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

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

**June 30, 2023 and 2022**

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**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**June 30, 2023 and 2022**

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## 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 year ended June 30, 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, 2023, and the changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit 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, 2023 and 2022, and the changes in its net position and its cash flows for the year ended in conformity with accounting principles generally accepted in the United State of America. Our opinion is not modified with respect to this matter.

#### *Prior Year Audited by Other Auditors*

The 2022 financial statements, before they were restated for the matter discussed in *Note 1*, were audited by other auditors, and their report thereon, dated January 13, 2023, expressed an unmodified opinion. Our opinion is not modified with respect to this matter.

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise 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.

The supplementary information for the year ended June 30, 2022, was audited by other auditors whose report dated January 13, 2023, expressed an unmodified opinion on such information in relation to the basic financial statements for the year ended June 30, 2022, taken as a whole.

**FORVIS,LLP**

Springfield, Missouri  
February 13, 2024

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Management's Discussion and Analysis**  
**Years Ended June 30, 2023 and 2022**

**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. On the education side KMOS students produced a wealth of new content in the form of mini documentaries. Several of which received national attention and awards. 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.

KMOS will continue to expand its student production and engagement with creation of new content for consumption both on-air and online. Serving both the students of UCM as well as the viewers in central Missouri.

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, 2023, 2022, and 2021. 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, 2023, 2022, and 2021, is as follows:

	<b>2023</b>	<b>2022 (Restated)</b>	<b>2021</b>
<b>Assets</b>			
Current assets	\$ 2,583,755	\$ 2,496,167	\$ 2,470,509
Noncurrent assets	3,053,372	3,264,457	2,919,101
Total assets	<u>5,637,127</u>	<u>5,760,624</u>	<u>5,389,610</u>
<b>Liabilities</b>			
Current liabilities	1,774,062	1,715,983	1,724,522
Noncurrent liabilities	488,952	491,867	51,367
Total liabilities	<u>2,263,014</u>	<u>2,207,850</u>	<u>1,775,889</u>
<b>Net Position</b>			
Net investment in capital assets	2,473,470	2,680,376	2,919,101
Unrestricted	900,643	872,398	694,620
Total net position	<u>\$ 3,374,113</u>	<u>\$ 3,552,774</u>	<u>\$ 3,613,721</u>

## **Comparative Analysis**

*Assets* - Total assets at June 30, 2023, are \$5,637,127. These assets are comprised of current assets of \$2,583,755 and noncurrent 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.

Total assets at June 30, 2022, are \$5,760,624. These assets are comprised of current assets of \$2,496,167 and noncurrent capital assets of \$3,264,457. This is a \$371,014 increase from fiscal year 2021 total assets of \$5,389,610. Current assets increased \$25,658. The noncurrent assets increase of \$345,356 reflects the noncurrent investment addition of \$140,778, large depreciation and amortization expense of \$258,502 in 2022 which is offset by \$12,550, and \$450,530 of capital and lease additions, respectively.

*Liabilities* - 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.

Total liabilities as of June 30, 2022, are \$2,207,850. These liabilities are comprised of current liabilities of \$1,715,983 and noncurrent liabilities of \$491,867. This is a \$431,961 increase from fiscal year 2021 total liabilities of \$1,775,889. Fiscal year 2022 experienced an increase in accounts payable and accrued liabilities, an increase in accrued compensated absences, a decrease in unearned revenue, and an increase in lease liabilities.

*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.

As of June 30, 2022, KMOS-TV had net position totaling \$3,552,774. Net position is comprised of unrestricted assets of \$872,398 and invested in capital assets of \$2,680,376. There are no restrictions relating to net position. Net position at June 30, 2021, was \$3,613,721. The \$60,947 decrease in total net position represents a \$238,725 decrease in invested in capital assets and a \$177,778 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, 2023, 2022, and 2021, are as follows:



	<b>2023</b>	<b>2022 (Restated)</b>	<b>2021</b>
Operating revenues	\$ 31,005	\$ 67,954	\$ 78,388
Operating expenses	<u>3,080,660</u>	<u>3,074,129</u>	<u>2,706,711</u>
Operating loss	(3,049,655)	(3,006,175)	(2,628,323)
Nonoperating revenues	<u>2,870,994</u>	<u>2,942,108</u>	<u>2,451,652</u>
Decrease in net position	(178,661)	(64,067)	(176,671)
Net position, beginning of year	<u>3,552,774</u>	<u>3,616,841</u>	<u>3,790,392</u>
Net position, end of year	<u><u>\$ 3,374,113</u></u>	<u><u>\$ 3,552,774</u></u>	<u><u>\$ 3,613,721</u></u>

### **Comparative Analysis**

*Revenues* - 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. This is a \$108,063 decrease in revenues from the fiscal year 2022 total of \$3,010,062.

KMOS-TV's total operating and nonoperating revenues for the year ended June 30, 2022, are \$3,010,062. Grants and contracts totaled \$1,093,543. Subscriptions and underwriting totaled \$631,673. Support from UCM was \$1,224,785. Operating revenues totaled \$67,954. This is a \$480,022 increase in revenues from the fiscal year 2021 total of \$2,530,040.

*Expenses* - KMOS-TV operating expenses for the 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

Total 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 2022 by natural classification are:

- Salaries, payroll taxes, and employee benefits - \$1,106,644
- Supplies and other services - \$249,547
- Program costs - \$604,552
- Depreciation and amortization - \$258,502
- Other expenses - \$854,884

Expenses for fiscal year 2022 by functional classification include:

- Program services - \$1,735,718 that consist of:
  - Programming and production - \$1,004,212
  - Broadcasting - \$628,316
  - Program information and promotion - \$103,190
- Support services - \$1,079,909 that consist of:
  - Management and general - \$771,225
  - Fundraising and membership development - \$176,282
  - Underwriting and grant solicitation - \$132,402
- Depreciation - \$258,502

Total expenses as of June 30, 2022, were \$3,074,129. This is a \$367,418 increase from the fiscal year 2021 operating expenses total of \$2,706,711.

*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.

A decrease in net position of \$64,067 was recognized by KMOS-TV as of June 30, 2022, which left ending net position of \$3,552,774, including a \$238,725 decrease in net investment in capital assets and a \$177,778 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, 2023 and 2022**

**Assets**

	<b>2023</b>	<b>2022 (Restated - Note 1)</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,551,301	\$ 2,452,449
Accounts receivable	381	649
Prepaid expenses	32,073	43,069
Total current assets	2,583,755	2,496,167
<b>Noncurrent Assets</b>		
Investments	140,778	140,778
Lease assets, net	434,722	442,626
Capital assets, net	2,477,872	2,681,053
Total noncurrent assets	3,053,372	3,264,457
Total assets	\$ 5,637,127	\$ 5,760,624

**Liabilities and Net Position**

<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 56,028	\$ 51,534
Accrued compensated absences	29,198	21,096
Unearned revenue	1,684,583	1,639,173
Current portion of lease liabilities	4,253	4,180
Total current liabilities	1,774,062	1,715,983
<b>Noncurrent Liabilities</b>		
Accrued compensated absences	54,081	52,744
Lease liabilities	434,871	439,123
Total noncurrent liabilities	488,952	491,867
Total liabilities	2,263,014	2,207,850
<b>Net Position</b>		
Net investment in capital assets	2,473,470	2,680,376
Unrestricted	900,643	872,398
Total net position	3,374,113	3,552,774
Total liabilities and net position	\$ 5,637,127	\$ 5,760,624

**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, 2023 and 2022**

	<b>2023</b>	<b>2022 (Restated - Note 1)</b>
<b>Operating Revenues</b>		
Sales and services	\$ 31,005	\$ 67,954
<b>Operating Expenses</b>		
Program services		
Salaries and benefits	1,235,381	1,106,644
Supplies and other services	259,304	249,547
Program costs	505,352	604,552
Depreciation and amortization	211,085	258,502
Other	869,538	854,884
Total operating expenses	3,080,660	3,074,129
<b>Operating Loss</b>	(3,049,655)	(3,006,175)
<b>Nonoperating Revenues (Expenses)</b>		
State grants and contracts	120,975	87,839
Nongovernmental grants and contracts	834,703	1,005,704
Gifts and subscriptions	495,604	601,349
Underwriting support	24,368	30,324
University support	1,403,165	1,224,785
Interest on lease liabilities	(7,821)	(7,893)
	2,870,994	2,942,108
<b>Decrease in Net Position</b>	(178,661)	(64,067)
<b>Net Position, Beginning of Year, As Restated</b>	3,552,774	3,616,841
<b>Net Position, End of Year</b>	\$ 3,374,113	\$ 3,552,774

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Statements of Cash Flows**  
**Years Ended June 30, 2023 and 2022**

	<b>2023</b>	<b>2022 (Restated - Note 1)</b>
<b>Operating Activities</b>		
Sales and service receipts	\$ 31,005	\$ 67,954
Payments to suppliers	(1,093,843)	(1,260,290)
Payments to employees	(1,225,942)	(1,100,555)
Net cash used in operating activities	(2,288,780)	(2,292,891)
<b>Noncapital Financing Activities</b>		
State grants and contracts	125,194	87,839
Nongovernmental grants and contracts	876,162	984,071
Gifts received for other than capital purpose	437,684	410,250
Underwriting support	24,368	30,324
University support	936,224	840,963
Net cash provided by noncapital financing activities	2,399,632	2,353,447
<b>Capital and Related Financing Activities</b>		
Purchase of capital assets	-	(12,550)
Principal paid on lease liabilities	(4,179)	(4,107)
Interest paid on lease liabilities	(7,821)	(7,893)
Net cash used in capital and related financing activities	(12,000)	(24,550)
<b>Increase in Cash and Cash Equivalents</b>	98,852	36,006
<b>Cash and Cash Equivalents, Beginning of Year</b>	2,452,449	2,416,443
<b>Cash and Cash Equivalents, End of Year</b>	\$ 2,551,301	\$ 2,452,449
<b>Reconciliation of Net Operating Loss to Net Cash Used in Operating Activities</b>		
Operating loss	\$ (3,049,655)	\$ (3,006,175)
Donated facilities and administration support	466,941	383,822
In-kind contributions for rent and services	57,920	50,321
Depreciation and amortization expense	211,085	258,502
Changes in operating assets and liabilities		
Prepaid expenses	10,996	10,997
Accounts payable and accrued expenses	13,933	9,642
Net cash used in operating activities	\$ (2,288,780)	\$ (2,292,891)

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**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, 2023 and 2022. 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.

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

***Cash Equivalents***

KMOS-TV considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2023 and 2022, 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.

***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 are recorded net of estimated uncollectible amounts; however, KMOS-TV had no estimated uncollectible amounts at June 30, 2023 or 2022.

***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.

**KMOS-Television**  
**A Public Broadcasting Entity Operated by**  
**University of Central Missouri**  
**Notes to Financial Statements**  
**June 30, 2023 and 2022**

***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, 2023 and 2022.

***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 (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.



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***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.

***Revisions***

Certain immaterial revisions have been made to the 2022 statement of net position and statement of cash flows for noncurrent investments to conform to the 2023 financial statement presentation. These revisions had no effect on the change in net position.

***Change in Accounting Principle***

In 2023, KMOS-TV adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Under the standard, all long-term SBITAs will now be required to be recognized on the statement of net position as both a subscription asset and a subscription liability. KMOS-TV has concluded the standard had no material impact to its financial statements.

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**Note 2: Restatement of Fiscal Year 2022 Financial Statements**

In 2022 and prior, KMOS-TV did not record a lease asset and liability associated with a tower used by the station for broadcasting. The fiscal year 2022 financial statements have been restated for the impact of this error.

	<b>As Restated</b>	<b>As Previously Reported</b>	<b>Effect of Revision</b>	<b>Effect of Restatement</b>
<b>Statement of Net Position</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 2,452,449	\$ 2,593,227	\$ (140,778)	\$ -
Total current assets	2,496,167	2,636,945	(140,778)	-
<b>Noncurrent Assets</b>				
Investments	140,778	-	140,778	-
Lease assets, net	442,626	-	-	442,626
Total noncurrent assets	3,264,457	2,681,053	140,778	442,626
Total assets	5,760,624	5,317,998	-	442,626
<b>Current Liabilities</b>				
Current portion of lease liabilities	4,180	-	-	4,180
Total current liabilities	1,715,983	1,711,803	-	4,180
<b>Noncurrent Liabilities</b>				
Lease liabilities	439,123	-	-	439,123
Total noncurrent liabilities	491,867	52,744	-	439,123
Total liabilities	2,207,850	1,764,547	-	443,303
<b>Net Position</b>				
Net investment in capital assets	2,680,376	2,681,053	-	(677)
Total net position	3,552,774	3,553,451	-	(677)
<b>Statement of Revenues, Expenses, and Changes in Net Position</b>				
<b>Operating Expenses</b>				
Depreciation and amortization	\$ 258,502	\$ 250,598	\$ -	\$ 7,904
Other	854,884	866,884	-	(12,000)
Total operating expenses	3,074,129	3,078,225	-	(4,096)
<b>Operating Loss</b>	(3,006,175)	(3,010,271)	-	4,096
<b>Nonoperating Revenues (Expenses)</b>				
Interest on lease liabilities	(7,893)	-	-	(7,893)
Total nonoperating revenues (expenses)	2,942,108	2,950,001	-	(7,893)
<b>Decrease in Net Position</b>	(64,067)	(60,270)	-	(3,797)
<b>Net Position, Beginning of Year</b>	3,616,841	3,613,721	-	3,120
<b>Net Position, End of Year</b>	3,552,774	3,553,451	-	(677)

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	<b>As Restated</b>	<b>As Previously Reported</b>	<b>Effect of Revision</b>	<b>Effect of Restatement</b>
<b>Statement of Cash Flows</b>				
<b>Operating Activities</b>				
Payments to suppliers	\$ (1,260,290)	\$ (1,272,290)	\$ -	\$ 12,000
Net cash used in operating activities	(2,292,891)	(2,304,891)	-	12,000
<b>Noncapital Financing Activities</b>				
Gifts received for other than capital purpose	410,250	551,028	(140,778)	-
Net cash provided by noncapital financing activities	2,353,447	2,494,225	(140,778)	-
<b>Capital and Related Financing Activities</b>				
Principal paid on lease liabilities	(4,107)	-	-	(4,107)
Interest paid on lease liabilities	(7,893)	-	-	(7,893)
Net cash used in capital and related financing activities	(24,550)	(12,550)	-	(12,000)
<b>Increase in Cash and Cash Equivalents</b>	<b>36,006</b>	<b>176,784</b>	<b>(140,778)</b>	<b>-</b>
<b>Reconciliation of Operating Revenues (Expenses) to</b>				
<b>Net Cash Used in Operating Activities</b>				
Operating loss	(3,006,175)	(3,010,271)	-	4,096
Depreciation and amortization expense	258,502	250,598	-	7,904
<b>Net Cash Used in Operating Activities</b>	<b>(2,292,891)</b>	<b>(2,304,891)</b>	<b>-</b>	<b>12,000</b>

**Note 3: Deposits, Investments, and Investment Return**

**Deposits**

Deposits consisted of the following:

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents		
Deposits with Foundation	\$ 624,063	\$ 517,542
Amount due from University	1,927,238	1,934,907
<b>Total cash and cash equivalents</b>	<b>\$ 2,551,301</b>	<b>\$ 2,452,449</b>

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.

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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, 2023 and 2022.

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, 2023 and 2022.

**Note 4: Capital Assets**

Capital assets activity for the years ended June 30, 2023 and 2022, was as follows:

	<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>

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	<b>2022</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	4,819,199	12,550	-	4,831,749
	<u>10,145,213</u>	<u>12,550</u>	<u>-</u>	<u>10,157,763</u>
Less accumulated depreciation	7,226,112	250,598	-	7,476,710
Capital assets, net	<u>\$ 2,919,101</u>	<u>\$ (238,048)</u>	<u>\$ -</u>	<u>\$ 2,681,053</u>

**Note 5: Lease Assets**

Lease asset activity for the years ended June 30, 2023 and 2022, was as follows:

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

	<b>2022</b>			<b>Ending Balance (As Restated)</b>
	<b>Beginning Balance (As Restated)</b>	<b>Additions</b>	<b>Disposals</b>	
Tower	\$ 458,434	\$ -	\$ -	\$ 458,434
Less accumulated amortization	7,904	7,904	-	15,808
Lease assets, net	<u>\$ 450,530</u>	<u>\$ (7,904)</u>	<u>\$ -</u>	<u>\$ 442,626</u>

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**Note 6: Lease Liabilities**

KMOS-TV leases a broadcasting tower, the terms of which expire in 2078 assuming that all renewal options are exercised. During 2023 and 2022, KMOS-TV paid \$12,000 in lease payments. Lease liability activity for the years ended June 30, 2023 and 2022, was as follows:

	<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
	<b>2022</b>				
	<b>Beginning Balance (As Restated)</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Lease liability	\$ 447,410	\$ -	\$ 4,107	\$ 443,303	\$ 4,180

The following is a schedule by year of payments under the leases as of June 30, 2023:

	<b>Total to Be</b>		
<b>Year Ending June 30,</b>	<b>Paid</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 12,000	\$ 4,253	\$ 7,747
2025	12,000	4,328	7,672
2026	12,000	4,405	7,595
2027	12,000	4,482	7,518
2028	12,000	4,562	7,438
2029 - 2033	60,000	24,043	35,957
2034 - 2038	60,000	26,241	33,759
2039 - 2043	63,000	31,745	31,255
2044 - 2048	63,000	34,646	28,354
2049 - 2053	63,000	37,812	25,188
2054 - 2058	63,000	41,268	21,732
2059 - 2063	66,150	48,301	17,849
2064 - 2068	66,150	52,715	13,435
2069 - 2073	66,150	57,531	8,619
2074 - 2078	66,154	62,792	3,362
	\$ 696,604	\$ 439,124	\$ 257,480

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**Note 7: Disclosure About Fair Value of Assets**

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

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

***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, 2023 and 2022:

<b>Description</b>	<b>2023</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
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>
	<b>2022</b>			
<b>Description</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
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>

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***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 8: 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.

**Note 9: Subsequent Events**

Subsequent events have been evaluated through February 13, 2024, which is the date the financial statements were available to be issued.



## **Supplementary Information**

**KMOS-Television**  
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**Functional Expenses**  
**Year Ended June 30, 2023**

	Program Services			Support Services				Total 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			
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	-	-	-	-	-	-	-	-	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>

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**Functional Expenses**  
**Year Ended June 30, 2022**

	Program Services			Support Services				Total 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			
Salaries, payroll taxes, and employee benefits	\$ 330,642	\$ 282,848	\$ -	\$ 613,490	\$ 97,694	106,646	\$ 288,814	\$ 493,154	\$ -	\$ 1,106,644
Supplies and other services										
Technical services and fees	13,757	55,597	-	69,354	13,489	-	14,436	27,925	-	97,279
Office supplies	3,406	990	41,183	45,579	11,028	700	2,344	14,072	-	59,651
Utilities and postage	2,398	67,779	317	70,494	4,826	983	16,314	22,123	-	92,617
	<u>19,561</u>	<u>124,366</u>	<u>41,500</u>	<u>185,427</u>	<u>29,343</u>	<u>1,683</u>	<u>33,094</u>	<u>64,120</u>	<u>-</u>	<u>249,547</u>
Program costs										
Program acquisition	604,552	-	-	604,552	-	-	-	-	-	604,552
Depreciation and amortization	-	-	-	-	-	-	-	-	258,502	258,502
Other										
Donated facilities and administrative support	-	-	-	-	-	-	383,822	383,822	-	383,822
Advertising	-	-	1,822	1,822	-	3,021	194	3,215	-	5,037
Rental and maintenance of equipment	1,624	194,408	175	196,207	-	101	1,488	1,589	-	197,796
Travel and professional meetings	1,785	1,851	462	4,098	151	3,488	729	4,368	-	8,466
Miscellaneous	46,048	24,843	59,231	130,122	49,094	17,463	63,084	129,641	-	259,763
	<u>49,457</u>	<u>221,102</u>	<u>61,690</u>	<u>332,249</u>	<u>49,245</u>	<u>24,073</u>	<u>449,317</u>	<u>522,635</u>	<u>-</u>	<u>854,884</u>
	<u>\$ 1,004,212</u>	<u>\$ 628,316</u>	<u>\$ 103,190</u>	<u>\$ 1,735,718</u>	<u>\$ 176,282</u>	<u>\$ 132,402</u>	<u>\$ 771,225</u>	<u>\$ 1,079,909</u>	<u>\$ 258,502</u>	<u>\$ 3,074,129</u>