

**Broadcast Services
Public Broadcasting Entities Operated
By Missouri State University**

Independent Auditor's Report and Financial Statements

June 30, 2022 and 2021

Broadcast Services
Public Broadcasting Entities Operated By
Missouri State University
June 30, 2022 and 2021

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910 E. St. Louis Street, Suite 200 / Springfield, MO 65806

P 417.865.8701 / F 417.865.0682

forvis.com

Independent Auditor's Report

The Board of Governors
Broadcast Services
Missouri State University
Springfield, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Broadcast Services, Public Broadcasting Entities operated by Missouri State University (Broadcast Services) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Broadcast Services 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.

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 Broadcast Services 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 Matters

As discussed in *Note 1* to the financial statements, in 2022 Broadcast Services adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

As discussed in *Note 1*, the accompanying financial statements of Broadcast Services are intended to present the financial position and changes in net position and cash flows for only that portion of activities that is attributable to the transactions of Broadcast Services. They do not purport to, and do not present fairly, the financial position of Missouri State University as of June 30, 2022 and 2021, and the changes in its net position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Broadcast Service's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Broadcast Services' basic financial statements. The Schedules of Statement of Revenues, Expenses, and Changes in Net Position Information by Station and the Operating Expenses by Function schedules as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Statement of Revenues, Expenses, and Changes in Net Position Information by Station and the Operating Expenses by Function schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Statement of Revenues, Expenses, and Changes in Net Position Information by Station and the Operating Expenses by Function schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

FORVIS, LLP

Springfield, Missouri
January 12, 2023

Broadcast Services
Public Broadcasting Entities Operated By
Missouri State University
Management's Discussion and Analysis
Years Ended June 30, 2022 and 2021

Introduction

The purpose of this section of Broadcast Services' financial statements is to present a discussion and analysis of the financial performance of Broadcast Services during the fiscal years ended June 30, 2022 and 2021, and its financial position at those dates. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with the financial statements and footnotes. The discussion and analysis are designed to focus on current activities, including comparative analysis, resulting change, and current known facts—as well as to briefly summarize the relevant historical factors that provide broad context for analysis.

Technological changes have guided much of the major investments of both radio and television since the stations merged—beginning with upgrades to digital broadcasting. More recently, television has implemented Federal Communications Commission (FCC) required channel changes for both KOZK-Springfield and KOZJ-Joplin.

Television's conversion to digital broadcasting was funded by two major grants in 2003 and 2004 from the Department of Commerce under the Public Telecommunications Facilities Program (PTFP) and from Public Broadcasting Service (PBS) via the Digital Distribution Fund (DDF) appropriated by Congress for that purpose. This was followed by the initiative to adapt the radio station's transmission system to the new national HD digital standard. The Springfield radio transmitter began broadcasting in HD radio in 2006. Both private foundation and Corporation for Public Broadcasting (CPB) funds were directed to this effort.

In fiscal year (FY) 2010, OPT completed several technical upgrades to its Master Control Facility to ensure the television stations are able to offer reliable and cost-effective programming services in an all-digital broadcast environment. PTFP and DDF grants helped to make those projects possible. In FY2011, OPT completed its HD studio conversion. A PTFP grant provided 50 percent of that funding. This marked an important milestone as the station finished the major transition to digital broadcast operation throughout its technical facilities.

FY2010 also marked the radio operations transition to digital for transmitters KSMS in Branson and KSMW in West Plains.

In FY2011, KSMU in Springfield received a CPB Radio Digital Grant (from CPB's 2010 Digital Radio Conversion Fund) to increase digital power by replacing an existing analog-only transmitter with a dual analog/digital transmitter. This project was completed in FY2012.

KSMU and OPT secured private Foundation funding in FY2015 to upgrade aging equipment in its radio and television Master Control and Production facilities. That upgrade spanned both FY2015 and FY2016 and has provided further operating stability to the Stations' technical operations.

With elimination of federal government programs such as PTFP, stations like KSMU and Ozarks Public Television have had to rely on private funding that is often difficult to secure in a competitive fundraising environment. In the past, PTFP provided essential 50 percent funding for many station technical

projects. The case needs to continue to be made regarding the importance of dedicated federal grant monies to secure the technical infrastructure of local public radio and television stations such as KSMU and OPT. The ability to transition to new technology standards such as ATSC 3.0 will be dependent on available funding.

As a result of the FCC's Spectrum Auction in 2016, the TV operation was required to change channels for both KOZK-Springfield (assigned to Phase 1 of the repack) and KOZJ-Joplin (assigned to Phase 2 of the repack). In April 2018, KOZK suffered a complete tower collapse when tower workers were on the tower performing critical repack work. This tragedy caused extreme disruption to the operations of KOZK. Despite the incredible hardship, both stations successfully changed channels ahead of schedule in September 2018. KOZK made its transition with a reduced-power temporary facility. In September 2019, the Missouri State University Board of Governors approved a long-term (20-year) lease agreement to secure tower space for the station's final facility. The associated tower lease payments will be fully covered by the insurance proceeds related to the tower collapse. KOZK returned to full-power operation in January 2020. All repack-related expenses were reimbursed through the FCC reimbursement fund. Special accounts for this project were established at the University to manage the expenses and associated reimbursement from the FCC, as well as the expenses and proceeds associated with the insurance claim. The expenses and reimbursements spanned FY2017–FY2021.

Financial Highlights

The financial highlights of the Stations are contained in this section. Comparative information provides additional information about the financial condition of the Stations.

STATEMENT OF NET POSITION

The statement of net position presents the assets, liabilities, and net position of the Stations at the close of business on June 30, 2022 and 2021. The presentation is based on the accrual basis of accounting. The capital assets are presented net of depreciation accumulated from date of acquisition. The statement also presents all of the assets, liabilities, and net position in one column. This allows the reader to determine the Stations' total position at the report date. Both assets and liabilities are grouped into current and noncurrent categories to show the reader the availability of the assets and the time of maturity of the liabilities.

	2022	2021 (Restated)	Change
Condensed Statement of Net Position			
Current assets			
Cash and cash equivalents	\$ 11,656,559	\$ 11,681,808	\$ (25,249)
Pledges receivable, net	8,365	8,933	(568)
Prepaid expense	107,519	36,791	70,728
Total current assets	<u>11,772,443</u>	<u>11,727,532</u>	<u>44,911</u>
Noncurrent assets			
Investments	1,774,628	2,037,258	(262,630)
Lease assets, net	4,630,015	5,003,832	(373,817)
Capital assets, net	2,012,140	2,282,515	(270,375)
Total noncurrent assets	<u>8,416,783</u>	<u>9,323,605</u>	<u>(906,822)</u>
Total assets	<u>20,189,226</u>	<u>21,051,137</u>	<u>(861,911)</u>
Current liabilities			
Accounts payable, accrued expenses, and accrued payroll	356,196	304,372	51,824
Lease liability – current	180,092	177,477	2,615
Total current liabilities	<u>536,288</u>	<u>481,849</u>	<u>54,439</u>
Lease liability	<u>4,848,239</u>	<u>5,019,174</u>	<u>(170,935)</u>
Total liabilities	<u>5,384,527</u>	<u>5,501,023</u>	<u>(116,496)</u>
Net position			
Net investment in capital assets	1,613,824	2,089,696	(475,872)
Restricted	72,869	72,869	-
Unrestricted	<u>13,118,006</u>	<u>13,387,549</u>	<u>(269,543)</u>
Total net position	<u>\$ 14,804,699</u>	<u>\$ 15,550,114</u>	<u>\$ (745,415)</u>

	2021 (Restated)	2020	Change
Condensed Statement of Net Position			
Current assets			
Cash and cash equivalents	\$ 11,681,808	\$ 10,810,850	\$ 870,958
Pledges receivable, net	8,933	12,848	(3,915)
Prepaid expense	36,791	110,226	(73,435)
Total current assets	<u>11,727,532</u>	<u>10,933,924</u>	<u>793,608</u>
Noncurrent assets			
Investments	2,037,258	1,688,269	348,989
Lease assets, net	5,003,832	-	5,003,832
Capital assets, net	2,282,515	2,632,543	(350,028)
Total noncurrent assets	<u>9,323,605</u>	<u>4,320,812</u>	<u>5,002,793</u>
Total assets	<u>21,051,137</u>	<u>15,254,736</u>	<u>5,796,401</u>
Current liabilities			
Accounts payable, accrued expenses, and other	304,372	318,258	(13,886)
Lease liability - current	177,477	-	177,477
Total current liabilities	<u>481,849</u>	<u>318,258</u>	<u>163,591</u>
Lease liability	<u>5,019,174</u>	<u>-</u>	<u>5,019,174</u>
Total liabilities	<u>5,501,023</u>	<u>318,258</u>	<u>5,182,765</u>
Net position			
Net investment in capital assets	2,089,696	2,632,543	(542,847)
Restricted	72,869	72,869	-
Unrestricted	13,387,549	12,231,066	1,156,483
Total net position	<u>\$ 15,550,114</u>	<u>\$ 14,936,478</u>	<u>\$ 613,636</u>

The assets section of the statement of net position has two basic sections, current and noncurrent. They include the following:

CURRENT ASSETS

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in University and/or Foundation bank accounts and investments in term investments with original maturities of three months or less from the date of acquisition.

Accounts Receivable

Accounts receivable are primarily amounts due from federal, state, and private granting agencies, but also may include trade receivables.

Pledges Receivable

Unconditional gifts expected to be collected within one year are reported as current pledges receivable at their net realizable value. Unconditional gifts expected to be collected in future years are reported as noncurrent pledges receivable at the present value of estimated future cash flows and net of allowance for uncollectible pledges. The resulting discount is amortized using the level-yield method.

Prepaid Expenses

Prepaid expenses are costs that relate to activities applicable to future periods. The items reported in this category will be converted to the use of the Stations within the next fiscal year.

NONCURRENT ASSETS

Investments

Investments with maturities that exceed one year are reported in this category. Endowment funds and funds treated as endowment by the Stations are held by the Foundation and managed as a pooled investment fund. The investment pool includes equity securities and debt securities, which are carried at fair value.

Capital Assets, Net

Capital assets consist of buildings and equipment, net of accumulated depreciation. Most years will include modest increases in equipment. Significant increases in equipment and other capital categories typically occur in conjunction with the receipt of external capital gifts and grants.

	KSMU	OPT	2022	2021	Change
Buildings and improvements	\$ 140,246	\$ 481,398	\$ 621,644	\$ 621,644	\$ -
Towers and transmitters	603,646	2,598,259	3,201,905	3,201,905	-
Fixed equipment	148,973	830,206	979,179	979,179	-
Equipment	464,994	2,016,080	2,481,074	2,739,501	(258,427)
Construction in progress	-	-	-	-	-
	<u>1,357,859</u>	<u>5,925,943</u>	<u>7,283,802</u>	<u>7,542,229</u>	<u>(258,427)</u>
Accumulated depreciation	<u>(1,312,731)</u>	<u>(3,958,931)</u>	<u>(5,271,662)</u>	<u>(5,259,714)</u>	<u>(11,948)</u>
	<u>\$ 45,128</u>	<u>\$ 1,967,012</u>	<u>\$ 2,012,140</u>	<u>\$ 2,282,515</u>	<u>\$ (270,375)</u>
	KSMU	OPT	2021	2020	Change
Buildings and improvements	\$ 140,246	\$ 481,398	\$ 621,644	\$ 621,644	\$ -
Towers and transmitters	603,646	2,598,259	3,201,905	1,353,527	1,848,378
Fixed equipment	148,973	830,206	979,179	979,179	-
Equipment	472,893	2,266,608	2,739,501	3,516,652	(777,151)
Construction in progress	-	-	-	2,293,812	(2,293,812)
	<u>1,365,758</u>	<u>6,176,471</u>	<u>7,542,229</u>	<u>8,764,814</u>	<u>(1,222,585)</u>
Accumulated depreciation	<u>(1,327,311)</u>	<u>(3,932,403)</u>	<u>(5,259,714)</u>	<u>(6,132,271)</u>	<u>872,557</u>
	<u>\$ 38,447</u>	<u>\$ 2,244,068</u>	<u>\$ 2,282,515</u>	<u>\$ 2,632,543</u>	<u>\$ (350,028)</u>

Decrease in net capital assets occurred in 2022 and 2021.

The liabilities section of the statement of net position has two sections, current and noncurrent. There were no noncurrent liabilities at June 30, 2022, 2021, or 2020.

CURRENT LIABILITIES

Accounts Payable, Accrued Expenses, and Accrued Payroll

Accounts payable and accrued liabilities represent amounts that were due at June 30, 2022, 2021, and 2020, for goods and services received prior to the end of the fiscal year. They include regular trade payables in the process of payment and accrued payroll. The accrued payroll included salaries earned but not paid at June 30, 2022, 2021, and 2020, as well as an accrual for accumulated vacation and sick pay.

NET POSITION

Net position represents the difference between the Stations' assets and liabilities. Net position is broken down by net investment in capital assets, restricted – nonexpendable, restricted – expendable, and unrestricted.

Restricted are those amounts whose purpose has been determined by an outside party. The nonexpendable portion represents the amount of gifts to Broadcast Services permanently restricted by the donors as endowment. The Foundation manages this money and provides investment return for the operations of the Stations. The expendable amount represents grants and contracts from third-party agencies with expenditure restrictions that will be released as time and purpose restrictions are met.

Unrestricted represent those balances from operational activities that have not been restricted by parties external to the University such as granting agencies. This includes funds that have been designated by the governing Board for specific purposes as well as amounts that have been contractually committed for goods and services that have not yet been received.

	2022	2021 (Restated)	Change
Net Position as of June 30			
Net investment in capital assets	\$ 1,613,824	\$ 2,089,696	\$ (475,872)
Restricted	72,869	72,869	-
Unrestricted	13,118,006	13,387,549	(269,543)
Total net position	<u>\$ 14,804,699</u>	<u>\$ 15,550,114</u>	<u>\$ (745,415)</u>
	2021 (Restated)	2020	Change
Net Position as of June 30			
Net investment in capital assets	\$ 2,089,696	\$ 2,632,543	\$ (542,847)
Restricted	72,869	72,869	-
Unrestricted	13,387,549	12,231,066	1,156,483
Total net position	<u>\$ 15,550,114</u>	<u>\$ 14,936,478</u>	<u>\$ 613,636</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The statement of revenues, expenses, and changes in net position presents the operating results of the Stations, as well as the nonoperating revenues and expenses. Annual state appropriations, while budgeted for operations, are considered nonoperating revenues according to accounting principles generally accepted in the United States of America.

	2022	2021 (Restated)	Change
Condensed Statements			
Operating revenues	\$ 1,100,062	\$ 1,047,826	\$ 52,236
Operating expenses	5,263,519	5,236,196	27,323
Operating loss	<u>(4,163,457)</u>	<u>(4,188,370)</u>	<u>24,913</u>
Nonoperating revenues (expenses)			
Gifts, memberships, fundraising, and underwriting	2,172,550	2,280,561	(108,011)
University allocations	486,595	486,595	-
University indirect administrative support	588,466	649,456	(60,990)
Federal and nongovernmental grants	-	693,617	(693,617)
Other	132,036	655,805	(523,769)
Net nonoperating revenues	<u>3,379,647</u>	<u>4,766,034</u>	<u>(1,386,387)</u>
Income (loss) before other revenues, expenses, gains, or losses	(783,810)	577,664	(1,361,474)
Capital grants	38,395	35,972	2,423
Increase in net position	<u>(745,415)</u>	<u>613,636</u>	<u>(1,359,051)</u>
Net position, beginning of year	<u>15,550,114</u>	<u>14,936,478</u>	<u>613,636</u>
Net position, end of year	<u>\$ 14,804,699</u>	<u>\$ 15,550,114</u>	<u>\$ (745,415)</u>
	2021 (Restated)	2020	Change
Condensed Statements			
Operating revenues	\$ 1,047,826	\$ 1,342,777	\$ (294,951)
Operating expenses	5,236,196	4,999,867	236,329
Operating loss	<u>(4,188,370)</u>	<u>(3,657,090)</u>	<u>(531,280)</u>
Nonoperating revenues (expenses)			
Gifts, memberships, fundraising, and underwriting	2,280,561	2,139,260	141,301
University allocations	486,595	486,595	-
University indirect administrative support	649,456	645,824	3,632
Federal and nongovernmental grants	693,617	-	693,617
Other	655,805	277,996	377,809
Net nonoperating revenues	<u>4,766,034</u>	<u>3,549,675</u>	<u>1,216,359</u>
Income (loss) before other revenues, expenses, gains, or losses	577,664	(107,415)	685,079
Capital grants	35,972	167,351	(131,379)
Increase in net position	<u>613,636</u>	<u>59,936</u>	<u>553,700</u>
Net position, beginning of year	<u>14,936,478</u>	<u>14,876,542</u>	<u>59,936</u>
Net position, end of year	<u>\$ 15,550,114</u>	<u>\$ 14,936,478</u>	<u>\$ 613,636</u>

OPERATING REVENUES AND EXPENSES

In 2022, KSMU experienced an increase in operating loss. KSMU had an increase in operating revenues and an increase in operating expenses. OPT had an increase in operating revenue and a decrease in operating expenses. These changes were due to normal operating fluctuations and reflected an increase of 11 percent for KSMU and a decrease of 6 percent for OPT in the operating loss. OPT's share of the operating loss was 65 percent in the current year and prior year.

In 2021, KSMU experienced a decrease in operating loss. KSMU had a decrease in operating revenues and a decrease in operating expenses. OPT had a decrease in operating revenue and a decrease in operating expenses. These changes were due to normal operating fluctuations and reflected a decrease of 15 percent for KSMU and decrease of 5 percent for OPT in the operating loss. OPT's share of the operating loss was 65 percent and 64 percent in the current year and prior year, respectively.

	KSMU	OPT	2022	KSMU (Restated)	OPT (Restated)	2021 (Restated)
Operating revenues	\$ 140,223	\$ 959,839	\$ 1,100,062	\$ 129,059	\$ 918,767	\$ 1,047,826
Operating expenses	1,601,450	3,662,069	5,263,519	1,450,595	3,785,601	5,236,196
Operating loss	<u>\$ (1,461,227)</u>	<u>\$ (2,702,230)</u>	<u>\$ (4,163,457)</u>	<u>\$ (1,321,536)</u>	<u>\$ (2,866,834)</u>	<u>\$ (4,188,370)</u>
	KSMU (Restated)	OPT (Restated)	2021 (Restated)	KSMU	OPT	2020
Operating revenues	\$ 129,059	\$ 918,767	\$ 1,047,826	\$ 225,015	\$ 1,117,762	\$ 1,342,777
Operating expenses	1,450,595	3,785,601	5,236,196	1,529,973	3,469,894	4,999,867
Operating loss	<u>\$ (1,321,536)</u>	<u>\$ (2,866,834)</u>	<u>\$ (4,188,370)</u>	<u>\$ (1,304,958)</u>	<u>\$ (2,352,132)</u>	<u>\$ (3,657,090)</u>

Operating Revenues

	KSMU	OPT	2022	2021	Change
Operating Revenues					
Sales and services of educational activities	\$ 8,932	\$ 403	\$ 9,335	\$ 17,607	\$ (8,272)
Grants and contracts	130,273	942,536	1,072,809	1,020,894	51,915
Other	1,018	16,900	17,918	9,325	8,593
Total operating revenues	<u>\$ 140,223</u>	<u>\$ 959,839</u>	<u>\$ 1,100,062</u>	<u>\$ 1,047,826</u>	<u>\$ 52,236</u>
	KSMU	OPT	2021	2020	Change
Operating Revenues					
Sales and services of educational activities	\$ 9,019	\$ 8,588	\$ 17,607	\$ 33,888	\$ (16,281)
Grants and contracts	120,040	900,854	1,020,894	1,248,326	(227,432)
Other	-	9,325	9,325	60,563	(51,238)
Total operating revenues	<u>\$ 129,059</u>	<u>\$ 918,767</u>	<u>\$ 1,047,826</u>	<u>\$ 1,342,777</u>	<u>\$ (294,951)</u>

Sales and Services of Educational Activities

This category includes all revenues derived from providing production and programming projects including services to educational organizations (colleges and universities) as well as rental of towers. There was a decrease of \$8,272 in 2022 primarily attributable to OPT and a decrease of \$16,281 in 2021.

Grants and Contracts

Nongovernmental grants are received from the Corporation for Public Broadcasting (CPB), which provides funding to public broadcasting stations nationally. There is a significant reliance on CPB support that represents a potential risk to ongoing operations. CPB is not a federal agency, but it does receive its funding through federal appropriations and therefore would be dependent upon the federal budgeting process and related political influences. If the Stations meet the qualifying criteria they are entitled to CPB grants. While the grant amounts fluctuate from year to year, historically CPB has been a stable source of revenue, with the Radio Station receiving grants since 1976 and OPT receiving grants since 1975. In 2022, operating grants and contracts increased \$51,915. In 2021, operating grants and contracts decreased \$227,432.

Operating Expenses

Operating expenses are recorded on the accrual basis and reported showing the natural classifications of the expenses. In 2022, the overall change in operating expenses was a 0.5 percent increase of \$27,323 from 2021. In 2022, the decrease was due to normal operating fluctuations. In 2021, the overall change in operating expenses was a 5 percent increase of \$236,329 from 2020. In 2020, the increase was due to normal operating fluctuations. Operating expenses categorized by functional classification are as follows:

	Salaries and Benefits	Supplies and Other Services	Depreciation	2022	2021 (Restated)	Change
Program services						
Local programming and production	\$ 729,515	\$ 1,147,773	\$ -	\$ 1,877,288	\$ 1,747,298	\$ 129,990
Broadcasting	521,250	613,408	-	1,134,658	1,212,285	(77,627)
Program information	45,849	69,708	-	115,557	92,473	23,084
Total program services	1,296,614	1,830,889	-	3,127,503	3,052,056	75,447
Support services						
Fundraising	206,171	343,880	-	550,051	415,081	134,970
Underwriting and grants	211,439	13,216	-	224,655	281,915	(57,260)
Management and general	205,895	434,471	-	640,366	966,520	(326,154)
Total support services	623,505	791,567	-	1,415,072	1,663,516	(248,444)
Depreciation	-	-	720,944	720,944	520,624	200,320
Total operating expenses	<u>\$ 1,920,119</u>	<u>\$ 2,622,456</u>	<u>\$ 720,944</u>	<u>\$ 5,263,519</u>	<u>\$ 5,236,196</u>	<u>\$ 27,323</u>

	Salaries and Benefits (Restated)	Supplies and Other Services (Restated)	Depreciation (Restated)	2021 (Restated)	2020	Change
Program services						
Local programming and production	\$ 637,506	\$ 1,109,792	\$ -	\$ 1,747,298	\$ 1,684,188	\$ 63,110
Broadcasting	496,370	715,915	-	1,212,285	1,450,798	(238,513)
Program information	27,638	64,835	-	92,473	85,690	6,783
Total program services	1,161,514	1,890,542	-	3,052,056	3,220,676	(168,620)
Support services						
Fundraising	207,551	207,530	-	415,081	453,869	(38,788)
Underwriting and grants	274,237	7,678	-	281,915	175,047	106,868
Management and general	176,787	789,733	-	966,520	1,049,087	(82,567)
Total support services	658,575	1,004,941	-	1,663,516	1,678,003	(14,487)
Depreciation	-	-	520,624	520,624	101,188	419,436
Total operating expenses	<u>\$ 1,820,089</u>	<u>\$ 2,895,483</u>	<u>\$ 520,624</u>	<u>\$ 5,236,196</u>	<u>\$ 4,999,867</u>	<u>\$ 236,329</u>

NONOPERATING REVENUES (EXPENSES) NET

While the accounting classification of “nonoperating” revenues is appropriate for financial statement presentation, these sources of income (capital grants and contracts, charitable gifts, fundraising, and underwriting) are vital to the ongoing operations of the Stations. Nonoperating revenues comprised 76 percent of all revenues in 2022, 82 percent of all revenues in 2021, and 73 percent in 2020. Regrouping all revenue sources into major categories indicates the significance of the grants, contracts, gifts, and fundraising revenues.

	2022	2021 (Restated)	Change
Operating revenues	\$ 1,100,062	\$ 1,047,826	\$ 52,236
Nonoperating revenues net and capital gifts/grants	3,418,042	4,802,006	(1,383,964)
Total revenues	<u>\$ 4,518,104</u>	<u>\$ 5,849,832</u>	<u>\$ (1,331,728)</u>
	2021 (Restated)	2020	Change
Operating revenues	\$ 1,047,826	\$ 1,342,777	\$ (294,951)
Nonoperating revenues net and capital gifts/grants	4,802,006	3,717,026	1,084,980
Total revenues	<u>\$ 5,849,832</u>	<u>\$ 5,059,803</u>	<u>\$ 790,029</u>

State Appropriations

The State of Missouri appropriated \$107,881 of funding in 2022 and \$103,788 of funding in 2021 for the Stations.

Capital Grants and Contracts

The Stations may receive grants and contracts from federal, state, and nongovernmental entities to provide for capital purchases or construction. In 2022, the Stations received \$38,395 in capital grants or contracts and \$35,972 in 2021.

Capital Gifts

In 2022 and in 2021, no capital gifts were received.

Gifts, Memberships, Fundraising, and Underwriting

This includes all charitable donations given to the Stations. Missouri State University Foundation has been designated as the gift-receiving arm of all units of the University and all gifts for the Stations are made to the Foundation. Money is transferred to the Stations as specified in gift documents.

Much of the gift revenue comes in the form of memberships, which provide donors with token benefits such as a programming guide, umbrellas, coffee mugs, etc. In 2022, gifts and memberships contributed \$1,697,393, a decrease of \$81,574 from 2021. In 2021, gifts and memberships contributed \$1,778,967, an increase of \$172,174 from 2020. A variety of fundraising events are held throughout the year to provide additional revenues for the Stations as well as to generate community awareness and support. These events have included such activities as auctions and wine tastings. Proceeds in excess of the cost of such events are then available for broadcasting and programming purposes. Auction proceeds net of cost of goods sold, were \$24,528 in 2022, \$20,104 in 2021, and \$12,963 in 2020. Opportunities for foundations, companies, and individuals to associate their names with specific programming of the Stations exist in the form of underwriting. Entities and/or individuals provide underwriting funds to the Stations and in exchange receive acknowledgement of their support as part of the program itself or in written communications about the Stations.

Investment Return, Net

Included in investment income are the earnings from cash placed with investment institutions. The proceeds from those investments have been adjusted to reflect unrealized gains and losses on those investments to adjust the values to bring them in line with the fair market value. Investment return was a gain of \$14,441 in 2022, a gain of \$621,286 in 2021, and a gain of \$184,253 in 2020.

University Support, Other Nonoperating Revenues and Expenses, Gain/Loss on Disposal of Capital Assets

University allocations and indirect administrative support includes administrative support, physical plant services and utilities, and general support for Station operations. These contributions from the University accounted for 24 percent of total revenues in 2021, 20 percent of total revenues in 2021, and 23 percent of total revenues in 2020. In 2022, other nonoperating revenues totaled \$50,776. In 2021, other nonoperating revenues totaled \$706,251. The Stations recognized a gain from disposals of capital assets in 2022 of \$38,355. The Stations did not recognize a gain or loss from disposals of capital assets in 2021 or 2020.

STATEMENT OF CASH FLOWS

The statement of cash flows provides another way to assess the financial health of the Stations. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the Stations during the fiscal year. It helps the user of the statement assess the Stations' ability to generate net cash flows, the ability to meet obligations as they come due, and its need for external financing. The statement of cash flows is presented using the direct method.

	2022	2021 (Restated)	Change
Condensed Statements			
Cash provided by (used in)			
Operating activities	\$ (2,873,454)	\$ (2,697,603)	\$ (175,851)
Noncapital financing activities	2,811,375	3,571,360	(759,985)
Capital and related financing activities	(247,236)	(284,846)	37,610
Investing activities	284,066	282,047	2,019
Net increase (decrease) in cash and cash equivalents	(25,249)	870,958	(896,207)
Cash and Cash Equivalents, Beginning of Year	<u>11,681,808</u>	<u>10,810,850</u>	<u>870,958</u>
Cash and Cash Equivalents, End of Year	<u>\$ 11,656,559</u>	<u>\$ 11,681,808</u>	<u>\$ (25,249)</u>
	2021 (Restated)	2020	Change
Condensed Statements			
Cash provided by (used in)			
Operating activities	\$ (2,697,603)	\$ (2,901,306)	\$ 203,703
Noncapital financing activities	3,571,360	7,815,583	(4,244,223)
Capital and related financing activities	(284,846)	(153,069)	(131,777)
Investing activities	282,047	241,485	40,562
Net increase in cash and cash equivalents	870,958	5,002,693	(4,131,735)
Cash and Cash Equivalents, Beginning of Year	<u>10,810,850</u>	<u>5,808,157</u>	<u>5,002,693</u>
Cash and Cash Equivalents, End of Year	<u>\$ 11,681,808</u>	<u>\$ 10,810,850</u>	<u>\$ 870,958</u>

During 2022, sources of cash came from noncapital financing activities—noncapital gifts, auction proceeds, fundraising and underwriting, and University support. Other components of the University support include allocated in-kind support from the University in the form of space, maintenance, utilities, and administrative support. Major operating uses in 2022 were payments to suppliers and to employees of \$2,064,793 and \$1,907,296, respectively.

During 2021, sources of cash came from noncapital financing activities—noncapital gifts, auction proceeds, fundraising and underwriting, and University support. Other components of the University support include allocated in-kind support from the University in the form of space, maintenance, utilities, and administrative support. Major operating uses in 2021 were payments to suppliers and to employees of \$1,925,576 and \$1,820,980, respectively.

OTHER INFORMATION

The Stations continue to benefit from the economies of scale generated by the merger of KSMU and Ozarks Public Television (OPT). The Stations continue to prioritize the strategic use of resources and employee cross-training to eliminate redundancies and foster efficiencies in daily operations.

Despite ongoing political challenges to federal funding for public broadcasting stations, CPB funding has remained an important source of funding for both KSMU and OPT. Both stations rely heavily on federal funding through CPB. In FY2020 and FY2021, KSMU and OPT received stabilization funds—in addition to their regular federal appropriations—distributed by CPB and funded by the *Coronavirus Aid, Relief, and Economic Security Act* and the *American Rescue Plan Act of 2021*. Those funds were critical in maintaining staffing and services. There were no additional funds distributed in FY2022, and no additional stabilization funding is expected. As uncertainty remains in the national economy, the Stations will need to find ways to counter negative trends in membership. It is vital for the public broadcasting system to continue to make the case for federal support.

Over the past decade, the Stations have seen increased success in membership fundraising due to the implementation of a sustainers program which encourages regular, monthly donations. This has allowed the Stations to become less pledge drive dependent and better project annual membership revenue. The Stations continue to invest in the stewardship of planned gifts, as this revenue stream has been transformational to the health of the Stations, particularly OPT. The Stations are also investing in building a major gifts program to secure major funding for growth and capital investment.

The stable support provided by Missouri State University remains an important factor in maintaining public broadcasting services throughout the Ozarks region. The acquisition of the community-licensed TV station in 2001 by the University was critical to maintaining public television service in this area. The University's long-time operation of the radio station (since 1974) continues to contribute to its operational strength and stability.

Funding provided by the State of Missouri is important, though unpredictable. In the past decade, state funding has been appropriated and then rescinded in some years (FY2020), and withheld entirely in other years (FY2012). This presents challenges for the Stations' operating budgets and ability to plan. The Stations continue to maintain exceptional local service to its audience despite state funding variances, and work closely with other public broadcasting entities throughout the state to make the case for predictable and increased funding as the state budget stabilizes.

Continued federal and state funding is important in enabling the Stations to serve the Ozarks region with NPR and PBS programs, along with local news, outreach, and public affairs programming. The quality of locally produced programming is evidenced by the receipt of numerous honors that include:

- 2022 Public Media Awards Finalist for Cultural Feature: “KWTG Legendary Live Country Radio”
- 2022 Mid-America Emmy Award Nominee for Documentary – Historical: “KWTG Legendary Live Country Radio”
- 2022 Missouri Broadcasters Association First Place for Special Program: “KWTG Legendary Live Country Radio”
- 2022 Missouri Broadcasters Association Certificate of Merit for Special Program: “Missouri! A Bicentennial Celebration”
- 2022 Missouri Broadcasters Association Certificate of Merit for Air Talent: “Arts News with Randy Stewart”
- 2022 Missouri Broadcasters Association Certificate of Merit for Best Local Website: KSMU.org
- 2022 Missouri Broadcasters Association First Place for Documentary/Public Affairs: “Along the Springfield-Greene County African American Heritage Trail”

- 2022 Missouri Broadcasters Association First Place for Feature Reporting: “A Rare Native Bird Makes a Comeback in the Ozarks”
- 2022 Missouri Broadcasters Association Certificate of Merit for News Series: “Stories from the Springfield-Greene County African American Heritage Trail”
- 2021 Missouri Broadcasters Association First Place for Feature Reporting: “Rally for Change”
- 2021 Missouri Broadcasters Association First Place for New Series: “Unsheltered”
- 2021 Missouri Broadcasters Association First Place for Local Website: KSMU.org
- 2021 Missouri Broadcasters Association Certificate of Merit for Feature Reporting: “A Musician Recalls A Childhood Surrounded by Racial Discrimination”
- 2020 Missouri Broadcasters Association First Place for Radio Documentary/Public Affairs: “Let’s Talk About It: Normalizing Mental Health Conversations”
- 2020 Missouri Broadcasters Association First Place for Radio Documentary/Public Affairs: “Let’s Talk About It: Normalizing Mental Health Conversations”
- 2020 Missouri Broadcasters Association First Place for Radio Feature Reporting: “Remembering A Dark Day In Springfield’s Past”
- 2020 Missouri Broadcasters Association Certificate of Merit for Radio Air Talent: Randy Stewart, “Arts News”
- 2020 Missouri Broadcasters Association Certificate of Merit for TV Special Programs: “Marian Days: A Spiritual and Cultural Homecoming”
- 2020 RTNDA Regional Edward R. Murrow Award for News Series: “The Intersection of Poverty and Education”
- 2019 Missouri Broadcasters Association Certificate of Merit for Radio Documentary/Public Affairs or Special Program: “Opportunities for Veterans”
- 2019 Missouri Broadcasters Association Certificate of Merit for Radio Feature Reporting: “The Battles of Newtonia”
- 2019 Missouri Broadcasters Association First Place for Television Documentary/Public Affairs or Special Program: “OzarksWatch Video Magazine – A Celebration of People, Places and Traditions”
- 2019 Public Radio News Directors Inc. (PRNDI) Second Place National Award: “Beyond The Ballot: A 5-Part Missouri-wide Series,” a collaborative project of Missouri public radio stations
- 2019 Blue Cross Blue Shield of Massachusetts Foundation Health Coverage Fellowship Award: Jennifer Moore, KSMU News Director
- 2018 RTNDA Regional Edward R. Murrow Award for Use of Sound: “Quilting in the Ozarks”
- 2018 Missouri Broadcasters Association First Place for Radio News: “Waiting for Care: Severe Shortage in Missouri’s Mental Health Workforce”
- 2018 Missouri Broadcasters Association First Place for TV Documentary: “Missouri State University Baseball—A Winning Tradition”
- 2017 Missouri Broadcasters Association Honorable Mention for Partners in Education: “Passport to Brazil: Agriculture”
- 2016 Missouri Broadcasters Association Merit Award for Documentary/Public Affairs/Special Program: “Ozark Air Lines: The Sky’s the Limit”
- 2016 Regional Edward R. Murrow Award for Best Use of Sound: “How One Teacher is Furthering Local STEM Education, One Prosthetic Arm at a Time”
- 2016 Missouri State Teachers Association’s Communication Awards for Feature: “STEM Education”
- 2015 Springfield Little Theatre Arts Award: Radio “Arts News” and Television local documentary production featuring the arts
- 2015 American Advertising Federation of the Ozarks Silver Award for Documentary Promotion: “Links to the Past, Fairways to the Future”
- 2015 National Educational Television Association Single Video for Promotion: “Tent Theatre—50 Fabulous Seasons”

- 2015 Professional Golf Association (PGA) Midwest Section Special Media Recognition: “Links to the Past, Fairways to the Future” Documentary Production
- 2014 Missouri Broadcasters Association First Place for News Series: “Missouri and the Medicaid Expansion”
- 2014 Missouri Broadcasters Association Merit Award for Documentary: Tent Theatre: 50 Fabulous Seasons”
- 2014 Missouri Broadcasters Association Merit Award for Special Programs: “Community Ties: The Frisco Railroad in Southwest Missouri”
- 2014 Honorable Mention for the Toner Prize for Excellence for Political Reporting: “Missouri’s Option of Expanding Medicaid Under the Affordable Care Act”
- 2013 RTNDA Regional Edward R. Murrow Award for Feature Reporting: “Small Town Finds Closure”
- 2013 Missouri Broadcasters Association First Place for Special Programs: “Around the World, Here at Home”
- 2013 Missouri Broadcasters Association First Place for Feature Reporting: “Saving Joplin’s Trees”
- 2013 Missouri Broadcasters Association First Place for Sports: “On the Fast Track: Racing in the Ozarks”
- 2013 Missouri Broadcasters Association Merit Award for Documentary: “O’Reilly General Hospital: The Hospital with a Soul”
- 2013 Springfield Advertising Association Public Service Campaign for Diversity: “Small World Big Picture”
- 2013 Springfield Advertising Association Best of Show Mosaic Award: “Small World Big Picture”

Digital broadcasting has allowed the Stations to expand offerings on both radio and television. OPT now offers four distinct programming services in Springfield and Joplin: (1) OPT HD – broadcast on 21.1 in Springfield and 26.1 in Joplin; (2) OPT CREATE – broadcast on 21.2 in Springfield and 26.2 in Joplin; (3) OPT KIDS – broadcast on 21.3 in Springfield and 26.3 in Joplin; and (4) OPT WORLD – broadcast on 21.4 in Springfield and 26.4 in Joplin. OPT WORLD was added in April 2020 in response to the dramatically increased need for at-home learning resources created by the pandemic. It quickly became a popular service among viewers of all ages.

Digital technologies present opportunities for public television to further its mission and to continue to bring high quality educational programming to the public. Additional opportunities may include homeland security, public service, and data transmission capabilities. OPT continues its membership in the national organization, America’s Public Television Stations (APTS), which provides leadership in these areas. The station is also evaluating opportunities presented by ATSC 3.0 and will make strategic equipment investments as funding is available.

KSMU offers two distinct programming services in Springfield, Branson, and West Plains: (1) KSMU, featuring news and music; and (2) KSMU HD2, an all jazz music service.

Both the radio and television stations will continue to develop local programming with an emphasis on content that: (1) documents the unique history and culture of the Ozarks region; (2) reflects and celebrates the diversity of the region, and (3) addresses public affairs issues within area communities.

Broadcast Services
Public Broadcasting Entities Operated By
Missouri State University
Statements of Net Position
June 30, 2022 and 2021

Assets

	2022	2021 (Restated – Note 1)
Current Assets		
Cash and cash equivalents	\$ 11,656,559	\$ 11,681,808
Pledges receivable, net	8,365	8,933
Prepaid expenses	107,519	36,791
	<u>11,772,443</u>	<u>11,727,532</u>
Total current assets		
	<u>11,772,443</u>	<u>11,727,532</u>
Noncurrent Assets		
Investments	1,701,759	1,964,389
Restricted investments	72,869	72,869
Lease assets, net	4,630,015	5,003,832
Capital assets, net	2,012,140	2,282,515
	<u>8,416,783</u>	<u>9,323,605</u>
Total noncurrent assets		
	<u>8,416,783</u>	<u>9,323,605</u>
Total assets	<u>20,189,226</u>	<u>21,051,137</u>

Liabilities and Net Position

Current Liabilities		
Accounts payable and accrued expenses	78,249	37,820
Unearned revenue	-	1,427
Lease liability – current	180,092	177,477
Accrued payroll	277,947	265,125
	<u>536,288</u>	<u>481,849</u>
Total current liabilities		
	<u>536,288</u>	<u>481,849</u>
Lease Liability	<u>4,848,239</u>	<u>5,019,174</u>
Total liabilities	<u>5,384,527</u>	<u>5,501,023</u>
Net Position		
Net investment in capital assets	1,613,824	2,089,696
Restricted nonexpendable for operations	72,869	72,869
Unrestricted	13,118,006	13,387,549
	<u>14,804,699</u>	<u>15,550,114</u>
Total net position	<u>\$ 14,804,699</u>	<u>\$ 15,550,114</u>

Broadcast Services
Public Broadcasting Entities Operated By
Missouri State University
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2022 and 2021

	2022	2021 (Restated – Note 1)
Revenues		
Operating revenues		
Sales and services of educational activities	\$ 9,335	\$ 17,607
Federal grants and contracts	1,692	-
Nongovernmental grants and contracts	1,071,117	1,020,894
Other	17,918	9,325
Total operating revenues	<u>1,100,062</u>	<u>1,047,826</u>
Expenses		
Operating expenses		
Salaries and benefits	1,920,119	1,820,089
Supplies and other services	2,622,456	2,895,483
Depreciation and amortization	720,944	520,624
Total operating expenses	<u>5,263,519</u>	<u>5,236,196</u>
Operating Loss	<u>(4,163,457)</u>	<u>(4,188,370)</u>
Nonoperating Revenues (Expenses)		
Gifts and memberships	1,697,393	1,778,967
State appropriations	107,881	103,788
Auction sale proceeds, net of cost of goods sold	24,528	20,104
Underwriting support	450,629	481,490
Investment return, net	14,441	621,286
Interest on capital asset related debt	(79,417)	(81,903)
University allocations	486,595	486,595
University indirect administrative support	588,466	649,456
Federal grants and contracts	-	52,114
Nongovernmental grants and contracts	-	641,503
Other nonoperating revenues	50,776	12,634
Gain on disposal of equipment	38,355	-
Net nonoperating revenues	<u>3,379,647</u>	<u>4,766,034</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(783,810)	577,664
Capital Grants	<u>38,395</u>	<u>35,972</u>
Increase in Net Position	(745,415)	613,636
Net Position, Beginning of Year	<u>15,550,114</u>	<u>14,936,478</u>
Net Position, End of Year	<u><u>\$ 14,804,699</u></u>	<u><u>\$ 15,550,114</u></u>

Broadcast Services
Public Broadcasting Entities Operated By
Missouri State University
Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021 (Restated – Note 1)
Operating Activities		
Sales and services of educational activities	\$ 9,335	\$ 17,607
Federal grants and contracts	1,692	-
Nongovernmental grants and contracts	1,069,690	1,022,021
Payments to suppliers	(2,064,793)	(1,925,576)
Payments to employees	(1,907,296)	(1,820,980)
Other operating receipts	17,918	9,325
	<u>(2,873,454)</u>	<u>(2,697,603)</u>
Net cash used in operating activities		
Noncapital Financing Activities		
State appropriations	107,881	103,788
Gifts received for other than capital purposes	1,690,966	1,773,132
Proceeds from auction sales, net	24,528	20,104
Underwriting support	450,629	481,490
University allocations	486,595	486,595
Nongovernmental grants and contracts	-	641,503
Federal grants and contracts	-	52,114
Other nonoperating revenues	50,776	12,634
	<u>2,811,375</u>	<u>3,571,360</u>
Net cash provided by noncapital financing activities		
Capital and Related Financing Activities		
Purchase of capital assets	(38,397)	(68,572)
Gifts received for capital purposes	38,395	35,972
Principal paid on lease liabilities	(168,320)	(181,499)
Interest paid on lease liabilities	(78,914)	(70,747)
	<u>(247,236)</u>	<u>(284,846)</u>
Net cash used in capital and related financing activities		
Investing Activities		
Interest on investments	284,066	282,047
	<u>284,066</u>	<u>282,047</u>
Net cash provided by investing activities		
Increase (Decrease) in Cash and Cash Equivalents	(25,249)	870,958
Cash and Cash Equivalents, Beginning of Year	<u>11,681,808</u>	<u>10,810,850</u>
Cash and Cash Equivalents, End of Year	<u>\$ 11,656,559</u>	<u>\$ 11,681,808</u>

Broadcast Services
Public Broadcasting Entities Operated By
Missouri State University
Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021 (Restated – Note 1)
Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (4,163,457)	\$ (4,188,370)
Noncash operating expenses	-	272,294
Depreciation and amortization expense	720,944	520,624
Expense of University indirect administrative support	588,466	649,456
Change in operating assets and liabilities		
Prepaid expenses	(70,728)	73,435
Accounts payable and accrued expenses	39,926	(25,278)
Accrued payroll	12,822	(891)
Unearned revenue	(1,427)	1,127
	<u>\$ (2,873,454)</u>	<u>\$ (2,697,603)</u>
Net cash used in operating activities		
	<u>\$ (2,873,454)</u>	<u>\$ (2,697,603)</u>
Supplemental Cash Flows Information		
University indirect administrative support	\$ 588,466	\$ 649,456

Broadcast Services
Public Broadcasting Entities Operated By
Missouri State University
Notes to Financial Statements
June 30, 2022 and 2021

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Broadcast Services, operated by Missouri State University (University), includes KSMU-FM Radio (KSMU-FM) and Ozarks Public Television (OPT), (collectively Stations), member stations of National Public Radio and Public Broadcasting Service, respectively. All amounts contained in this report are included in the financial statements of the University, a component unit of the state of Missouri, or the Missouri State University Foundation (Foundation) as of June 30. As the Stations are part of the University, they are exempt from federal and state income taxes.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The Stations prepare financial statements as a business-type activity in conformity with applicable pronouncements of GASB.

Measurement Focus and Basis of Accounting

The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place while those from government-mandated or voluntary nonexchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements unless they are related to services provided and used internally. The Stations first apply restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Operating revenues of the Stations consists of sales and services of educational activities that include providing educational programming to colleges and universities, certain grants, and rental of towers to cellular companies. Transactions related to capital and financing activities, noncapital financing activities, and investing activities are components of nonoperating revenues and expenses.

Broadcast Services
Public Broadcasting Entities Operated By
Missouri State University
Notes to Financial Statements
June 30, 2022 and 2021

Nonexchange transactions, in which the Stations receive value without directly giving equal value in return, include certain grants and appropriations. Revenues are recognized when all eligibility requirements have been satisfied. Eligibility requirements include timing requirements (which specify the year the resources are required to be used or the year when use is first permitted), matching requirements, and expenditure requirements (in which resources are provided to the Stations on a reimbursement basis).

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

Cash Equivalents

The Stations consider all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2022 and 2021, cash and cash equivalents consisted primarily of pooled cash accounts with the University and the Foundation.

Investments and Investment Return

The Stations account for investments at fair value, as determined by quoted market prices. Changes in unrealized gain (loss) on the carrying value of the investments are reported as a component of investment return in the statements of revenues, expenses, and changes in net position.

Accounts Receivable

Accounts receivable include amounts due from the federal government, state, and local governments, the University, and private sources in connection with reimbursement of allowable expenditures made pursuant to the Stations' grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Pledges Receivable

Unconditional gifts expected to be collected within one year are reported as current pledges receivable at their net realizable value. Unconditional gifts expected to be collected in future years are reported as noncurrent pledges receivable at the present value of estimated future cash flows and net of allowance for uncollectible pledges. The resulting discount is amortized using the level-yield method.

Broadcast Services
Public Broadcasting Entities Operated By
Missouri State University
Notes to Financial Statements
June 30, 2022 and 2021

Capital Assets

Capital assets purchased by the University are recorded at cost at the date of acquisition. Buildings and improvements with a cost in excess of \$200,000 are capitalized. Equipment with a cost in excess of \$5,000 with a useful life greater than one year is capitalized. Donated assets are transferred from the Foundation and are recorded at the acquisition value at the date of donation. Infrastructure assets are included in the financial statements and are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is computed using the straight-line method over the estimated useful life of the asset. Expenditures for construction in progress are capitalized and depreciation on them commences when the project is completed.

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Capital and Lease Asset Impairment

The Stations evaluate capital and lease assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of capital or lease assets has occurred. If a capital or lease asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital (lease) asset historical cost and related accumulated depreciation (amortization) are decreased proportionately such that the net decrease equals the impairment loss.

No asset impairment loss was recognized during the years ended June 30, 2022 and 2021.

Unearned Revenue

Unearned revenue represents amounts received in advance for fundraising activities that will be held in the next fiscal year or grants and contract awards for which the Stations have not met all of the applicable eligibility requirements.

Current Liabilities

Current liabilities include trade accounts payable and accrued expenses (including payroll) incurred in the normal course of operations.

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Compensated Absences

It is the University's policy to permit employees to accumulate earned but unused sick and vacation pay benefits using the vesting method. Accrued vacation is the amount earned by all eligible employees through June 30. All eligible employees can accrue an unlimited amount of sick leave. Employees who retire under one of the University's public retirement plans will be paid for 40 percent of any accumulated unused sick leave rounded up or down to the nearest full day (up to a maximum of 48 days) and the remaining unused sick leave will be reported to Missouri State Employees' Retirement System (MOSERS) for inclusion as creditable service in accordance with MOSERS' policies reporting of unused sick leave. Accrued sick leave is based on a historic factor with these policies taken into consideration.

Net Position

The Stations' net position is classified as follows:

Net investment in capital assets – This represents the Stations' total investment in capital assets net of accumulated depreciation.

Restricted – nonexpendable – Nonexpendable restricted consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted – Unrestricted may be used for any purpose.

Classification of Revenues

The Stations have classified revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues – Operating revenues include activities that have the characteristics of exchange transactions, such as sales and services of educational activities.

Nonoperating revenues – Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions and other revenue sources that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Funds Accounting*, and GASB No. 34, such as state appropriations and investment income.

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In-Kind Contributions

Donated facilities from the University consist of office and studio space. These items, together with related occupancy costs, are recorded in revenue and expenses at estimated fair rental values. Administrative support from the University consists of allocated institutional costs and certain other expenses incurred by the University on behalf of the Stations.

Foundation

The Stations are among the beneficiaries of the Foundation that is a separate legal entity with its own Board of Directors. The Foundation has legal title to all of its assets.

Risk Management

The Stations are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. The Stations are covered under the University's commercial insurance policy that is purchased for claims arising from such matters other than those related to workers' compensation and natural disasters. The state of Missouri self-insures workers' compensation benefits for all state employees, including University and Station employees. Claims are administered by the Missouri Office of Administration, Risk Management Section.

New Accounting Pronouncements Adopted in Fiscal Year 2022

The Stations adopted the following new accounting pronouncements during the year ended June 30, 2022:

GASB Statement No. 87, Leases

In 2022, the Stations adopted GASB Statement No. 87, *Leases*. Under the standard, the lessees will now be required to recognize substantially all long-term leases on the statement of net position as both a right-to-use asset and a lease liability. In addition, lessors will be required to recognize a lease receivable and a deferred inflow of resources. The new standard also requires leases to be evaluated for identification of lease and nonlease components in a contract. As a result of the implementation, the following financial statement line items for fiscal year 2021 were restated:

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	As Restated	As Previously Reported	Effect of Change
Statement of Net Position			
Noncurrent Assets			
Lease assets, net	\$ 5,003,832	\$ -	\$ 5,003,832
Total noncurrent assets	9,323,605	4,319,773	5,003,832
Total assets	21,051,137	16,047,305	5,003,832
Current Liabilities			
Accounts payable and accrued expenses	37,820	26,664	11,156
Lease liability – current	177,477	-	177,477
Total current liabilities	481,849	293,216	188,633
Noncurrent Liabilities			
Lease liability	5,019,174	-	5,019,174
Total liabilities	5,501,023	293,216	5,207,807
Net Position			
Net investment in capital assets	2,089,696	2,282,515	(192,819)
Unrestricted	13,387,549	13,398,705	(11,156)
Total net position	15,550,114	15,754,089	(203,975)
Statement of Revenues, Expenses, and Changes in Net Position			
Operating Expenses			
Supplies and other services	\$ 2,895,483	\$ 3,200,056	\$ (304,573)
Depreciation and amortization	520,624	146,306	374,318
Total operating expenses	5,236,196	5,166,451	69,745
Operating Income (Loss)	(4,188,370)	(4,118,625)	(69,745)
Nonoperating Revenues (Expenses)			
Interest on capital asset-related debt	(81,903)	-	(81,903)
University indirect administrative support	649,456	701,783	(52,327)
Total nonoperating revenues (expenses)	4,766,034	4,900,264	(134,230)
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	577,664	781,639	(203,975)
Increase (Decrease) in Net Position	613,636	817,611	(203,975)
Net Position, End of Year	15,550,114	15,754,089	(203,975)
Statement of Cash Flows			
Operating Activities			
Payments to suppliers	\$ (1,925,576)	\$ (2,177,822)	\$ 252,246
Net cash used in operating activities	(2,697,603)	(2,949,849)	252,246
Capital and Related Financing Activities			
Principal paid on lease liabilities	(181,499)	-	(181,499)
Interest paid on lease liabilities	(70,747)	-	(70,747)
Net cash used in capital and related financing activities	(284,846)	(32,600)	(252,246)
Reconciliation of Operating Revenues (Expenses) to Net Cash Used in Operating Activities			
Operating loss	(4,188,370)	(4,118,625)	(69,745)
Depreciation and amortization expense	520,624	146,306	374,318
Expense of University indirect administrative support	649,456	701,783	(52,327)
Net Cash Used in Operating Activities	(2,697,603)	(2,949,849)	252,246

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Note 2: Deposits, Investments, and Investment Return

Deposits

Deposits consisted of the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents		
Deposits with Foundation	\$ 4,637,730	\$ 4,321,948
Amount due from (due to) University	<u>7,018,829</u>	<u>7,359,860</u>
Total cash and cash equivalents	<u><u>\$ 11,656,559</u></u>	<u><u>\$ 11,681,808</u></u>

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned. Deposits for Broadcast Services are held by the Foundation and University. The Foundation is not required by state law to collateralize its deposits. The Foundation's short-term holdings are in bank savings accounts and money market accounts. Amounts in excess of federally insured limits are exposed to custodial credit risk. The University's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies, or instrumentalities of the state of Missouri; bonds of any city having a population of not less than 2,000, county, school district, or special road district of the state of Missouri; bonds of any state; or a surety bond having an aggregate value at least equal to the amount of the deposits.

Investments

Endowment funds and funds treated as endowment by the Stations are held by the Foundation and managed as a pooled investment fund. The various subsidiary accounts purchase shares in the investment pool when additions are received. The investment pool is operated on a unit market basis. The investment pool includes equity securities and debt securities, which are carried at fair value. The Stations' investments are not classified by custodial credit risk category, as they are not evidenced by securities that exist in physical or book entry form. The Board of Trustees has established an investment policy with the objectives of protecting the principal of these funds and maximizing total investment return without assuming extraordinary risks. It is the goal of the Foundation to provide spendable income levels that are reasonably stable and sufficient to meet budgetary requirements and to maintain a spending rate, currently established at 5.7 percent, which ensures a proper balance between the preservation of corpus and enhancement of the purchasing power of investment earnings.

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The share of the pooled investments held for Broadcast Services consisted of the following at June 30, 2022 and 2021:

	2022	2021
Quasi-endowment	\$ 1,701,759	\$ 1,964,389
Endowment	<u>72,869</u>	<u>72,869</u>
Total investments	<u><u>\$ 1,774,628</u></u>	<u><u>\$ 2,037,258</u></u>

While the Foundation does not invest directly in derivative securities, it may, through investment holdings with various money managers, indirectly hold these securities. The Foundation has significant investments in marketable securities, which are subject to price fluctuation. These instruments could potentially subject the Foundation to significant concentrations of market risk. This risk is controlled through a diversified portfolio and regular monitoring procedures. The Foundation's governing body has interpreted the State of Missouri Prudent Management Act (SPMIFA) as requiring preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

Investment return includes interest income and the net change for the year in the fair value of investments. Investment return for the years ended June 30, 2022 and 2021, consisted of:

	2022	2021
Interest income	\$ 284,066	\$ 282,047
Net realized gains (losses)	-	(14)
Net unrealized gains (losses)	<u>(269,625)</u>	<u>339,253</u>
	<u><u>\$ 14,441</u></u>	<u><u>\$ 621,286</u></u>

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Note 3: Pledges Receivable

Pledges receivable are a credit risk to the extent donors choose not to complete their pledge payments. Pledges receivable consist of the following unconditional promises to give for which eligibility requirements have been met at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Due within one year	\$ 8,584	\$ 9,344
Less		
Allowance for uncollectible pledges	<u>219</u>	<u>411</u>
	<u><u>\$ 8,365</u></u>	<u><u>\$ 8,933</u></u>

Note 4: Capital Assets

Capital assets activity for the years ended June 30, 2022 and 2021, was as follows:

	2022			
	Beginning Balance	Additions	Retirements	Transfers
				Ending Balance
KSMU-FM				
Buildings	\$ 140,246	\$ -	\$ -	\$ 140,246
Towers and transmitters	603,646	-	-	603,646
Fixed equipment	148,973	-	-	148,973
Equipment	<u>472,893</u>	<u>-</u>	<u>7,899</u>	<u>464,994</u>
Total capital assets	1,365,758	-	7,899	1,357,859
Less accumulated depreciation	<u>1,327,311</u>	<u>31,675</u>	<u>46,255</u>	<u>1,312,731</u>
KSMU-FM – capital assets, net	<u>38,447</u>	<u>(31,675)</u>	<u>(38,356)</u>	<u>45,128</u>
OPT				
Building improvements	481,398	-	-	481,398
Towers and transmitters	2,598,259	-	-	2,598,259
Fixed equipment	830,206	-	-	830,206
Equipment	2,266,608	38,395	288,923	2,016,080
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets	6,176,471	38,395	288,923	5,925,943
Less accumulated depreciation	<u>3,932,403</u>	<u>315,451</u>	<u>288,923</u>	<u>3,958,931</u>
OPT – capital assets, net	<u>2,244,068</u>	<u>(277,056)</u>	<u>-</u>	<u>1,967,012</u>
Broadcast Services – capital assets, net	<u><u>\$ 2,282,515</u></u>	<u><u>\$ (308,731)</u></u>	<u><u>\$ (38,356)</u></u>	<u><u>\$ 2,012,140</u></u>

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	2021				Ending Balance
	Beginning Balance	Additions	Retirements	Transfers	
KSMU-FM					
Buildings	\$ 140,246	\$ -	\$ -	\$ -	\$ 140,246
Towers and transmitters	654,588	-	11,778	(39,164)	603,646
Fixed equipment	148,973	-	-	-	148,973
Equipment	476,890	-	43,161	39,164	472,893
Total capital assets	1,420,697	-	54,939	-	1,365,758
Less accumulated depreciation	1,349,244	33,006	54,939	-	1,327,311
KSMU-FM – capital assets, net	71,453	(33,006)	-	-	38,447
OPT					
Building improvements	481,398	-	-	-	481,398
Towers and transmitters	698,939	32,600	154,798	2,021,518	2,598,259
Fixed equipment	830,206	-	-	-	830,206
Equipment	3,039,762	35,972	809,126	-	2,266,608
Construction in progress	2,293,812	-	272,294	(2,021,518)	-
Total capital assets	7,344,117	68,572	1,236,218	-	6,176,471
Less accumulated depreciation	4,783,027	113,300	963,924	-	3,932,403
OPT – capital assets, net	2,561,090	(44,728)	272,294	-	2,244,068
Broadcast Services – capital assets, net	<u>\$ 2,632,543</u>	<u>\$ (77,734)</u>	<u>\$ 272,294</u>	<u>\$ -</u>	<u>\$ 2,282,515</u>

Note 5: Lease Assets

Lease asset activity for the year ended June 30, 2022 was as follows:

	2022				Ending Balance
	Beginning Balance	Additions	Retirements	Transfers	
KSMU-FM					
Towers and transmitters	\$ 355,166	\$ -	\$ -	\$ -	\$ 355,166
Less accumulated amortization	39,452	38,951	-	-	78,403
KSMU-FM – lease assets, net	315,714	(38,951)	-	-	276,763
OPT					
Towers and transmitters	5,022,984	-	-	-	5,022,984
Less accumulated amortization	334,866	334,866	-	-	669,732
OPT – lease assets, net	4,688,118	(334,866)	-	-	4,353,252
Broadcast Services – lease assets, net	<u>\$ 5,003,832</u>	<u>\$ (373,817)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,630,015</u>

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Lease asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	2021			Ending Balance
		Additions	Retirements	Transfers	
KSMU-FM					
Towers and transmitters	\$ 355,166	\$ -	\$ -	\$ -	\$ 355,166
Less accumulated amortization	-	39,452	-	-	39,452
KSMU-FM – lease assets, net	355,166	(39,452)	-	-	315,714
OPT					
Towers and transmitters	5,022,984	-	-	-	5,022,984
Less accumulated amortization	-	334,866	-	-	334,866
OPT – lease assets, net	5,022,984	(334,866)	-	-	4,688,118
Broadcast Services – lease assets, net	\$ 5,378,150	\$ (374,318)	\$ -	\$ -	\$ 5,003,832

Note 6: Lease Liabilities

The Stations lease broadcasting towers, the terms of which expire in various years through 2040. Variable payments of certain leases are based upon the Consumer Price index (Index). The leases were measured based upon the Index at lease commencement. Variable payments based upon the use of the underlying asset are not included in the lease liability because that are not fixed in substance.

During the years ended June 30, 2022 and 2021, the Stations did not recognize rental expense for various payments not previously included in the measurement of the lease liability.

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The following is a schedule by year of payments under the leases as of June 30, 2022:

Year ending June 30,	Principal	Interest	Total to be Paid
2023	\$ 180,092	\$ 77,002	\$ 257,094
2024	183,163	74,243	257,406
2025	193,683	71,323	265,006
2026	206,957	68,202	275,159
2027	220,836	64,869	285,705
2028–2032	1,335,330	266,255	1,601,585
2033–2037	1,783,049	145,295	1,928,344
2038–2042	<u>925,221</u>	<u>16,642</u>	<u>941,863</u>
	<u>\$ 5,028,331</u>	<u>\$ 783,831</u>	<u>\$ 5,812,162</u>

Note 7: Disclosure About Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

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Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2022 and 2021:

		2022		
Description	Total	Level 1	Level 2	Level 3
Pooled investments held by the Foundation	<u>\$ 1,774,628</u>	<u>\$ -</u>	<u>\$ 1,774,628</u>	<u>\$ -</u>
Total investments measured at fair value	<u><u>\$ 1,774,628</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,774,628</u></u>	<u><u>\$ -</u></u>
		2021		
Description	Total	Level 1	Level 2	Level 3
Pooled investments held by the Foundation	<u>\$ 2,037,258</u>	<u>\$ -</u>	<u>\$ 2,037,258</u>	<u>\$ -</u>
Total investments measured at fair value	<u><u>\$ 2,037,258</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,037,258</u></u>	<u><u>\$ -</u></u>

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 are not available, securities are classified within Level 3 of the hierarchy.

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Note 8: Contingencies

Grants

The Stations are currently participating in numerous grants. The expenditures of grant proceeds must be for allowable and eligible purposes. Audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting department or agency, the grants are considered closed.

Note 9: Subsequent Events

Subsequent events have been evaluated through January 12, 2023, which is the date the financial statements were available to be issued.

Supplementary Information

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Schedule of Statement of Revenues, Expenses,
and Changes in Net Position Information by Station
Year Ended June 30, 2022

	KSMU-FM	Ozarks Public Television	Total
Revenues			
Operating revenues			
Sales and services of educational activities	\$ 8,932	\$ 403	\$ 9,335
Federal grants and contracts	1,692	-	1,692
Nongovernmental grants and contracts	128,581	942,536	1,071,117
Other	1,018	16,900	17,918
Total operating revenues	<u>140,223</u>	<u>959,839</u>	<u>1,100,062</u>
Expenses			
Operating expenses			
Salaries and benefits	780,198	1,139,921	1,920,119
Supplies and other services	750,625	1,871,831	2,622,456
Depreciation and amortization	70,627	650,317	720,944
Total operating expenses	<u>1,601,450</u>	<u>3,662,069</u>	<u>5,263,519</u>
Operating Loss	<u>(1,461,227)</u>	<u>(2,702,230)</u>	<u>(4,163,457)</u>
Nonoperating Revenues (Expenses)			
Gifts and memberships	547,916	1,149,477	1,697,393
State appropriations	13,982	93,899	107,881
Auction sale proceeds, net of cost of goods sold	-	24,528	24,528
Underwriting support	329,719	120,910	450,629
Investment return, net	(39,990)	54,431	14,441
Interest on capital asset related debt	(4,581)	(74,836)	(79,417)
University allocations	287,091	199,504	486,595
University indirect administrative support	198,310	390,156	588,466
Other nonoperating revenues	8,948	41,828	50,776
Gain on disposal of equipment	38,355	-	38,355
Net nonoperating revenues	<u>1,379,750</u>	<u>1,999,897</u>	<u>3,379,647</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>(81,477)</u>	<u>(702,333)</u>	<u>(783,810)</u>
Capital Grants	<u>-</u>	<u>38,395</u>	<u>38,395</u>
Increase (Decrease) in Net Position	<u>(81,477)</u>	<u>(663,938)</u>	<u>(745,415)</u>
Net Position, Beginning of Year	<u>1,942,943</u>	<u>13,607,171</u>	<u>15,550,114</u>
Net Position, End of Year	<u>\$ 1,861,466</u>	<u>\$ 12,943,233</u>	<u>\$ 14,804,699</u>

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Schedule of Statement of Revenues, Expenses,
and Changes in Net Position Information by Station
Year Ended June 30, 2021

	KSMU-FM	Ozarks Public Television	Total
Revenues			
Operating revenues			
Sales and services of educational activities	\$ 9,019	\$ 8,588	\$ 17,607
Nongovernmental grants and contracts	120,040	900,854	1,020,894
Other	-	9,325	9,325
Total operating revenues	<u>129,059</u>	<u>918,767</u>	<u>1,047,826</u>
Expenses			
Operating expenses			
Salaries and benefits	700,723	1,119,366	1,820,089
Supplies and other services	677,414	2,218,069	2,895,483
Depreciation and amortization	72,458	448,166	520,624
Total operating expenses	<u>1,450,595</u>	<u>3,785,601</u>	<u>5,236,196</u>
Operating Loss	<u>(1,321,536)</u>	<u>(2,866,834)</u>	<u>(4,188,370)</u>
Nonoperating Revenues (Expenses)			
Gifts and memberships	496,724	1,282,243	1,778,967
State appropriations	13,733	90,055	103,788
Auction sale proceeds, net of cost of goods sold	-	20,104	20,104
Underwriting support	284,761	196,729	481,490
Investment return, net	90,580	530,706	621,286
Interest on capital related debt	(4,815)	(77,088)	(81,903)
University allocations	287,091	199,504	486,595
University indirect administrative support	192,987	456,469	649,456
Federal grants and contracts	12,413	39,701	52,114
Nongovernmental grants and contracts	148,356	493,147	641,503
Other nonoperating revenues	-	12,634	12,634
Net nonoperating revenues	<u>1,521,830</u>	<u>3,244,204</u>	<u>4,766,034</u>
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	<u>200,294</u>	<u>377,370</u>	<u>577,664</u>
Capital Grants	<u>-</u>	<u>35,972</u>	<u>35,972</u>
Increase (Decrease) in Net Position	<u>200,294</u>	<u>413,342</u>	<u>613,636</u>
Net Position, Beginning of Year	<u>1,742,649</u>	<u>13,193,829</u>	<u>14,936,478</u>
Net Position, End of Year	<u>\$ 1,942,943</u>	<u>\$ 13,607,171</u>	<u>\$ 15,550,114</u>

Broadcast Services
Public Broadcasting Entities Operated By
Missouri State University
KSMU-FM Radio Operating Expenses by Function
Year Ended June 30, 2022

	Program Services				Support Services					
	Local Programming and Production	Broadcasting	Program Information	Total Program Services	Fundraising	Underwriting and Grants	Management and General	Total Support Services	Depreciation	Total
Salaries and benefits	\$ 295,548	\$ 163,842	\$ 14,383	\$ 473,773	\$ 97,785	\$ 107,679	\$ 100,961	\$ 306,425	\$ -	\$ 780,198
Supplies and other services	300,083	135,826	894	436,803	90,839	9,287	213,696	313,822	-	750,625
Depreciation and amortization	-	-	-	-	-	-	-	-	70,627	70,627
Total KSMU-FM Radio	<u>\$ 595,631</u>	<u>\$ 299,668</u>	<u>\$ 15,277</u>	<u>\$ 910,576</u>	<u>\$ 188,624</u>	<u>\$ 116,966</u>	<u>\$ 314,657</u>	<u>\$ 620,247</u>	<u>\$ 70,627</u>	<u>\$ 1,601,450</u>

Broadcast Services
Public Broadcasting Entities Operated By
Missouri State University
KSMU-FM Radio Operating Expenses by Function
Year Ended June 30, 2021

	Program Services					Support Services				
	Local Programming and Production	Broadcasting	Program Information	Total Program Services	Fundraising	Underwriting and Grants	Management and General	Total Support Services	Depreciation	Total
Salaries and benefits	\$ 230,458	\$ 155,281	\$ 977	\$ 386,716	\$ 115,554	\$ 113,191	\$ 85,262	\$ 314,007	\$ -	\$ 700,723
Supplies and other services	308,818	70,041	78	378,937	52,122	5,927	240,428	298,477	-	677,414
Depreciation and amortization	-	-	-	-	-	-	-	-	72,458	72,458
Total KSMU-FM Radio	<u>\$ 539,276</u>	<u>\$ 225,322</u>	<u>\$ 1,055</u>	<u>\$ 765,653</u>	<u>\$ 167,676</u>	<u>\$ 119,118</u>	<u>\$ 325,690</u>	<u>\$ 612,484</u>	<u>\$ 72,458</u>	<u>\$ 1,450,595</u>

Broadcast Services
Public Broadcasting Entities Operated By
Missouri State University
Ozarks Public Television Operating Expenses by Function
Year Ended June 30, 2022

	Program Services					Support Services				
	Local Programming and Production	Broadcasting	Program Information	Total Program Services	Fundraising	Underwriting and Grants	Management and General	Total Support Services	Depreciation	Total
Salaries and benefits	\$ 433,967	\$ 357,408	\$ 31,466	\$ 822,841	\$ 108,386	\$ 103,760	\$ 104,934	\$ 317,080	\$ -	\$ 1,139,921
Supplies and other services	847,690	477,582	68,814	1,394,086	253,041	3,929	220,775	477,745	-	1,871,831
Depreciation and amortization	-	-	-	-	-	-	-	-	650,317	650,317
Total Ozarks Public Television	<u>\$ 1,281,657</u>	<u>\$ 834,990</u>	<u>\$ 100,280</u>	<u>\$ 2,216,927</u>	<u>\$ 361,427</u>	<u>\$ 107,689</u>	<u>\$ 325,709</u>	<u>\$ 794,825</u>	<u>\$ 650,317</u>	<u>\$ 3,662,069</u>

Broadcast Services
Public Broadcasting Entities Operated By
Missouri State University
Ozarks Public Television Operating Expenses by Function
Year Ended June 30, 2021

	Program Services				Support Services			Depreciation	Total
	Local Programming and Production	Broadcasting	Program Information	Total Program Services	Fundraising	Underwriting and Grants	Management and General	Total Support Services	
Salaries and benefits	\$ 407,048	\$ 341,089	\$ 26,661	\$ 774,798	\$ 91,997	\$ 161,046	\$ 91,525	\$ 344,568	\$ - \$ 1,119,366
Supplies and other services	800,974	645,874	64,757	1,511,605	155,408	1,751	549,305	706,464	- 2,218,069
Depreciation and amortization	-	-	-	-	-	-	-	-	448,166 448,166
Total Ozarks Public Television	<u>\$ 1,208,022</u>	<u>\$ 986,963</u>	<u>\$ 91,418</u>	<u>\$ 2,286,403</u>	<u>\$ 247,405</u>	<u>\$ 162,797</u>	<u>\$ 640,830</u>	<u>\$ 1,051,032</u>	<u>\$ 448,166 \$ 3,785,601</u>