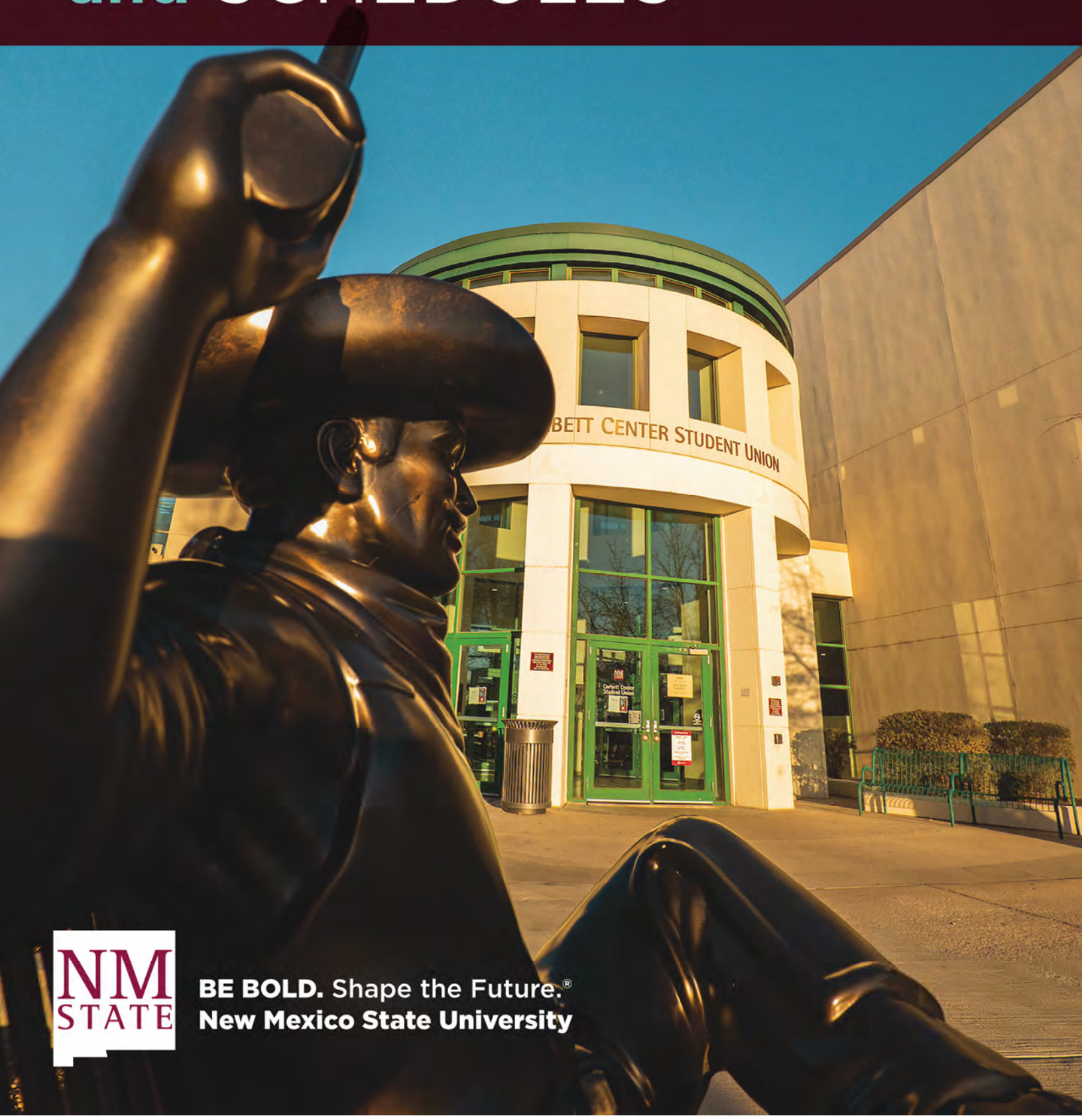


KRWG TV 2022 | 2021

# FINANCIAL STATEMENTS and SCHEDULES



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**New Mexico State University**

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## **Report of Independent Auditors**

The Board of Directors  
KRWG - TV

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of New Mexico State University KRWG-TV (the Station), a department of New Mexico State University, which comprise the statement of net position as of June 30, 2022 and 2021, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of New Mexico State University KRWG-TV, a department of New Mexico State University, as of June 30, 2022 and 2021, and the results of its operations 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 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.

#### ***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 the Station's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Proportionate Share of Net Pension Liability and Employer Contributions (schedule 1), and the Schedule of Changes in Net other Post-Employment Benefits Liability and Related Ratios in accordance with GASB Statement 75 (schedule 2), as 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.

A handwritten signature in dark ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Albuquerque, New Mexico  
December 6, 2022



This discussion and analysis of KRWG-TV (the Station) and its financial performance provides an overview of the Station's financial activities for the fiscal years ended June 30, 2022, 2021 and 2020.

### Using This Annual Report

This annual report contains the following financial statements: Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows. The Station's address is: KRWG-TV, MSC TV 22, P.O. Box 30001, Las Cruces, NM 88003.

### Financial Highlights

The Station's net position increased by \$599,135 for fiscal year 2022 as compared to the decrease of \$769,273 in fiscal year 2021. The increase is due a decrease in the Station's pension obligations. The Station's net position decreased by \$769,273 for fiscal year 2021 as compared to the increase of \$979,549 in fiscal year 2020. The decrease is due to the Station recognizing an increase in pension expenses of \$792,046 due to changes in pension obligations. In addition, the station received \$260,205 emergency stabilization funding from Corporation for Public Broadcasting (CPB) included in the Coronavirus Aid Relief and Economic Security Act (CARES Act).

In fiscal year 2022, the Station's operating expense decreased by \$229,855. This decrease is partially due to a decrease of pension liability and a negative adjustment to pension expenses. In fiscal year 2021, the Station's operating expense increased by \$1,429,457. This increase is partially due to an increase of pension liability, as well as an overall increase in operating expenses. The operating revenues increased in fiscal year 2022 by \$278,326 caused by an increase in CPB grants. The operating revenues decreased in fiscal year 2021 by \$145,644 caused by a decrease in CPB grants. This decrease is due to the negative adjustment to pension expense as well as a decline in overall operating expenses caused by reduced activities as a result of COVID-19. Other non-operating revenues increased in fiscal year 2022 by \$57,400, due to stabilization funding from CPB. The operating revenues decreased in fiscal year 2021 by \$47,632 mainly caused by a decrease in CPB funds recognized.

### Reporting on KRWG-TV's Activities

### Financial Highlights

The Station's condensed financial information as of, and for the years ended June 30, 2022, 2021 and 2020 are provided in the following table:

	2022	2021	2020
Current assets	\$ 3,283,525	\$ 3,262,850	\$ 2,482,894
Other assets	1,023,590	760,716	860,396
Deferred outflow of resources	1,362,878	2,091,402	669,531
<b>Total assets and deferred outflows of resources</b>	<b>\$ 5,669,993</b>	<b>\$ 6,114,968</b>	<b>\$ 4,012,821</b>
Current liabilities	\$ 1,200,409	\$ 1,497,121	\$ 848,149
Noncurrent liabilities	2,329,457	5,140,401	2,924,737
Deferred inflows of resources	2,450,294	386,748	369,964
Net investment in capital assets	790,179	623,135	733,270
Restricted for non-expendable endowments	233,411	137,581	127,126
Restricted for expendable endowments	5,016	5,885	3,897
Unrestricted	(1,338,773)	(1,675,903)	(1,004,322)
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 5,669,993</b>	<b>\$ 6,114,968</b>	<b>\$ 4,002,821</b>
Operating revenues	\$ 981,403	\$ 703,077	\$ 858,721
Operating expenses	3,124,373	3,354,228	1,924,771
<b>Operating loss</b>	<b>(2,142,970)</b>	<b>(2,651,151)</b>	<b>(1,066,050)</b>
Non-operating revenue	1,828,185	1,770,785	1,818,417
Other revenue	913,920	111,093	227,182
<b>Change in net position</b>	<b>599,135</b>	<b>(769,273)</b>	<b>979,549</b>
<b>Net position</b>			
Beginning of year	(909,302)	(140,029)	(1,119,578)
End of year	<b>\$ (310,167)</b>	<b>\$ (909,302)</b>	<b>\$ (140,029)</b>

### **Overview of the Financial Statements**

The Statement of Net Position of KRWG-TV provides information about KRWG-TV's overall financial status. The Statement of Revenues, Expenses, and Change in Net Position provides information about the operating revenues and operating expenses and the non-operating revenues and non-operating expenses of KRWG-TV. The Statement of Cash Flows provides information about the sources and uses of cash.

In 2022 the total assets increased by \$283,549, deferred outflows of resources decreased by \$728,524, total liabilities decreased by \$3,107,656, deferred inflows of resources increased by \$2,063,546 and net position increased by \$599,135. In 2021 the total assets increased by \$680,276, deferred outflows of resources increased by \$1,421,871, total liabilities increased by \$2,854,636, deferred inflows of resources increased by \$16,784 and net position decreased by \$769,273.

### **Statements of Net Position**

**Assets** – In 2022, 2021 and 2020 the majority of the assets were in the form of cash and investments, \$3,453,602, \$3,334,255 and \$2,586,323 respectively. KRWG-FM's fiscal agent, New Mexico State University, holds assets. The University participates in a Common Endowment Pool (Pool) managed by the New Mexico State University Foundation (the Foundation) on behalf of the University.

**Capital Assets** – In 2022, 2021 and 2020, capital assets were \$790,179, \$623,135 and \$733,270, respectively. The increase in 2022 is due to a depreciation expense of \$222,055 offset by additions of \$389,099. The increase in 2022 was largely due to the purchase of terminals, cameras and other television related items. The decrease in 2021 is due to a depreciation expense of \$206,024 offset by additions of \$95,889.

**Liabilities and Net Position** – In 2022, 2021 and 2020 current liabilities were \$1,200,409, \$1,497,121, and \$879,647, respectively. The variance between fiscal year 2022 and 2021 is due to a decrease in unearned income for 2022. The variance between fiscal year 2021 and 2020 is due to an increase in unearned income for 2021. In 2022, 2021 and 2020 non-current liabilities were \$2,329,457, \$5,140,401 and \$2,903,239, respectively. The variance between 2022 and 2021 is due to a decrease in net pension liability per GASB 68 and OPEB liability per GASB 75. The variance between 2021 and 2020 is due to an increase in net pension liability per GASB 68. The net position for 2022, 2021 and 2020 was \$(310,167), \$(909,302) and \$(140,029), respectively. These variances are due to the net pension liability, the other post-employment liability and related deferred outflows of resources and deferred inflows of resources.

The net pension liability, other post-employment benefit liability, deferred outflows of resources and deferred inflows of resources are related to the requirements of GASB 68 and GASB 75.

### **Statement of Revenues, Expenses, and Changes in Net Position**

**Revenues** – Operating revenue earned in 2022, 2021 and 2020 were derived from CPB grants, underwriting, sales, and services. Non-operating revenue was derived from state appropriations, membership receipts, stabilization funds and other gifts and revenue sources.

**Expenses** – Operating expenses incurred in 2022, 2021 and 2020 were derived from salaries and fringe benefits, supplies and services and depreciation expense of capital assets.

This financial report is designed to provide a general overview of KRWG-TV's finances for all those with an interest in KRWG-TV's finances.



**New Mexico State University**  
**KRWG - TV**  
**Statements of Net Position**  
**As of June 30, 2022 and 2021**

	2022	2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,788,983	\$ 1,793,665
Investments	1,431,208	1,403,009
Accounts receivable	57,335	65,959
Prepaid expenses	5,999	217
<b>Total current assets</b>	<u>3,283,525</u>	<u>3,262,850</u>
<b>Non-current assets</b>		
Restricted - investments	233,411	137,581
Capital assets - equipment, net	790,179	623,135
<b>Total non-current assets</b>	<u>1,023,590</u>	<u>760,716</u>
<b>TOTAL ASSETS</b>	<u>4,307,115</u>	<u>4,023,566</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,362,878</u>	<u>2,091,402</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	15,853	61,961
Compensated absences - current portion	18,198	19,966
Unearned revenue	1,166,358	1,415,194
<b>Total current liabilities</b>	<u>1,200,409</u>	<u>1,497,121</u>
<b>Non-current liabilities</b>		
Compensated absences	72,793	79,867
Net pension liability	1,406,595	4,086,008
Other post-employment benefit liability	850,069	974,526
<b>Total non-current liabilities</b>	<u>2,329,457</u>	<u>5,140,401</u>
<b>TOTAL LIABILITIES</b>	<u>3,529,866</u>	<u>6,637,522</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>2,450,294</u>	<u>386,748</u>
<b>NET POSITION</b>		
Net investment in capital assets	790,179	623,135
Restricted for:		
Non-expendable:		
Endowments	233,411	137,581
Expendable:		
Endowments	5,016	5,885
Unrestricted	(1,338,773)	(1,675,903)
<b>TOTAL NET POSITION</b>	<u>\$ (310,167)</u>	<u>\$ (909,302)</u>

# New Mexico State University

## KRWG - TV

### Statements of Revenues, Expenses and Changes in Net Position For the Years Ended June 30, 2022 and 2021

	2022	2021
<b>REVENUES</b>		
<b>Operating revenues</b>		
Public Broadcasting grants	\$ 906,236	\$ 627,271
Other grants	-	5,730
Underwriting	47,996	21,875
Underwriting in-kind fees	448	108
Sales and services	26,723	48,093
<b>Total operating revenues</b>	<b>981,403</b>	<b>703,077</b>
<b>EXPENSES</b>		
<b>Operating expenses</b>		
Programming and production	1,104,575	1,118,056
Broadcasting and technical	279,194	453,048
Management and general	1,496,536	1,456,995
Program services	22,013	120,105
Depreciation expense	222,055	206,024
<b>Total operating expenses</b>	<b>3,124,373</b>	<b>3,354,228</b>
<b>Net operating loss</b>	<b>(2,142,970)</b>	<b>(2,651,151)</b>
<b>Non-operating revenues</b>		
Facilities and administrative support	396,623	457,364
State appropriations	976,000	991,000
Membership and other non-exchange gifts	277,903	320,229
Interest income	5,799	2,192
Emergency stabilization funds	171,860	-
<b>Net non-operating revenues</b>	<b>1,828,185</b>	<b>1,770,785</b>
<b>Loss before other revenues</b>	<b>(314,785)</b>	<b>(880,366)</b>
Capital appropriations	824,757	100,843
Additions to permanent endowments	89,163	10,250
<b>Increase (Decrease) in net position</b>	<b>599,135</b>	<b>(769,273)</b>
<b>NET POSITION</b>		
Beginning of year	(909,302)	(140,029)
End of year	<b>\$ (310,167)</b>	<b>\$ (909,302)</b>

**New Mexico State University**  
**KRWG - TV**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2022 and 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Underwriting	\$ 62,252	\$ (17,919)
Public broadcasting grants	997,867	774,562
Other grants	-	5,730
Payments to suppliers	(1,634,633)	(941,362)
Payments for travel	(5,649)	(2,062)
Payments to employees and for employee benefits	(937,498)	(920,565)
Receipts from sales and services	26,723	48,093
<b>Net cash used in operating activities</b>	<b>(1,490,938)</b>	<b>(1,053,523)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
State appropriations	976,000	991,000
Membership and other non-exchange gifts and grants	277,903	320,229
Private gifts for endowment	89,163	10,250
Emergency stabilization funds	(174,238)	472,830
<b>Net cash provided by non-capital financing activities</b>	<b>1,168,828</b>	<b>1,794,309</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital appropriations	824,757	100,843
Purchases of equipment	(389,099)	(95,889)
<b>Net cash provided by capital and related financing activities</b>	<b>435,658</b>	<b>4,954</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales of investments	652	157
Interest on investments	5,799	2,192
Purchase of investments	(124,681)	(238,426)
<b>Net cash used in investing activities</b>	<b>(118,230)</b>	<b>(236,077)</b>
Net (decrease) increase in cash and cash equivalents	(4,682)	509,663
Cash and cash equivalents - beginning of year	1,793,665	1,284,002
<b>Cash and cash equivalents - end of year</b>	<b>\$ 1,788,983</b>	<b>\$ 1,793,665</b>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating loss	\$ (2,142,970)	\$ (2,651,151)
<b>Adjustments to reconcile operating loss to net cash used in operating activities:</b>		
Facilities and administrative support	396,623	457,364
Depreciation expense	222,055	206,024
<b>Change in assets and liabilities:</b>		
Accounts receivable	8,624	(43,162)
Prepaid expenses	(5,782)	683
Accounts payable and compensated absences	(54,950)	(12,140)
Net pension/OPEB liability and related deferred inflows and outflows of resources	(11,799)	838,200
Unearned revenue	97,261	150,659
<b>Net cash used in operating activities</b>	<b>\$ (1,490,938)</b>	<b>\$ (1,053,523)</b>

## Note 1 – Organization, Nature of Operations and Reporting Entity

New Mexico State University KRWG-TV (the Station) is an unincorporated public telecommunication entity, established in 1972, supported by the Corporation for Public Broadcasting (CPB) and is a department of New Mexico State University (the University) under a license issued by the Federal Communications Commission. These financial statements present only the transactions related to the funds of the Station and do not purport to include the transactions of the University or of the State of New Mexico, of which the University is an enterprise fund.

The Station's purpose is to provide public educational television to the community of Las Cruces, New Mexico and the surrounding areas.

Operating revenues are primarily derived from community service grants from the CPB and underwriting activities.

## Note 2 – Summary of Significant Accounting Policies

**Basis of Presentation.** The Station, being a department of the University, follows generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB). The assets, liabilities and activity of the Station are included in the separately issued financial statements of the University.

**Basis of Accounting.** For financial reporting purposes, the Station's financial statements have been presented in a single column 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, non-exchange transactions are recognized when all applicable eligibility requirements have been met.

**Statement of Net Position.** Current assets consist of unrestricted assets, which are available for current operations or which will be available within one year and restricted assets that will be used in current operations. All other assets are reported as non-current assets. Current liabilities consist of those liabilities that are due within one year.

**Cash and Cash Equivalents.** Cash and cash equivalents consist of cash on hand and current investments, which are defined as investments that are readily convertible to cash or which have an original maturity date within ninety days. Cash of \$1,788,983 and \$1,793,665 is held by the University on behalf of the Station in a cash management pool at June 30, 2022 and 2021, respectively.

The Station follows all University established cash management procedures. In accordance with State of New Mexico Statutes, the University requires a minimum of 50 percent collateralization of all uninsured funds deposited with a financial institution, with the exception of repurchase agreements, which require 102 percent collateralization. All collateral is held in third-party safekeeping in the name of the University.

**Investments.** The Station's investment balances are on deposit with its fiscal agent. The University serves as the fiscal agent for the Station through which the Station participates in a Common Endowment Pool (Pool) managed by the New Mexico State University Foundation (the Foundation) on behalf of the University. Marketable securities are reported at fair value based on quoted market prices, except for certain alternative investments for which quoted market prices are not available. The estimated fair value of these alternative investments is based on the most recent valuations provided by the external investment managers. The Station believes the carrying amount of these financial instruments is a reasonable estimate of the fair value. Investments managed by the Foundation on behalf of the Station totaled \$1,474,630 and \$1,540,590 at June 30, 2022 and 2021, respectively. See Note 3 for further discussion of the relationship with the Foundation.

**Endowments.** The Station participates in the Pool managed by the Foundation on behalf of the University. The pool is subject to the Foundation's investment and spending policies. The Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its non-expendable endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board appropriates such amounts for expenditure. The Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

In accordance with the Foundation's Investment Policy approved by the Board of Directors, a distribution is calculated for the upcoming year as of September 30 of the prior year. The spending formula used is described in the Investment Policy and is composed of the long-term spending rate (currently 4%) applied to the twelve-quarter rolling average based on the market value of the endowment at the end of each fiscal quarter. This amount is then distributed at the end of each calendar year.

**Accounts Receivable.** Accounts receivable includes amounts due from underwriters that received the benefit of an on-air credit but had not paid a reciprocal amount of their pledge as of the fiscal year end. Station management believes all amounts are fully collectible.

**Facilities and Administrative Support.** Donated facilities from the University consist of office and studio space together with related occupancy costs. Administrative support consists of allocated institutional support and operation and maintenance of plant costs incurred by the University on behalf of the Station. The Station recognizes the revenue from donated facilities and administrative support offset by an expense to management and general. Donated facilities and administrative support amounted to \$396,623 and \$457,364 for the years ended June 30, 2022 and 2021, respectively.

**Underwriting In-kind Fees.** For the fiscal years ended June 30, 2022 and 2021, the Station received underwriting in-kind fees of \$448 and \$108. This amount does not meet the requirements of non-federal financial support as outlined by the CPB. These are exchange-type transactions where the station is providing broadcasting spots in exchange for goods and services.

**Capital Assets.** Capital assets, equipment having a minimum value of \$5,000 or greater, are recorded at cost or, if donated by an external source, at acquisition value at the date of donation. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets. Two class lives are used: 6 years and 15 years.

**Current Liabilities.** Current liabilities include accounts payable for goods and services received at the statement of net position date but payment for such goods and services had not been made. Unearned revenues include grant amounts received in excess of the grant revenue recognized through June 30, 2022 and 2021. Unearned revenues also come from underwriting activities as the result of pledges being received in advance of the on-air credits that will be broadcast in the coming fiscal year. The Station did not have any outstanding short-term or long-term debt at June 30, 2022 and 2021.

**Annual and Sick Leave Policies.**

*Annual leave:* Regular full-time exempt and non-exempt employees will earn annual leave at a rate of 21 working days per year. Leave is prorated for regular employees working at least half-time. University policy allows employees to accumulate a maximum of 30 unused annual leave days. Up to 240 hours accumulated annual leave may be carried forward each July 1st, and may be paid upon termination of employment for regular employees only. Effective June 30, 2017, leave accrued in excess of 30 working days at the close of business on June 30 of each year shall be forfeited.

**Sick leave:** Regular full-time exempt and non-exempt employees earn sick leave at a rate of 12 working days per year. Employees may carry forward up to 100 days (800 hours) of sick leave. Prior to July 1, 2016, employees were paid for earned sick leave over 600 hours (not to exceed 200 hours) upon termination. Effective July 1, 2016, the sick leave payout benefit upon termination was discontinued; however, employees with sick leave balances of greater than 600 hours on that date will receive a grandfathered benefit. Upon termination, they will be paid for the number hours over 600 (not to exceed 200 hours) that they had on July 1, 2016 or the number that they have upon termination, whichever is less. The sick leave payment is made at a rate of 50 percent of the employee's straight-time hourly salary.

**Faculty care leave:** The University provides regular nine-month faculty with a paid leave benefit that can be used for any qualifying event under the federal Family and Medical Leave Act (FMLA). This benefit is referred to as "Faculty Care Leave". All regular nine-month faculty are eligible to participate in the benefit. No payment will be provided for accrued Faculty Care Leave balances upon separation from the University nor upon death.

Additions to the compensated absence liability were \$63,763, with \$72,605 of deletions in fiscal year 2022. Additions to the compensated absence liability were \$61,725, with \$69,383 of deletions in fiscal year 2021.

**Pensions.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. 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.

**Other Post Employment Benefits (OPEB).** For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the University contracts with external actuaries utilizing the economic resource measurement focus. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

**Deferred Outflow of Resources.** Consumption of net assets by the University that is applicable to a future reporting period.

**Deferred Inflow of Resources.** Acquisition of net assets by the University that is applicable to a future reporting period.

Amounts reported as deferred outflows of resources and deferred inflows of resources are as follows:

	2022	2021
<b>Deferred Outflows of Resources</b>		
Related to net pension liability	\$ 1,184,314	\$ 1,902,402
Related to OPEB liability	178,564	189,000
<b>Total deferred outflows of resources</b>	<u>\$ 1,362,878</u>	<u>\$ 2,091,402</u>
<b>Deferred Inflows of Resources</b>		
Related to net pension liability	\$ 2,077,270	\$ 155,250
Related to OPEB liability	373,024	231,498
<b>Total deferred outflows of resources</b>	<u>\$ 2,450,294</u>	<u>\$ 386,748</u>



**Net Position.** The University's net position is classified as follows:

- *Net investment in capital assets* represents the total capital assets net of accumulated depreciation used by the Station for operations.
- *Restricted net position, non-expendable* consists of endowment and similar type assets for 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 be expended or added to principal.
- *Restricted net position, expendable* includes endowment resources which the Station is legally or contractually obligated to spend in accordance with restrictions imposed by donors or external third parties.
- *Unrestricted net position* consists of assets that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

**Income Taxes.** The income generated by the University as an instrumentality of the State of New Mexico is generally excluded from federal income taxes under section 115(a) of the Internal Revenue Code. However, the University is subject to taxation on income derived from business activities not substantially related to the University's exempt function (unrelated business income under Internal Revenue Code Section 511); such income is taxed at the normal corporate rate. Contributions to the University are deductible by donors as provided under Section 170 of the Internal Revenue Code.

**Classification of Revenues.**

- *Operating revenues* include activities that have the characteristics of exchange transactions, such as grants from the CPB, underwriting pledges (reported as fundraising revenue) to the extent of broadcasted on-air credits, sales and services and underwriting in-kind fees.

All revenues not meeting this definition are reported as non-operating revenues. Additions to permanent endowments are reported separately as other changes in net position.

**Classification of Expenses.**

- *Operating expenses* include activities that have the characteristics of exchange transactions, such as salaries and fringe benefits, supplies and services and depreciation expense.
- *Non-operating expenses* include activities that have characteristics of non-exchange transactions, such as the disposal of capital assets and other non-operating transactions.

**Use of Estimates.** The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) 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 and expenses during the reporting period. Actual results could differ from those estimates.

### Note 3 - Related Entity

The New Mexico State University Foundation, Inc. (the Foundation) is a non-profit corporation formed for the purpose of obtaining and disbursing funds for the sole benefit of the University, which includes the Station. During the fiscal years ended June 30, 2022 and 2021, the Foundation received \$124,681 and \$225,984 on behalf of the Station through various fund raising endeavors initiated and performed primarily by Station employees and volunteers. Such amounts are reported as underwriting, and membership and other non-exchange gifts in the accompanying Statements of Revenues, Expenses and Changes in Net Position. In addition, in 2022 and 2021, the Foundation invested permanently restricted endowment funds totaling \$233,411 and \$137,581, respectively, on behalf of the Station. Interest earned on endowment funds for fiscal years 2022 and 2021 not available for expenditure totaled \$5,799 and \$2,192, respectively.

### Note 4 – Capital Assets

Capital assets of the Station consist of equipment having an initial cost of \$5,000 or greater and a useful life greater than one year. Donated assets having a fair market value at the date of the gift of \$5,000 or more and a useful life in excess of one year are also recorded as capital assets.

The changes in the capital asset balance for the year ended June 30, 2022 was as follows:

	Balance July 1 2021	Additions	Transfers	Retirements	Balance June 30 2022
Equipment	\$ 4,746,955	\$ 389,099	\$ -	\$ -	\$ 5,136,054
Depreciation	(4,123,820)	(222,055)	-	-	(4,345,875)
Equipment, net	<u>\$ 623,135</u>	<u>\$ 167,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 790,179</u>

The changes in the capital asset balance for the year ended June 30, 2021 was as follows:

	Balance July 1 2020	Additions	Transfers	Retirements	Balance June 30 2021
Equipment	\$ 4,655,906	\$ 95,889	\$ (4,840)	\$ -	\$ 4,746,955
Depreciation	(3,922,636)	(206,024)	4,840	-	(4,123,820)
Equipment, net	<u>\$ 733,270</u>	<u>\$ (110,135)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 623,135</u>

Depreciation expense of \$222,055 and \$206,024 was recognized for the years ended June 30, 2022 and 2021, respectively.

### Note 5 – Retirement Programs

#### A. Educational Retirement Act

**Plan Description.** Substantially all of the University's eligible employees, except those who participate in the Alternative Retirement Plan (ARP), participate in a public employee retirement system authorized under the Educational Retirement Act (ERA) of the State of New Mexico (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits, and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, New Mexico 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

**Funding Policy.** The contribution requirements of plan members and the University are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature.

A summary of member and employer contributions to the Educational Retirement Board is provided below:

	2022	2021	2020
Employee's earning \$24,000 or less:			
University contribution	15.15%	14.15%	14.15%
Employee contribution	7.90%	7.90%	7.90%
Employee's earning more than \$24,000:			
University contribution	15.15%	14.15%	14.15%
Employee contribution	10.70%	10.70%	10.70%
Station's contribution to ERB	\$ 96,568	\$ 89,929	\$ 91,134

For members hired after June 30, 2019, the multiplier applied to the final average compensation will accrue to the following schedule:

Years of Service	Benefit Percentage Earned
1-10	1.35%
11-20	2.35%
21-30	3.35%
31+	2.40%

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

The June 30, 2022 total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2020. The total ERB pension liability was rolled forward from the valuation date to the Plan year June 30, 2021, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2020. At June 30, 2022 and 2021 the Station reported liabilities of \$1,406,595 and \$4,086,008, respectively, for its proportionate share of the net pension liability. The proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2021. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2021, the Stations's proportion was .01985% which was a decrease of .00032% from its proportion measured as of June 30, 2020. At June 30, 2020, the Stations's proportion was .02016% which was a decrease of .00209% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2022, the Station recognized a negative adjustment to pension expense \$32,665 due to changes in pension obligations. At June 30, 2022, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,083,820	\$ 3,464
Changes of assumptions	-	1,513,475
Net difference between projected and actual earnings on pension plan investments	-	475,200
Changes in proportion and differences between Station contributions and proportionate share of contributions	3,926	85,131
Station contributions subsequent to the measurement date	96,568	-
Total	<u>\$ 1,184,314</u>	<u>\$ 2,077,270</u>

For the year ended June 30, 2021, the Station recognized a pension expense of \$792,046. At June 30, 2021, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,366	\$ 15,755
Changes of assumptions	1,637,298	-
Net difference between projected and actual earnings on pension plan investments	138,744	-
Changes in proportion and differences between Station contributions and proportionate share of contributions	11,065	139,495
Station contributions subsequent to the measurement date	89,929	-
Total	<u>\$ 1,902,402</u>	<u>\$ 155,250</u>

The \$96,568 reported as deferred outflows of resources related to pensions resulting from Station contributions subsequent to the measurement date of June 30, 2021 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	
2023	\$ 98,795
2024	454,572
2025	319,446
2026	116,711
	<u>\$ 989,524</u>

**Actuarial assumptions:** As described above, the June 30, 2022 total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2020. The total ERB pension liability was rolled forward from the valuation date to the Plan year June 30, 2021 using generally accepted actuarial principles. Specifically, the liabilities measured as of June 30, 2021 incorporate the following assumptions:

All members with an annual salary of more than \$24,000 will contribute 10.70% during the fiscal year ended June 30, 2021 and thereafter.

Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67. COLAs for most retirees are reduced until ERB attains a 100% funded status. These assumptions were adopted by ERB on April 21, 2017 in conjunction with the six-year experience study period June 30, 2016.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

The actuarial methods and assumptions used to determine total pension liability included in the measurement are as follows:

Inflation	2.30%
Salary Increases	Composition; 2.30% inflation, plus .70% productivity increase rate, plus step rate promotional increases for members with less than 15 years of service
Investment Rate of Return	7.00%
Single Discount Rate	7.00%
Mortality	Healthy Males - RP-2000 GRS Southwest Region Teacher Mortality Table, set back one year and scaled at 95%. Generational mortality improvements in accordance with the Ultimate MP scales are projected from year 2020.  Healthy Females - GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.
Retirement Age	Experienced-based table rates based on age and service. Adopted by NMERB on April 21, 2020 in conjunction with the six- year experience study for the period ended June 30, 2019.
Amortization Method	Level percentage of payroll
Remaining amortization period	Amortized over a closed 30-year period from June 30, 2019, ending June 30, 2049
Actuarial Cost Method	Entry Age Normal

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected change in price (valuation, defaults, etc.); 2) application of key economic projections (inflation, real growth, dividends, etc); and 3) structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changed in price (valuation, defaults, etc.); 2) application of key economic projections (inflation, real growth, dividends, etc); and 3) structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Equities - Domestic	18%	
Equities - International	14%	
Fixed Income	23%	
Alternatives	44%	
Cash	1%	
Total	100%	7.00%

**Discount rate:** A single discount rate of 7.00% and 3.89% was used to measure the total ERB pension liability as of June 30, 2021 and June 30, 2020, respectively. For 2021, the single discount rate was based on an expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. For 2020, the single discount rate was based on the expected rate of return on pension investments of 7.00% a municipal bond rate of 2.45%. Based on the stated assumptions and the projection of cash flows, the Plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members.

Sensitivity of the University's proportionate shares of the net pension liability to changes in the discount rate: The following tables show the sensitivity of the net pension liability to changes in the discount rate as of fiscal year end 2022 and 2021. In particular, the table presents the University's net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower, (6.00%) and (2.89%), or one percentage point higher, (8.00%) and (4.89%) than the single discount rate for June 30, 2021 and 2020, respectively.

	2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Station's proportionate share of the net pension liability	\$ 1,991,582	\$ 1,406,595	\$ 923,162

	2021		
	1% Decrease (2.89%)	Current Discount Rate (3.89%)	1% Increase (4.89%)
Station's proportionate share of the net pension liability	\$ 5,160,183	\$ 4,086,008	\$ 3,221,764

**Pension plan fiduciary net position:** Detailed information about the ERB's fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2021 and 2020 which are publicly available at [www.nmerb.org](http://www.nmerb.org).



## Note 6 - Other Postemployment Benefits Plan

**Plan Description.** New Mexico State University is a single employer that offers employees and their eligible dependents retiree benefits. This is an unfunded OPEB plan operating on a pay as you go basis. The authority to establish and amend the benefit provisions rests with the Board of Regents.

Retirees, who have had 10 consecutive years of health insurance coverage with the Station at the time of retirement, are offered the opportunity to participate in a fully-insured PPO medical plan, including prescription drugs. Medicare retirees (for retirees 65 years of age and over) are offered the opportunity to participate in a Medicare carve-out medical plan, including prescription drugs. Eligible retired employees may select a Life Insurance benefit up to \$10,000. All premiums for life insurance are paid by the retiree.

The University currently pays 60% of the monthly medical and prescription premium for retirees and their eligible dependents until the retiree reaches age 70, at which time the University reduces their contribution to 30%. As of June 30, 2022 and 2021, 1,450 and 1,438 retirees met the eligibility requirements for health insurance, respectively.

Employees hired after June 30, 2016 are not offered this benefit.

**Plan Participation Percentage.** The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 85% of all pre Medicare employees and their dependents who are eligible for early retirement will participate in the retiree medical plan. It is also assumed that 80% of those enrolled in the pre Medicare plans will continue on the plan once Medicare eligible. Lastly, it is assumed that 88% of all pre Medicare employees who are eligible for the retiree life insurance benefit will participate, and 91% of those enrolled will continue on the plan once Medicare eligible. This assumes that a one-time irrevocable election to participate is made at retirement.

Employees covered by benefit terms - At June 30, 2022 and 2021, the following employees were covered by the benefit terms:

	2022	2021
University's current retirees receiving benefits	1,779	1,880
Inactive employees entitled but not yet receiving benefits	-	-
Station's current active members	11	11

Current retirees receiving benefits are not tracked at the department level however they are tracked University wide. The number above for current retirees receiving benefits represent the University retirees and current active members are represented by the Stations active employees.

**Annual OPEB Cost and total OPEB Obligation.** The Stations's annual other postemployment benefit (OPEB) Service/Interest cost (expense) is the portion of the Actuarial Present Value of plan benefits and expenses for active employees which is allocated to a valuation year by the Actuarial Cost Method. The following table shows the components of the Station's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Station's total OPEB obligation related for fiscal year 2022:

	Total OPEB Liability
<b>Total OPEB Liability - Start of Year (July 1, 2021)</b>	<b>\$ 974,526</b>
Changes for the year	
Service cost	44,144
Interest cost	24,950
Differences between expected and actual experience	(131,943)
Changes in assumptions or other inputs	(182,153)
Changes in proportion	152,343
Benefit payments	(31,797)
Net change in total OPEB liability	(124,456)
Total OPEB Liability - End of Year (June 30,2022)	<u>\$ 850,070</u>

The total OPEB liability and sensitive information were based on an annual actuarial valuation performed as of June 30, 2022.

The following table shows the components of the Station's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Station's total OPEB obligation related for fiscal year 2021:

	Total OPEB Liability
<b>Total OPEB Liability - Start of Year (July 1, 2020)</b>	<b>\$ 1,131,394</b>
Changes for the year	
Service cost	36,877
Interest cost	21,258
Changes in assumptions or other inputs	7,604
Changes in proportion	(190,150)
Benefit payments	(32,457)
Net change in total OPEB liability	(156,868)
Total OPEB Liability - End of Year (June 30,2021)	<u>\$ 974,526</u>

The total OPEB liability and sensitive information were based on an annual actuarial valuation performed as of June 30, 2021. The discount rate is the only applicable change in the valuation.

A summary of the key results are shown below for fiscal year ended June 30, 2022 and 2021:

	2022	2021
Present Value of Future Benefits	\$ 1,041,725	\$ 1,237,841
Total OPEB Liability (Beginning of Fiscal Year)	\$ 974,526	\$ 1,131,394
Total OPEB Liability (End of Fiscal Year)	\$ 850,070	\$ 974,526

For the year ended June 30, 2022 the Station recognized an OPEB expense of \$27,505. At June 30, 2022, the Station reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 119,865
Changes of assumptions	53,315	141,320
Changes in proportion	125,249	111,839
Total	<u>\$ 178,564</u>	<u>\$ 373,024</u>

For the year ended June 30, 2021 the Station recognized an OPEB expense of \$46,154. At June 30, 2021, the Station reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 36,694
Changes of assumptions	98,141	7,140
Changes in proportion	90,859	187,664
Total	<u>\$ 189,000</u>	<u>\$ 231,498</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	
2023	\$ (56,531)
2024	(70,497)
2025	(45,516)
2026	(21,914)
	<u>\$ (194,458)</u>

**Actuarial Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The Entry Age Normal Actuarial Cost Method was used based on level percentage of projected salary. The OPEB liability is based on an actuarial valuation performed as of June 30, 2022, conducted in accordance with generally accepted actuarial principles.

The actuarial methods and assumptions used to determine the total OPEB liability included in the measurement are as follows:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Discount Rate	2.16% per annum (BOY) 3.54% per annum (EOY) <i>Source: Bond Buyer 20-Bond GO Index</i>
Salary Increase Rate	2.5% per annum
Medicare Eligibility	All current and future retirees are assumed to be eligible for Medicare at age 65
Health Care Cost Trend Rate	The actuarial valuation assumes an annual health care cost trend on a select and ultimate basis. Medical and prescription benefits on a select basis at 6.5% for retirees 65 years of age and under and 5.5% for retirees over 65 years of age and on an ultimate basis at 4.25%. The select trend rates are reduced .25% each year until reaching the ultimate trend.
Per Capita Health Claim Cost	Expected pre Medicare retiree claim costs were developed by applying age adjustments to the current fully insured premiums. The annual age 60 claim costs for retirees and their spouses is \$7,704. The age 70 costs for retirees is \$3,132.
Mortality Rate	Pub-2010 mortality table with generational scale MP-2021.

**Discount Rate.** A single discount rate of 3.54% and 2.16% was used to measure the total OPEB liability as of June 30, 2022 and 2021, respectively.

**Other Information.** The discount rate was updated from the prior valuation. Termination rates were updated to the rates from the 2021 NMERB Actuarial Valuation. The trend rates were rest to an initial rate of 6.50% (5.50% for post-Medicare), grading down by 0.25% per year until reaching the ultimate rate of 4.25% based on current Healthcare Analytics Consulting. The mortality projection scale was updated from MP-2019 to MP-2020 to reflect the Society of Actuaries' recent mortality study. The Plan participation rates were updated to reflect the participation trend. Currently, the plans are considered to be unfunded as there are no assets and retiree benefits are expected to be paid annually on a cash basis.

**Health Care Trend Sensitivity Analysis.** The following schedules measures the total OPEB Liability if the health care cost trend rate used was 1% higher than the assumed health care cost trend rate and 1% lower than the assumed health care cost trend rate for June 30, 2022 and 2021, respectively.

2022			
	1% Decrease	Current Trend	1% Increase
Station's total OPEB liability	\$ 742,787	\$ 850,070	\$ 984,544

2021			
	1% Decrease	Current Trend	1% Increase
Station's total OPEB liability	\$ 836,318	\$ 974,526	\$ 1,152,707

**Discount Rate Sensitivity Analysis.** The following tables show the sensitivity of the OPEB liability to changes in the discount rate as of fiscal year end 2022 and 2021. In particular, the table presents the Station's OPEB liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower, (4.54%) and (1.16%), or one percentage point higher, (2.54%) and (3.16%) than the single discount rate for June 30, 2022 and 2021, respectively.

2022			
	1% Decrease (4.54%)	Current Discount Rate 3.54%	1% Increase (2.54%)
Station's total OPEB liability	\$ 978,683	\$ 850,070	\$ 746,259

2021			
	1% Decrease (1.16%)	Current Discount Rate 2.16%	1% Increase (3.16%)
Station's total OPEB liability	\$ 1,147,803	\$ 974,526	\$ 838,480

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Changes in total OPEB liability and Related Ratios in accordance with GASB 75 (Schedule 2), presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### Note 7 – Risk Management

Through the University the Station participates in the State of New Mexico Risk Management Program (Risk Management) which provides liability and physical damage coverage. Risk Management program liability coverage includes most employee liability claims (excluding awards for wages); other claims falling outside this State program are generally covered under the University's supplementary liability coverage. After conferring with legal counsel concerning pending or threatened litigation and claims, the Station administration believes the outcome of pending or threatened litigation should not have a material adverse effect on the financial position or operations of the Station.

**Schedule 1 - Schedule of Proportionate Share of Net Pension Liability and Employer Contributions**  
(unaudited)

**Schedule of Proportionate Share of Net Pension Liability - ERB Plan**

	2022	2021	2020	2019
Station's proportion of the net pension liability	0.01985%	0.02016%	0.02225%	0.02199%
Station's proportion share of the net pension liability	\$ 1,406,595	\$ 4,086,008	\$ 1,685,852	\$ 2,614,380
Station's covered-employee payroll	\$ 635,540	\$ 644,067	\$ 650,446	\$ 608,178
Station's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	221.32 %	634.41 %	259.18 %	429.87 %
Plan fiduciary net position as a percentage of the total pension liability	69.77%	39.11%	64.13%	52.17%

	2018	2017	2016	2015
Station's proportion of the net pension liability	0.02499%	0.02258%	0.02414%	0.02387%
Station's proportion share of the net pension liability	\$ 2,777,256	\$ 1,624,600	\$ 1,563,612	\$ 1,361,781
Station's covered-employee payroll	\$ 701,702	\$ 643,440	\$ 683,466	\$ 657,860
Station's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	395.79 %	252.49 %	228.78 %	207.00 %
Plan fiduciary net position as a percentage of the total pension liability	52.95%	61.58%	63.97%	66.54%

**Schedule of Employer Contributions - ERB Plan**

	2022	2021	2020	2019
Statutorily required employer contribution	\$ 96,568	\$ 89,929	\$ 91,134	\$ 90,412
Contribution in relation to the statutorily required contribution	96,568	89,929	91,134	90,412
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Station's covered-employee payroll	637,414	635,540	644,067	650,446
Contributions as percentage of covered-employee payroll	15.15 %	14.15 %	14.15 %	13.90 %

	2018	2017	2016	2015
Statutorily required employer contribution	\$ 84,537	\$ 97,537	\$ 89,438	\$ 98,296
Contribution in relation to the statutorily required contribution	84,537	97,537	89,438	98,296
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Station's covered-employee payroll	608,178	701,702	643,440	683,466
Contributions as percentage of covered-employee payroll	13.90 %	13.90 %	13.90 %	13.90 %

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



**Schedule 2 - Schedule of Changes in Total OPEB liability and Related Ratios in accordance with GASB Statement 75.**

	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>					
Service Cost	\$ 44,144	\$ 36,877	\$ 39,485	\$ 28,172	\$ 30,447
Interest	24,950	21,258	35,537	28,950	32,637
<b>Current Recognized deferred outflows/(inflows):</b>					
Difference between expected and actual experience	(131,943)	-	(93,637)	-	-
Changes of assumptions or other inputs	(182,153)	7,604	192,132	39,207	(33,047)
Changes proportion	152,343	(190,150)	193,468	(90,181)	-
Benefit payments	(31,797)	(32,457)	(35,988)	(31,642)	(34,069)
<b>Net change in total OPEB liability</b>	<b>\$ (124,456)</b>	<b>\$ (156,868)</b>	<b>\$ 330,997</b>	<b>\$ (25,494)</b>	<b>\$ (4,032)</b>
<b>Total OPEB liability-beginning</b>	<b>\$ 974,526</b>	<b>\$ 1,131,394</b>	<b>\$ 800,397</b>	<b>\$ 825,891</b>	<b>\$ 829,923</b>
<b>Total OPEB liability-ending</b>	<b>\$ 850,070</b>	<b>\$ 974,526</b>	<b>\$ 1,131,394</b>	<b>\$ 800,397</b>	<b>\$ 825,891</b>
<b>Covered-employee payroll</b>	<b>\$ 572,357</b>	<b>\$ 549,818</b>	<b>\$ 698,560</b>	<b>\$ 460,012</b>	<b>\$ 669,823</b>
Total OPEB liability as a percentage of covered-employee payroll	149 %	177 %	162 %	174 %	123 %

	2022	2021	2020	2019	2018
Current retirees receiving benefits	1,779	1,880	1,802	1,740	1,716
Inactive employees entitled but not yet receiving benefits	-	-	-	-	-
Current active members	11	11	14	13	16

Current retirees receiving benefits are not tracked at the department level however they are tracked University wide. The number above for current retirees receiving benefits represents the University retirees and current active members are represented by the Stations active employees.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the Station is showing five year's presentation. No assets are accumulated in a trust to pay the related benefits.