
***KMOS TELEVISION - A PUBLIC
BROADCASTING ENTITY OPERATED
BY UNIVERSITY OF CENTRAL MISSOURI
FINANCIAL STATEMENTS
JUNE 30, 2020***

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Board of Governors
University of Central Missouri
Warrensburg, Missouri

Report On The Financial Statements

We have audited the accompanying financial statements of KMOS Television, a Public Broadcasting Entity Operated by University of Central Missouri as of and for the years then ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of KMOS Television, a Public Broadcasting Entity Operated by University of Central Missouri, as listed in the table of contents.

Management's Responsibility For The Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KMOS Television, a Public Broadcasting Entity Operated by University of Central Missouri as of June 30, 2020 and 2019, and the changes in financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise KMOS Television, a Public Broadcasting Entity Operated by University of Central Missouri's financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

RubinBrown LLP

January 8, 2021

KMOS TELEVISION - A PUBLIC BROADCASTING ENTITY OPERATED BY UNIVERSITY OF CENTRAL MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

Overview

KMOS Television (KMOS-TV or the Station) is operated by University of Central Missouri, Warrensburg, Missouri (UCM). Since first signing on in 1979, KMOS-TV's mission has been to provide Missouri citizens with commercial-free, quality, substantive programming, which enriches, enlightens, informs and entertains. KMOS-TV's programming presents the highest accomplishments of our society, permits talent to fulfill the potential of electronic media, and provides opportunities for diverse audiences to benefit from such programming unavailable from other sources. As part of UCM's commitment to prepare its students to excel as they enter the professional world, KMOS-TV provides a professional atmosphere for learning for 40-50 student employees and student volunteers annually. KMOS-TV depends heavily on its student staff, providing real life opportunities for domestic and international students by providing practical experiences in all disciplines vital to a successful broadcasting entity.

KMOS-TV supports UCM's statewide technology mission by providing technical and administrative support for the distribution of professional development resources, instructional programs and educational outreach materials for lifelong learning. The Station promotes UCM through appropriate public relations programming and activities and offers telecommunications support to other university departments.

Another facet of KMOS-TV's mission is to provide quality outreach initiatives that include educational activities along with program information. KMOS continues to provide community and education outreach by identifying sponsorships and events engaging new audiences, especially under-served communities. With the onset of the Covid-19 crisis KMOS partnered with the UCM College of Education to launch the KMOS Classroom Summer School. This classroom-based program, taught by UCM Teaching Students, was created to mitigate the education gap for students who did not have access to reliable high speed internet. This series consisted of 72, 1 hour long video classrooms directed to children in grades K-5. This program was broadcast on KMOS, streamed live and made available on demand for the over 400 schools and 150 school districts in our viewing area.

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Management's Discussion And Analysis

Furthering KMOS' outreach mission, KMOS partnered with the non-profit Capital City Cinema in Jefferson City, MO to present the Independent Lens Pop-Up screening series. The Indie Lens Pop-Up series is an ongoing public presentation of independent documentaries presented by ITVS to PBS stations. As part of these screening KMOS and Capital City Cinema partnered with organizations and individuals within the community to provide a local context to these films. These events were well attended by the community. KMOS also launched a partnership with West Central Independent Living solutions through the PBS American Portrait initiative. This partnership is bringing the stories of the individuals served by this program to greater recognition by the community as a whole.

KMOS also launched a new program called KMOS Now: Covid-19 Health, a call-in panel talk show hosted by former Health and Medical reporter Meryl Lin McKean. This program featured experts in emergency management, mental heal, community health and leaders from the local hospital who discussed the crisis while answering viewer questions.

KMOS-TV in FY2019 experienced its first stable year in University funding in the past 3 and it continued to have success in its fundraising mission. In the spring of 2021 KMOS transitioned to an industry standard constituent relationship management platform and transitioned its online giving platform to a much more user-friendly cart style system. These innovations make it easier for KMOS to serve its members and continue to grow its fundraising which will increase its ability to serve the community. KMOS is not immune to the effects of the Covid-19 crisis and has adjusted all internal functions accordingly, however prior emergency and contingency planning by management have lessened the operation impact of the crisis ensuring that the community we serve receives the level of service that they have come to expect.

The financial challenges posed by the continuing Covid-19 and ensuing economic crisis to the University may not be fully revealed yet but KMOS is prepared to address any organizational challenges it is presented directly.

This discussion and analysis of KMOS-TV's financial statements provides a comparative overview of the Station's financial performance during the years ended June 30, 2020, 2019 and 2018. The Management's Discussion and Analysis is designed to focus on current activities, resulting changes and current known facts. Please read it in conjunction with the Station's basic financial statements and footnotes. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) pronouncements.

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Management's Discussion And Analysis

Statement Of Net Position

The statement of net position presents the financial position of the Station at a point in time. The statement of net position has three major components which include 1) assets, 2) liabilities and 3) net position. A description of each component is as follows:

Assets - Current assets are those anticipated to be liquidated within one year or less and include items such as cash and cash equivalents, accounts receivable and prepaid expenses. Noncurrent assets include that portion of accounts receivable, inventories and prepaid expenses not expected to liquidate within one year plus capital assets such as buildings, building improvements, infrastructure, equipment, etc.

Liabilities - Current liabilities are those anticipated to be recognized within one year or less and include items such as accounts payable and accrued liabilities, accrued compensated absences, and deferred revenue. Noncurrent liabilities include that portion of accrued liabilities, accrued compensated absences and deferred revenue that are not due within one year.

Net Position - Net position represents Station total assets less total liabilities. Net position is classified in two major categories which include 1) net investment in capital assets and 2) unrestricted.

- 1) Net investment in capital assets represents building, building improvements, equipment, etc., that is net of accumulated depreciation.
- 2) Unrestricted net position represents balances from operational activities that have not been restricted by parties external to the Station. This includes funds that have been designated for specific purposes as well as amounts that have been contractually committed for goods and services not yet received.

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Management's Discussion And Analysis

A summary of the Station's assets, liabilities and net position at June 30, 2020, 2019 and 2018, is as follows:

	2020	2019	2018
Assets			
Current assets	\$ 2,153,716	\$ 1,467,054	\$ 1,342,184
Noncurrent assets	2,785,200	3,038,384	3,306,966
Total Assets	4,938,916	4,505,438	4,649,150
Liabilities			
Current liabilities	1,082,682	796,175	791,792
Noncurrent liabilities	65,842	44,771	39,995
Total Liabilities	1,148,524	840,946	831,787
Net Position	\$ 3,790,392	\$ 3,664,492	\$ 3,817,363

Comparative Analysis

Assets - Total assets at June 30, 2020, are \$4,938,916. These assets are comprised of current assets of \$2,153,716 and noncurrent capital assets of \$2,785,200. This is a \$433,478 increase from fiscal year 2019 total assets of \$4,505,438. Current assets increased \$686,662. The noncurrent capital assets decrease of \$253,184 reflects the large depreciation expense of \$283,683 in 2020 that is only offset by \$29,499 of additions.

Total assets at June 30, 2019, are \$4,505,440. These assets are comprised of current assets of \$1,467,055 and noncurrent capital assets of \$3,038,386. This is a \$143,710 decrease from fiscal year 2018 total assets of \$4,649,150. Current assets increased \$124,871. The noncurrent capital assets decrease of \$268,580 reflects the large depreciation expense of \$284,082 in 2019 that is only offset by \$15,500 of additions.

Liabilities - Total liabilities as of June 30, 2020, are \$1,148,524. These liabilities are comprised of current liabilities of \$1,082,682 and noncurrent liabilities of \$65,842. This is a \$307,578 increase from fiscal year 2019 total liabilities of \$840,946. Fiscal year 2020 experienced an increase in accounts payable and accrued liabilities, an increase in accrued compensated absences, and an increase in unearned revenue.

KMOS- Total liabilities as of June 30, 2019, are \$840,946. These liabilities are comprised of current liabilities of \$796,175 and noncurrent liabilities of \$44,771. This is a \$9,156 increase from fiscal year 2018 total liabilities of \$831,787. Fiscal year 2019 experienced a slight increase in accounts payable and accrued liabilities, a decrease in accrued compensated absences, and an increase in unearned revenue.

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Management's Discussion And Analysis

Net Position - As of June 30, 2020, KMOS-TV had net position totaling \$3,790,392. Net position is comprised of unrestricted assets of \$1,005,192 and invested in capital assets of \$2,785,200. There are no restrictions relating to net position. Net position at June 30, 2019, was \$3,664,492. The \$125,900 increase in total net position represents a \$253,184 decrease in invested in capital assets and a \$379,084 increase in unrestricted net position.

As of June 30, 2019, KMOS-TV had net position totaling \$3,664,492. Net position is comprised of unrestricted assets of \$626,108 and invested in capital assets of \$3,038,384. There are no restrictions relating to net position. Net position at June 30, 2018, was \$3,817,363. The \$152,871 decrease in total net position represents a \$268,582 decrease in invested in capital assets and a \$115,711 increase in unrestricted net position.

Operating Results

The statements of revenues, expenses and changes in net position (SRECNP) present the operating results of the Station as a whole. The statements distinguish revenues and expenses between operating and nonoperating categories and provide a view of the Station's changes in financial position. Comparative summary statements of revenue, expenses and changes in net position for the years ended June 30, 2020, 2019 and 2018, are as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues			
Operating revenues	\$ 71,389	\$ 74,324	\$ 89,708
Expenses			
Operating expenses	2,980,562	2,999,021	3,012,272
Operating Loss	(2,909,173)	(2,924,697)	(2,922,564)
Nonoperating Revenue	3,035,073	2,771,826	2,874,018
Change In Net Position	125,900	(152,871)	(48,546)
Net Position - Beginning Of Year	3,664,492	3,817,363	3,865,909
Net Position - End Of Year	\$ 3,790,392	\$ 3,664,492	\$ 3,817,363

**KMOS-TELEVISION - A PUBLIC BROADCASTING ENTITY
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Management's Discussion And Analysis

Comparative Analysis

Revenues - KMOS-TV's total operating and non-operating revenues for the year ended June 30, 2020, are \$3,106,462. Grants and contracts totaled \$927,562. Subscriptions and underwriting totaled \$435,009. Support from UCM was \$1,672,502. Operating revenues totaled \$71,389. This is a \$260,312 increase in revenues from the fiscal year 2019 total of \$2,846,150.

KMOS-TV's total operating and non-operating revenues for the year ended June 30, 2019, are \$2,846,150. Grants and contracts totaled \$883,516. Subscriptions and underwriting totaled \$531,631. Support from UCM was \$1,356,681. Operating revenues totaled \$74,324. This is a \$117,574 decrease in revenues from the fiscal year 2018 total of \$2,963,726.

Expenses - KMOS-TV operating expenses for fiscal year 2020 by natural classification are:

- Salaries, payroll taxes and employee benefits - \$1,049,051
- Supplies and other services - \$256,509
- Program costs - \$602,475
- Depreciation - \$282,683
- Other expenses - \$789,844

Expenses for fiscal year 2020 by functional classification include:

- Program services - \$1,666,537 that consist of:
 - Programming and production - \$1,029,226
 - Broadcasting - \$481,891
 - Program information and promotion - \$155,420
- Support services - \$1,031,342 that consist of:
 - Management and general - \$809,559
 - Fundraising and membership development - \$147,787
 - Underwriting and grant solicitation - \$73,996
- Depreciation - \$282,683

Total expenses as of June 30, 2020, were \$2,980,562. This is a \$18,459 decrease from the fiscal year 2019 operating expenses total of \$2,999,021.

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Management's Discussion And Analysis

Expenses - KMOS-TV operating expenses for fiscal year 2019 by natural classification are:

- Salaries, payroll taxes and employee benefits - \$979,264
- Supplies and other services - \$301,807
- Program costs - \$606,098
- Depreciation - \$284,082
- Other expenses - \$827,770

Expenses for fiscal year 2019 by functional classification include:

- Program services - \$1,663,997 that consist of:
 - Programming and production - \$957,404
 - Broadcasting - \$506,639
 - Program information and promotion - \$199,954
- Support services - \$1,050,942 that consist of:
 - Management and general - \$847,258
 - Fundraising and membership development - \$140,545
 - Underwriting and grant solicitation - \$63,139
- Depreciation - \$284,082

Total expenses as of June 30, 2019, were \$2,999,021. This is a \$13,251 decrease from the fiscal year 2018 operating expenses total of \$3,012,272. KMOS-TV had two open positions in fiscal year 2019 that were filled during fiscal year 2018, which accounts for the decrease in expenses.

Net Position – An increase in net position of \$125,900 was recognized by KMOS-TV as of June 30, 2020, which left ending net position of \$3,790,392, including a \$253,184 decrease in net invested in capital and a \$379,084 increase in unrestricted net position.

A decrease in net position of \$152,871 was recognized by KMOS-TV as of June 30, 2019, which left ending net position of \$3,664,492, including a \$268,582 decrease in net invested in capital and a \$115,711 increase in unrestricted net position.

Contact Information

Question or comments about this report may be addressed to Belinda J. Bell, Ancillary Accounting, at University of Central Missouri, Administration 308B, Warrensburg, MO 64093.

**KMOS TELEVISION - A PUBLIC BROADCASTING ENTITY
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**STATEMENT OF NET POSITION
June 30, 2020 And 2019**

	2020	2019
Assets		
Current Assets		
Cash	\$ 2,148,125	\$ 1,464,002
Accounts receivable	2,961	—
Prepaid expenses	2,630	3,052
Total Current Assets	2,153,716	1,467,054
Noncurrent Assets		
Capital assets, net	2,785,200	3,038,384
Total Assets	4,938,916	4,505,438
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	63,183	44,963
Accrued compensated absences	9,981	14,096
Unearned revenue	1,009,518	737,116
Total Current Liabilities	1,082,682	796,175
Noncurrent Liabilities		
Accrued compensated absences	65,842	44,771
Total Liabilities	1,148,524	840,946
Net Position		
Net investment in capital assets	2,785,200	3,038,384
Unrestricted	1,005,192	626,108
Total Net Position	\$ 3,790,392	\$ 3,664,492

**KMOS TELEVISION - A PUBLIC BROADCASTING ENTITY
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**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION**

	For The Years Ended June 30,	
	2020	2019
Operating Revenues		
Sales and services	\$ 71,389	\$ 74,324
Operating Expenses		
Salaries and benefits	1,049,051	979,264
Supplies and other services	256,509	301,807
Program costs	602,475	606,098
Depreciation	282,683	284,082
Other	789,844	827,770
Total Operating Expenses	2,980,562	2,999,021
Operating Loss	(2,909,173)	(2,924,697)
Nonoperating Revenues		
State grants and contracts	71,147	93,230
Nongovernmental grants and contracts	856,415	790,284
Gifts and subscriptions	382,038	449,014
Underwriting support	52,971	82,617
University support	1,672,502	1,356,681
Total Nonoperating Revenues	3,035,073	2,771,826
Change In Net Position	125,900	(152,871)
Net Position - Beginning Of Year	3,664,492	3,817,363
Net Position - End Of Year	\$ 3,790,392	\$ 3,664,492

**KMOS TELEVISION - A PUBLIC BROADCASTING ENTITY
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STATEMENT OF CASH FLOWS

	For The Years Ended June 30,	
	2020	2019
Operating Activities		
Sales and service receipts	\$ 71,389	\$ 74,324
Payments to suppliers	(1,022,450)	(1,091,590)
Payments to employees	(1,032,095)	(981,581)
Net Cash Used In Operating Activities	(1,983,156)	(1,998,847)
Noncapital Financing Activities		
State grants and contracts	71,147	93,230
Nongovernmental grants and contracts	1,125,856	885,861
Gifts received for other than capital purpose	299,461	352,640
Underwriting support	52,971	82,617
University support	1,147,343	831,522
Net Cash Provided By Noncapital Financing Activities	2,696,778	2,245,870
Capital And Related Financing Activities		
Purchase of capital assets	(29,499)	(15,500)
Increase In Cash	684,123	231,523
Cash - Beginning Of Year	1,464,002	1,232,479
Cash - End Of Year	\$ 2,148,125	\$ 1,464,002
Reconciliation Of Operating Loss To Net Cash Used In Operating Activities		
Operating loss	\$ (2,909,173)	\$ (2,924,697)
Donated facilities and administrative support	525,159	525,159
In-kind contributions for rent and services	82,577	96,374
Depreciation expense	282,683	284,082
Changes in operating assets and liabilities:		
Prepaid expenses	422	13,910
Accounts payable and accrued expenses	35,176	6,325
Net Cash Used In Operating Activities	\$ (1,983,156)	\$ (1,998,847)

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NOTES TO FINANCIAL STATEMENTS

June 30, 2020 And 2019

1. Nature Of Operations And Summary Of Significant Accounting Policies

Nature Of Operations

KMOS Television (KMOS-TV) is operated by University of Central Missouri, Warrensburg, Missouri (UCM). All amounts contained in this report are included in the financial statements of the University, a component unit of the State of Missouri, or the University of Central Missouri Foundation (Foundation), a component unit of the University, as of and for the years ended June 30, 2020 and 2019. As KMOS-TV is part of the University, it is exempt from federal and state income taxes.

Basis Of Accounting And Presentation

The financial statements of KMOS-TV have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated non exchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements unless they relate to services provided and used internally. Operating revenues and expenses include exchange transactions and program-specific, government-mandated non exchange transactions. Government mandated non exchange transactions that are not program specific (such as state appropriations), investment income and interest on capital asset-related debt are included in non-operating revenues and expenses. KMOS-TV first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position is available.

KMOS-TV prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB) and the regulations of the Corporation for Public Broadcasting (CPB).

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Notes To Financial Statements (*Continued*)

Use Of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

At June 30, 2020 and 2019, cash consisted primarily of pooled cash accounts with the University and the Foundation.

Accounts Receivable

Accounts receivable includes amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to KMOS-TV's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts; however, KMOS-TV had no estimated uncollectible amounts at June 30, 2020 or 2019.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or at their estimated acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of the asset. KMOS-TV uses an estimated useful life of either 5 or 10 years for equipment, 15 years for antennas and 40 years for towers and buildings. As KMOS-TV is a part of the University, the University determines what capital assets are used by KMOS-TV and transfers of capital assets to and from KMOS-TV are at the University's discretion.

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Notes To Financial Statements (*Continued*)

Compensated Absences

Station policies permit most employees to accumulate vacation benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

Unearned Revenue

Unearned revenue represents advances on grants for which KMOS-TV has not met all of the applicable eligibility requirements.

Net Position

KMOS-TV's net position is classified as follows:

Net investment in capital assets - This represents KMOS-TV's total investment in capital assets.

Unrestricted net position - Unrestricted net position represents resources derived from state appropriations, sales and services of educational services, unrestricted gifts, tower rentals and royalties. These resources are used for transactions relating to the educational and general operations of KMOS-TV and may be used to meet current expenses or for any other purpose.

In - Kind Contributions

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

Foundation

KMOS-TV is the beneficiary of a Foundation that is a separate legal entity with its own Board of Trustees. The Foundation has legal title to all of the Foundation assets.

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Notes To Financial Statements (*Continued*)

Risk Management

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

Pension And OPEB Liabilities

In accordance with GASB Statement No. 68, *Accounting for Pensions*, UCM must recognize its proportional share of the net pension liability for MOSERS. In addition, UCM must recognize a liability related to its other postemployment benefit plan in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. KMOS-TV is a department of UCM, therefore, no liabilities are reported in KMOS-TV's financial statements related to UCM's net pension liability or UCM's OPEB liability.

2. Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. KMOS-TV's deposit policy for custodial risk must comply with the provisions of state policy which requires all deposits placed in financial institutions to be at least 100% collateralized with securities that are acceptable to the Missouri State Governor, Missouri State Treasurer and the Missouri State Auditor. All securities, which serve as collateral against the deposits of a depository institution, must be safe kept at a nonaffiliated custodial facility. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish the necessary custodial receipts.

At June 30, 2020 and 2019, KMOS-TV's share of pooled cash maintained by the University and the Foundation was \$2,148,125 and \$1,464,002, respectively. None of these deposits were exposed to custodial credit risk at June 30, 2020 or 2019.

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Notes To Financial Statements (*Continued*)

3. Capital Assets

Capital assets activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Antennas	\$ 327,373	\$ —	\$ —	\$ 327,373
Building	48,422	—	—	48,422
Tower	265,650	—	—	265,650
Tipton Tower	4,732,991	—	—	4,732,991
Equipment	4,356,186	29,499	—	4,385,685
Total	9,730,622	29,499	—	9,760,121
Less: Accumulated Depreciation	6,692,238	282,683	—	6,974,921
Capital Assets, Net	\$ 3,038,384	\$ (253,184)	\$ —	\$ 2,785,200

Capital assets activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Antennas	\$ 327,373	\$ —	\$ —	\$ 327,373
Building	48,422	—	—	48,422
Tower	265,650	—	—	265,650
Tipton Tower	4,732,991	—	—	4,732,991
Equipment	4,340,686	15,500	—	4,356,186
Total	9,715,122	15,500	—	9,730,622
Less: Accumulated Depreciation	6,408,156	284,082	—	6,692,238
Capital Assets, Net	\$ 3,306,966	\$ (268,582)	\$ —	\$ 3,038,384

**KMOS TELEVISION - A PUBLIC BROADCASTING ENTITY
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Notes To Financial Statements (*Continued*)

4. Contingencies

Grants

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

5. Current Economic Conditions

The current economic conditions continue to present public broadcasting entities with difficult circumstances and challenges, which in some cases may result in declines in University support, grant revenue and contributions. The financial statements have been prepared using values and information currently available to KMOS-TV.

Current economic conditions have made it difficult for many donors to continue to contribute to stations. Changes in contribution levels and grant funding could have an adverse impact on KMOS-TV's future operating results.

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments. KMOS-TV could experience difficulty maintaining sufficient liquidity should significant changes occur.

COVID-19

In January 2020, an outbreak of a new strain of coronavirus, COVID-19, was identified. The World Health Organization declared the virus a pandemic. Currently, a limited supply of vaccine has been made available to the public. In response, various governmental agencies have mandated stricter procedures to address the health and safety of both employees and patrons including, in certain cases, requiring the closure of operations. For the fiscal year ended June 30, 2020, the coronavirus outbreak has had an impact on KMOS-TV's operations. While the impact will extend into the new fiscal year, management cannot reasonably estimate the effect on operations, cash flows, or its overall financial position.

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Notes To Financial Statements *(Continued)*

In April 2020, the Corporation for Public Broadcasting (the CPB) received \$75 million of emergency stabilization funds for public media as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This award was distributed by the CPB to public radio and television stations to be used as needed to sustain operations and services. KMOS-TV received \$260,205 of emergency stabilization funding from the CPB and recorded the full amount as unearned revenue in fiscal year 2020. There is no expenditure period for the funds, nor single audit requirement.

Supplementary Information

**KMOS TELEVISION - A PUBLIC BROADCASTING ENTITY
OPERATED BY UNIVERSITY OF CENTRAL MISSOURI**

**FUNCTIONAL EXPENSES
For The Year Ended June 30, 2020**

	Programming And Production	Program Services Broadcasting	Program Information And Promotion	Total Program Services	Fundraising And Membership Development	Support Services Underwriting And Grant Solicitation	Management And General	Total Support Services	Depreciation	Total
Salaries, payroll taxes and employee benefits	\$ 339,978	\$ 262,200	\$ 32,153	\$ 634,331	\$ 85,966	\$ 51,410	\$ 277,344	\$ 414,720	\$ —	\$ 1,049,051
Supplies and other services										
Technical services and fees	38,112	36,250	—	74,362	12,427	(2,630)	9,518	19,315	—	93,677
Office supplies	756	803	29,718	31,277	7,910	180	1,840	9,930	—	41,207
Utilities and postage	3,307	102,020	548	105,875	3,483	1,325	10,942	15,750	—	121,625
Printing	—	—	—	—	—	—	—	—	—	—
	42,175	139,073	30,266	211,514	23,820	(1,125)	22,300	44,995	—	256,509
Program costs										
Program acquisition	602,277	—	—	602,277	—	2,302	—	2,302	—	604,579
Program production costs	(2,104)	—	—	(2,104)	—	—	—	—	—	(2,104)
	600,173	—	—	600,173	—	2,302	—	2,302	—	602,475
Depreciation	—	—	—	—	—	—	—	—	282,683	282,683
Other										
Donated facilities and administrative support	—	—	—	—	—	—	466,999	466,999	—	466,999
Advertising	—	—	4,670	4,670	(2,353)	—	910	(1,443)	—	3,227
Rental and maintenance of equipment	8,296	46,783	140	55,219	88	256	525	869	—	56,088
Travel and professional meetings	9,446	1,451	686	11,583	(226)	2,276	2,275	4,325	—	15,908
Miscellaneous	29,158	32,384	87,505	149,047	40,492	18,877	39,206	98,575	—	247,622
	46,900	80,618	93,001	220,519	38,001	21,409	509,915	569,325	—	789,844
	\$ 1,029,226	\$ 481,891	\$ 155,420	\$ 1,666,537	\$ 147,787	\$ 73,996	\$ 809,559	\$ 1,031,342	\$ 282,683	\$ 2,980,562

**KMOS TELEVISION - A PUBLIC BROADCASTING ENTITY
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FUNCTIONAL EXPENSES (Continued)

For The Year Ended June 30, 2019

	Programming And Production	Program Services Broadcasting	Program Information And Promotion	Total Program Services	Fundraising And Membership Development	Support Services Underwriting And Grant Solicitation	Management And General	Total Support Services	Depreciation	Total
Salaries, payroll taxes and employee benefits	\$ 298,342	\$ 229,033	\$ 65,117	\$ 592,492	\$ 77,760	\$ 51,355	\$ 257,657	\$ 386,772	\$ —	\$ 979,264
Supplies and other services										
Technical services and fees	48,960	49,339	—	98,299	6,472	—	12,242	18,714	—	117,013
Office supplies	1,191	1,973	29,449	32,613	4,514	115	2,063	6,692	—	39,305
Utilities and postage	3,263	120,175	692	124,130	3,261	1,275	13,548	18,084	—	142,214
Printing	—	—	3,275	3,275	—	—	—	—	—	3,275
	53,414	171,487	33,416	258,317	14,247	1,390	27,853	43,490	—	301,807
Program costs										
Program acquisition	598,408	—	—	598,408	7,363	—	—	7,363	—	605,771
Program production costs	327	—	—	327	—	—	—	—	—	327
	598,735	—	—	598,735	7,363	—	—	7,363	—	606,098
Depreciation	—	—	—	—	—	—	—	—	284,082	284,082
Other										
Donated facilities and administrative support	—	—	—	—	—	—	525,159	525,159	—	525,159
Advertising	—	1,109	(114)	995	715	673	554	1,942	—	2,937
Rental and maintenance of equipment	1,605	81,897	240	83,742	1,200	1,360	1,248	3,808	—	87,550
Travel and professional meetings	8,797	2,211	306	11,314	2,159	3,703	1,077	6,939	—	18,253
Miscellaneous	(3,488)	20,902	100,988	118,402	37,100	4,658	33,711	75,469	—	193,871
	6,914	106,119	101,420	214,453	41,174	10,394	561,749	613,317	—	827,770
	\$ 957,405	\$ 506,639	\$ 199,953	\$ 1,663,997	\$ 140,544	\$ 63,139	\$ 847,259	\$ 1,050,942	\$ 284,082	\$ 2,999,021