

Net position of the organization and changes therein are classified and reported as follows:

Unrestricted Net Position – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Governors or may otherwise be limited by contractual agreements

with outside parties. Substantially all unrestricted net position is designated for academic and research programs and initiatives, and capital projects, excluding the pension obligation.

Restricted Net Position -- Consist of unused funds from the current Corporation for Public Broadcasting grant. Fiscal year 2021 Radio Community Service grant funding covers a two-year period from October 1, 2020 – September 30, 2022. Fiscal year 2022 Radio Community Service grant funding covers a two-year period from October 1, 2021 – September 30, 2023.

Nonexpendable -- Net position subject to externally imposed stipulations that the organization maintain them permanently. Such assets include the University's permanent endowment funds.

Expendable -- Net position whose use by the organization is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time.

Net Investment in Capital Assets -- Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, and improvement of those assets.

Cash and Cash Equivalents:

The organization considers all highly liquid investments available purchased with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents are combined on the statement of cash flows and represent cash and repurchase agreements.

Property and Equipment:

Property and fixed assets are recorded at cost less accumulated depreciation or, in the case of donated property, at the estimated fair value at the date of receipt less accumulated depreciation. Equipment is defined as non-expendable property costing \$1,000 or more. Equipment traded in, lost, stolen, discarded or declared surplus is deleted from the fixed asset inventory.

Machinery and Equipment	5-20 years
Software	5 years
Building	10-50 years
Towers	33 years

In-Kind Contributions:

Donated facilities from the University consist of office and studio space. Administrative support from the University consists of allocated institutional costs and certain other expenditures incurred by the University on behalf of the Station. Allocations for both space and administrative support are computed on a square footage basis. Total allocations from the University for 2022 and 2021 were \$190,746 and \$111,090 respectively. For FY22 and FY21, KRCU did not receive in-kind support.

General Appropriation from the University:

KRCU annually receives a general appropriation from the University based on the University's annual budget. The 2022 and 2021 appropriations were \$160,000 and \$145,882 respectively.

Use of Estimates:

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expense:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among program and supporting services by systematic basis.

NOTE 2: ACCOUNTS PAYABLE:

Accounts payable for the fiscal year ended June 30, 2022 and June 30, 2021 related to operating supplies and services.

NOTE 3: PROPERTY AND EQUIPMENT:

The following schedule summarizes the property and equipment activity for the fiscal year ended June 30, 2022.

July 1, 2021				June 30, 2022	
Balance	Additions	Dsiposals	Transfers	Balance	
\$ 775,272.00	\$ -	\$ -	\$ -	\$ 775,272.00	
3,500.00	-	-	-	3,500.00	
362,487.00	-	-	-	362,487.00	
875,193.00	-	-	-	875,193.00	
\$ 2,016,452.00	\$ -	\$ -	\$ -	\$ 2,016,452.00	
(1,110,712.00)	(73,638.00)	-	-	(1,184,350.00)	
\$ 905,740.00	\$ (73,638.00)	\$ -	\$ -	\$ 832,102.00	

The following schedule summarizes the property and equipment activity for the fiscal year ended June 30, 2021.

July 1, 2020				June 30, 2021	
Balance	Additions	Dsiposals	Transfers	Balance	
\$ 632,978.00	\$ 151,839.00	\$ (9,545.00)	\$ -	\$ 775,272.00	
3,500.00	-	-	-	3,500.00	
308,647.00	53,840.00	-	-	362,487.00	
875,195.00	-	-	-	875,195.00	
\$ 1,820,320.00	\$ 205,679.00	\$ (9,545.00)	\$ -	\$ 2,016,454.00	
(1,046,308.00)	(69,109.00)	4,705.00	-	(1,110,712.00)	
\$ 774,012.00	\$ 136,570.00	\$ (4,840.00)	\$ -	\$ 905,742.00	

NOTE 4: DUE TO UNIVERSITY:

At the end of fiscal years 2022 and 2021, KRCU owed the University \$229,386 and \$242,130, respectively. This amount represents current and prior year operating expenses and capital improvements funded by the University. KRCU intends to pay a minimum of \$12,500 per year to repay the funds.

NOTE 5: RETIREMENT PLAN:

Substantially all full-time KRCU employees are participants in the statewide Missouri State Employees' Retirement System (MOSERS), a single-employer defined benefit public employees' retirement system.

Plan description. Benefit eligible employees of the University are provided with pensions through MOSERS - a cost-sharing multiple-employer defined benefit pension plan. Chapter 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined benefit plan for eligible state and other related agency employees. MOSERS issues an annual Comprehensive Annual Financial Report (CAFR), a publicly available financial report that can be obtained at www.mosers.org.

Benefits provided. MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000 and MSEP2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR.

Contributions. Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP2011 Plan are required to contribute 4% of their annual pay. The University's required contribution rate for the year ended June 30, 2022, was 25.31% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The contribution rate for the MOSERS plan year ended June 30, 2021 was 22.88% which is the year of measurement for the net pension liability. Contributions to the pension plan from the University were \$9,488,129 and \$9,262,972 for the years ended June 30, 2022 and 2021, respectively.

For more information, see the separately issued financial statements of Southeast Missouri State University as of June 30, 2022 and June 30, 2021.

NOTE 6: POSTEMPLOYMENT HEALTHCARE PLAN:

Prior to January of 2022, the University had provided a one-time opportunity for retirees to continue medical insurance coverage. Retirees after October 22, 2010 but prior to January 1, 2022 who elected to continue medical insurance are required to pay monthly premiums determined by plan type elected and Medicare eligibility. Financial statements for the plan are not available.

Effective July 1, 2017, the University adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The University's annual other postemployment benefit (OPEB) cost (expense) is calculated based on an actuarial valuation prepared in accordance with the parameters of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The University's plan is pay as you go and there is not a trust set up to hold plan assets, therefore the long-term expected rate of return is not a factor in determining the discount rate. The discount rate reflects the yield or index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met. The source of the index rate used for the actuarial valuation is the S&P Municipal Bond 20 Year High Grade Rate Index.

NOTE 7: CONTINGENCIES AND RISK MANAGEMENT:

KRCU is subject to various legal proceedings and claims which arise in the ordinary course of its operations. In the opinion of the University management, the amount of ultimate liability with respect to these actions will not materially affect the overall financial position of KRCU.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on KRCU's financial position.

KRCU employees are covered under Worker's Compensation by the State of Missouri. Claims are submitted to the State and paid by the State on behalf of the University. Total claims paid for the University employees for fiscal year 2022 and fiscal year 2021 were \$145,049 and \$911,227, respectively.

The majority of KRCU employees are also covered by unemployment insurance administered by the State of Missouri Division of Employment Security.

KRCU is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employees' injuries and illnesses; natural disasters and employee health and accident benefits. The University purchases commercial insurance and also receives coverage through the State of Missouri for these risks of loss. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

NOTE 8: NET POSITION:

Restricted – In accordance with GASB Statement No. 63, net position is restricted when constraints placed are either externally imposed, or are imposed by law or legislation. Restricted net position was \$298,921 at June 30, 2022. Restricted net position was \$65,963 at June 30, 2021.

Unrestricted – Unrestricted net position, as defined in GASB Statement No. 63, are not subject to externally imposed stipulations. Undesignated unrestricted net position was \$(81,235) at June 30, 2022. Undesignated unrestricted net position was \$(95,993) at June 30, 2021.

Net Investment in Capital Assets – Net Investment in Capital Assets, as defined in GASB Statement No. 63, consists of capital assets, net of accumulated depreciation. Net Investment in Capital Assets was \$832,104 at June 30, 2022. Net Investment in Capital Assets was \$905,742 at June 30, 2021.

NOTE 9: CONCENTRATION OF CREDIT RISK:

The Station's cash balances are included in the University wide bank account. At June 30, 2022 the University's bank balance was \$0. At June 30, 2021 the University's bank balance was \$5,591. The University's daily cash funds are swept into a repurchase agreement which is secured by pledged securities with its safekeeping bank.

NOTE 10: SUBSEQUENT EVENTS:

Subsequent events were evaluated through February 13, 2023, which is the date the financial statements were available.

KRCU 90.9 FM
A PUBLIC BROADCASTING ENTITY
OPERATED BY
SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULES OF FUNCTIONAL EXPENSES

Years ended June 30, 2022 and 2021

	OPERATING FUNDS					
	Program Services		Total	Support Services		2021
	Programming & Production	Broadcasting	Program Information	Management & General	Fund Raising	Summarized Grand Total
Gross Payroll and Employee Benefits	\$ 50,999	73,767	0	112,599	25,447	265,780
Equipment Repair	0	2,631	0	353	0	(7,999)
Operations	1,075	50,460	2,389	8,428	23,049	64,417
Buildings	0	0	0	0	0	0
Trade Operations	0	0	0	0	0	0
In-Kind Operations	0	0	0	0	0	0
In-Kind Facilities Support	41,611	0	0	0	0	0
In-Kind Administrative Support	149,136	0	0	0	0	39,426
	\$ 242,821	\$ 126,858	\$ 2,389	\$ 121,380	\$ 48,496	\$ 68,399
				\$ 18,290		\$ 430,023

	RESTRICTED FUNDS					
	Program Services		Total	Support Services		2021
	Programming & Production	Broadcasting	Program Information	Management & General	Fund Raising	Summarized Grand Total
Gross Payroll and Employee Benefits	\$ 5,800	4,464	10,265	0	0	8,642
Equipment Repair	0	0	0	0	0	0
Operations	133,869	42,769	7,800	1,464	4,485	136,151
Trade Operations	0	0	0	0	0	0
In-Kind Operations	0	0	0	0	0	0
In-Kind Facilities Support	0	0	0	0	0	0
In-Kind Administrative Support	0	0	0	0	0	0
	\$ 139,669	\$ 47,233	\$ 7,800	\$ 1,464	\$ 4,485	\$ 200,652
				\$ 0		\$ 144,793

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

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SOUTHEAST MISSOURI STATE UNIVERSITY
SCHEDULES OF FUNCTIONAL EXPENSES

Years ended June 30, 2021 and 2020

	OPERATING FUNDS									
	Program Services			Total Program Services	Support Services			Total Support Services	2021 Grand Total	2020 Summarized Grand Total
	Programming & Production	Broadcasting	Program Information		Management & General	Fund Raising	Underwriting & Grants			
Gross Payroll and Employee Benefits	\$ 42,111	69,239	0	111,350	114,288	28,508	11,635	154,430	265,780	266,413
Equipment Repair	0	(7,999)	0	(7,999)	0	0	0	0	(7,999)	5,342
Operations	372	44,237	1,951	46,560	6,817	8,956	2,084	17,857	64,417	84,276
Buildings	0	0	0	0	0	0	0	0	0	45,841
Trade Operations	0	0	0	0	0	0	0	0	0	0
In-Kind Operations	0	0	0	0	0	0	0	0	0	0
In-Kind Facilities Support	39,426	0	0	39,426	0	0	0	0	39,426	38,761
In-Kind Administrative Support	68,399	0	0	68,399	0	0	0	0	68,399	82,548
	<u>\$ 150,308</u>	<u>\$ 105,477</u>	<u>\$ 1,951</u>	<u>\$ 257,736</u>	<u>\$ 121,105</u>	<u>\$ 37,464</u>	<u>\$ 13,719</u>	<u>\$ 172,287</u>	<u>\$ 430,023</u>	<u>\$ 523,181</u>

	RESTRICTED FUNDS									
	Program Services			Total	Support Services			Total	2021	2020
	Programming & Production	Broadcasting	Program Information	Program Services	Management & General	Fund Raising	Underwriting & Grants	Support Services	Grand Total	Summarized Grand Total
Gross Payroll and Employee Benefits	\$ 8,642	0	0	8,642	0	0	0	0	8,642	4,822
Equipment Repair	0	0	0	0	0	0	0	0	0	0
Operations	85,975	30,888	676	117,539	15,720	2,892	0	18,612	136,151	131,221
Trade Operations	0	0	0	0	0	0	0	0	0	0
In-Kind Operations	0	0	0	0	0	0	0	0	0	0
In-Kind Facilities Support	0	0	0	0	0	0	0	0	0	0
In-Kind Administrative Support	0	0	0	0	0	0	0	0	0	0
	<u>\$ 94,617</u>	<u>\$ 30,888</u>	<u>\$ 676</u>	<u>\$ 126,181</u>	<u>\$ 15,720</u>	<u>\$ 2,892</u>	<u>\$ 0</u>	<u>\$ 18,612</u>	<u>\$ 144,793</u>	<u>\$ 136,043</u>

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