

**KOSU-FM RADIO STATION  
A PUBLIC BROADCASTING ENTITY OPERATED BY  
OKLAHOMA STATE UNIVERSITY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2025 AND 2024**



CPAs | CONSULTANTS | WEALTH ADVISORS

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**KOSU-FM RADIO STATION  
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## INDEPENDENT AUDITORS' REPORT

Board of Regents for the Oklahoma  
Agricultural and Mechanical Colleges  
Oklahoma State University – KOSU-FM Radio Station  
Oklahoma City, Oklahoma

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of KOSU-FM Radio Station (KOSU), a Public Broadcasting Entity operated by Oklahoma State University, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise KOSU's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of KOSU, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Emphasis of Matter**

As disclosed in Note 1, the accompanying financial statements of KOSU are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities and the aggregately presented component units of Oklahoma State University that is attributable to the transactions of KOSU. They do not purport to, and do not, present fairly the financial position of Oklahoma State University as of June 30, 2025 and 2024, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are 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.

***Auditors' 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 auditors' report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

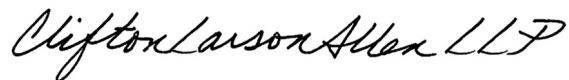
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 audits 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2026, on our consideration of KOSU's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of KOSU's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KOSU's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

St. Louis, Missouri  
April 29, 2026

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OKLAHOMA STATE UNIVERSITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2025 AND 2024**

***Overview of Financial Statements and Financial Analysis***

KOSU-FM Radio Station (KOSU), a Public telecommunications entity owned and operated by Oklahoma State University (the University), presents its financial statements for fiscal year 2025 and 2024, with comparative data presented for fiscal year 2023. There are three financial statements presented: the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows. This discussion and analysis of KOSU's financial statements provides an overview of its financial activities for the year.

***Statements of Net Position***

The Statements of Net Position present the assets (current and noncurrent), deferred outflows of resources, liabilities (current and noncurrent), deferred inflows of resources, and net position (assets plus deferred outflows minus liabilities minus deferred inflows) as of the end of the fiscal year. The purpose of the Statements of Net Position is to present to the readers of the financial statements a fiscal snapshot of KOSU. The difference between current and noncurrent assets is discussed in the footnotes to the financial statements.

From the data presented, readers of the Statements of Net Position are able to determine the assets available to continue the operations of KOSU. They are also able to determine how much KOSU owes vendors. Finally, the Statements of Net Position provide a picture of the net position and their availability for expenditures by KOSU.

Net position is divided into three categories. The first category, net investment in capital assets, provides KOSU's equity in property, plant, and equipment owned by the University. The next category, restricted, is divided into two categories, nonexpendable and expendable. The nonexpendable restricted resources are only available for investment purposes. Expendable restricted are available for expenditure by KOSU but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the resources. The final category is unrestricted. Unrestricted resources are available to KOSU for any lawful purpose of the station. The following chart is a summary of the Statements of Net Position over the last three fiscal years.

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	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>			
Current Assets	\$ 722,768	\$ 1,094,746	\$ 566,185
Capital Assets, Net of Accumulated Depreciation	1,759,178	1,492,632	1,668,991
Other Assets	<u>170,034</u>	<u>229,082</u>	<u>143,745</u>
Total Assets	2,651,980	2,816,460	2,378,921
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	61,137	88,963	126,279
<b>LIABILITIES</b>			
Current Liabilities	756,815	446,712	564,899
Noncurrent Liabilities	<u>1,626,815</u>	<u>1,376,237</u>	<u>1,407,027</u>
Total Liabilities	2,383,630	1,822,949	1,971,926
<b>DEFERRED INFLOWS OF RESOURCES</b>	99,916	81,225	109,670
<b>NET POSITION</b>			
Net Investment in Capital Assets	440,219	528,357	723,908
Restricted – Nonexpendable	151,480	146,202	140,799
Restricted – Expendable	160,394	156,071	275,951
Unrestricted	<u>(522,522)</u>	<u>170,619</u>	<u>(717,054)</u>
Total Net Position	<u>\$ 229,571</u>	<u>\$ 1,001,249</u>	<u>\$ 423,604</u>

In fiscal year 2025, total assets decreased by \$164,480 or 5.84% over fiscal year 2024. The decrease is due primarily to a decrease in the beneficial interest in assets held by OSU Foundation of \$408,620 and a decrease in cash of \$139,440. This was offset by an increase in capital assets of \$266,546.

In fiscal year 2024, total assets increased by \$437,539 or 18.39% over fiscal year 2023. The increase is due primarily to an increase in the beneficial interest in assets held by OSU Foundation of \$291,085, an increase in promises to give receivables - pledges of \$171,878, an increase in cash of \$139,440. This was offset by a decrease in capital assets of \$176,359.

In fiscal year 2025, deferred outflows of resources decreased by \$27,826. This was due to a decrease in deferred costs on pension programs and other postemployment benefits. In fiscal year 2024, deferred outflows of resources decreased by \$37,316. This was due to a decrease in deferred costs on pension programs and other postemployment benefits.

In fiscal year 2025, total liabilities increased by \$560,681 or 30.76% over fiscal year 2024. The increase was due to an increase in bank overdraft of \$235,186 and lease liability of \$403,977. This was offset by a decrease in the pension liability of \$65,297.

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In fiscal year 2024, total liabilities decreased by \$148,977 or 7.55% over fiscal year 2023. The decrease was due to a decrease in bank overdraft of \$76,727 and unearned revenue of \$116,934. This was offset by an increase in the accounts payable of \$89,785.

In fiscal year 2025, deferred inflows of resources increased by \$18,691 from fiscal year 2024 due to an increase in deferred inflows for pension liabilities and other postemployment benefits. In fiscal year 2024, deferred inflows of resources decreased by \$28,445 from fiscal year 2023 due to a decrease in deferred inflows for pension liabilities.

In fiscal year 2025, net position decreased \$771,678, while in fiscal year 2024, net position increased \$576,419.

***Statements of Revenues, Expenses, and Changes in Net Position***

While the 2024 – 2025 comparisons are important indicators of activity during the year under audit, it is important to look at some of the operating and nonoperating categories over time. One of the important measures of an organization's fiscal stability is how operating revenues compare to operating expenses.

The following table summarizes the revenues, expenses, and changes in net position for KOSU over the last three years:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Operating Revenues	\$ 1,926,386	\$ 2,645,035	\$ 1,748,287
Operating Expenses	<u>3,571,979</u>	<u>3,190,366</u>	<u>2,589,192</u>
Operating Loss	(1,645,593)	(545,331)	(840,905)
Nonoperating Revenues	<u>873,915</u>	<u>1,121,976</u>	<u>813,090</u>
Loss Before other Revenues, Expenses, Gains, and Losses	(771,678)	576,645	(27,815)
Addition to Permanent Endowments	-	1,000	12,000
Other Revenues, Expenses, Gains, and Losses	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	<u>\$ (771,678)</u>	<u>\$ 577,645</u>	<u>\$ (15,815)</u>

Operating revenues of \$1,926,386 in fiscal year 2025 decreased \$718,649 or 27.17% over fiscal year 2024. The decrease is due to a decrease in contributions of \$457,077, community and rural service and journalism grants of \$180,723 and promises to give revenue of \$77,325.

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Operating revenues of \$2,645,035 in fiscal year 2024 increased \$896,748 or 51.29% over fiscal year 2023. The increase is due to an increase in contribution of \$605,391, an increase in promises to give of \$231,878, an increase in community and rural service and journalism grants of \$37,247 and an increase in underwriting revenue of \$50,401. This is offset by a decrease in miscellaneous income of \$28,169.

The following table summarizes the operating revenues of KOSU for the last three years:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUES</b>			
Contributions	\$ 1,010,295	\$ 1,467,372	\$ 861,981
Miscellaneous Income	39,300	33,363	61,532
Community and Rural Service Grants	106,151	312,817	245,750
Private Foundation Grant and Journalism Grants	255,034	229,091	258,911
Underwriting Revenue	361,053	370,514	320,113
Promises to give revenue	154,553	231,878	
	<u>\$ 1,926,386</u>	<u>\$ 2,645,035</u>	<u>\$ 1,748,287</u>

Operating expenses for fiscal year 2025 increased \$381,613 or 11.96% over fiscal year 2024. The increase is primarily due to an increase in compensation and employee benefits of \$288,228. This is offset by a decrease in other operating expenses of \$152,450.

Operating expenses for fiscal year 2024 increased \$601,174 or 23.22% over fiscal year 2023. The increase is primarily due to an increase in compensation and employee benefits of \$150,638, supplies and materials of \$192,131, other operating expenses of \$243,855 and professional and consulting services of \$51,834. This is offset by a decrease in depreciation and amortization of \$87,648.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>OPERATING EXPENSES</b>			
Compensation and Employee Benefits	\$ 1,535,774	\$ 1,247,546	\$ 1,096,908
Professional and Consulting Services	291,149	266,415	214,581
Programming Services	481,782	436,703	435,036
Supplies and Materials	348,371	260,001	67,870
Travel	27,670	28,680	28,805
Communications	20,453	23,879	19,043
Utilities	72,622	79,731	88,655
University Facilities and Administrative Support	280,640	269,923	221,721
Depreciation	323,039	234,559	322,207
Other Operating Expense	190,479	342,929	94,366
	<u>\$ 3,571,979</u>	<u>\$ 3,190,366</u>	<u>\$ 2,589,192</u>

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Nonoperating revenues in fiscal year 2025 of \$873,915 decreased \$248,061 or 22.11% more than fiscal year 2024. Nonoperating revenues consisted of allocations from the University, donated facilities and administrative support, interest expense and investment income. The decrease was due to a decrease in allocations from OSU of \$235,512.

Nonoperating revenues in fiscal year 2024 of \$1,121,976 increased \$308,886 or 37.99% more than fiscal year 2023. Nonoperating revenues consisted of allocations from the University, donated facilities and administrative support, interest expense and investment income. The increase was due to an increase in allocations from OSU of \$255,023 and increase in donated facilities and administrative support of \$48,202.

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Allocations from OSU	\$ 613,440	\$ 848,952	\$ 593,929
Donated Facilities and Administrative Support	280,640	269,923	221,721
Gain on Extinguishment of Debt	-	-	-
Gain on Sale of Fixed Assets	1,550	5,000	-
Interest Expense	(33,223)	(11,851)	(9,866)
Investment Income (Loss), Net	<u>11,508</u>	<u>9,952</u>	<u>7,306</u>
Total Nonoperating Revenues	<u>\$ 873,915</u>	<u>\$ 1,121,976</u>	<u>\$ 813,090</u>

**Statements of Cash Flows**

The final statement presented by KOSU is the Statements of Cash Flows. The Statements of Cash Flows presents detailed information about the cash activity of the station during the year. The statement is divided into four sections.

The first section deals with operating cash flows and shows the net cash (used in) provided by the operating activities of KOSU. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for nonoperating and noncapital financing purposes. The third section reflects the cash flows from investing activities and shows the proceeds from investing activities. The fourth section reconciles the net cash used to the operating income or loss reflected on the Statements of Revenues, Expenses, and Changes in Net Position.

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YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<b>CASH PROVIDED (USED) BY</b>			
Operating Activities	\$ (726,473)	\$ (538,257)	\$ (317,723)
Noncapital Financing Activities	787,574	709,929	431,637
Investing Activities	11,508	9,952	7,306
Capital and Related Financing Activities	<u>(212,049)</u>	<u>(42,184)</u>	<u>(121,220)</u>
<b>NET CHANGE IN CASH</b>	(139,440)	139,440	-
Cash - Beginning of Year	<u>139,440</u>	<u>-</u>	<u>-</u>
<b>CASH - END OF YEAR</b>	<u><u>\$ -</u></u>	<u><u>\$ 139,440</u></u>	<u><u>\$ -</u></u>

Cash and cash equivalents remained at zero in fiscal year 2025 and 2023. Cash and cash equivalents in fiscal year 2024 was \$139,400 at the end of year.

***Economic Outlook***

The media industry is in continued disruption affecting audience behavior, business models and the regulatory environment.

Known factors affecting KOSU's economic outlook in the short-term include the following:

- Corporation for Public Broadcasting: Congress rescinded the two-year advance appropriation for public broadcasting in July 2025. This created an immediate budget hole that was filled through a swift donor response. The elimination of funding is functionally permanent with the shutdown of the Corporation for Public Broadcasting. The expected closure of smaller stations may create upward pressure on stations like KOSU as fewer stations are available to share in the shared programming and technical services from national providers.
- Oklahoma State University Support: Public higher education is faced with many challenges because of general economic conditions and volatile enrollment. Station management acknowledges the significant indirect administrative support provided to the Station by the University. Support of KOSU by individual and corporate donors and community foundations and grants is restricted to the Station and not available to the University.
- Individual Donations: KOSU saw record revenue in the last months of FY2025 as threats to federal funding entered the news cycle. This pattern is expected to continue through at least a portion of FY2026. However, it is unclear when donors will quit responding to the crisis message of federal funding loss even though the loss will remain. This presents a challenge and an opportunity for the Station to innovate around new business models that will continue to bring in new donors and to retain the donors who entered during the federal funding crisis.

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- Underwriting: Corporate support remains a volatile source of revenue. With an unpredictable economy, many businesses remain conservative with their marketing budgets.
- Grants: Station management continues to build partnerships with potential grant funders. The station is working on several projects with multi-year grant funding attached. Management will continue to pursue new grant funders as more organizations are viewing local journalism as a philanthropic priority.

Rachel Hubbard  
KOSU-FM Radio Station Director

Megan Horton  
Associate Vice President of Brand  
Management

**KOSU-FM RADIO STATION  
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STATEMENTS OF NET POSITION  
JUNE 30, 2025 AND 2024**

	2025	2024
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	\$ -	\$ 139,440
Accounts Receivable	102,591	19,932
Promises to give receivables - Pledges	189,338	92,175
Prepaid Expenses	28,244	26,706
Beneficial Interest in Assets Held by OSU Foundation	402,595	816,493
Total Current Assets	722,768	1,094,746
<b>NONCURRENT ASSETS</b>		
Beneficial Interest in Assets Held by OSU Foundation	151,480	146,202
Promises to give receivables - Pledges	11,061	79,703
Other Postemployment Benefits	7,493	3,177
Capital Assets, Net of Accumulated Depreciation	1,759,178	1,492,632
Total Noncurrent Assets	1,929,212	1,721,714
Total Assets	2,651,980	2,816,460
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related	60,047	86,802
Other Postemployment Benefits Related	1,090	2,161
Total Deferred Outflows of Resources	61,137	88,963
<b>CURRENT LIABILITIES</b>		
Bank Overdraft	235,186	-
Accounts Payable	141,822	169,512
Accrued Expenses	6,942	12,666
Accrued Compensated Absences	99,054	88,380
Current Portion of Lease Liability	109,880	20,083
Current Portion of Subscription Liability	3,537	-
Unearned Revenue	160,394	156,071
Total Current Liabilities	756,815	446,712
<b>NONCURRENT LIABILITIES</b>		
Pension Liability	421,273	486,570
Lease Liability	1,200,172	885,992
Accrued Interest Payable	5,370	3,675
Total Noncurrent Liabilities	1,626,815	1,376,237
Total Liabilities	2,383,630	1,822,949
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related	96,533	80,430
Other Postemployment Benefits Related	3,383	795
Total Deferred Inflows of Resources	99,916	81,225
<b>NET POSITION</b>		
Net Investment in Capital Assets	440,219	528,357
Restricted:		
Nonexpendable	151,480	146,202
Expendable	160,394	156,071
Unrestricted	(522,522)	170,619
Total Net Position	\$ 229,571	\$ 1,001,249

See accompanying Notes to Financial Statements.

**KOSU-FM RADIO STATION  
A PUBLIC BROADCASTING ENTITY OPERATED BY  
OKLAHOMA STATE UNIVERSITY  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>OPERATING REVENUES</b>		
Contributions	\$ 1,010,295	\$ 1,467,372
Miscellaneous Income	39,300	33,363
Community and Rural Service and Journalism Grants	361,185	541,908
Underwriting Revenue	361,053	370,514
Promises to give revenue	154,553	231,878
Total Operating Revenues	<u>1,926,386</u>	<u>2,645,035</u>
<b>OPERATING EXPENSES</b>		
Compensation and Employee Benefits	1,535,774	1,247,546
Professional and Consulting Services	291,149	266,415
Programming Services	481,782	436,703
Supplies and Materials	348,371	260,001
Travel	27,670	28,680
Communications	20,453	23,879
Utilities	72,622	79,731
University Facilities and Administrative Support	280,640	269,923
Depreciation and Amortization	323,039	234,559
Other Operating Expense	190,479	342,929
Total Operating Expenses	<u>3,571,979</u>	<u>3,190,366</u>
<b>OPERATING LOSS</b>	(1,645,593)	(545,331)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
General Allocations from OSU	613,440	848,952
Donated Facilities and Administrative Support	280,640	269,923
Gain on Sale of Fixed Assets	1,550	5,000
Interest Expense	(33,223)	(11,851)
Investment Income (Expense)	11,508	9,952
Total Nonoperating Revenues	<u>873,915</u>	<u>1,121,976</u>
<b>INCOME (LOSS) BEFORE REVENUES, GAINS, AND LOSSES</b>	(771,678)	576,645
Addition to Permanent Endowments	<u>-</u>	<u>1,000</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	(771,678)	577,645
Net Position - Beginning of Year	<u>1,001,249</u>	<u>423,604</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 229,571</u>	<u>\$ 1,001,249</u>

See accompanying Notes to Financial Statements.

**KOSU-FM RADIO STATION  
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STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Contributions, Grants, Underwriting, and Miscellaneous Receipts	\$ 2,228,149	\$ 2,049,400
Cash Paid to Suppliers	(1,461,754)	(1,402,279)
Cash Paid to Employees	(1,492,868)	(1,185,378)
Net Cash Used by Operating Activities	(726,473)	(538,257)
 <b>CASH FLOWS FROM NONCAPITAL FINANCING AND OTHER ACTIVITIES</b>		
General Allocations from OSU	552,388	785,656
Change in Bank Overdraft	235,186	(76,727)
Additions to Permanent Endowments	-	1,000
Net Cash Provided by Noncapital Financing and Other Activities	787,574	709,929
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income	11,508	9,952
Net Cash Provided by Investing Activities	11,508	9,952
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Lease Liability Activities	(217,136)	(43,457)
Subscription Liability Activities	3,537	(3,727)
Proceeds from Sale of Fixed Assets	1,550	5,000
Net Cash Used by Capital and Related Financing Activities	(212,049)	(42,184)
 <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(139,440)	139,440
Cash and Cash Equivalents - Beginning of Year	139,440	-
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ -	\$ 139,440

See accompanying Notes to Financial Statements.

**KOSU-FM RADIO STATION  
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OKLAHOMA STATE UNIVERSITY  
STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (1,645,593)	\$ (545,331)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation	323,039	234,559
On-Behalf Contribution to Teachers' Retirement System	61,052	63,296
University Facilities and Administrative Support	280,640	269,923
Changes in Assets and Liabilities:		
Accounts Receivable, Net	(82,659)	(15,738)
Prepaid Expenses	(1,538)	4,474
Other Postemployment Benefits	(4,316)	(231)
Beneficial Interest in Assets Held by OSU Foundation	408,620	(291,085)
Promises to give receivable - Pledges	(28,521)	(171,878)
Accounts Payable	(27,690)	31,585
Pension Liability	(65,297)	(10,628)
Accrued Expenses	(5,724)	1,546
Accrued Compensated Absences	10,674	(686)
Unearned Revenue	4,323	(116,934)
Deferred Outflows	27,826	37,316
Deferred Inflows	18,691	(28,445)
Net Cash Used by Operating Activities	\$ (726,473)	\$ (538,257)
 <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Donated Facilities and Administrative Support	\$ 280,640	\$ 269,923
Capital Assets Acquired through Leases and Subscriptions	511,515	(238,979)
Capital Assets Additions Included in Accounts Payable	-	58,200
	\$ 792,155	\$ 89,144

See accompanying Notes to Financial Statements.

**KOSU-FM RADIO STATION  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The accompanying financial statements include the accounts of the KOSU-FM Radio Station (KOSU) of Oklahoma State University. KOSU is owned and operated by Oklahoma State University (the University) and is not a separate corporation, but a public service entity of the University. The University is governed by the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges (the Board of Regents) and is a member of the Oklahoma State System of Higher Education, a component unit of the state of Oklahoma (the State).

The accompanying financial statements have been prepared from the separate records maintained by management of the University and may not necessarily be indicative of the conditions that would have existed or the results of operations if KOSU had been operated as an unaffiliated entity. Portions of certain revenues and expenses represent allocations made from items applicable to Oklahoma State University as a whole.

**Financial Statement Presentation**

As a member of the Oklahoma State System of Higher Education, the University (which includes KOSU) presents its financial statements in accordance with requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation required by GASB No. 34 and No. 35 provides a comprehensive, entity-wide perspective of KOSU's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, and cash flows.

**Basis of Accounting**

KOSU's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

**Cash Equivalents**

KOSU considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**KOSU-FM RADIO STATION  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Pledges and Accounts Receivable**

KOSU engages in semiannual fundraising campaigns manifested by on-air and mail fundraising appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to KOSU for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding listeners. Uncollected pledges that are not enforceable against contributors are not shown as assets on the statements of net position.

Accounts receivable consists primarily of unconditional contributions receivable including amounts due under pledge agreements or amounts due in connection with reimbursement of allowable expenditures made pursuant to grants and contracts.

**Capital Assets**

Capital assets, including right-to-use assets, are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. For equipment, KOSU's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 years for buildings, 20 years for building improvements, 10 years for leasehold improvements, and 5 to 7 years for equipment. Amortization of right-to-use assets are amortized over the shorter of the life of the associated lease term or the remaining useful life of the asset leased.

**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 certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

**Programming**

Licensed program materials from National Public Radio (NPR) are expensed when purchased.

**In-Kind Contributions**

The estimated fair value of in-kind contributions, primarily advertising, is recorded as revenue and expense in the period received. There were no in-kind contributions for the years ended June 30, 2025 and 2024.

**KOSU-FM RADIO STATION  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

**Deferred Outflows of Resources**

KOSU reports its proportionate share of changes in net position generated by the University's defined benefit pension plan or other postemployment benefits that relate to future periods as deferred outflows of resources in a separate section of its statements of net position.

**Unearned Revenues**

Unearned revenues include amounts received for underwriting and from grant sponsors that have not yet been earned.

**Compensated Absences**

KOSU recognizes a liability for compensated absences, primarily vacation leave, in accordance with GASB 101. Leave is accrued at year-end for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. The liability and expense incurred for employee vacation pay are recorded as accrued compensated absences in the statements of net position, and as a component of compensation and employee benefit expense in the statements of revenues, expenses, and changes in net position. With the implementation of GASB 101 (Compensated Absences), an analysis was conducted of other types of leave including sick leave, and it was determined there was no material impact on the financial statements.

**Pension and Benefit Plans**

The University participates in a cost-sharing multiple-employer defined benefit pension plan. The fiduciary net position of the Teacher Retirement System of Oklahoma (OTRS) has been determined on the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from OTRS's fiduciary net position. 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.

**Leases**

KOSU is a party as lessee for various noncancellable long-term leases. The corresponding lease payable is recorded in an amount equal to the present value of the expected future minimum lease payments discounted by an applicable interest rate.

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**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

**Subscription-Based Information Technology Arrangements**

KOSU contracts subscription-based information technology for operating activities for various terms under long-term, noncancelable agreements. As of June 30, 2025, KOSU held one subscription-based information technology arrangements, in which the agreement expires in fiscal year 2026. As of June 30, 2024, KOSU did not have any subscription-based information technology arrangements.

**Deferred Inflows of Resources**

KOSU reports its proportionate share of changes in net position generated by the University's defined benefit pension plan or other postemployment benefits that relate to future periods as deferred inflows of resources in a separate section of its statements of net position.

**Income Taxes**

The University is exempt from income taxes under Section 115(1) of the Internal Revenue Code, as amended. As a department of the University, KOSU is also exempt from income taxes.

**Contributed Facilities and Indirect Administrative Support**

KOSU occupies without charge certain premises located in and owned by the University. The estimated fair value of the premises is reported as revenue and expenditure in the period when the premises are used.

Indirect administrative support was provided by various offices and services of the University. In 2020, the CPB developed a method called the Standard Method. KOSU is required to use the Standard Method, which includes direct costs and indirect costs. Donated facilities and indirect administrative support of \$280,640 and \$269,923 were recorded for the years ended June 30, 2025, and 2024, respectively.

**Net Position**

KOSU's net position is classified as follows:

*Net Investment in Capital Assets* -This represents KOSU's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

*Restricted Net Position – Expendable*: Restricted expendable net position includes resources in which KOSU is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

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**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

**Net Position (Continued)**

*Restricted Net Position – Nonexpendable:* Restricted nonexpendable net position consists 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 Net Position -* Unrestricted net position represents resources derived from the recovery of facilities and administrative costs and services of auxiliary operations. These resources are used for transactions relating to the educational and general operations of KOSU and may be used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, KOSU's policy is to use prudent decision processes to determine which resources will be applied based on availability of funding, donor intent, and returns available from idle funds.

**Classification of Revenues**

KOSU has classified its revenues as either operating or nonoperating revenues in accordance with the guidelines established by GASB No. 34. It is the policy of KOSU to include contributions in operating revenues as contributions are a main source of funding and are used for general operating expenses.

**New Pronouncements**

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. This Statement was effective for fiscal years beginning after December 15, 2023.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to disclose risks that could substantially impact their financial condition or service delivery that stem from certain concentrations or constraints. This Statement was effective for fiscal years beginning after June 15, 2024.

Management reviewed the requirements of these Statements and determined there is no material impact on the financial statements.

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**NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash and Cash Equivalents**

At June 30, 2025, the carrying amount of KOSU's cash and cash equivalents was \$-0-. At June 30, 2024, the carrying amount of KOSU's cash and cash equivalents was \$139,440. Cash equivalents would generally consist of deposits with the state treasurer and U.S. financial institutions.

By Oklahoma statute, the state treasurer is required to ensure that all state funds are either insured by the Federal Deposit Insurance Corporation (FDIC), collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. government obligations. KOSU's deposits with the state treasurer are pooled with funds of other state agencies, and then in accordance with statutory limitations, placed in financial institutions, or invested as the state treasurer may determine, in the State's name.

KOSU requires that balances on deposit with financial institutions be insured by the FDIC or collateralized by securities held by the cognizant Federal Reserve Bank in KOSU's name.

**NOTE 3 ACCOUNTS RECEIVABLE**

Accounts receivable includes grant receivables, unconditional contributions and pledges receivable as follows at June 30:

	2025	2024
Accounts Receivable	<u>\$ 102,591</u>	<u>\$ 19,932</u>
Pledges Receivable Expected in		
Less than One Year	\$ 207,500	\$ 92,175
One Year to Five Years	<u>12,064</u>	<u>102,075</u>
Subtotal	219,564	194,250
Less: Unamortized Discount (7.71%)	<u>19,165</u>	<u>22,372</u>
Total	<u>\$ 200,399</u>	<u>\$ 171,878</u>

**NOTE 4 UNEARNED REVENUE**

Unearned revenue consists of the following at June 30:

	2025	2024
Underwriting	\$ 4,884	\$ 11,376
Grants and Contracts	155,510	144,695
Total	<u>\$ 160,394</u>	<u>\$ 156,071</u>

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**NOTE 5 CAPITAL ASSETS**

Following are the changes in capital assets for the years ended June 30:

	2025				June 30, 2025
	June 30, 2024	Additions	Transfers	Disposals	
<b>COST OF CAPITAL ASSETS</b>					
Records and Tapes	\$ 173,867	\$ -	\$ -	\$ -	\$ 173,867
Building and Leasehold Improvements	151,295	15,280	-	-	166,575
Office Machines	1,913	-	-	-	1,913
Broadcast Equipment	320,116	54,904	-	(17,620)	357,400
Programming and Production Equipment	64,224	-	-	-	64,224
Automobiles	-	-	-	-	-
Towers	2,473,005	-	-	-	2,473,005
Transmitter Facilities (Building and Transmitter Equipment)	272,459	-	-	-	272,459
Intangible Assets	45,000	-	-	-	45,000
Right to Use Assets - Land	54,399	-	-	-	54,399
Right to Use Assets - Building	919,178	508,786	-	-	1,427,964
Subscription Asset	7,886	10,615	-	(7,886)	10,615
Total Cost of Capital Assets	<u>4,483,342</u>	<u>589,585</u>	<u>-</u>	<u>(25,506)</u>	<u>5,047,421</u>
<b>ACCUMULATED DEPRECIATION</b>					
Records and Tapes	(173,867)	-	-	-	(173,867)
Building and Leasehold Improvements	(93,095)	(3,674)	-	-	(96,769)
Office Machines	(1,913)	-	-	-	(1,913)
Broadcast Equipment	(320,116)	(3,922)	-	17,620	(306,418)
Programming and Production Equipment	(64,224)	-	-	-	(64,224)
Automobiles	-	-	-	-	-
Towers	(1,949,766)	(168,310)	-	-	(2,118,076)
Transmitter Facilities (Building and Transmitter Equipment)	(212,853)	(6,811)	-	-	(219,664)
Intangible Assets	(45,000)	-	-	-	(45,000)
Right to Use Assets - Land	(8,071)	(2,725)	-	-	(10,796)
Right to Use Assets - Building	(114,248)	(130,192)	-	-	(244,440)
Subscription Asset	(7,557)	(7,405)	-	7,886	(7,076)
Total Accumulated Depreciation	<u>(2,990,710)</u>	<u>(323,039)</u>	<u>-</u>	<u>25,506</u>	<u>(3,288,243)</u>
Net Capital Assets	<u>\$ 1,492,632</u>	<u>\$ 266,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,759,178</u>

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**NOTE 5 CAPITAL ASSETS (CONTINUED)**

	2024				June 30, 2024
	June 30, 2023	Additions	Transfers	Disposals	
<b>COST OF CAPITAL ASSETS</b>					
Records and Tapes	\$ 173,867	\$ -	\$ -	\$ -	\$ 173,867
Building and Leasehold Improvements	248,833	58,200	-	(155,738)	151,295
Office Machines	1,913	-	-	-	1,913
Broadcast Equipment	320,116	-	-	-	320,116
Programming and Production Equipment	64,224	-	-	-	64,224
Automobiles	11,000	-	-	(11,000)	-
Towers	2,473,005	-	-	-	2,473,005
Transmitter Facilities (Building and Transmitter Equipment)	272,459	-	-	-	272,459
Intangible Assets	45,000	-	-	-	45,000
Right to Use Assets - Land	54,399	-	-	-	54,399
Right to Use Assets - Building	1,134,978	-	-	(215,800)	919,178
Subscription Asset	31,065	-	-	(23,179)	7,886
Total Cost of Capital Assets	<u>4,830,859</u>	<u>58,200</u>	<u>-</u>	<u>(405,717)</u>	<u>4,483,342</u>
<b>ACCUMULATED DEPRECIATION</b>					
Records and Tapes	(173,867)	-	-	-	(173,867)
Building and Leasehold Improvements	(248,833)	-	-	155,738	(93,095)
Office Machines	(1,913)	-	-	-	(1,913)
Broadcast Equipment	(320,116)	-	-	-	(320,116)
Programming and Production Equipment	(64,224)	-	-	-	(64,224)
Automobiles	(11,000)	-	-	11,000	-
Towers	(1,781,456)	(168,310)	-	-	(1,949,766)
Transmitter Facilities (Building and Transmitter Equipment)	(206,042)	(6,811)	-	-	(212,853)
Intangible Assets	(45,000)	-	-	-	(45,000)
Right to Use Assets - Land	(5,346)	(2,725)	-	-	(8,071)
Right to Use Assets - Building	(283,272)	(46,776)	-	215,800	(114,248)
Subscription Asset	(20,799)	(9,937)	-	23,179	(7,557)
Total Accumulated Depreciation	<u>(3,161,868)</u>	<u>(234,559)</u>	<u>-</u>	<u>405,717</u>	<u>(2,990,710)</u>
Net Capital Assets	<u>\$ 1,668,991</u>	<u>\$ (176,359)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,492,632</u>

**NOTE 6 COMMUNITY SERVICES GRANTS**

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

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**NOTE 6 COMMUNITY SERVICES GRANTS (CONTINUED)**

Certain guidelines must be satisfied in connection with application for and use of the CSGs to maintain eligibility and compliance requirements. These guidelines pertain to the use of CSG funds, record keeping, audits, financial reporting, and licensee status with the Federal Communications Commission.

The CSGs received and expended during the years ended June 30, 2025, and 2024, were as follows:

Year of Grant	Grants Received	Expended as of June 30, 2025	Expended as of June 30, 2024	Uncommitted Balance at June 30, 2025	Uncommitted Balance at June 30, 2024
10/1/2024 - 2026	\$ 194,843 *	\$ 53,805	\$ -	\$ 141,038	\$ -
10/1/2023 - 2025	175,067 **	175,067	122,167	-	52,900
10/1/2022 - 2024	157,217 ***	157,217	157,217	-	-

\* These amounts were received during the year ended June 30, 2025.

\*\* These amounts were received during the year ended June 30, 2024.

\*\*\* These amounts were received during the year ended June 30, 2023.

**NOTE 7 LONG-TERM LIABILITIES**

Long-term liability activity was as follows for the year ended June 30, 2025:

	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Lease Liability	\$ 906,075	\$ 508,785	\$ (104,808)	\$ 1,310,052	\$ 109,880
Subscription Liability	-	10,615	(7,078)	3,537	3,537
Pension Liability	486,570	-	(65,297)	421,273	-
Total	<u>\$ 1,392,645</u>	<u>\$ 519,400</u>	<u>\$ (177,183)</u>	<u>\$ 1,734,862</u>	<u>\$ 113,417</u>

Long-term liability activity was as follows for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Lease Liability	\$ 937,660	\$ -	\$ (31,585)	\$ 906,075	\$ 20,083
Subscription Liability	3,669	-	(3,669)	-	-
Pension Liability	497,198	-	(10,628)	486,570	-
Total	<u>\$ 1,438,527</u>	<u>\$ -</u>	<u>\$ (45,882)</u>	<u>\$ 1,392,645</u>	<u>\$ 20,083</u>

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**NOTE 8 FUNCTIONAL EXPENSE CLASSIFICATION**

KOSU's operating expenses by functional classification were as follows for the years ended June 30:

	2025	2024
Program Services:		
Programming and Production	\$ 1,855,285	\$ 1,609,513
Broadcasting	743,740	751,042
Support Services:		
Fundraising	634,349	590,953
Management and General	338,605	238,858
Total	\$ 3,571,979	\$ 3,190,366

**NOTE 9 RELATED PARTY TRANSACTIONS**

**Oklahoma State University Foundation**

Nature of Relationship

Oklahoma State University Foundation (the Foundation) is a nonprofit corporation formed to promote and foster the educational, benevolent, and scientific purposes of the University, and to create a fund to be used for any program, project, or enterprise undertaken in the interest of the University, and to promote and foster educational and cultural interest in the State and the United States.

Description of Operations

The Foundation acts largely as a fundraising organization: soliciting, receiving, managing, and disbursing contributions on behalf of the University. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit, making the funds available as needed.

The Foundation currently holds two scholarship endowments for KOSU. Amounts reflected as beneficial interest in assets held by the Foundation represent contributions held for the sole benefit of KOSU including the endowed funds.

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**NOTE 9 RELATED PARTY TRANSACTIONS (CONTINUED)**

**Oklahoma State University Foundation (Continued)**

Description of Operations (Continued)

Related party transactions, summary financial information and funds held by the Foundation on behalf of KOSU are as follows for the fiscal years ended June 30:

	<u>2025</u>	<u>2024</u>
Contributions and Underwriting Revenue Received	\$ 1,297,408	\$ 1,765,027
Private Foundation Grants	80,219	222,297
Funds Expended on Behalf of KOSU	(52,534)	(113,417)
Promises-to-Give Revenue	154,553	231,878
Total	<u>1,479,646</u>	<u>2,105,785</u>
Addition to Permanent Endowments	-	1,000
Investment Income (Loss), Net	5,278	4,402
Spending Policy Distribution	6,230	5,550
Transfers to KOSU University Accounts	(1,929,035)	(1,592,342)
Total	<u>(437,881)</u>	<u>524,395</u>
Net Assets Held for KOSU - Beginning of Year	<u>1,041,409</u>	<u>517,014</u>
 Net Assets Held for KOSU - End of Year	 <u>\$ 603,528</u>	 <u>\$ 1,041,409</u>
 Assets Held for KOSU:		
Accounts Receivable	\$ 2,900	\$ 10,899
Promises to Give Receivables	200,399	171,878
Prepaid Expenses	-	188
Beneficial Interest in Assets Held by OSU Foundation	555,113	962,695
Total Assets Held for KOSU	<u>758,412</u>	<u>1,145,660</u>
Liabilities Held for KOSU:		
Accounts Payable	396	42,710
Unearned Revenue	154,488	61,541
Total Liabilities Held for KOSU	<u>154,884</u>	<u>104,251</u>
 Net Assets Held for KOSU	 <u>\$ 603,528</u>	 <u>\$ 1,041,409</u>

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**NOTE 9 RELATED PARTY TRANSACTIONS (CONTINUED)**

**Oklahoma State University Foundation (Continued)**

Description of Operations (Continued)

Below are activities related to the noncash portion of beneficial interest in assets held by the Foundation on behalf of KOSU related to the endowment funds for the fiscal years ended June 30:

	<u>2025</u>	<u>2024</u>
Balance - Beginning of Year	\$ 146,202	\$ 140,799
Change in Endowment Funds During the Year:		
Addition to Permanent Endowments	-	1,000
Investment Return:		
Investment Gain, Net	9,020	7,587
Unrealized Gains	2,488	2,366
Total Investment Return	<u>11,508</u>	<u>9,953</u>
Amounts Appropriated for Expenditures	<u>(6,230)</u>	<u>(5,550)</u>
Total Changes	<u>5,278</u>	<u>5,403</u>
Balance - End of Year	<u>\$ 151,480</u>	<u>\$ 146,202</u>

**NOTE 10 DISCLOSURES 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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**NOTE 10 DISCLOSURES ABOUT FAIR VALUE OF ASSETS (CONTINUED)**

**Recurring Measurements**

The following tables present the fair value measurements of assets and liabilities 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, 2025 and 2024:

Description	2025			
	Total	Level 1	Level 2	Level 3
Interest in Pooled Investment Fund of the Foundation	\$ 151,480	\$ -	\$ -	\$ 151,480

Description	2024			
	Total	Level 1	Level 2	Level 3
Interest in Pooled Investment Fund of the Foundation	\$ 146,202	\$ -	\$ -	\$ 146,202

**Interest in Pooled 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 inputs are not available, securities are classified within Level 3 of the hierarchy.

Fair value is estimated by the Foundation based on active markets, estimated prices of similar assets, or NAV as provided to them by fund managers. KOSU classified their interest as Level 3 due to the limited details available on specific investments within the pool.

**NOTE 11 COMMITMENTS AND CONTINGENT LIABILITIES**

KOSU participates in certain federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes KOSU has complied with grant requirements and that disallowances, if any, will not be material.

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**NOTE 12 LEASE OBLIGATIONS**

KOSU leases land and facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2059 and provide for renewal options up to five years.

The future minimum lease payments at June 30 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 109,880	\$ 29,799	\$ 139,679
2027	118,279	24,983	143,262
2028	127,174	19,783	146,957
2029	136,591	14,175	150,766
2030	27,273	10,656	37,929
2031 - 2035	132,509	45,805	178,314
2036 - 2040	138,655	31,903	170,558
2041 - 2045	103,443	24,206	127,649
2046 - 2050	123,113	18,641	141,754
2051 - 2055	151,140	11,876	163,016
2056 - 2060	141,995	3,603	145,598
Total	<u>\$ 1,310,052</u>	<u>\$ 235,430</u>	<u>\$ 1,545,482</u>
 <u>Year Ending,</u>	 <u>Principal</u>	 <u>Interest</u>	 <u>Total</u>
2026	<u>\$ 3,537</u>	<u>\$ -</u>	<u>\$ 3,537</u>

**NOTE 13 RISK MANAGEMENT**

Due to the diverse risk exposure of the University and its constituent agencies including KOSU, the insurance portfolio contains a comprehensive variety of coverage. Oklahoma Statutes require participation of all State agencies in basic tort, educator's legal liability, property and casualty programs, and fidelity bonding provided by the Risk Management Division of the Office of Management and Enterprise Services (the SRMD). In addition to these basic policies, the University's Department of Risk and Property Management establishes enterprise risk management guidelines for risk assessment, risk avoidance, risk acceptance, and risk transfer.

The University and individual employees are provided sovereign immunity when performing official business within the scope of their employment under the Oklahoma Governmental Tort Claims Act. For risks not protected by sovereign immunity, it is the internal policy of the University's Risk and Property Management department to accept initial risk in the form of retention or deductibles only to the extent that funds are available from the University's general operations or a funded reserve to maintain this risk.

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**NOTE 13 RISK MANAGEMENT (CONTINUED)**

Beyond acceptable retention levels, risk transfer is practiced by purchasing conventional insurance coverage directly or through the SRMD. These coverages are outlined as follows:

- The buildings and contents are insured for replacement value. Each loss incident is subject to a \$500,000 deductible, of which \$50,000 is the obligation of KOSU.
- Out-of-state and out-of-country comprehensive general liability, educator's legal liability including employment practices, auto liability, aircraft liability, watercraft liability, leased vehicles, equipment, and fidelity bonds are acquired by the University from the SRMD. To complement coverage provided by State Statute and to meet specific coverage requirements for special grants and/or contracts, additional coverage is purchased based on specific departmental and institutional needs and risks, but the related risks are not considered material to the University as a whole. Claim settlements have not exceeded insurance coverage in each of the past three fiscal years.

**Self-Funded Programs**

The University's life insurance program for the University and its constituent agencies including KOSU was self-funded through December 31, 2003. Effective January 1, 2004, life waivers for disabled employees and their dependents were all that remained in the self-funded plan. Reserves were established at the onset of disability to pay the claims. In 2009, the University reached an agreement to apportion the remaining reserve between the University and the former TPA, American Fidelity Assurance. American Fidelity Assurance assumed all liability for all runoff claims. Effective January 1, 2004, the University's life coverage is handled through an insured plan.

Through June 30, 1999, the University's health care programs were also self-funded. Effective July 1, 1999, the University terminated its self-insurance program and participated in the State self-insurance program through December 31, 2007. Effective January 1, 2008, the University began participation in an insured program with BlueCross BlueShield of Oklahoma as the provider. The University believes that there is no exposure to pay run-off claims for the previous self-insured program at June 30, 2018. Beginning January 1, 2015, the University's health care program again became self-funded. BlueCross BlueShield is the third-party administrator. The University has employed Lockton Company as a consultant to assist with premium setting, development of plan features, reserve funding, and use of third-party stop-loss coverage insurance.

The University's workers' compensation program is self-funded and is administered by a third party. The University maintains a cash deposit with the administrator and reimburses the administrator for claims paid and administrative expenses on a monthly basis. Benefits provided are prescribed by State law and include lump-sum payments for rated disabilities, in addition to medical expenses and a portion of salary loss resulting from a job-related injury or illness. The University records a liability for workers' compensation in its financial statements based on annual actuarial valuations.

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**NOTE 13 RISK MANAGEMENT (CONTINUED)**

**Self-Funded Programs (Continued)**

The University's unemployment compensation insurance program is also self-funded. Unemployment benefits that separated employees receive are determined by Oklahoma Statutes and are administered by the Oklahoma Employment Security Commission (OESC). As a reimbursing employer, the University is billed quarterly by the OESC for benefits paid to former employees. The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges requires that the University maintain a minimum of \$700,000 in reserve to cover claims. This minimum cash balance is considered each year during the rate-setting process.

Accruals for these self-funded programs are not reflected on the statements of net position as these costs are not allocated to KOSU by the University.

**NOTE 14 RETIREMENT PLANS**

The University's full-time academic and nonacademic personnel are covered by various retirement plans depending on their job classification and the employee's choices. The plans available to University personnel include a defined benefit plan, the Oklahoma Teachers' Retirement System (OTRS). Employees of KOSU, as OTRS members, are required to contribute to the plan at a rate established by the legislature of the State. For the years ended June 30, 2025, 2024, and 2023, the contribution rate for the system members of 7% is applied to their total compensation. The local employer contribution rate due from the University was 8.55% for the years ended June 30, 2025, 2024 and 2023. The University administratively pays these expenses for KOSU. These costs are included with other fringe benefits.

The State is also required to contribute to the OTRS on behalf of participating employers. For the years ended June 30, 2025, 2024, and 2023, the estimated amount contributed to the OTRS by the State on behalf of KOSU was approximately \$61,052, \$63,296, and \$63,197, respectively. These on-behalf payments have been recorded as both revenue and expense in the statement of revenues, expenses, and changes in net position.

The fiduciary net position of the OTRS has been determined on the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from OTRS's fiduciary net position. 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. Comprehensive disclosures are available in the University financial statements.



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

Board of Regents for the Oklahoma  
Agricultural and Mechanical Colleges  
Oklahoma State University – KOSU-FM Radio Station  
Oklahoma City, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of KOSU-FM Radio Station (KOSU), a Public Broadcasting Entity operated by Oklahoma State University, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the KOSU's basic financial statements, and have issued our report thereon dated April 29, 2026.

**Report on Internal Control Over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

### ***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

St. Louis, Missouri  
April 29, 2026



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