EASTERN KENTUCKY UNIVERSITY
WEKU-FM RADIO
Richmond, Kentucky

FINANCIAL STATEMENTS
June 30, 2022 and 2021

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Crowe

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

To the Board of Regents
Eastern Kentucky University
Richmond, Kentucky

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of WEKU-FM Radio (the "Station"), a public broadcasting entity operated by Eastern Kentucky University, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Station, as of June 30, 2022 and 2021, and the changes in financial position and cash flows thereof 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 1, the financial statements of the Station are intended to present the financial position, the changes in financial position and cash flows, of only that portion of the activities of Eastern Kentucky University that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of Eastern Kentucky University as of June 30, 2022 and 2021, and the changes in its financial position and its cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

(Continued)

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.

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 consolidated 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.

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.

(Continued)

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, the Schedule of the Station's Proportionate Share of the Net Pension Liability on page 48, the Schedule of the Station's Pension Contributions on page 49, the Schedule of the Station's Proportionate Share of the Net OPEB Liability on page 53 and the Schedule of the Station's OPEB Contributions on page 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Crowe LLP

Crowe LLP

Lexington, Kentucky
February 14, 2023

Introduction

Management's Discussion and Analysis ("MD&A") of the financial condition of WEKU-FM Radio (the "Station") provides an overview of the financial performance of the Station for the years ended June 30, 2022, with selected comparative information for the years ended June 30, 2021 and 2020. Management has prepared this discussion, along with the financial statements and related notes, to provide summary financial information. The amounts in the MD&A have been rounded to the nearest thousand, and the MD&A should be read in conjunction with the accompanying financial statements and notes.

Financial Highlights

The financial statements indicate a mixed financial year as reflected in the financial statements.

Assets and deferred outflows were $1,858,000 at June 30, 2022 compared to $1,684,000 and $1,057,000 at June 30, 2021 and 2020, respectively. The increase in total assets in 2022 was driven by an increase of $98,000 in cash balances at June 30, 2022 compared to June 30, 2021. Liabilities and deferred inflows were $1,135,000 at June 30, 2022, compared to $2,696,000 and $1,524,000 at June 30, 2021 and 2020, respectively. This was primarily the result of a decrease of approximately $69,000 in unearned revenue, $847,000 in the KTRS/KERS pension and OPEB liability, $540,000 in deferred inflows related to KERS/KTRS pension and OPEB, and an increase of $5,000 in accrued salaries and benefits, and $19,000 in accounts payable. Additionally, the Station received the forgiveness of the PPP Loan totaling $129,000.

Operating revenues from contracts and grants for the year ended June 30, 2022 of $306,000 were $102,000 higher than the previous year, of which $62,000 represents stabilization funding from the Corporation for Public Broadcasting attributed to the ARP Act.

Operating expenses were $473,000 at June 30, 2022 compared to $2,423,000 at June 30, 2021 and $(321,000) at June 30, 2020. The significant change is a result of non-cash adjustments related to KERS/KTRS pension and OPEB activity. The loss from operations for the year ended June 30, 2022 was $168,000 compared to $2,219,000 at June 30, 2021 and $594,000 gain from operations at June 30, 2020. Nonoperating revenues of $1,903,000 for the year ended June 30, 2022 increased $229,000 compared to $1,674,000 for year ended June 30, 2021 and $1,399,000 for the year ended June 30, 2020. This increase is primarily the result of an increase in the indirect administrative support from Eastern Kentucky University and underwriting revenue for the year.

Total net position increased $1,735,000 from the combination of the loss from operations. Net position for the year ended June 30, 2022 was $723,000 compared to $(1,012,000) for the year ended June 30, 2021 and $(467,000) for the year ended June 30, 2020.

Using this Annual Report

The financial statements consist of the Statements of Net Position as of June 30, 2022 and 2021, and the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows for the fiscal years then ended. These statements reflect both the financial position of the Station at the end of the fiscal years noted, as well as the results in operating and nonoperating activities and cash flows.

Statements of Net Position

The Statements of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources. It is prepared using accrual basis accounting, whereby revenues are recognized when earned and expenses when incurred, regardless of when cash is exchanged. The Station's net position (the difference between assets, deferred outflows, liabilities, and deferred inflows) are one indicator of the Station's financial health. Over time, increases or decreases in net position can indicate improvement or erosion of the Station's financial health. Changes in net position should be considered in conjunction with non-financial factors, such as condition of facilities.

Statements of Net Position

	2022	2021	2020
Assets:			
Current assets	$ 1,606,000	$ 1,437,000	$ 758,000
Capital assets – net	69,000	106,000	160,000
Total assets	1,675,000	1,543,000	918,000
Deferred outflows	183,000	141,000	139,000
Total assets and deferred outflows	1,858,000	1,684,000	1,057,000
Liabilities			
Current liabilities	323,000	368,000	286,000
Noncurrent liabilities	553,000	1,530,000	734,000
Total liabilities	876,000	1,898,000	1,020,000
Deferred inflows	259,000	798,000	504,000
Total liabilities and deferred inflows	1,135,000	2,696,000	1,524,000
Net position:			
Net investment in capital assets	68,000	106,000	160,000
Unrestricted	655,000	(1,118,000)	(627,000)
Total net position	$ 723,000	$ (1,012,000)	$ (467,000)

- **Assets** - As of June 30, 2022, the Station's total assets amounted to $1,675,000. Cash of $1,433,000 represented the Station's largest asset or 86% of total assets. For the year ended June 30, 2021, cash represented 87% of total assets. For the year ended June 30, 2020, cash represented 70% of total assets.

- **Deferred Outflows** - The deferred outflows for the Station for the year ended June 30, 2022 totaled $183,000 and represent contributions to the KERS and KTRS pension and OPEB. The balance was $141,000 and $139,000 for the years ended June 30, 2021 and 2020, respectively.

- **Liabilities** – As of June 30, 2022, the Station's liabilities amounted to $876,000. Pension and OPEB liabilities comprised 65% of total liabilities. Liabilities totaled $1,898,000 and $1,020,000 for the years ended June 30, 2021 and 2020, respectively. Pension liability comprised 74% for the year ended June 30, 2021 and 72% for the year ended June 30, 2020.

- **Deferred Inflows** –The deferred inflows for the Station for the year ended June 30, 2022, totaled $259,000 and represent the KERS and KTRS pension and OPEB. The balance was $798,000 and $504,000 for the years ended June 30, 2021 and 2020.

- **Net Position** – Total net position was $723,000 at June 30, 2022, an increase of $1,735,000 from June 30, 2021. Net position includes $68,000 of net investment in capital assets and $655,000 classified as unrestricted.

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position present the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. The University appropriations and other income are classified as nonoperating revenues. Accordingly, the Station will typically generate an operating loss prior to the addition of nonoperating revenues. A more meaningful measure is the change in net position. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Statements of Revenues, Expenses, and Changes in Net Position

	2022	2021	2020
Operating revenues:			
Federal grants and contracts	$ 305,000	$ 204,000	$ 273,000
Operating expenses:			
Program services	724,000	628,000	572,000
Supporting services	1,140,000	782,000	813,000
Depreciation	38,000	54,000	54,000
Pension expense adjustments	(1,148,000)	718,000	(1,466,000)
OPEB expense adjustment	(281,000)	241,000	(294,000)
Total operating expenses	473,000	2,423,000	(321,000)
Operating income (loss)	(168,000)	(2,219,000)	594,000
Nonoperating revenues	1,903,000	1,674,000	1,399,000
Change in net position	1,735,000	(545,000)	1,993,000
Net position – beginning of year	(1,012,000)	(467,000)	(2,460,000)
Net position – end of year	$ 723,000	$ (1,012,000)	$ (467,000)

Revenue – Total operating revenues were $305,000 for the year ended June 30, 2022, compared to $204,000 and $272,000 for the years ended June 30, 2021 and 2020, which consisted of Federal grants and contracts and contributions.

Expenses – Operating expenses net of pension and OPEB expense adjustments totaled $473,000 for the year ended June 30, 2022. Of this amount, $376,000 or 20% was used for programming and expenses related to production; $348,000 or 18% was used for broadcasting expenses; $851,000 or 45% for management and general expenses; $212,000 or 11% for fundraising; $78,000 or 4% for underwriting; and $38,000 or 2% for depreciation. The related proportions of operating expenses for the year ended June 30, 2021 were 21%, 22%, 38%, 11%, 4% and 4%, respectively.

Nonoperating Revenues – Nonoperating revenues for the year ended June 30, 2021 amounted to $1,903,000 compared to $1,674,000 for the year ended June 30, 2021, and $1,399,000 for the year ended June 30, 2020. Of this amount, $233,000 was for general appropriations from the University and $567,000 for indirect administrative support from the University. It also included $599,000 of private contributions and $371,000 from other income, which is from underwriting from corporate support. Additionally, it included $130,000 from the forgiveness of the PPP loan.

Pension Expense – Pension expense for the year ended June 30, 2022 amounted to $(1,148,000) compared to $718,000 for the year ended June 30, 2021, and $(1,466,000) for the year ended June 30, 2020.

OPEB Expense – For the year ended June 30, 2022, the Station recorded $(281,000) of OPEB expense. For the year ended June 30, 2021, the Station recorded $241,000 of OPEB expense. For the year ended June 30, 2020, the Station recorded $(294,000) of OPEB expense.

Statements of Cash Flows

Another important factor to consider when evaluating financial viability is the Station's ability to meet financial obligations as they mature. The Statements of Cash Flows presents information related to cash inflows and outflows, summarized by operating, noncapital financing, capital and related financing and investing activities. The Statements of Cash Flows also helps financial statement readers assess the Station's ability to generate future net cash flows and the Station's need for external financing.

Statement of Cash Flows

	2022	2021	2020
Cash provided by (used in):			
Operating activities	$(1,108,000)	$ (737,000)	$ (759,000)
Noncapital financing activities	1,206,000	1,426,000	1,076,000
Capital and related financing activities	-	-	(39,000)
Net increase (decrease) in cash	98,000	689,000	278,000
Cash – beginning of year	1,335,000	646,000	368,000
Cash – end of year	$ 1,433,000	$ 1,335,000	$ 646,000

Major sources of funds included in operating activities were Federal grants and contracts of $152,000 for the year ended June 30, 2022, compared to $306,000 and $316,000 for the years ended June 30, 2021 and 2020. The largest cash payments for operating activities in 2022 were $732,000 to employees and $413,000 to suppliers. Comparative amounts for the years ended June 30, 2021 and 2020 were $651,000 and $391,000 to employees and $580,000 and $656,000 to suppliers respectively.

For the year ended June 30, 2022, the largest cash inflow is contributions received of $599,000 compared to $571,000 and $522,000 in 2021 and 2020, respectively.

Factors Impacting Future Periods

WEKU's sources of revenue have become more diverse and balanced thus reducing concerns that a reduction in any one revenue line will have significant impact on the radio station. However, external economic forces could still impact WEKU's future performance. Those factors include the lingering economic effects from the Coronavirus pandemic, a potential recession in 2023 and a reduction or elimination of federal funding. A reduction in state higher education funds to EKU could also affect direct university support to WEKU.

EASTERN KENTUCKY UNIVERSITY
WEKU-FM RADIO
STATEMENTS OF NET POSITION
June 30, 2022 and 2021

	2022	2021
ASSETS		
Current assets		
Cash	$ 1,432,876	$ 1,334,867
Investments	72,466	86,532
Accounts receivable, net	97,533	12,451
Prepaid expense	3,992	2,773
Total current assets	1,606,867	1,436,623
Capital assets, net	68,550	106,207
Deferred outflows		
KERS/KTRS pension	156,967	105,583
KERS/KTRS OPEB	25,591	35,832
Total deferred outflows	182,558	141,415
Total assets and deferred outflows	$ 1,857,975	$ 1,684,245
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable	$ 34,029	$ 15,142
Accrued salaries and benefits	20,375	15,511
Unearned revenue	268,660	337,452
Total current liabilities	323,064	368,105
Noncurrent liabilities		
Loan advance	-	129,415
Net pension liability	487,457	1,173,228
Net OPEB liability	65,681	227,406
Total noncurrent liabilities	553,138	1,530,049
Total liabilities	876,202	1,898,154
Deferred inflows		
KERS/KTRS pension	206,899	617,064
KERS/KTRS OPEB	51,509	181,031
Total deferred inflows	258,408	798,095
Total liabilities and deferred inflows	1,134,610	2,696,249
Net position		
Investment in capital assets	68,550	106,207
Unrestricted	654,815	(1,118,211)
Total net position	723,365	(1,012,004)
Total liabilities, deferred inflows and net position	$ 1,857,975	$ 1,684,245

See accompanying notes to financial statements.

EASTERN KENTUCKY UNIVERSITY
WEKU-FM RADIO
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years ended June 30, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Federal grants and contracts	$ 305,545	$ 203,763
OPERATING EXPENSES		
Program services		
Programming and production	376,210	306,736
Broadcasting	347,427	321,333
Supporting services		
Management and general	851,124	552,783
Fundraising and membership development	211,565	161,673
Underwriting and grant solicitation	77,824	67,911
Depreciation	37,657	54,043
Pension expense adjustment	(1,147,319)	718,155
OPEB expense adjustment	(281,006)	240,788
Total operating expenses	473,482	2,423,422
Operating income (loss)	(167,937)	(2,219,659)
NONOPERATING REVENUES		
General appropriation from Eastern Kentucky University	233,487	396,427
Indirect administrative support	567,323	360,273
Contributions	599,267	570,781
Other income	370,998	326,950
Interest income	2,187	2,155
Extinguishment/forgiveness of debt	130,044	-
Unrealized gain (loss) on investments	-	17,729
Total net nonoperating revenues	1,903,306	1,674,315
Increase (decrease) in net position	1,735,369	(545,344)
Net position, beginning of year	(1,012,004)	(466,660)
Net position, end of year	$ 723,365	$ (1,012,004)

See accompanying notes to financial statements.

EASTERN KENTUCKY UNIVERSITY
WEKU-FM RADIO
STATEMENTS OF CASH FLOWS
Years ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Grants and contracts received	$ 151,671	$ 306,381
Payments to suppliers	(541,929)	(390,950)
Payments for salaries and benefits	(731,738)	(651,824)
Loss from investments	14,066	-
Net cash flows used in operating activities	(1,107,930)	(736,393)
Cash flows from noncapital financing activities		
General appropriation from Eastern Kentucky University and other income	233,487	396,427
Contributions received	599,267	570,781
Paycheck protection program loan funds	-	129,415
Other	373,185	329,105
Net cash from noncapital financing activities	1,205,939	1,425,728
Cash flows from capital and related financing activities		
Purchase of capital assets	-	-
Change in cash	98,009	689,335
Cash, beginning of year	1,334,867	645,532
Cash, end of year	$ 1,432,876	$ 1,334,867
Reconciliation of operating income (loss) to net cash used in operating activities		
Operating income (loss)	$ (167,937)	$ (2,219,659)
Indirect administrative support	567,323	360,273
Depreciation	37,657	54,043
Interest Expense	629	-
Loss on investments	14,066	-
Changes in operating assets and liabilities:		
Accounts receivable	(85,082)	23,474
Accounts payable	18,887	9,842
Prepaid expenses	(1,219)	4,661
Accrued salaries and benefits	4,864	(7,113)
Unearned revenue	(68,792)	79,144
Net pension liability	(685,771)	544,076
Net OPEB liability	(161,725)	123,066
Deferred inflows	(539,687)	294,369
Deferred outflows	(41,143)	(2,569)
Net cash flows used in operating activities	$ (1,107,930)	$ (736,393)

See accompanying notes to financial statements.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Basis of Presentation: WEKU-FM Radio (the "Station") is a radio station operated by Eastern Kentucky University (the "University").

Basis of Accounting and Financial Statement Presentation: The Station prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB).

The financial statements of the Station are intended to present the financial position, the changes in financial position and cash flows, of only that portion of the activities of Eastern Kentucky University and Eastern Kentucky University Foundation, Inc. (the "Foundation") that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of the University or the Foundation as of June 30, 2022 and 2021, and the changes in its financial position and its cash flows, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

For financial reporting purposes, the Station is considered a special-purpose government 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. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. Operating revenues and expenses include exchange transactions and program-specific, government mandated nonexchange transactions. Government-mandated nonexchange transactions that are not program-specific, such as University appropriations, indirect administrative support, contributions and investment income are included in nonoperating revenues. The Station first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net positions are available.

Cash: For administrative purposes, cash balances of the Station are included in bank accounts maintained by the University and Eastern Kentucky University Foundation, Inc. Details of accounting transactions affecting cash are maintained by each entity.

The University currently uses commercial banks and the Commonwealth as depositories. Deposits with commercial banks are covered by Federal depository insurance or collateral held by the University's agent in the University's name. At the Commonwealth level, the University's accounts are pooled with other agencies of the Commonwealth. These Commonwealth pooled deposits are substantially covered by Federal depository insurance or by collateral held by the Commonwealth in the Commonwealth's name.

Investments: Station investments are held by the Foundation. Assets held by the Foundation are invested primarily in an investment pool managed by the Foundation and are carried at fair value.

Accounts Receivable: Accounts receivable consist primarily of grants, contracts and underwriting. Accounts receivable are recorded net of estimated uncollectible amounts of $97,533 and $12,451 as of June 30, 2022 and 2021, respectively. Estimated uncollectible amounts are determined by considering a number of factors, including the length of time accounts receivable are past due, previous loss history and the condition of the general economy and the industry as a whole.

(Continued)

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets: Capital assets are stated at cost at the date of acquisition or, in the case of gifts, at acquisition value at the date of the gift. Capital assets with a unit cost of $5,000 or greater are capitalized. Renovations to buildings, infrastructure and land improvements 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 is incurred.

Depreciation of capital assets is computed on a straight-line basis over the estimated useful lives of the respective assets, 5–50 years for buildings, antenna, and tower and 5–15 years for equipment and furniture.

Unearned Revenues: Unearned revenues include amounts received from grants, contracts and underwriting that have not yet been earned.

Pensions and Other Postemployment Benefits (OPEB): For purposes of measuring the net pension and OPEB liabilities, deferred outflows and inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Kentucky Teachers' Retirement system (KTRS) and the Kentucky Employees Retirement System (KERS) and additions to /deductions from KTRS' and KERS' fiduciary net position have been determined on the same basis as they are reported by KTRS and KERS. 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.

Deferred Outflows and Inflows of Resources: Deferred outflows represent the consumption of resources that are applicable to a future reporting period, but do not require any further exchange of goods or services. Deferred outflows of resources in the Station's financial statements consist of the unamortized deferred refunding loss balance, pension and OPEB contributions made after the measurement date and KTRS and KERS pension and OPEB related unamortized balances. Deferred inflows consist of the KTRS and KERS pension and OPEB related unamortized balances.

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

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

Unrestricted – Net position that does not meet the definitions of net investment in capital assets or restricted.

Use of 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Revenue Recognition: Funds restricted by the donor, grantor, or other outside party for particular operating purposes are deemed to be earned and reported as revenues when the Station has incurred expenditures in compliance with the specific restrictions. Unrestricted pledges are reported as revenue when the pledged contributions are received.

(Continued)

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contributions and Contributed Services: The estimated fair value of contributed services and property are recorded as revenues and expenses in the period received.

Functional Allocation of Expenses: The costs, other than depreciation, of providing the various programs and other activities have been summarized on a functional basis in the Statements of Revenues, Expenses, and Changes in Net Position. Accordingly, certain costs have been allocated among program and supporting services benefited based on total personnel costs or other systematic bases.

Adoption of New Accounting Pronouncements: During fiscal year 2022, the Station adopted the following accounting pronouncements:

- *Statement 87, Leases.* This guidance is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months. Key provisions of this guidance include additional disclosures surrounding the amount, timing and uncertainty of cash flows arising from leases. The Station retrospectively adopted this standard during the year ended June 30, 2022.

- *Statement 89, Accounting for Interest Cost Incurred before the End of a Construction Period.* This statement states interest incurred during the construction period to be expensed rather than capitalized as an asset. This standard is to be applied prospectively. The Station has implemented this standard with no material impact to its financial statements.

Recent Accounting Pronouncements - As of June 30, 2022, the GASB has issued the following statements not yet implemented by the Station.

- GASB Statement No. 91, *Conduit Debt Obligations*, effective for periods beginning after December 15, 2021.

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for periods beginning after June 15, 2022.

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for periods beginning after June 15, 2022.

- GASB Statement No. 98, *The Annual Comprehensive Financial Report*, effective for periods beginning after December 15, 2021.

- GASB Statement No. 99, *Omnibus 2022*, effective for periods beginning after June 15, 2022.

- GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, effective for periods beginning after June 15, 2023.

- GASB Statement No. 101, *Compensated Absences*, effective for periods beginning after December 15, 2023.

NOTE 1 – **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

The Station's management has not yet determined the effect these statements will have on the Station's financial statements.

Business Disruption - In March 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak to be a global pandemic. COVID-19 has impacted economic activity and financial markets globally. The continued spread of the disease represents a risk that operations could be disrupted in the near future.

The extent to which COVID-19 impacts the Station and the University will depend on future developments, which are still highly uncertain and cannot be predicted. As a result of the COVID-19 pandemic, in May 2020 the Station received a one-time emergency COVID-19 grant in the amount of $112,136 from the federal government for public radio to replace funding losses from direct community sources. The grant is unrestricted in nature with no expenditure period. The Station recognized $112,136 in grant revenue as of June 30, 2020.

In February 2021, the Station applied for and received a Paycheck Protection Program (PPP) Loan from the Small Business Administration (SBA) in the amount of $129,415. The transaction is a non-exchange financial guarantee under GASB Statement No. 70, which establishes the loan should be recognized as a liability until the obligor is legally released from the obligation. The Station has recognized the PPP loan as a liability on the statement of net position as of June 30, 2021. On August 3, 2021, the State received notification of formal forgiveness from the SBA.

In April 2021, the Station received a one-time, Stabilization Grant, in the amount of $223,922 through the American Rescue Plan Act (ARPA) to maintain the Station's programming and services impacted by coronavirus. The Station expended and recognized $61,705 and $67,412 of the grant award during the years ended June 30, 2022 and 2021, respectively. The remaining funds are expected to be recognized in fiscal year 2023 upon meeting all eligibility requirements.

NOTE 2 – TAX STATUS

The Station is operated by the University and is exempt from Federal and Kentucky income taxes and from property taxes levied by any taxing body as part of a governmental entity.

(Continued)

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 is as follows:

	July 1, 2021	Additions	Disposals	June 30, 2022
Assets:				
Buildings, antenna and tower	$ 374,730	$ -	$ -	$ 374,730
Studio, broadcasting equipment and furniture	212,706	-	-	212,706
	587,436	-	-	587,436
Less accumulated depreciation:				
Buildings, antenna and tower	(268,523)	(37,657)	-	(306,180)
Studio, broadcasting equipment and furniture	(212,706)	-	-	(212,706)
	(481,229)	(37,657)	-	(518,886)
Capital assets – net	$ 106,207	$ (37,657)	$ -	$ 68,550

Capital asset activity for the year ended June 30, 2021 is as follows:

	July 1, 2020	Additions	Disposals	June 30, 2021
Assets:				
Buildings, antenna and tower	$ 374,730	$ -	$ -	$ 374,730
Studio, broadcasting equipment and furniture	212,706	-	-	212,706
	587,436		-	587,436
Less accumulated depreciation:				
Buildings, antenna and tower	(214,480)	(54,043)	-	(268,523)
Studio, broadcasting equipment and furniture	(212,706)	-	-	(212,706)
	(427,186)	(54,043)	-	(481,229)
Capital assets – net	$ 160,250	$ (54,043)	$ -	$ 106,207

(Continued)

NOTE 4 – COMPENSATED ABSENCES

University employees, including Station employees, begin to accumulate annual vacation allocations from the beginning date of employment; however, accrued vacation is not granted until three months of employment have been completed. The maximum accumulation of vacation leave is limited to the number of days that can be accumulated in two years, based on the length of service. Employees are paid their accumulated vacation upon termination, subject to certain limitations.

University policy permits most employees to accumulate vacation that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized when vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs, and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay in effect and related benefit costs at the Statement of Net Position date. The balance at June 30, 2022 and 2021 was approximately $18,300 and $13,400, respectively, and is recorded as part of the accrued salaries and benefits. This increase of $4,900 is primarily the result of an increase in salaries expense for the year.

NOTE 5 – RELATED PARTIES

The Station receives support from the University in the form of a variety of provided services. For the years ended June 30, 2022 and 2021, these amounts totaled approximately $801,000 and $757,000, respectively. Continuation of University support is fundamental to the operations of WEKU.

NOTE 6 – RISK MANAGEMENT

The Station is an operating unit of the University. The Station and University are exposed to various risks of loss from torts, theft of, damage to or destruction of assets, business interruption, workers' compensation, employee injuries and illnesses, natural disasters and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from these risks, other than employee health. Settled claims have not exceeded this commercial coverage in any of the three preceding years. As a sovereign entity of the Commonwealth, the Kentucky Board of Claims handles tort claims on behalf of the University.

NOTE 7 – CONTINGENCIES

The Station is subject to certain claims and lawsuits that arise in the normal course of business. In the opinion of management, although the outcome of any legal proceedings cannot be predicted with certainty, the ultimate liability of the Station in connection with its legal proceedings will not have a material adverse effect on the financial position or the results of operations of the Station.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

Kentucky Teachers' Retirement System

All Station employees are employees of the University and participate in certain State pension plans. The Station calculates its share of the net pension and OPEB liabilities, associated deferred outflows of resources and deferred inflows of resources and pension and OPEB expense based on their employer contributions to the plan as a percentage of the total University contributions for each respective plan.

Plan Description - All full-time University faculty members and certain other staff occupying a position requiring certification or graduation from a four-year college or university as a condition of employment are covered by the Kentucky Teachers' Retirement System (KTRS), a cost sharing - multiple employer public employee retirement system. KTRS is a defined benefit plan providing for retirement, disability, death benefits and health insurance. Participants have a fully vested interest after the completion of 60 months of service, 12 of which are current service.

KTRS issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the pension plan's fiduciary net position. That report may be obtained by writing to Kentucky Teachers' Retirement System, 479 Versailles Road, Frankfort, Kentucky, 40601, by calling (502) 573-3266, or visiting the website at http://ktrs.ky.gov.

Basis of Accounting - For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, pension and OPEB expense, information about the fiduciary net position of the Kentucky Teachers' Retirement System of the State of Kentucky (KTRS) and additions to/deductions from KTRS's fiduciary net position have been determined on the same basis as they are reported by KTRS. 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, 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.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Pension Plan Information

Pension Benefits Provided - The information below summarizes the major retirement benefit provisions of KTRS plan. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions:

	Tier 1 Participation Prior to July 1, 2008	**Tier 2** Participation on or After July 1, 2008
Covered Employees:	University faculty and professional staff that do not choose the Optional Retirement Plan (Deferred Contribution)	University faculty and professional staff that do not choose the Optional Retirement Plan (Deferred Contribution)
Benefit Formula:	Final Compensation X Benefit Factor X Years of Service	
Final Compensation:	Average of the highest 5 annual salaries reduced 5% per year from the earlier of age 60 or the date 27 years of service would have been completed. Average of the highest 3 annual salaries if age 55 with 27 or more years of service. The minimum annual service allowance for all members is $440 multiplied by credited service.	Average of the highest 5 annual salaries reduced 6% per year from the earlier of age 60 or the date 27 years of service would have been completed. Average of the highest 3 annual salaries if age 55 with 27 or more years of service. The minimum annual service allowance for all members is $440 multiplied by credited service.
Benefit Factor:	Non-University members: 2.00% for service prior to 7/1/1983; 2.50% for service after 7/1/1983; 2.00% if participation after 7/1/2002 and less than 10 years; 2.50% if participation after 7/1/2002 and more than 10 years; 3.00% if retire after 7/1/2004 with more than 30 years. University members: 2.0% for each year of service.	Non-University members: 1.70% if less than 10 years; 2.00% if greater than 10 years, but no more than 20 years; 2.30% if greater than 20 years, but no more than 26 years; 2.50% if greater than 26 years, but no more than 30 years; 3.00% for service greater than 30 years. University members: 1.50% if less than 10 years; 1.70% if greater than 10 years, but less than 20 years; 1.85% if greater than 20 years, but less than 27 years; 2.00% if greater than 27 years.
Cost of Living Adjustment (COLA):	1.5% annually additional ad hoc increases must be authorized by the General Assembly.	
Unreduced Retirement Benefit:	Any age with 27 years of Kentucky service. Age 55 with 5 years of Kentucky service.	Any age with 27 years of Kentucky service. Age 60 with 5 years of Kentucky service. Age 55 with 10 years of Kentucky service.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

	Tier 1 Participation Prior to July 1, 2008	Tier 2 Participation on or After July 1, 2008
Reduced Retirement Benefit:	Must be retired for service or disability to be eligible. Retired members are given a supplement based upon a contribution supplement table approved by the KTRS Board of Trustees. The retired member pays premiums in excess of the monthly supplement.	

Contributions - Benefit and contribution rates are established by state statute. Per Kentucky Revised Statutes 161.540, 161.550 and 161.565, contribution requirements of the active employees and the participating organizations are established and may be amended by the KTRS Board. For the fiscal year ended June 30, 2022 and 2021, University employees were required to contribute 8.185% of their annual covered salary for retirement benefits. The University was contractually required to contribute 15.87% (14.06% allocated to pension, 1.78% allocated to medical insurance and 0.03% allocated to life insurance) of covered payroll for the fiscal years ended June 30, 2022 and 2021. The actuarially determined amount, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The University has met 100% of the contribution funding requirement for the fiscal years ended June 30, 2022 and 2021. Total current year contributions recognized by the Plan were $8,778,093 ($7,520,063 related to pension and $1,258,030 related to OPEB) for the year ended June 30, 2022. For the year ended June 30, 2021, contributions recognized by the Plan were $8,835,669 ($7,535,411 related to pension and $1,300,258 related to OPEB). The OPEB contributions amount does not include the implicit subsidy. In addition, the Commonwealth of Kentucky contributes ad hoc annual cost of living adjustments provided by the General Assembly for KTRS retirees. This contribution totaled $7,900,068 and $7,450,917, respectively, for the years ended June 30, 2022 and 2021. The Station's total contributions to KTRS for the years ended June 30, 2022 and 2021 were $47,318 ($42,378 related to pension and $4,940 related to OPEB) and $36,064 ($30,624 related to pension and $5,440 related to OPEB), respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022 and 2021, the University reported a liability for its proportionate share of the net pension liability that reflected a reduction for pension support provided to the University by the Commonwealth of Kentucky. The amount recognized by the University as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the University were as follows:

	2022	2021
University's proportionate share of the net pension liability	$ 86,071,894	$ 90,619,732
Commonwealth of Kentucky's proportionate share of the net pension liability associated with the University	90,868,704	95,303,278
	$ 176,940,598	$ 185,923,010
Station's proportionate share of the University net pension liability	$ 487,457	$ 391,711

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

The net pension liability was measured as of June 30, 2021 and 2020. The University's proportion of the net pension liability was based on actual contributions to the pension plan during the measurement period. At June 30, 2022 and 2021, University's proportion was 0.69% and 0.61%, respectively, and the Commonwealth of Kentucky's proportion associated with the University was 0.63% and 0.64%, respectively. The Station's proportion of the University NPL was based on the Station employees' share of contributions to the pension plan relative to the contributions of all University employees. That proportion was 0.58% and 0.41% as of June 30, 2022 and 2021, respectively, and the Station's proportion of the total plan was 0.06% and 0.04%, respectively.

For the years ended June 30, 2022 and 2021, the University was allocated pension expense of $(31,399,837) and $(46,196,871) and revenue of $15,603,356 and $11,021,833, respectively. For the years ended June 30, 2022 and 2021, the Station recognized pension expense of $(7,314) and $(51,412) and revenue of $88,368 and $47,643.

At June 30, 2022 and 2021, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2022		
Net difference between projected and actual earnings on investments	$ -	$ 120,175
Change in assumptions	83,372	43,040
Differences between expected and actual experience	(9,183)	4,416
Changes in proportionate share of contributions	44,299	39,268
	118,488	206,899
Contributions subsequent to the measurement date	38,479	-
	$ 156,967	$ 206,899
2021		
Net difference between projected and actual earnings on investments	$ 3,618	$ -
Change in assumptions	10,210	112,750
Differences between expected and actual experience	(4,669)	12,830
Changes in proportionate share of contributions	20,268	87,463
	29,427	213,043
Contributions subsequent to the measurement date	30,624	-
	$ 60,051	$ 213,043

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

At June 30, 2022 and 2021, the Station reported $42,378 and $30,624 as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the following fiscal year. Deferred outflows and deferred inflows of resources at June 30, 2022, related to pensions will be recognized in pension expense as follows:

2023	$ (67,676)
2024	2,631
2025	6,158
2025	(29,524)
	$ (88,411)

Actuarial assumptions - The total pension liability in the June 30, 2021 and 2020 measurement was determined by using the following actuarial valuations, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2021 and 2020
Inflation	2.50%
Salary increases	3.50% - 7.30%, average, including inflation
Investment rate of return	7.10%, net of pension plan investment expense, Including inflation
Municipal bond index rate	2.13% and 2.19%
Single equivalent interest rate	7.10% and 7.50%

The rates of mortality for the period after service retirement are according to the Pub2010 (Teachers Benefited-Weighted) Mortality Table projected generationally with adjustments for each of the groups: service, retirees, contingent annuitants, disabled retiree, and active members.

The actuarial assumptions used in the June 30, 2021 and 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2020.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

The long-term expected return on the plan was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	June 30, 2022	
Asset Class	Target Allocation	Long-Term Nominal Rate of Return
U.S. Equity	40%	4.45%
Non U.S. Equity	22	5.35
Fixed Income	15	(0.10)
Additional Categories*	7	1.95
Real Estate	7	4.00
Private Equity	7	6.90
Cash	2	(0.30)
Total	100%	

	June 30, 2021	
Asset Class	Target Allocation	Long-Term Nominal Rate of Return
U.S. Equity	40%	4.60%
Non U.S. Equity	22	5.60
Fixed Income	15	0.00
Additional Categories*	8	2.50
Real Estate	6	4.30
Private Equity	7	7.70
Cash	2	(0.50)
Total	100%	

* Includes hedge funds, high yield and non U.S. developed bonds and private credit strategies.

Changes in Assumptions and Benefit Terms Since Prior Measurement Date – The total pension liability as of June 30, 2021 reflects the assumed municipal bond index rate decrease from 2.19 percent to 2.13 percent. The Single Equivalent Interest Rate (SEIR) decreased from 7.50 percent to 7.10 percent. The impact of this change in the discount rate is a change in assumption that is added to expected TPL to determine the final TPL at June 30, 2021.The total pension liability as of June 30, 2021 reflects the assumed municipal bond index rate decrease from 2.19% to 2.13%. The Single Equivalent Interest Rate (SEIR) decreased to 7.10 percent. The impact of this change in the discount rate is a change in assumption that is added to expected total pension liability to determine the final total pension liability at June 30, 2021.

Changes Since Measurement Date - There were no changes between the measurement date of the collective net pension liability and the University reporting date that are expected to have a significant effect on the University's proportionate share of the collective net pension liability.

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Discount rate - The discount rate used to measure the TPL was 7.10 percent and 7.50 percent respectively at June 30, 2021 and 2020. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that employer contributions will be made at the actuarially determined contribution rates for all fiscal years in the future. Based on those assumptions, at the June 30, 2021 measurement date, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, 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.

Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the net pension liability of the Station as of June 30, 2022, calculated using the discount rate, as well as what the Station's net pension liability (in thousands) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
The Station's proportionate share of net pension liability (*in thousands*)	$ 660	$ 487	$ 346

The following presents the Station's proportionate share of the net pension liability (in thousands) calculated using a discount rate 1% higher and 1% lower than the current rate as of June 30, 2021:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
The Station's proportionate share of net pension liability (*in thousands*)	$ 499	$ 392	$ 302

Medical Insurance Plan

Plan Description - In addition to the OPEB benefits previously described, Kentucky Revised Statute 161.675 requires KTRS to provide post-employment healthcare benefits to eligible members and dependents. The KTRS Medical Insurance benefit is a cost-sharing multiple employer defined benefit plan with a special funding situation. Changes made to the medical plan may be made by the KTRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

Benefits Provided - To be eligible for medical benefits, the member must have retired either for service or disability. The KTRS Medical Insurance Fund offers coverage to members under the age of 65 through the Kentucky Employees Health Plan administered by the Kentucky Department of Employee Insurance. KTRS retired members are given a supplement to be used for payment of their health insurance premium. The amount of the member's supplement is based on a contribution supplement table approved by the KTRS Board of Trustees. The retired member pays premiums in excess of the monthly supplement. Once retired members and eligible spouses attain age 65 and are Medicare eligible, coverage is obtained through the KTRS Medicare Eligible Health Plan.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Contributions - In order to fund the post-retirement healthcare benefit, seven and one-half percent (7.50%) of the gross annual payroll of members is contributed. Three and three-quarters percent (3.75%) is paid by member contributions and three quarters percent (0.75%) from state appropriation and three percent (3.00%) from the employer. The state contributes the net cost of health insurance premiums for members who retired on or after July 1, 2010 who are in the non-Medicare eligible group. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan. For the years ended June 30, 2022 and 2021, the University contributed $1,241,600 and $1,294,853 to the KTRS medical insurance plan. The Station's contributions for the years ended June 30, 2022 and 2021 were $4,858 and $5,350, respectively.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2022 and 2021, the University reported a liability of $15,947,000 and $18,073,000 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the University. The collective net OPEB liability was measured as of June 30, 2021 and 2020. The University's proportion of the net OPEB liability was based on actual contributions to the OPEB plan during the measurement period. At June 30, 2022 and 2021, the University's proportion was 0.74% and 0.72% and the Commonwealth of Kentucky's proportion associated with the University was 0.33% and 0.32% respectively. The Station's proportion of the University's net OPEB liability was based on the Station employees' share of contributions of all University employees. That proportion was 0.41% and 0.48% as of June 30, 2022 and 2021, respectively. The Station's proportion of the total plan was 0.003% and 0.0478% as of June 30, 2022 and 2021, respectively.

The amount recognized by the University as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the University were as follows:

	2022	2021
University's proportionate share of the net OPEB liability	$ 15,947,000	$ 18,073,000
State's proportionate share of the net OPEB liability associated with the University	7,171,000	7,967,000
Total	$ 23,118,000	$ 26,040,000
Station's proportionate share of the University net OPEB liability	$ 64,671	$ 86,300

For the years ended June 30, 2022 and 2021, the University was allocated OPEB expense of $(2,274,745) and $(27,000) and revenue of $283,000 and $418,000 for support provided by the State. For the year ended June 30, 2022 and 2021, the Station recognized OPEB expense of $35,492 and $40,483 and revenue of $(1,148) and $(1,278).

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

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
2022		
Net difference between projected and actual earnings on OPEB plan investments	$ -	$ 6,898
Changes of assumption	16,915	-
Difference between expected and actual experience	-	38,457
Changes in proportion and differences between Station contributions and proportionate share of contributions	3,609	5,329
	20,524	50,684
Station contributions subsequent to the measurement date	4,858	-
Total	$ 25,382	$ 50,684
2021		
Net difference between projected and actual earnings on OPEB plan investments	$ 1,829	$ -
Changes of assumption	3,350	-
Difference between expected and actual experience	-	23,554
Changes in proportion and differences between Station contributions and proportionate share of contributions	443	5,389
	5,622	28,943
Station contributions subsequent to the measurement date	5,350	-
Total	$ 10,972	$ 28,943

Of the total amount reported as deferred outflows of resources related to OPEB, $4,858 resulting from University contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2023	$ (8,131)
2024	(8,168)
2025	(7,097)
2026	(6,095)
2027	(1,172)
Thereafter	503
	$ (30,160)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Actuarial Assumptions - The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Investment rate of return	7.10% net of OPEB plan investment expense, including inflation
Salary increases	3.50 – 7.20%, including inflation
Inflation rate	2.50%
Real wage growth	0.25%
Wage inflation	2.75%
Healthcare cost trend rate	Pre-65: 7.00% decreasing to ultimate trend rate of 4.50% by FY2031. Post-65: 5.00% decreasing to an ultimate trend rate of 4.50% by FY2024.
Medicare Part B premiums	4.40% decreasing to an ultimate rate of 4.50% by FY2034.
Municipal bond index rate	2.13% and 2.19%
Discount rate	7.10%
Single equivalent interest rate	7.10%, net of OPEB plan investment expense, including inflation.

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends) used in the June 30, 2021 and 2020 valuations were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation. The health care cost trend assumption was updated for the June 30, 2021 and 2020 valuations and was shown as an assumption change in the TOL roll forward while the change in initial per capita claims costs were included with experience in the TOL roll forward.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS's investment consultant, are summarized in the following table:

	June 30, 2022		June 30, 2021	
	Target Allocation	30 Year Expected Real Rate of Return	Target Allocation	30 Year Expected Real Rate of Return
Global Equity	58.00%	5.10%	58.00%	5.40%
Fixed income	9.00	(0.10)	9.00	0.00
Real Estate	6.50	4.00	6.50	4.30
Private Equity	8.50	6.90	8.50	7.70
Additional Categories: High Yield	8.00	1.70		
Other Additional Categories*	9.00	2.20	17.00	2.50
Cash (LIBOR)	1.00	(0.30)	1.00	(0.50)
Total	100.00%		100.00%	

KTRS Medical Plan Changes in Assumptions Since Prior Measurement Date – For the fiscal year ended June 30, 2021, the healthcare cost trend rate for Pre-65 decreased from 7.25 percent for fiscal year 2021 to 7.00 percent for fiscal year 2022 and Post-65 decreased from 5.25 percent for fiscal year 2021 to 5.00 percent for fiscal year 2022. Medicare Part B premiums decreased to 4.40 percent for fiscal year 2022 from 6.49 percent for fiscal year 2021. The municipal bond index rate decreased from 2.19 percent to 2.13 percent. For the fiscal year ended June 30, 2021, the healthcare cost trend rate for Pre-65 decreased from 7.50 percent for fiscal year 2020 to 7.25 percent for fiscal year 2021 and Post-65 decreased from 5.50 percent for fiscal year 2020 to 5.25 percent for fiscal year 2021. Medicare Part B premiums increased to 6.49 percent for fiscal year 2021 from 2.63 percent for fiscal year 2020. The municipal bond index rate decreased from 3.50 percent to 2.19 percent.
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Discount Rate - The discount rate used to measure the total OPEB liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will contribute the Actuarially Determined Contribution (ADC) in accordance with the MIF's funding policy determined by a valuation performed on a date two years prior to the beginning of the fiscal year in which the ADC applies. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Sensitivity of the University's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the Station's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate, as well as what the Station's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
The Station's proportionate share of net OPEB liability (MI) (*in thousands*)	$ 83	$ 65	$ 50

	June 30, 2021		
	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
The Station's proportionate share of net OPEB liability (MI) (*in thousands*)	$ 104	$ 86	$ 71

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Sensitivity of the University's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the University's proportionate share of the collective net OPEB liability, as well as what the University's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	June 30, 2022		
	1% Decrease	Current Trend Rate	1% Increase
The Station's proportionate share of net OPEB liability (MI) (*in thousands*)	$ 47	$ 65	$ 87

	June 30, 2021		
	1% Decrease	Current Trend Rate	1% Increase
The Station's proportionate share of net OPEB liability (MI) (*in thousands*)	$ 68	$ 86	$ 108

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued TRS financial report.

Life Insurance Plan

Plan Description – Life Insurance Plan – KTRS administers the life insurance plan as provided by Kentucky Revised Statute 161.655 to eligible active and retired members. The KTRS Life Insurance benefit is a cost-sharing multiple employer defined benefit plan. Changes made to the life insurance plan may be made by the KTRS Board of Trustees and the General Assembly.

Benefits Provided – KTRS provides a life insurance benefit of five thousand dollars payable for members who retire based on service or disability. KTRS provides a life insurance benefit of two thousand dollars payable for its active contributing members. The life insurance benefit is payable upon the death of the member to the member's estate or to a party designated by the member.

Contributions **-** In order to fund the post-retirement life insurance benefit, 0.03% of the gross annual payroll of members is contributed by the state. In addition, the University contributes 0.04% of each participant covered compensation. For the years ended June 30, 2022 and 2021, the University contributed $16,599 and $16,708 to the KTRS life insurance plan. The Station's contributions were $82 and $90 for the years ended June 30, 2022 and 2021, respectively.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB At June 30, 2022 and 2021, the University reported a liability of $219,000 and $548,000 for its proportionate share of the collective net OPEB liability, respectively. The collective net OPEB liability was measured as of June 30, 2021. The University's proportion of the net OPEB liability was based on actual contributions to the OPEB plan during the measurement period. At June 30, 2022 and 2021, the University's proportion was 1.67% and 1.58%. The Station's proportion of the University's net OPEB liability was based on the Station employees' share of contributions to the Plan relative to the contributions of all University employees. That proportion was 0.27% and 0.25% for years ending June 30, 2022 and 2021, respectively. The Station's proportion of the total plan was 0.004% for both years.

The amount recognized by the University as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the University were as follows:

	2022	2021
University's proportionate share of the net OPEB liability	$ 219,000	$ 548,000
State's proportionate share of the net OPEB liability associated with the University		-
Total	$ 219,000	$ 548,000
Station's proportionate share of the University net OPEB liability	$ 1,010	$ 923

For the years ended June 30, 2022 and 2021, the University was allocated OPEB expense of $35,000 and $98,000. For the years ended June 30, 2022 and 2021, the Station recognized OPEB expense of $(971) and $303. 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
2022		
Net difference between projected and actual earnings on OPEB plan investments	$ -	$ 538
Changes of assumptions	-	225
Difference between expected and actual experience	27	16
Changes in proportion and differences between Station contributions and proportionate share of contributions	68	46
	95	825
Station contributions subsequent to the measurement date	82	-
Total	$ 177	$ 825

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
2021		
Net difference between projected and actual earnings on OPEB plan investments	$ 191	$ -
Changes of assumptions	-	-
Difference between expected and actual experience	27	22
Changes in proportion and differences between Station contributions and proportionate share of contributions	-	50
	218	72
Station contributions subsequent to the measurement date	90	-
Total	$ 308	$ 72

Of the total amount reported as deferred outflows of resources related to OPEB, $82 resulting from University contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	$ (130)
2024	(176)
2025	(189)
2026	(200)
2027	(35)
Thereafter	0
	$ (730)

Actuarial Assumptions – The total OPEB liability (TOL) was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2020 and 2019
Measurement Date	June 30, 2021 and 2020
Investment rate of return	7.10% net of OPEB plan investment expense, including inflation for 2021, and 7.50% for 2020.
Projected salary increases	3.50 – 7.20%, including inflation
Inflation rate	2.50%
Real Wage Growth	0.25%
Wage Inflation	2.75%
Municipal Bond Index Rate	2.13% and 2.19% for 2020
Discount Rate	7.10%
Single Equivalent Interest Rate	7.10%, net of OPEB plan investment expense, including inflation.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends) used in the June 30, 2021 and 2020 valuations were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation. The health care cost trend assumption was updated for the June 30, 2021 and 2020 valuations and was shown as an assumption change in the TOL roll forward while the change in initial per capita claims costs were included with experience in the TOL roll forward.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

KTRS Life Plan Changes in Assumptions Since Prior Measurement Date -For the fiscal years ended June 30, 2022 and 2021, the municipal bond index rate decreased from 2.19 percent to 2.13 percent and from 3.50 percent to 2.19 percent, respectively.

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS's investment consultant, are summarized in the following table:

	June 30, 2022		June 30, 2021	
Asset Class*	Target Allocation	30 Year Expected Real Rate of Return	Target Allocation	30 Year Expected Real Rate of Return
U.S. Equity	40.00%	4.40%	40.00%	4.60%
International Equity	23.00	5.60	23.00	5.60
Fixed income	18.00	(0.10)	18.00	0.00
Real Estate	6.00	4.00	6.00	4.30
Private Equity	5.00	6.90	5.00	7.70
Other Additional Categories**	6.00	2.10	6.00	2.50
Cash (LIBOR)	2.00	(0.30)	2.00	(0.50)
Total	100.00%		100.00%	

**As the life insurance plan investment policy is subject to change, the above reflects the pension allocation and returns that achieve the target 7.5% long-term rate of return.*

Discount rate - The discount rate used to measure the total OPEB liability for life insurance was 7.10%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

(Continued)

Note 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Sensitivity of the University's proportionate share of the net OPEB liability to changes in the discount rate - The following tables present the Station's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate, as well as what the Station's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
The Station's proportionate share of net OPEB liability (LI)	$ 2,311	$ 1,010	$ (65)

	June 30, 2021		
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
The Station's proportionate share of net OPEB liability (LI)	$ 1,334	$ 923	$ 588

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued KTRS financial report.

Kentucky Employees Retirement System

Plan Description – The University contributes to the Kentucky Employees' Retirement System (KERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the Kentucky Retirement System (KRS), an agency of the Commonwealth. Under the provisions of Kentucky Revised Statute Section 61.645, the Board of Trustees ("KRS Board") of KRS administers the KERS, County Employees Retirement System and State Police Retirement System. Although the assets of the systems are invested as a whole, each system's assets are used only for the payment of benefits to members of that plan, and a pro rata share of administrative costs, in accordance with the provisions of Kentucky Revised Statute Sections 16.555, 61.570, and 78.630.

More specifically, within KERS, Station employees of Eastern Kentucky University participate in the non-hazardous portion of the plan, which covers all regular full-time members employed in non-hazardous duty positions of any state department, board, or agency directed by executive order to participate in KERS. The plan provides for retirement, disability, and death benefits to plan members. Retirement benefits may also be extended to beneficiaries of plan members under certain circumstances.

KRS issues a publicly available financial report that includes audited financial statements and audited required supplementary information for KERS. The report may be obtained by writing to Kentucky Retirement System, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601, or it may be found at the KRS website at www.kyret.ky.gov.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Basis of Accounting – For purposes of measuring the net pension and OPEB liabilities, deferred outflow of resources and deferred inflow of resources related to pensions and OPEB, pension and OPEB expense, information about the fiduciary net position of KERS and additions to/deductions from KERS's fiduciary net position have been determined on the same basis as they are reported by KERS. 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.

Pension Benefits Provided: The information below summarizes the major retirement benefit provisions of KERS-Non-Hazardous plan. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions:

Non-Hazardous

	Tier 1 Participation Prior to 9/1/2008	Tier 2 Participation 9/1/2008 through 12/31/13	Tier 3 Participation 1/1/2014
Benefit Formula	Final Compensation X Benefit Factor X Years of Service		Cash Balance Plan
Final Compensation	Average of the highest 5 fiscal years (must contain at least 48 months). Includes lump-sum compensation payments (before and at retirement).	5 complete fiscal years immediately preceding retirement; each year must contain 12 months. Lump-sum compensation payments (before and at retirement) are not to be included in creditable compensation.	No Final Compensation
Benefit Factor	1.97% or 2.0% for those retiring with service for all months between 1/1998 and 1/1999.	10 years or less = 1.10%. Greater than 10 years, but no more than 20 years = 1.30%. Greater than 20 years, but no more than 26 years = 1.50%. Greater than 26 years, but no more than 30 years = 1.75%. Additional years above 30 = 2.00% (2.00% benefit factor only applies to service earned in excess of 30 years).	No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and methods adopted by the board based on member's accumulated account balance.
Cost of Living Adjustment (COLA)	No COLA unless authorized by the Legislature. If authorized, the COLA is limited to 1.5%. This impacts all retirees regardless of Tier.		

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

	Tier 1 Participation Prior to 9/1/2008	Tier 2 Participation 9/1/2008 through 12/31/13	Tier 3 Participation 1/1/2014
Unreduced Retirement Benefit	Any age with 27 years of service. Age 65 with 48 months of service. Money purchase for age 65 with less than 48 months based on contributions and interest.	Rule of 87: Member must be at least age 57 and age plus earned service must equal 87 years at retirement to retire under this provision. Age 65 with 5 years of earned service. No month purchased calculations.	
Reduced Retirement Benefit	Any age with 25 years of service. Age 55 with 5 years of service.	Age 60 with 10 years of service. Excludes purchased service (exception: refunds, omitted, free military).	No reduced retirement benefit.

<u>OPEB Benefits Provided</u>: The information below summarizes the major retirement benefit provisions of KERS-Non-Hazardous and plan. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions:

Insurance Tier 1: Participation began before 7/1/2003

<u>Benefit Eligibility</u>: Recipient of a retirement allowance

Benefit: The percentage of member premiums paid by the retirement system are dependent on the number of years of service. Benefits also include duty disability retirements, duty death in service, non-duty death in service and surviving spouse of a retiree.

Insurance Tier 2: Participation began on or after 7/1/2003, but before 9/1/2008

<u>Benefit Eligibility</u>: Recipient of a retirement allowance with at least 120 months of service at retirement

Benefit: The system provides a monthly contribution subsidy of $10 for each year of earned service. The monthly contribution is increased by 1.5% each July 1. Benefits also include duty disability retirements, duty death in service and non-duty death in service.

Insurance Tier 3: Participation began on or after 9/1/2008

<u>Benefit Eligibility</u>: Recipient of a retirement allowance with at least 180 months of service at retirement

Benefit: Tier 3 insurance benefits are identical to Tier 2, except Tier 3 members are required to have at least 180 months of service in order to be eligible.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Contributions: The University was required to contribute at an actuarially determined rate determined by Statute. Per Kentucky Revised Statute Section 78.545(33) normal contribution and past service contribution rates shall be determined by the KRS Board on the basis of an annual valuation last preceding July 1 of a new biennium. The KRS Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS Board.

For the fiscal years ended June 30, 2022 and 2021, participating employers in the Nonhazardous plan contributed 49.47% (41.06% allocated to pension and 8.41% allocated to OPEB) as set by KRS, respectively, of each Nonhazardous employee's creditable compensation. These percentages are inclusive of both pension and insurance payments for employers. Administrative costs of KRS are financed through employer contributions and investments earnings. The University met 100% of the contribution funding requirement for the fiscal years ended June 30, 2022 and 2021. Total University contributions recognized by the Plan were $1,788,164 ($1,484,176 related to pension and $303,988 related to OPEB) and $2,603,842 ($2,237,685 related to pension and $366,156 related to OPEB) for the years ended June 30, 2022 and 2021. The OPEB contributions amounts do not include the implicit subsidy reported in the amount of $434,534 and $255,067 for the years ended June 30, 2022 and 2021. The Station had no contributions to KERS for the year ended June 30, 2022. The Station's total contributions to KERS were $32,290 ($32,290 related to pension and $0 related to OPEB) for the year ended June 30, 2021.

Members whose participation began before 9/1/2008:

Nonhazardous contributions equal 5% of all creditable compensation. Interest paid on the members' accounts is currently 2.5%; and per statute shall not be less than 2.0%. Member entitled to a full refund of contributions with interest.

Members whose participation began on or after 9/1/2008:

Nonhazardous contributions equal to 6% of all creditable compensation, with 5% being credited to the member's account and 1% deposited to the KRS 401(h) Account. Interest paid on the members' accounts will be set at 2.5%. Member is entitled to a full refund of contributions and interest in their individual account, however, the 1% contributed to the insurance fund is non-refundable.

Members whose participation on or after 1/1/2014

Nonhazardous contributions equal to 6% of all creditable compensation, with 5% being credited to the member's account and 1% deposited to the KRS 401(h) Account. Interest paid on the members' accounts will be set at 2.5%. Member is entitled to a full refund of contributions and interest in their individual account, however, the 1% contributed to the insurance fund is non-refundable.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Pension Information

Total Pension Liability: The total pension liability (TPL) for KERS measured as of June 30, 2022 and 2021 was determined using the actuarial valuation as of June 30, 2021 and 2020. This valuation used the following actuarial methods and assumptions applied to all prior periods included in the measurement:

Valuation date	June 30, 2021 and 2020 (rolled forward)
Experience study	July 1, 2013 – June 30, 2018
Actuarial cost method	Entry age normal
Amortization period	Level percentage payroll, closed
Remaining amortization period	26 years
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary increase	3.30% to 19.55%, varies by service
Investment rate of return	5.25 percent

The mortality table used for active members is PUB-2010 General Mortality table projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members is a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2020. For disabled members, the mortality table used is PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

Discount rate assumptions:

(a) **Discount Rate**: The discount rate used to measure the total pension liability was 5.25% (Non-hazardous) and 6.25% (Hazardous), which remained the same from prior year.

(b) **Projected Cash Flows:** The projection of cash flows used to determine the discount rate assumed the local employers and plan members would contribute the statutorily determined contribution rate of projected compensation over the remaining 26-year amortization period of the unfunded actuarial accrued liability. The actuarial determined contribution rate is adjusted to reflect the phase in of anticipated gains on actuarial value of assets over the first four years of the projection period.

(c) **Long-Term Rate of Return**: The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the tables below.

(d) **Municipal Bond Rate**: The discount rate determination does not use a municipal bond rate.

(e) **Periods of Projected Benefit Payments**: The long-term assumed rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

(f) **Assumed Asset Allocation:** The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	June 30, 2022	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	16.25%	5.70%
Non-US Equity	16.25	6.35
Private Equity	7.00	9.70
Specialty Credit/High Yield	15.00	2.80
Core Bonds	20.50	0.00
Cash	5.00	(0.60)
Real Estate	10.00	5.40
Real Return	10.00	4.55
Total	100.00%	

	June 30, 2021	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	15.75%	4.50%
Non-US Equity	15.75	5.25
Private Equity	7.00	5.50
Specialty Credit/High Yield	15.00	3.90
Core Bonds	20.50	(0.25)
Cash	3.00	(0.75)
Real Estate	5.00	5.30
Opportunistic/Absolute Return	3.00	2.25
Real Return	15.00	3.95
Total	100.00%	

The long-term expected rate of return on pension plan assets was established by the KRS Board of Trustees at 5.25% based on a blending of the factors described above.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

(g) **Sensitivity Analysis:** This paragraph requires disclosure of the sensitivity of the net pension liability to changes in the discount rate. The following presents the Station's allocated portion of the Non-hazardous net pension liability ("NPL") of the System, calculated using the discount rate, as well as what the Station's allocated portion of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
The Station's proportionate share of net pension liability *(in thousands)*	$ -	$ -	$ -

	June 30, 2021		
	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
The Station's proportionate share of net pension liability *(in thousands)*	$ 895	$ 782	$ 688

Employer's Portion of the Collective Net Pension Liability: The University's proportionate share of the Non-hazardous net pension liability is $156,043,648, or approximately 0.64% as of June 30, 2022 and $90,233,230, or 0.64% as of June 30, 2021. The net pension liabilities were distributed based on 2020 and 2019 actual employer contributions to the plan. The Station's proportion of the University's NPL was based on the Station employees' share of contributions to the pension plan relative to the contributions of all University employees. That proportion for June 30, 2021 was $781,517, or 0.86%, and the Station's proportion of the total plan was 0.006%.

Measurement Date: June 30, 2021 is the actuarial valuation date and measurement date upon which the total pension liabilities are based.

Changes in Assumptions and Benefit Terms: The KERS Board of Trustees adopted new actuarial assumptions based on an actuarial experience study for the period ending June 30, 2018. Key assumption changes include an increase to the salary increase assumptions for individual members and replacing the base retiree mortality tables with a KERS-specific mortality table developed using the actual mortality experience of non-disabled retirees in KERS. Mortality tables for disabled retirees and active members were updated with Public Retirement Mortality tables. In addition, termination rates and rates of disability incidence were increased. Retirement rates were decreased slightly for members with a participation date prior to July 1, 2003. For members with a participation date on or after July 1, 2003, retirement rates were set equal to 80% of the retirement rates applicable for the pre-July 1, 2003 participants for ages below 65.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

House Bill 1, which passed during the 2019 special legislative session, allows certain employers in the KERS nonhazardous plan to elect to cease participating in the system as of June 30, 2020. Since employer's elections were unknown at the time of the actuarial valuation and the legislation was enacted after the June 30, 2019 measurement date, no adjustments were made to the Total Pension Liability to reflect this legislation. House Bill 265, which passed during the 2018 legislative session, allowed certain employers within the KERS non-hazardous system to contribute less than the actuarially determined contribution in the 2018/2019 fiscal year. Since this is not expected to be an ongoing contribution education, determining the KERS non-hazardous employers' proportionate share based on the employers' actual contributions would not be reflective of the employers' long-term contribution effort. Instead, the proportionate share calculations for employers of the KERS non-hazardous system were based on the employers' covered payroll provided for fiscal year ending June 30, 2019, which would result in the same proportionate share allocation if all participating employers contributed the same contribution rate.

Changes Since Measurement Date: There were no changes between the measurement date of the collective net pension liability and the employer's reporting date.

Pension Expense: The University was allocated pension expense of $(11,726,804) and $(50,900,696) related to the KERS Non-Hazardous for the years ended June 30, 2022 and 2021, respectively. For the year ended June 30, 2022 and 2021, the Station recognized pension expense $(1,140,005) and $769,567.

Deferred Outflows and Deferred Inflows: Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense they are labeled as deferred inflows. If they will increase pension expense, they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive System members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period. At June 30, 2021, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2021		
Net difference between projected and actual earnings on investments	$ 803	$ -
Change in assumptions	7,999	-
Differences between expected and actual experience	4,440	-
Changes in proportionate share of contributions	-	404,021
	13,242	404,021
Contributions subsequent to the measurement date	32,290	-
	$ 45,532	$ 404,021

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Pension Plan Fiduciary Net Position: Detailed information about the pension plans' fiduciary net position is available in the separately issued pension plan financial reports.

OPEB Information

Total OPEB Liability: The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Price inflation	2.30%
Payroll growth rate	0.00%
Salary increases	3.30% to 15.30%, varies by service
Investment rate of return	6.25%
Healthcare trend rates	
Pre-65	6.25% beginning January 1, 2021, decreasing to an ultimate trend rate of 4.05% over 13 years.
Post-65	5.5%, beginning January 1, 2021, decreasing to an ultimate trend rate of 4.05% over 14 years.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

The mortality table used is a System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2019.

Discount rate assumptions:

(a) **Discount Rate:** The discount rate used to measure the total Non-hazardous OPEB liability was 5.26% as of June 30, 2021 a decrease from the 5.43% discount rate used in the prior year.

(b) **Projected Cash Flows:** The projection of cash flows used to determine the discount rate assumed the local employers and plan members would contribute the actuarially determined contribution rate of projected compensation over the remaining 26-year amortization period of the unfunded actuarial accrued liability.

(c) **Long-Term Rate of Return:** The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

(d) **Period of Projected Benefit Payments:** Current assets, future contributions, and investment earnings are projected to be sufficient to pay the projected benefit payments from the retirement system. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the system's actuarial determined contributions, and it is the actuary's understanding that any cost associated with the implicit subsidy will not be paid out of the system's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

(e) **Assumed Asset Allocations**: The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	June 30, 2022	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	21.75%	5.70%
Non-US Equity	21.75	6.35
Private Equity	10.00	9.70
Specialty Credit/High Yield	15.00	2.80
Core Bonds	10.00	0.00
Cash	1.50	(0.60)
Real Estate	10.00	5.40
Real Return	10.00	4.55
Total	100.00%	

	June 30, 2021	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	18.75 %	4.50%
Non-US Equity	18.75	5.25
Private Equity	10.00	6.65
Specialty Credit/High Yield	15.00	3.90
Core Bonds	13.50	(0.25)
Cash	1.00	(0.75)
Real Estate	5.00	5.30
Opportunistic	3.00	2.25
Real Return	15.00	3.95
Total	100.00%	

The long-term expected rate of return on pension plan assets was established by the KRS Board of Trustees at 6.25% based on a blending of the factors described above.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Sensitivity Analysis - This paragraph requires disclosure of the sensitivity of the net OPEB liability to changes in the discount rate and changes in the healthcare cost trend rate.

The following presents the Station's allocated portion of the Non-hazardous net OPEB liability of the System, calculated using the discount rate, as well as what the Station's allocated portion of the System's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for Non-hazardous:

	June 30, 2022		
	1% Decrease (4.43%)	Current Discount Rate (5.43%)	1% Increase (6.43%)
The Station's proportionate share of net OPEB liability *(in thousands)*	$ -	$ -	$ -

	June 30, 2021		
	1% Decrease (4.43%)	Current Discount Rate (5.43%)	1% Increase (6.43%)
The Station's proportionate share of net OPEB liability *(in thousands)*	$ 167	$ 140	$ 118

The following presents the Station's allocated portion of the Non-hazardous net OPEB liability of the system, calculated using the healthcare cost trend rate, as well as what the Station's allocated portion of the system's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for Non-hazardous:

	June 30, 2022		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
The Station's proportionate share of net OPEB liability *(in thousands)*	$ -	$ -	$ -

	June 30, 2021		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
The Station's proportionate share of net OPEB liability *(in thousands)*	$ 118	$ 140	$ 167

Employer's Portion of the Collective OPEB Liability: The University's proportionate share of the Non-hazardous net OPEB liability, as indicated in the prior table, is $23,623,902, or approximately 1.04% as of June 30, 2022, and $16,173,631, or approximately 0.64% as of June 30, 2021. The net OPEB liabilities were distributed based on 2020 and 2019 actual employer contributions to the plan. The Station's proportion of the University's OPEB liability was based on the Station employees' share of contributions to the OPEB plan relative to the contributions of all University employees. That proportion was $140,183 or 0.87% as of June 30, 2021, and the Station's proportion of the total plan was 0.006%.

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Measurement Date: June 30, 2020 is the actuarial valuation date and for the June 30, 2021 measurement date upon which the total OPEB liabilities are based.

Changes in Assumptions and Benefit Terms: For the fiscal year ended June 30, 2021, the assumed increase in future health care costs was reviewed during the June 30, 2019 valuation process and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. The June 30, 2020 actuarial information reflects the anticipated savings from the repeal of the “Cadillac Tax” and “Health Insurer Fee”, which occurred in December of 2019. The assumed load on pre-Medicare premiums to reflect the cost of the Cadillac Tax was removed and the Medicare premiums were reduced by 11 percent to reflect the repeal of the Health Insurer Fee. For the fiscal year ended June 30, 2020, the KERS Board of Trustees adopted new actuarial assumptions. These assumptions were based on an actuarial experience study for the period ending June 30, 2018. Key changes include replacing the base retiree mortality tables with a KERS-specific mortality table developed using the actual mortality experience of non-disabled retirees in KERS. Mortality tables for disabled retirees and active members were updated with Public Retirement Mortality tables. In addition, termination rates and rates of disability incidence were increased. Retirement rates were decreased slightly for members with a participation date prior to July 1, 2003. For members with a participation date on or after July 1, 2003, retirement rates were set equal to 80% of the retirement rates applicable for the pre July 1, 2003 participants for ages below 65.

House Bill 1, which passed during the 2019 special legislative session, allows certain employers in the KERS nonhazardous plan to elect to cease participating in the system as of June 30, 2020. Senate Bill 249 passed during the 2020 Legislative Session and delayed the effective date of cessation under these provisions to June 30, 2021. Since employer’s elections were unknown at the time of the actuarial valuations, no adjustments were made to the Total OPEB Liability to reflect this legislation.

Senate Bill 249 also changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurred in future years will be amortized over separate 20-year amortization bases. This change did not impact the calculation of Total OPEB Liability and only impacts the calculation of the contribution rates payable starting July 1, 2020. House Bill 265, which passed during the 2018 legislative session, allowed certain employers within the non-hazardous plan to contribute less than the actuarially determined contribution in the 2018/2019 fiscal year. Since this is not expected to be an ongoing contribution reduction, determining the nonhazardous employers’ proportionate share based on the employers’ actual contributions would not be reflective of the employers’ long-term contribution effort. Instead, the proportionate share calculations for employers of the nonhazardous plan were based on the employers’ covered payroll provided for fiscal year ending June 30, 2019, which would result in the same proportionate share allocation if all participating employers contributed the same rate. There were no other material plan provision changes.

Changes Since Measurement Date: There were no changes between the measurement date of the collective net OPEB liability and the employer's reporting date.

OPEB Expense: The University was allocated OPEB expense of $(3,576,830) and $(4,550,248) related to the KERS Non-Hazardous for the years ended June 30, 2022 and 2021. The Station recognized OPEB expense of $(267,649) and $200,002 for the years ended June 30, 2022 and 2021, respectively.

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

Deferred Outflows and Deferred Inflows: Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce OPEB expense they are labeled as deferred inflows. If they will increase OPEB expense they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive System members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period. Deferred inflows and outflows as of the Measurement Date include:

	Deferred Outflows of Resources	Deferred Inflows of Resources
2022		
Net difference between projected and actual earnings on investments	$ -	$ -
Change of assumptions	-	-
Difference between expected and actual experience	-	-
Changes in proportion and differences between Station employer contributions and proportionate shares of contributions	-	-
Station contributions subsequent to the measurement date	-	-
Total	$ -	$ -

	Deferred Outflows of Resources	Deferred Inflows of Resources
2021		
Net difference between projected and actual earnings on investments	$ 2,689	$ 732
Change of assumptions	10,261	244
Difference between expected and actual experience	11,602	13,921
Changes in proportion and differences between Station employer contributions and proportionate shares of contributions	-	137,119
	24,552	152,016
Station contributions subsequent to the measurement date	-	-
Total	$ 24,552	$ 152,016

(Continued)

NOTE 8 – PENSION AND OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)

There were no deferred outflows of resources resulting from employer contributions subsequent to the measurement date to be recognized as a reduction of net OPEB liability in the year ending June 30, 2022. The remainder of the deferred outflows and deferred inflows of resources are amortized over three to five years with remaining amortization as follows:

Year ending June 30:	
2023	$ -
2024	-
2025	-
	$ -

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plans' fiduciary net position is available in the separately issued OPEB plan financial reports.

Summary Pension and OPEB Plan Information:

Summary Pension Plan Information as of June 30, 2022:

	KERS	KTRS	Total
Net pension liability	$ -	$ 487,457	$ 487,457
Deferred outflows of resources	-	156,967	156,967
Deferred inflows of resources	-	206,899	206,899
Pension expense	(1,140,005)	(7,314)	(1,147,319)

Summary Pension Plan Information as of June 30, 2021:

	KERS	KTRS	Total
Net pension liability	$ 781,517	$ 391,711	$ 1,173,228
Deferred outflows of resources	45,532	60,051	105,583
Deferred inflows of resources	404,021	213,043	617,064
Pension expense	769,567	(51,412)	718,155

Summary OPEB Plan Information as of June 30, 2022:

	KERS	KTRS	Total
Net OPEB liability	$ -	$ 65,681	$ 65,681
Deferred outflows of resources	-	25,559	25,559
Deferred inflows of resources	-	51,510	51,510
OPEB expense	(267,649)	(13,357)	(281,006)

Summary OPEB Plan Information as of June 30, 2021:

	KERS	KTRS	Total
Net OPEB liability	$ 140,183	$ 87,223	$ 227,406
Deferred outflows of resources	24,552	11,280	35,832
Deferred inflows of resources	152,016	29,015	181,031
OPEB expense	200,002	40,786	240,788

REQUIRED SUPPLEMENTARY INFORMATION

EASTERN KENTUCKY UNIVERSITY
WEKU-FM RADIO
SCHEDULE OF THE STATION'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015

KERS	2022	2021	2020	2019	2018	2017	2016	2015
Station's proportion of the net pension liability	0.00%	0.0055%	0.0023%	0.0142%	0.0122%	0.0094%	0.0068%	0.0056%
Station's proportionate share of the pension liability	$ -	$ 781,517	$ 326,299	$ 1,927,200	$ 1,634,031	$ 1,071,122	$ 678,285	$ 501,312
Station's covered payroll	$ -	$ 80,783	$ 100,426	$ 351,161	$ 293,228	$ 228,198	$ 243,069	$ 169,064
Station's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	967.43%	324.91%	548.81%	557.26%	469.38%	279.05%	296.52%
Plan fiduciary net position as a percentage of the total pension liability	18.48%	14.01%	13.66%	12.84%	13.30%	14.80%	22.32%	22.32%
KTRS								
Station's proportion of the net pension liability	0.0575%	0.0410%	0.0320%	0.0013%	0.0014%	0.0017%	0.0019%	-%
Station's proportionate share of the net pension liability	$ 487,457	$ 391,711	$ 302,853	$ 180,173	$ 398,199	$ 528,641	$ 452,298	$ -
Station's covered payroll	$ 346,415	$ 311,337	$ 320,935	$ 154,469	$ 183,229	$ 127,963	$ 122,865	$ -
Station's proportionate share of the net pension liability as a percentage of its covered payroll	140,71%	125.82%	94.37%	116.64%	217.32%	413.12%	368.13%	-%
Plan fiduciary net position as a Percentage of the total pension liability	65.59%	58.27%	58.80%	59.30%	39.83%	35.22%	42.49%	45.59%

* The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

** This is a ten-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until ten years of information is available.

EASTERN KENTUCKY UNIVERSITY
WEKU-FM RADIO
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE STATION'S PENSION CONTRIBUTIONS
June 30, 2022, 2021, 2020, 2019, 2018, 2017, 2016 and 2015

	2022	2021	2020	2019	2018	2017	2016	2015
KERS								
Contractually required contribution	$ -	$ 32,290	$ 32,290	$ 13,854	$ 88,838	$ 72,938	$ 46,833	$ 30,536
Contributions in relation to the contractually required contribution	-	(32,290)	(32,290)	(13,854)	(88,838)	(72,938)	(46,833)	(30,536)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Station's covered payroll	$ -	$ -	$ 80,783	$ 100,426	$ 351,161	$ 293,228	$ 228,198	$ 243,069
Contributions as a percentage of covered payroll	-%	0.00%	39.97%	13.80%	25.30%	24.87%	20.52%	12.56%
KTRS								
Contractually required contribution	$ 38,479	$ 30,624	$ 30,624	$ 24,789	$ 16,368	$ 18,571	$ 11,900	$ -
Contributions in relation to the contractually required contribution	(38,479)	(30,624)	(30,624)	(24,789)	(16,368)	(18,571)	(11,900)	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Station's covered payroll	$ 329,609	$ 346,415	$ 311,337	$ 320,935	$ 154,469	$ 183,229	$ 127,963	$ -
Contributions as a percentage of covered payroll	12.86%	8.84%	9.84%	7.72%	10.60%	10.14%	9.30%	-%

* This is a ten-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until ten years of information is available.

Changes of benefit terms and assumptions:

KERS – Non-Hazardous

Changes of benefit terms: The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30 listed below:

2015:

- The assumed investment rate of return was decreased from 7.75% to 7.50%.
- The assumed rate of inflation was reduced from 3.50% to 3.25%.
- The assumed rate of wage inflation was reduced from 1.00% to 0.75%.
- Payroll growth assumption was reduced from 4.50% to 4.00%.
- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (setback 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.
- The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

2016: The assumed investment rate of return was decreased from 7.50% to 6.75%.

2017*: Changes in Assumptions and Benefit Terms*: Since the prior measurement date, the demographic and economic assumptions that affect the measurement of the total pension liability have been updated as follows:

- The assumed investment rate of return was decreased from 6.75% to 5.25%.
- The assumed rate of inflation was reduced from 3.25% to 2.30%.
- Salary growth assumption was reduced from 4.00% to 3.05%.
- Payroll growth assumption was reduced from 4.00% to 0.00%.

2018: *Changes in Assumptions and Benefit Terms*: Since the prior measurement date, there have been no changes in actuarial assumptions. However, during the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member’s final rate of pay to 75% of the member’s average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member’s final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children. The total pension liability as of June 30, 2018 was determined using these updated benefit provisions.

(Continued)

KERS – Non-Hazardous (Continued)

2019:

Changes in Assumptions and Benefit Terms: For the fiscal year ended June 30, 2020, the KERS Board of Trustees adopted new actuarial assumptions. These assumptions were based on an actuarial experience study for the period ending June 30, 2018. Key changes include replacing the base retiree mortality tables with a KERS-specific mortality table developed using the actual mortality experience of non-disabled retirees in KERS. Mortality tables for disabled retirees and active members were updated with Public Retirement Mortality tables. In addition, termination rates and rates of disability incidence were increased. Retirement rates were decreased slightly for members with a participation date prior to July 1, 2003. For members with a participation date on or after July 1, 2003, retirement rates were set equal to 80% of the retirement rates applicable for the pre-July 1, 2003 participants for ages below 65.

House Bill 1, which passed during the 2019 special legislative session, allows certain employers in the non-hazardous plan to elect to cease participating in the system as of June 30, 2020. Since employer's elections were unknown at the time of the actuarial valuation and the legislation was enacted after the June 30, 2019 measurement date, no adjustments were made to the Total Pension Liability to reflect this legislation.

House Bill 265, which passed during the 2018 legislative session, allowed certain employers within the non-hazardous plan to contribute less than the actuarially determined contribution in the 2018/2019 fiscal year. Since this is not expected to be an ongoing contribution reduction, determining the non-hazardous employers' proportionate share based on the employers' actual contributions would not be reflective of the employers' long-term contribution effort. Instead, the proportionate share calculations for employers of the non-hazardous plan were based on the employers' covered payroll provided for fiscal year ending June 30, 2019, which would result in the same proportionate share allocation if all participating employers contributed the same rate.

2020: *Changes in Assumptions and Benefits Terms:* There have been no assumption changes since June 30, 2019.

2021: House Bill 8, passed in the 2021 legislative session, changed how employers contributions are allocated in the KERS Non Hazardous plan. The change does not impact the total pension liability, but does impact the amount of liability allocated to some employers. Several employers will see a significant increase in the allocation percentage of the pension liability.

KTRS

2015: *Changes of Assumptions:* In the 2011 valuation and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2011. In the 2011 valuation, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In the 2011 valuation, the Board adopted an interest smoothing methodology to calculate liabilities for purposes of determining the actuarially determined contributions.

2016: Since the previous valuation, various economic and demographic assumptions have been revised to reflect the results of the experience investigation for the five-year period ending June 30, 2015. The changes adopted by the Board on September 19, 2016, include various demographic and economic assumptions summarized below:

- Price inflation changed assumed rate from 3.50% to 3.00%.
- Wage inflation changed assumed rate from 4.00% to 3.50%.
- Assumed salary scale adjusted to reflect a decrease of 0.25% in merit and promotion for all ages
- Assumed rates of withdrawal, disability, retirement, and mortality have been adjusted to more closely reflect experience.
- The discount rate was changed from 4.88% to 4.20%.

2017: *Changes in Assumptions and Benefit Terms Since Prior Measurement Date* - The total pension liability as of June 30, 2017 reflects that the assumed municipal bond index rate increased from 3.01% to 3.56%, resulting in a change in the Single Equivalent Interest Rate (SEIR) from 4.20% to 4.49%. The change in the discount rate is considered a change in actuarial assumptions under GASB 68.

2018: *Changes in Assumptions and Benefit Terms Since Prior Measurement Date* - The total pension liability as of June 30, 2018 reflects the assumed municipal bond index rate increase from 3.56% to 3.89%, resulting in a change in the Single Equivalent Interest Rate (SEIR) from 4.49% to 7.50%. The impact of this change in the discount rate is a change in assumption that is added to expected total pension liability to determine the final total pension liability at June 30, 2018. The total pension liability as of June 30, 2017 reflects the assumed municipal bond index rate increase from 3.01% to 3.56%, resulting in a change in the Single Equivalent Interest Rate (SEIR) from 4.20%to 4.49%. The impact of this change in the discount rate is a change in assumption that is added to expected total pension liability to determine the final total pension liability at June 30, 2017.

2019: *Changes in Assumptions and Benefit Terms Since Prior Measurement Date* - The TPL as of June 30, 2019 reflects the assumed municipal bond index rate decrease from 3.89 percent to 3.50 percent. The Single Equivalent Interest Rate (SEIR) remained at 7.50 percent. The impact of this change in the discount rate is a change in assumption that is added to expected TPL to determine the final TPL at June 30, 2019.

2020: *Changes in Assumptions and Benefit Terms Since Prior Measurement Date* - The TPL as of June 30, 2020 reflects the assumed municipal bond index rate decrease from 3.50 percent to 2.19 percent. The impact of this change in the discount rate is a change in assumption that is added to expected TPL to determine the final TPL at June 30, 2020.

2021: *Changes in Assumptions and Benefit Terms Since Prior Measurement Date* – The total pension liability as of June 30, 2021 reflects the assumed municipal bond index rate decrease from 2.19 percent to 2.13 percent, resulting in a change in the Single Equivalent Interest Rate (SEIR) from 7.50 percent to 7.10 percent. The impact of this change in the discount rate is a change in assumption that is added to expected total pension liability to determine the final total pension liability at June 30, 2021.

EASTERN KENTUCKY UNIVERSITY
WEKU-FM RADIO
SCHEDULE OF THE STATION'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
June 30, 2022, 2021, 2020, 2019 and 2018

KERS	2022	2021	2020	2019	2018
Station's proportion of the net OPEB liability	-%	0.006%	0.002%	0.014%	0.012%
Station's proportionate share of the net OPEB liability	$ -	$ 140,183	$ 50,494	$ 337,620	$ 309,512
Station's covered payroll	$ -	$ 80,783	$ 100,426	$ 351,161	$ 293,228
Station's proportionate share of the net OPEB liability as a percentage of its covered payroll	-%	173.53%	50.28%	95.14%	105.55%
Plan fiduciary net position as a percentage of the total OPEB liability	38.38%	29.47%	30.92%	27.32%	24.40%

KTRS – Medical Insurance

Station's proportion of the net OPEB liability	0.0030%	0.0478%	0.0018%	0.0012%	0.0014%
Station's proportionate share of the net OPEB liability	$ 64,671	$ 86,300	$ 52,600	$ 40,317	$ 48,794
Station's covered payroll	$ 346,415	$ 311,337	$ 320,935	$ 154,469	$ 183,229
Station's proportionate share of the net OPEB liability as a percentage of its covered payroll	18.67%	27.72%	16.39%	26.10%	26.63%
Plan fiduciary net position as a percentage of the total OPEB liability	51.74%	39.05%	32.58%	25.50%	21.18%

KTRS – Life Insurance

Station's proportion of the net OPEB liability	0.0077%	0.0039%	0.0040%	0.0040%	0.0041%
Station's proportionate share of the net OPEB liability	$ 1,010	$ 923	$ 1,247	$ 1,130	$ 903
Station's covered payroll	$ 346,415	$ 311,337	$ 320,935	$ 154,469	$ 183,229
Station's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.29%	0.30%	0.39%	0.73%	0.49%
Plan fiduciary net position as a percentage of the total OPEB liability	89.15%	71.57%	73.40%	75.00%	79.99%

* The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

** This is a ten-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until ten years of information is available.

EASTERN KENTUCKY UNIVERSITY
WEKU-FM RADIO
SCHEDULE OF THE STATION'S OPEB CONTRIBUTIONS
June 30, 2022, 2021, 2020, 2019 and 2018

	2022	2021	2020	2019	2018
KERS					
Contractually required contribution	$ -	$ -	$ 6,614	$ 2,838	$ 21,593
Contributions in relation to the contractually required contribution	-	-	(6,614)	(2,838)	(21,593)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Station's covered payroll	$ -	$ -	$ 80,783	$ 100,426	$ 351,161
Contributions as a percentage of covered payroll	0.00%	0.00%	8.19%	2.83%	6.15%
KTRS – Medical Insurance					
Contractually required contribution	$ 4,858	$ 5,350	$ 3,897	$ 3,135	$ 2,066
Contributions in relation to the contractually required contribution	(4,858)	(5,350)	(3,897)	(3,135)	(2,066)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Station's covered payroll	$ 329,609	$ 346,415	$ 311,337	$ 320,935	$ 154,469
Contributions as a percentage of covered payroll	1.47%	1.54%	1.25%	0.98%	1.34%
KTRS – Life Insurance					
Contractually required contribution	$ 82	$ 90	$ 65	$ 59	$ 35
Contributions in relation to the contractually required contribution	(82)	(90)	(65)	(59)	(35)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Station's covered payroll	$ 329,609	$ 346,415	$ 311,337	$ 320,935	$ 154,469
Contributions as a percentage of covered payroll	0.02%	0.03%	0.02%	0.02%	0.02%

* This is a ten-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until ten years of information is available.

KERS

Changes in Assumptions and Benefit Terms: Since the prior measurement date, the demographic and economic assumptions that affect the measurement of the total OPEB liability have been updated as follows:

2017:

- The assumed investment rate of return was decreased from 7.50% to 6.25%.
- The assumed rate of inflation was reduced from 3.25% to 2.30%.
- The salary increase assumption was reduced from 4.00% to 3.05%.
- The payroll growth assumption was reduced from 4.00% to 2.00%.

2018: *Changes in Assumptions and Benefit Terms*: Since the prior measurement date, there have been no changes in actuarial assumptions. However, during the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. The system shall now pay 100% of the insurance premium for spouses and children of all active members who dies in the line of duty. The total OPEB liability as of June 30, 2018, is determined using these updated benefit provisions.

2019:
Changes in Assumptions and Benefit Terms: For the fiscal year ended June 30, 2020, the KERS Board of Trustees adopted new actuarial assumptions. These assumptions were based on an actuarial experience study for the period ending June 30, 2018. Key changes include replacing the base retiree mortality tables with a KERS-specific mortality table developed using the actual mortality experience of non-disabled retirees in KERS. Mortality tables for disabled retirees and active members were updated with Public Retirement Mortality tables. In addition, termination rates and rates of disability incidence were increased. Retirement rates were decreased slightly for members with a participation date prior to July 1, 2003. For members with a participation date on or after July 1, 2003, retirement rates were set equal to 80% of the retirement rates applicable for the pre-July 1, 2003 participants for ages below 65.

House Bill 1, which passed during the 2019 special legislative session, allows certain employers in the non-hazardous plan to elect to cease participating in the system as of June 30, 2020. Since employer's elections were unknown at the time of the actuarial valuation and the legislation was enacted after the June 30, 2019 measurement date, no adjustments were made to the Total OPEB Liability to reflect this legislation.

House Bill 265, which passed during the 2018 legislative session, allowed certain employers within the non-hazardous plan to contribute less than the actuarially determined contribution in the 2018/2019 fiscal year. Since this is not expected to be an ongoing contribution reduction, determining the non-hazardous employers' proportionate share based on the employers' actual contributions would not be reflective of the employers' long-term contribution effort. Instead, the proportionate share calculations for employers of the non-hazardous plan were based on the employers' covered payroll provided for fiscal year ending June 30, 2019, which would result in the same proportionate share allocation if all participating employers contributed the same rate.

2020: *Changes in Assumptions and Benefit Terms*: For the fiscal year ended June 30, 2021, the assumed increase in future health care costs was reviewed during the June 30, 2019 valuation process and was updated to better reflect more current expectations relating to anticipated future increases in the medical costs. The June 30, 2020 actuarial information reflects the anticipated savings from the repeal of the "Cadillac Tax" and "Health Insurer Fee", which occurred in December of 2019. The assumed load on pre-Medicare premiums to reflect the cost of the Cadillac Tax was removed and the Medicare premiums were reduced by 11 percent to reflect the repeal of the Health Insurer Fee.

KERS (Continued)

2021: House Bill 8, passed in the 2021 legislative session, changed how employers contributions are allocated in the KERS Non Hazardous plan. The change does not impact the total post-employment liability but does impact the amount of liability allocated to some employers. Several employers will see a significant increase in the allocation percentage of the toal post-employment benefits liability.

KTRS

2017: *Changes to Benefit Terms*: *Medical Insurance*: With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retired prior to July 1, 2010 is restored, but the State will only finance, via its KEHP "shared responsibility" contributions, the costs of the NSS related to those KEHP-participating members who retired on or after July 1, 2010.

2018: *Changes of benefit terms* – For the Life Insurance Plan, changes in assumptions or benefit terms as of June 30, 2019 included a change to the investment rate of returns, municipal bond index rate, discount rate, and single equivalent interest rate noted in the table above. For the Medical Insurance Plan, with the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retired prior to July 1, 2010 is restored, but the state will only finance, via its KEHP “Shared Responsibility” contributions, the costs of the NSS related to those KEHP-participating members who retired on or after July 1, 2010. This change occurred in the prior year, while there were no other changes in the current year.

2019: *Changes of assumptions – Medical Insurance Plan:* The healthcare cost trend rate for Pre-65 decreased from 7.75 percent to 7.50 percent and Post-65 decreased from 5.75 percent to 5.50 percent. Medicare Part B premiums increased to 2.63 percent from 0.0 percent. The municipal bond index rate decreased from 3.89 percent to 3.50 percent.

Changes of assumptions – Life Insurance Plan: The municipal bond index rate decreased from 3.50 percent to 3.50 percent.

2020: *Changes of assumptions – Medical Insurance Plan:* The healthcare cost trend rate for Pre-65 decreased from 7.50 percent to 7.25 percent and Post-65 decreased from 5.50 percent to 5.25 percent. Medicare Part B premiums increased to 6.49 percent from 2.63 percent. The municipal bond index rate decreased from 3.50 percent to 2.19 percent.

Changes of assumptions – Life Insurance Plan: The municipal bond index rate decreased from 3.50 percent to 2.19 percent.

2021: *Changes of assumptions – Medical Insurance Plan*: The municipal bond index rate decreased from 2.19 percent to 2.13 percent.

Changes of assumptions – Medical Insurance Plan: The single equivalent interest rate (SEIR) decreased from 7.50 percent to 7.10 percent.

Changes of assumptions – Life Insurance Plan: The municipal bond index rate decreased from 2.19 percent to 2.13 percent.

KTRS (Continued)

Changes of assumptions – Life Insurance Plan: The single equivalent interest rate (SEIR) decreased from 7.50 percent to 7.10 percent.