




**KMOS Television - A Public  
Broadcasting Entity  
Operated by University of  
Central Missouri**

**Independent Auditor's Report and  
Financial Statements**

June 30, 2024 and 2023



**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Contents**  
**June 30, 2024 and 2023**

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<b>Independent Auditor’s Report</b> .....	<b>1</b>
<b>Management’s Discussion and Analysis</b> .....	<b>4</b>
<b>Financial Statements</b>	
Statements of Net Position.....	9
Statements of Revenues, Expenses, and Changes in Net Position .....	10
Statements of Cash Flows .....	11
Notes to Financial Statements .....	12
<b>Supplementary Information</b>	
Functional Expenses .....	21

## **Independent Auditor's Report**

Board of Governors  
University of Central Missouri  
Warrensburg, Missouri

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

#### ***Opinion***

We have audited the financial statements of KMOS-Television, a Public Broadcasting Entity operated by the University of Central Missouri (the "Station"), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of KMOS-Television, a Public Broadcasting Entity operated by the University of Central Missouri, as of June 30, 2024 and 2023, 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.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Station, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 discussed in *Note 1*, the financial statements of KMOS-Television are intended to present the financial position and changes in net position and cash flows for only that portion of activities that is attributable to the transactions of KMOS-Television. They do not purport to, and do not present fairly, the financial position of the University of Central Missouri as of June 30, 2024 and 2023, and the changes in its net position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United State of America. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

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

In performing an audit in accordance with GAAS, we:

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

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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Station's basic financial statements. The functional expenses schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The functional expenses schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the functional expenses schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Forvis Mazars, LLP***

**Springfield, Missouri  
January 13, 2025**

**KMOS-Television  
A Public Broadcasting Entity Operated by  
University of Central Missouri  
Management's Discussion and Analysis  
Years Ended June 30, 2024 and 2023**

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***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.

KMOS continues to provide both an excellent education and viewing experience for its community. KMOS has devoted additional resources to local programming including the production of long form documentaries, short form local features, and programs that support the local community. KMOS continues to be an excellent source of high-quality public media content for its viewers. Resulting in increased viewership on all four of its channels.

During the past and upcoming years KMOS has been working with local and state emergency management agencies to utilize KMOS reach to enhance emergency messaging to the central Missouri community. This process is just beginning but KMOS anticipates finding new ways to not just alert its viewing community but to also tell the story of emergency management.

KMOS anticipates flat funding from the Federal and State government, but it continues to experience growth in viewer donations and membership. KMOS continually monitors the economic environment as it pertains to its funding from individual donations, business support and local, state, and federal funding. Thus, ensuring the long-term viability of stations operations and community service.

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, 2024, 2023, and 2022. 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.

## 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.

A summary of the Station's assets, liabilities, and net position at the years ended June 30, 2024, 2023, and 2022, is as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
Current assets	\$ 2,573,074	\$ 2,583,755	\$ 2,496,167
Noncurrent assets	<u>3,028,283</u>	<u>3,053,372</u>	<u>3,264,457</u>
Total assets	<u>5,601,357</u>	<u>5,637,127</u>	<u>5,760,624</u>
<b>LIABILITIES</b>			
Current liabilities	1,699,464	1,774,062	1,715,983
Noncurrent liabilities	<u>243,102</u>	<u>488,952</u>	<u>491,867</u>
Total liabilities	<u>1,942,566</u>	<u>2,263,014</u>	<u>2,207,850</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,678,171	2,473,470	2,680,376
Unrestricted	<u>980,620</u>	<u>900,643</u>	<u>872,398</u>
Total net position	<u>\$ 3,658,791</u>	<u>\$ 3,374,113</u>	<u>\$ 3,552,774</u>

## **Comparative Analysis**

*Assets* - Total assets at June 30, 2024, are \$5,601,357. These assets are comprised of current assets of \$2,573,074 and noncurrent assets of \$3,028,283. This is a \$35,770 decrease from fiscal year 2023 total assets of \$5,637,127. Current assets decreased \$10,681. The noncurrent assets decrease of \$25,089 includes net changes of the depreciation and amortization expense of \$198,166, purchase of new capital assets of \$399,115, other increases of \$3,793 and the decrease of \$229,831 in the book value of the leased asset in 2024.

Total assets at June 30, 2023, are \$5,637,127. These assets are comprised of current assets of \$2,583,755 and noncurrent capital assets of \$3,053,372. This is a \$123,497 decrease from fiscal year 2022 total assets of \$5,760,624. Current assets increased \$87,588. The noncurrent assets decrease of \$211,085 reflects the large depreciation and amortization expense of \$211,085 in 2023.

*Liabilities* - Total liabilities as of June 30, 2024, are \$1,942,566. These liabilities are comprised of current liabilities of \$1,699,464 and noncurrent liabilities of \$243,102. This is a \$320,448 decrease from fiscal year 2023 total liabilities of \$2,263,014. Fiscal year 2024 experienced an increase in accounts payable and accrued liabilities, a decrease in unearned revenue and in lease liabilities due to a disposition of lease liability.

Total liabilities as of June 30, 2023, are \$2,263,014. These liabilities are comprised of current liabilities of \$1,774,062 and noncurrent liabilities of \$488,952. This is a \$55,164 increase from fiscal year 2022 total liabilities of \$2,207,850. Fiscal year 2023 experienced an increase in accounts payable and accrued liabilities, an increase in accrued compensated absences, and an increase in unearned revenue.

*Net Position* - As of June 30, 2024, KMOS-TV had net position totaling \$3,658,791. Net position is comprised of unrestricted assets of \$980,620 and invested in capital assets of \$2,678,171. There are no restrictions relating to net position. Net position at June 30, 2023, was \$3,374,113. The \$284,678 increase in total net position represents a \$204,701 increase in investment in capital assets and a \$79,977 increase in unrestricted net position.

As of June 30, 2023, KMOS-TV had net position totaling \$3,374,113. Net position is comprised of unrestricted assets of \$900,643 and invested in capital assets of \$2,473,470. There are no restrictions relating to net position. Net position at June 30, 2022, was \$3,552,774. The \$178,661 decrease in total net position represents a \$206,906 decrease in investment in capital assets and a \$28,245 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, 2024, 2023, and 2022, are as follows:



	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating revenues	\$ 26,466	\$ 31,005	\$ 67,954
Operating expenses	<u>3,067,897</u>	<u>3,080,660</u>	<u>3,074,129</u>
Operating loss	(3,041,431)	(3,049,655)	(3,006,175)
Nonoperating revenues	<u>3,326,109</u>	<u>2,870,994</u>	<u>2,942,108</u>
Increase (decrease) in net position	284,678	(178,661)	(64,067)
Net position, beginning of year	<u>3,374,113</u>	<u>3,552,774</u>	<u>3,616,841</u>
Net position, end of year	<u>\$ 3,658,791</u>	<u>\$ 3,374,113</u>	<u>\$ 3,552,774</u>

### **Comparative Analysis**

*Revenues* - KMOS-TV's total operating and nonoperating revenues for the year ended June 30, 2024, are \$3,352,575. Grants and contracts totaled \$1,297,107. Subscriptions and underwriting totaled \$575,122. Support from UCM was \$1,463,849. Operating revenues totaled \$26,466 and nonoperating revenue totaled \$3,326,109. This is a \$450,576 increase in revenues from the fiscal year 2023 total of \$2,870,994.

KMOS-TV's total operating and nonoperating revenues for the year ended June 30, 2023, are \$2,901,999. Grants and contracts totaled \$955,678. Subscriptions and underwriting totaled \$519,972. Support from UCM was \$1,403,165. Operating revenues totaled \$31,005 and nonoperating revenues totaled \$2,901,999. This is a \$108,063 decrease in revenues from the fiscal year 2022 total of \$3,010,062.

Total operating expenses as of June 30, 2024, were \$3,067,897. This is a \$12,763 decrease from the fiscal year 2023 operating expenses total of \$3,080,660.

*Expenses* - KMOS-TV operating expenses for the fiscal year 2024 by natural classification are:

- Salaries, payroll taxes, and employee benefits - \$1,274,084
- Supplies and other services - \$268,319
- Program costs - \$580,292
- Depreciation and amortization - \$198,166
- Other expenses - \$747,036

Expenses for fiscal year 2024 by functional classification include:

- Program services - \$1,673,739 that consist of:
  - Programming and production - \$1,022,295
  - Broadcasting - \$454,757
  - Program information and promotion - \$196,687
- Support services - \$1,195,992 that consist of:
  - Management and general - \$851,562
  - Fundraising and membership development - \$224,982
  - Underwriting and grant solicitation - \$119,448
- Depreciation - \$198,166

Total operating expenses as of June 30, 2023, were \$3,080,660. This is a \$6,531 increase from the fiscal year 2022 operating expenses total of \$3,074,129.

*Expenses* - KMOS-TV operating expenses for fiscal year 2023 by natural classification are:

- Salaries, payroll taxes, and employee benefits - \$1,235,381
- Supplies and other services - \$259,304
- Program costs - \$505,352
- Depreciation and amortization - \$211,085
- Other expenses - \$869,538

Expenses for fiscal year 2023 by functional classification include:

- Program services - \$1,700,604 that consist of:
  - Programming and production - \$952,215
  - Broadcasting - \$630,314
  - Program information and promotion - \$118,075
- Support services - \$1,169,413 that consist of:
  - Management and general - \$844,432
  - Fundraising and membership development - \$210,389
  - Underwriting and grant solicitation - \$114,150
- Depreciation - \$211,085

*Net Position* – An increase in net position of \$284,678 was recognized by KMOS-TV as of June 30, 2024, which left ending net position of \$3,658,791, including a \$204,701 increase in net investment in capital assets and a \$79,977 increase in unrestricted net position.

A decrease in net position of \$178,661 was recognized by KMOS-TV as of June 30, 2023, which left ending net position of \$3,374,113, including a \$206,906 decrease in net investment in capital assets and a \$28,245 increase in unrestricted net position.

#### Contact Information

Questions or comments about this report may be addressed to Belinda J. Bell, Director of Accounting, at University of Central Missouri, Administration 316B, Warrensburg, MO 64093.

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Statements of Net Position**  
**June 30, 2024 and 2023**

**ASSETS**

	<u>2024</u>	<u>2023</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,548,464	\$ 2,551,301
Accounts receivable	3,534	381
Prepaid expenses	21,076	32,073
	<u>2,573,074</u>	<u>2,583,755</u>
<b>Noncurrent Assets</b>		
Investments	140,778	140,778
Lease assets, net	204,891	434,722
Capital assets, net	2,682,614	2,477,872
	<u>3,028,283</u>	<u>3,053,372</u>
Total assets	<u>\$ 5,601,357</u>	<u>\$ 5,637,127</u>

**LIABILITIES AND NET POSITION**

<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 70,989	\$ 56,028
Accrued compensated absences	28,185	29,198
Unearned revenue	1,599,733	1,684,583
Current portion of lease liabilities	557	4,253
	<u>1,699,464</u>	<u>1,774,062</u>
<b>Noncurrent Liabilities</b>		
Accrued compensated absences	34,325	54,081
Lease liabilities	208,777	434,871
	<u>243,102</u>	<u>488,952</u>
Total liabilities	<u>1,942,566</u>	<u>2,263,014</u>
<b>Net Position</b>		
Net investment in capital assets	2,678,171	2,473,470
Unrestricted	980,620	900,643
	<u>3,658,791</u>	<u>3,374,113</u>
Total liabilities and net position	<u>\$ 5,601,357</u>	<u>\$ 5,637,127</u>

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating Revenues</b>		
Sales and services	\$ 26,466	\$ 31,005
<b>Operating Expenses</b>		
Program services		
Salaries and benefits	1,274,084	1,235,381
Supplies and other services	268,319	259,304
Program costs	580,292	505,352
Depreciation and amortization	198,166	211,085
Other	747,036	869,538
Total operating expenses	<u>3,067,897</u>	<u>3,080,660</u>
<b>Operating Loss</b>	<u>(3,041,431)</u>	<u>(3,049,655)</u>
<b>Nonoperating Revenues (Expenses)</b>		
State grants and contracts	186,391	120,975
Nongovernmental grants and contracts	1,110,716	834,703
Gifts and subscriptions	540,800	495,604
Underwriting support	34,322	24,368
University support	1,463,849	1,403,165
Interest on lease liabilities	(9,969)	(7,821)
	<u>3,326,109</u>	<u>2,870,994</u>
<b>Increase (Decrease) in Net Position</b>	284,678	(178,661)
<b>Net Position, Beginning of Year</b>	<u>3,374,113</u>	<u>3,552,774</u>
<b>Net Position, End of Year</b>	<u>\$ 3,658,791</u>	<u>\$ 3,374,113</u>

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Statements of Cash Flows**  
**Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating Activities</b>		
Sales and service receipts	\$ 26,466	\$ 31,005
Payments to suppliers	(1,033,726)	(1,093,843)
Payments to employees	(1,294,853)	(1,225,942)
Net cash used in operating activities	<u>(2,302,113)</u>	<u>(2,288,780)</u>
<b>Noncapital Financing Activities</b>		
State grants and contracts	182,172	125,194
Nongovernmental grants and contracts	1,026,932	876,162
Gifts received for other than capital purpose	474,899	437,684
Underwriting support	34,322	24,368
University support	990,566	936,224
Net cash provided by noncapital financing activities	<u>2,708,891</u>	<u>2,399,632</u>
<b>Capital and Related Financing Activities</b>		
Purchase of capital assets	(399,115)	-
Principal paid on lease liabilities	(531)	(4,179)
Interest paid on lease liabilities	(9,969)	(7,821)
Net cash used in capital and related financing activities	<u>(409,615)</u>	<u>(12,000)</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	(2,837)	98,852
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>2,551,301</u>	<u>2,452,449</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 2,548,464</u>	<u>\$ 2,551,301</u>
<b>Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities</b>		
Operating loss	\$ (3,041,431)	\$ (3,049,655)
Donated facilities and administration support	473,283	466,941
In-kind contributions for rent and services	65,901	57,920
Depreciation and amortization expense	198,166	211,085
Gain on disposal of lease asset	(3,221)	-
Changes in operating assets and liabilities		
Prepaid expenses	10,997	10,996
Accounts payable and accrued expenses	(5,808)	13,933
Net cash used in operating activities	<u>\$ (2,302,113)</u>	<u>\$ (2,288,780)</u>

## **Note 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, 2024 and 2023. KMOS-TV is a department of UCM; as such, the financial statements of KMOS-TV are intended to present the financial position and changes in net position and cash flows for only that portion of activities that is attributable to the transactions of KMOS-TV. 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, liabilities, and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements unless they relate to services provided and used internally. Operating revenues and expenses include exchange transactions and program-specific, government-mandated or voluntary nonexchange transactions. Government-mandated or voluntary nonexchange transactions that are not program specific (such as state appropriations), investment income, and interest on capital asset-related debt are included in nonoperating 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 positions are 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).

### ***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 Equivalents***

KMOS-TV considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2024 and 2023, cash and cash equivalents consisted primarily of pooled cash accounts with the University and the Foundation.

### ***Investments and Investment Return***

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

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

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***Accounts Receivable***

Accounts receivable include amounts due from the federal government, state, and local governments, and private sources, in connection with reimbursement of allowable expenditures made pursuant to KMOS-TV's grants and contracts. Accounts receivable is recorded net of estimated uncollectible amounts; however, KMOS-TV had no estimated uncollectible amounts at June 30, 2024 and 2023.

***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.

***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.

***Lease Assets***

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

***Capital and Lease Asset Impairment***

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

No asset impairment loss was recognized during the years ended June 30, 2024 and 2023.

***Unearned Revenue***

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

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

---

***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 (lease) assets net of accumulated depreciation (amortization).

*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.

***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.



**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

---

**Note 2. Deposits, Investments, and Investment Return**

***Deposits***

Deposits consisted of the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents		
Deposits with Foundation	\$ 629,811	\$ 624,063
Amount due from University	<u>1,918,653</u>	<u>1,927,238</u>
 Total cash and cash equivalents	 <u>\$ 2,548,464</u>	 <u>\$ 2,551,301</u>

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 percent 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.

***Investments***

Endowment funds and funds treated as endowment by KMOS-TV are held by the Foundation and managed as a pooled investment fund. The various subsidiary accounts purchase shares in the investment pool when additions are received. The investment pool is operated on a unit market basis. The investment pool includes equity securities and debt securities, which are carried at fair value. The Station's investments are not classified by custodial credit risk category, as they are not evidenced by securities that exist in physical or book entry form. The Board of Trustees has established an investment policy with the objectives of protecting the principal of these funds and maximizing total investment return without assuming extraordinary risks.

The share of the pooled investments held for KMOS-TV consisted of a quasi-endowment in the amount of \$140,778 at June 30, 2024 and 2023.

Investment return includes interest income and the net change for the year in the fair value of investments. Investment return was \$0 for the years ended June 30, 2024 and 2023.

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

---

**Note 3. Capital Assets**

Capital assets activity for the years ended June 30, 2024 and 2023, was as follows:

	<b>2024</b>			<b>Ending Balance</b>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	
Antennas	\$ 327,373	\$ -	\$ -	\$ 327,373
Tower	265,650	-	-	265,650
Tipton Tower	4,732,991	392,265	-	5,125,256
Equipment	4,831,749	6,850	27,630	4,810,969
	10,157,763	399,115	27,630	10,529,248
Less accumulated depreciation	7,679,891	194,373	27,630	7,846,634
Capital assets, net	<u>\$ 2,477,872</u>	<u>\$ 204,742</u>	<u>\$ -</u>	<u>\$ 2,682,614</u>
	<b>2023</b>			<b>Ending Balance</b>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	
Antennas	\$ 327,373	\$ -	\$ -	\$ 327,373
Tower	265,650	-	-	265,650
Tipton Tower	4,732,991	-	-	4,732,991
Equipment	4,831,749	-	-	4,831,749
	10,157,763	-	-	10,157,763
Less accumulated depreciation	7,476,710	203,181	-	7,679,891
Capital assets, net	<u>\$ 2,681,053</u>	<u>\$ (203,181)</u>	<u>\$ -</u>	<u>\$ 2,477,872</u>

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

---

**Note 4. Lease Assets**

Lease asset activity for the years ended June 30, 2024 and 2023, was as follows:

	<b>2024</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Tower	\$ 458,434	\$ -	\$ (238,366)	\$ 220,068
Less accumulated amortization	<u>23,712</u>	<u>3,793</u>	<u>(12,328)</u>	<u>15,177</u>
Lease assets, net	<u>\$ 434,722</u>	<u>\$ (3,793)</u>	<u>\$ (226,038)</u>	<u>\$ 204,891</u>

	<b>2023</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Tower	\$ 458,434	\$ -	\$ -	\$ 458,434
Less accumulated amortization	<u>15,808</u>	<u>7,904</u>	<u>-</u>	<u>23,712</u>
Lease assets, net	<u>\$ 442,626</u>	<u>\$ (7,904)</u>	<u>\$ -</u>	<u>\$ 434,722</u>

**Note 5. Lease Liabilities**

KMOS-TV leases a broadcasting tower, the terms of which expire in 2078 assuming that all renewal options are exercised. During 2024 and 2023, KMOS-TV paid \$10,500 in lease payments. Lease liability activity for the years ended June 30, 2024 and 2023, was as follows:

	<b>2024</b>				
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Lease liability	\$ 439,124	\$ -	\$ 229,790	\$ 209,334	\$ 557

	<b>2023</b>				
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Lease liability	\$ 443,303	\$ -	\$ 4,179	\$ 439,124	\$ 4,253

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

---

The following is a schedule by year of payments under the leases as of June 30, 2024:

Year Ending June 30,	<u>Total to Be Paid</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 10,500	\$ 557	\$ 9,943
2026	10,500	583	9,917
2027	10,500	611	9,889
2028	10,500	640	9,860
2029	10,500	670	9,830
2030 - 2034	52,500	3,859	48,641
2035 - 2039	53,025	5,392	47,633
2040 - 2044	55,125	9,163	45,962
2045 - 2049	55,125	11,556	43,569
2050 - 2054	55,125	14,574	40,551
2055 - 2059	55,675	18,931	36,744
2060 - 2064	57,880	26,354	31,526
2065 - 2069	57,880	33,236	24,644
2070 - 2074	57,880	41,917	15,963
2075 - 2078	46,307	41,291	5,016
	<u>\$ 599,022</u>	<u>\$ 209,334</u>	<u>\$ 389,688</u>

**Note 6. Disclosure About Fair Value of Assets**

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

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

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

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***Recurring Measurements***

The following tables present the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023:

<u>Description</u>	<b>2024</b>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Pooled investments held by the Foundation	<u>\$ 140,778</u>	<u>\$ -</u>	<u>\$ 140,778</u>	<u>\$ -</u>
Total investments measured at fair value	<u><u>\$ 140,778</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 140,778</u></u>	<u><u>\$ -</u></u>

<u>Description</u>	<b>2023</b>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Pooled investments held by the Foundation	<u>\$ 140,778</u>	<u>\$ -</u>	<u>\$ 140,778</u>	<u>\$ -</u>
Total investments measured at fair value	<u><u>\$ 140,778</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 140,778</u></u>	<u><u>\$ -</u></u>

***Investments***

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

**Note 7. 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.

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

---

**Note 8. Subsequent Events**

Subsequent to year-end, KMOS-Television was awarded the Next Generation Warning System Grant in the amount of \$880,085 from the Corporation for Public Broadcasting, funded by the Federal Emergency Management Agency (FEMA). This grant will be used to install a new antenna, encoders, and transmission lines at the tower site in an effort to provide enhanced emergency alerting within the coverage area.

***Supplementary Information***

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Functional Expenses**  
**Year Ended June 30, 2024**

	Program Services				Support Services				Depreciation	Total
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Fundraising and Membership Development	Underwriting and Grant Solicitation	Management and General	Total Support Services		
Salaries, payroll taxes, and employee benefits	\$ 364,569	\$ 401,801	\$ 10,395	\$ 776,765	\$ 109,128	\$ 98,255	\$ 289,936	\$ 497,319	\$ -	\$ 1,274,084
Supplies and other services										
Technical services and fees	18,261	44,899	634	63,794	16,820	874	16,888	34,582	-	98,376
Office supplies	1,516	1,126	47,778	50,420	13,902	-	2,971	16,873	-	67,293
Utilities and postage	1,161	77,298	-	78,459	6,217	81	17,893	24,191	-	102,650
	<u>20,938</u>	<u>123,323</u>	<u>48,412</u>	<u>192,673</u>	<u>36,939</u>	<u>955</u>	<u>37,752</u>	<u>75,646</u>	<u>-</u>	<u>268,319</u>
Program costs										
Program acquisition	580,292	-	-	580,292	-	-	-	-	-	580,292
	<u>580,292</u>	<u>-</u>	<u>-</u>	<u>580,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>580,292</u>
Depreciation and amortization	-	-	-	-	-	-	-	-	198,166	198,166
Other										
Donated facilities and administrative support	-	-	-	-	-	-	473,283	473,283	-	473,283
Advertising	196	-	347	543	125	-	-	125	-	668
Rental and maintenance of equipment	2,092	40,918	300	43,310	-	-	-	-	-	43,310
Travel and professional meetings	5,026	1,458	445	6,929	5,015	61	3,892	8,968	-	15,897
Miscellaneous	49,182	(112,743)	136,788	73,227	73,775	20,177	46,699	140,651	-	213,878
	<u>56,496</u>	<u>(70,367)</u>	<u>137,880</u>	<u>124,009</u>	<u>78,915</u>	<u>20,238</u>	<u>523,874</u>	<u>623,027</u>	<u>-</u>	<u>747,036</u>
	<u>\$ 1,022,295</u>	<u>\$ 454,757</u>	<u>\$ 196,687</u>	<u>\$ 1,673,739</u>	<u>\$ 224,982</u>	<u>\$ 119,448</u>	<u>\$ 851,562</u>	<u>\$ 1,195,992</u>	<u>\$ 198,166</u>	<u>\$ 3,067,897</u>



**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Functional Expenses**  
**Year Ended June 30, 2023**

	Program Services				Support Services				Depreciation	Total
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Fundraising and Membership Development	Underwriting and Grant Solicitation	Management and General	Total Support Services		
Salaries, payroll taxes, and employee benefits	\$ 381,093	\$ 328,792	\$ -	\$ 709,885	\$ 124,511	\$ 95,298	\$ 305,687	\$ 525,496	\$ -	\$ 1,235,381
Supplies and other services										
Technical services and fees	15,849	62,196	249	78,294	11,310	-	10,755	22,065	-	100,359
Office supplies	1,120	14	42,243	43,377	12,777	-	3,569	16,346	-	59,723
Utilities and postage	3,220	70,422	346	73,988	6,148	871	18,215	25,234	-	99,222
	<u>20,189</u>	<u>132,632</u>	<u>42,838</u>	<u>195,659</u>	<u>30,235</u>	<u>871</u>	<u>32,539</u>	<u>63,645</u>	<u>-</u>	<u>259,304</u>
Program costs										
Program acquisition	505,352	-	-	505,352	-	-	-	-	-	505,352
Depreciation and amortization	-	-	-	-	-	-	-	-	211,085	211,085
Other										
Donated facilities and administrative support	-	-	-	-	-	-	466,941	466,941	-	466,941
Advertising	-	-	386	386	668	695	900	2,263	-	2,649
Rental and maintenance of equipment	7,957	36,733	-	44,690	396	-	100	496	-	45,186
Travel and professional meetings	5,046	702	2,007	7,755	840	-	370	1,210	-	8,965
Miscellaneous	32,578	131,455	72,844	236,877	53,739	17,286	37,895	108,920	-	345,797
	<u>45,581</u>	<u>168,890</u>	<u>75,237</u>	<u>289,708</u>	<u>55,643</u>	<u>17,981</u>	<u>506,206</u>	<u>579,830</u>	<u>-</u>	<u>869,538</u>
	<u>\$ 952,215</u>	<u>\$ 630,314</u>	<u>\$ 118,075</u>	<u>\$ 1,700,604</u>	<u>\$ 210,389</u>	<u>\$ 114,150</u>	<u>\$ 844,432</u>	<u>\$ 1,168,971</u>	<u>\$ 211,085</u>	<u>\$ 3,080,660</u>