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***KMOS TELEVISION - A PUBLIC  
BROADCASTING ENTITY OPERATED  
BY UNIVERSITY OF CENTRAL MISSOURI  
FINANCIAL STATEMENTS  
JUNE 30, 2021***

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## Independent Auditors' Report

Board of Governors  
University of Central Missouri  
Warrensburg, Missouri

### Report On The Financial Statements

We have audited the accompanying financial statements of KMOS Television, a Public Broadcasting Entity Operated by University of Central Missouri as of and for the years then ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of KMOS Television, a Public Broadcasting Entity Operated by University of Central Missouri, as listed in the table of contents.

### *Management's Responsibility For The Financial Statements*

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

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KMOS Television, a Public Broadcasting Entity Operated by University of Central Missouri as of June 30, 2021 and 2020, and the changes in financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Management's Discussion and Analysis***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary Information*

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

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

*RubinBrown LLP*

January 13, 2022

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

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**June 30, 2021**

### *Overview*

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

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

Another facet of KMOS-TV's mission is to provide quality outreach initiatives that include educational activities along with program information. KMOS continues to provide community and education outreach by identifying sponsorships and events engaging new audiences, especially under-served communities. With the onset of the Covid-19 crisis in 2019 KMOS partnered with the UCM College of Education to launch the KMOS Classroom Summer School. This classroom-based program, taught by UCM Teaching Students, was created to mitigate the education gap for students who did not have access to reliable high speed internet. This series consisted of 72, 1-hour long video classrooms directed to children in grades K-5. KMOS continued to broadcast on KMOS and made available on demand this program in 2021. This program reached over 400 schools and 150 school districts in our viewing area.

In August of 2020 KMOS replaced its aging tube transmitter with a state-of-the-art solid-state transmitter manufactured in the US by Gates Air. This transmitter will ensure the stability and viability of KMOS' broadcast for the next 2 decades. This new transmitter operates much more efficiently and has resulted in approximately 40% reduction in power costs at the transmitter site.

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Management's Discussion And Analysis

In December 2020 KMOS launched a livestream of our main channel on the PBS app this app and livestream are free at no cost to the end user. This allows KMOS to be viewed by more viewers both at home and on the go. KMOS continues to look for ways to increase its viewability by the general public through all means available.

During the past year KMOS worked to produce two major documentaries about the community. The first "Missouri! A Bicentennial Celebration" was produced in partnership with Ozarks Public Television and broadcast on all Public Television stations in the state of Missouri. This program told the rich history of the people, places and events that make Missouri unique. The second documentary was "Mule Tracks, UCM After 150 Years." This documentary examined the history and people of Missouri Normal #2 which became the University of Central Missouri. Along with these two major projects KMOS invested significant resources into "Red Digital Studios." A student produced multi-channel network that showcases documentaries, web series and discussion programs hosted and produced by UCM students.

KMOS-TV in FY2021 and FY2020 experienced the same financial impact of the other organizations on the campus of UCM in regards to the COVID-19 crisis. This included the furloughing of staff and the reduction of travel and professional development opportunities.

KMOS continually monitors its funding and staffing and will continue working to benefit both the community of central Missouri and the University of Central Missouri.

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, 2021, 2020 and 2019. The Management's Discussion and Analysis is designed to focus on current activities, resulting changes and current known facts. Please read it in conjunction with the Station's basic financial statements and footnotes. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) pronouncements.

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Management's Discussion And Analysis

*Statement Of Net Position*

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

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

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

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

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

A summary of the Station's assets, liabilities and net position at June 30, 2021, 2020 and 2019, is as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>			
Current assets	\$ 2,470,509	\$ 2,153,716	\$ 1,467,054
Noncurrent assets	2,919,101	2,785,200	3,038,384
<b>Total Assets</b>	<b>5,389,610</b>	4,938,916	4,505,438
<b>Liabilities</b>			
Current liabilities	1,724,522	1,082,682	796,175
Noncurrent liabilities	51,367	65,842	44,771
<b>Total Liabilities</b>	<b>1,775,889</b>	1,148,524	840,946
<b>Net Position</b>	<b>\$ 3,613,721</b>	\$ 3,790,392	\$ 3,664,492



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Management's Discussion And Analysis

*Comparative Analysis*

*Assets* - Total assets at June 30, 2021, are \$5,389,610. These assets are comprised of current assets of \$2,470,509 and noncurrent capital assets of \$2,919,101. This is a \$450,694 increase from fiscal year 2020 total assets of \$4,938,916. Current assets increased \$316,793. The noncurrent capital assets increase of \$133,901 reflects the large depreciation expense of \$299,615 in 2021 that is offset by \$433,514 of additions.

At June 30, 2020, KMOS-TV's assets were \$4,938,916. These assets are comprised of current assets of \$2,153,716 and noncurrent capital assets of \$2,785,200. This is a \$433,478 increase from June 30, 2019; assets of \$4,505,438. Current assets increased \$686,662. The noncurrent capital assets decrease of \$253,184 reflects the large depreciation expense of \$282,683 in 2020 that is only offset by \$29,499 of additions.

*Liabilities* - Total liabilities as of June 30, 2021, are \$1,775,889. These liabilities are comprised of current liabilities of \$1,724,522 and noncurrent liabilities of \$51,367. This is a \$627,365 increase from fiscal year 2020 total liabilities of \$1,148,524. Fiscal year 2021 experienced a decrease in accounts payable and accrued liabilities, an increase in accrued compensated absences, and an increase in unearned revenue.

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

*Net Position* - As of June 30, 2021, KMOS-TV had net position totaling \$3,613,721. Net position is comprised of unrestricted assets of \$694,620 and invested in capital assets of \$2,919,101. There are no restrictions relating to net position. Net position at June 30, 2020, was \$3,790,392. The \$176,671 decrease in total net position represents an \$133,901 increase in invested in capital assets and a \$310,572 decrease in unrestricted net position.

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

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Management's Discussion And Analysis

*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, 2021, 2020 and 2019, are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>			
Operating revenues	\$ 78,388	\$ 71,389	\$ 74,324
<b>Expenses</b>			
Operating expenses	<u>2,706,711</u>	2,980,562	2,999,021
<b>Operating Loss</b>	<u>(2,628,323)</u>	(2,909,173)	(2,924,697)
<b>Nonoperating Revenue</b>	<u>2,451,652</u>	3,035,073	2,771,826
<b>Change In Net Position</b>	<u>(176,671)</u>	125,900	(152,871)
<b>Net Position - Beginning Of Year</b>	<u>3,790,392</u>	3,664,492	3,817,363
<b>Net Position - End Of Year</b>	<u>\$ 3,613,721</u>	<u>\$ 3,790,392</u>	<u>\$ 3,664,492</u>

*Comparative Analysis*

*Revenues* - KMOS-TV's total operating and non-operating revenues for the year ended June 30, 2021, are \$2,530,040. Grants and contracts totaled \$864,517. Subscriptions and underwriting totaled \$420,774. Support from UCM was \$1,166,361. Operating revenues totaled \$78,388. This is a \$576,422 decrease in revenues from the fiscal year 2020 total of \$3,106,462.

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

*Expenses* - KMOS-TV operating expenses for fiscal year 2021 by natural classification are:

- Salaries, payroll taxes and employee benefits - \$1,017,797
- Supplies and other services - \$217,649
- Program costs - \$566,629
- Depreciation - \$299,615
- Other expenses - \$605,021

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Management's Discussion And Analysis

Expenses for fiscal year 2021 by functional classification include:

- Program services - \$1,547,795 that consist of:
  - Programming and production - \$908,416
  - Broadcasting - \$475,589
  - Program information and promotion - \$163,790
- Support services - \$859,301 that consist of:
  - Management and general - \$639,726
  - Fundraising and membership development - \$165,955
  - Underwriting and grant solicitation - \$53,620
- Depreciation - \$299,615

Total expenses as of June 30, 2021, were \$2,706,711. This is a \$273,851 decrease from the fiscal year 2020 operating expenses total of \$2,980,562.

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

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

Expenses for fiscal year 2020 by functional classification include:

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

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

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Management's Discussion And Analysis

*Net Position* – A decrease in net position of \$176,671 was recognized by KMOS-TV as of June 30, 2021, which left ending net position of \$3,613,721, including a \$133,901 increase in net invested in capital and a \$310,572 decrease in unrestricted net position.

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

*Contact Information*

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

**KMOS TELEVISION - A PUBLIC BROADCASTING ENTITY  
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**STATEMENT OF NET POSITION  
June 30, 2021 And 2020**

	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 2,416,443	\$ 2,148,125
Accounts receivable	—	2,961
Prepaid expenses	54,066	2,630
<b>Total Current Assets</b>	2,470,509	2,153,716
<b>Noncurrent Assets</b>		
Capital assets, net	2,919,101	2,785,200
<b>Total Assets</b>	5,389,610	4,938,916
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	47,981	63,183
Accrued compensated absences	16,384	9,981
Unearned revenue	1,660,157	1,009,518
<b>Total Current Liabilities</b>	1,724,522	1,082,682
<b>Noncurrent Liabilities</b>		
Accrued compensated absences	51,367	65,842
<b>Total Liabilities</b>	1,775,889	1,148,524
<b>Net Position</b>		
Net investment in capital assets	2,919,101	2,785,200
Unrestricted	694,620	1,005,192
<b>Total Net Position</b>	\$ 3,613,721	\$ 3,790,392

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

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION**

	For The Years Ended June 30,	
	2021	2020
<b>Operating Revenues</b>		
Sales and services	\$ 78,388	\$ 71,389
<b>Operating Expenses</b>		
Salaries and benefits	1,017,797	1,049,051
Supplies and other services	217,649	256,509
Program costs	566,629	602,475
Depreciation	299,615	282,683
Other	605,021	789,844
<b>Total Operating Expenses</b>	<b>2,706,711</b>	<b>2,980,562</b>
<b>Operating Loss</b>	<b>(2,628,323)</b>	<b>(2,909,173)</b>
<b>Nonoperating Revenues</b>		
Federal grants and contracts	750	—
State grants and contracts	87,473	71,147
Nongovernmental grants and contracts	776,294	856,415
Gifts and subscriptions	394,498	382,038
Underwriting support	26,276	52,971
University support	1,166,361	1,672,502
<b>Total Nonoperating Revenues</b>	<b>2,451,652</b>	<b>3,035,073</b>
<b>Change In Net Position</b>	<b>(176,671)</b>	<b>125,900</b>
<b>Net Position - Beginning Of Year</b>	<b>3,790,392</b>	<b>3,664,492</b>
<b>Net Position - End Of Year</b>	<b>\$ 3,613,721</b>	<b>\$ 3,790,392</b>

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

	<b>For The Years Ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
<b>Operating Activities</b>		
Sales and service receipts	\$ 78,388	\$ 71,389
Payments to suppliers	(1,092,619)	(1,080,610)
Payments to employees	(1,025,869)	(1,032,095)
<b>Net Cash Used In Operating Activities</b>	<b>(2,040,100)</b>	<b>(2,041,316)</b>
<b>Noncapital Financing Activities</b>		
Federal grants and contracts	750	—
State grants and contracts	87,473	71,147
Nongovernmental grants and contracts	1,429,892	1,125,856
Gifts received for other than capital purpose	343,740	299,461
Underwriting support	26,276	52,971
University support	853,801	1,205,503
<b>Net Cash Provided By Noncapital Financing Activities</b>	<b>2,741,932</b>	<b>2,754,938</b>
<b>Capital And Related Financing Activities</b>		
Purchase of capital assets	(433,514)	(29,499)
<b>Increase In Cash</b>	<b>268,318</b>	<b>684,123</b>
<b>Cash - Beginning Of Year</b>	<b>2,148,125</b>	<b>1,464,002</b>
<b>Cash - End Of Year</b>	<b>\$ 2,416,443</b>	<b>\$ 2,148,125</b>
<b>Reconciliation Of Operating Loss To Net Cash Used In Operating Activities</b>		
Operating loss	\$ (2,628,323)	\$ (2,909,173)
Donated facilities and administrative support	312,560	466,999
In-kind contributions for rent and services	50,758	82,577
Depreciation expense	299,615	282,683
Changes in operating assets and liabilities:		
Prepaid expenses	(51,436)	422
Accounts payable and accrued expenses	(23,274)	35,176
<b>Net Cash Used In Operating Activities</b>	<b>\$ (2,040,100)</b>	<b>\$ (2,041,316)</b>

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

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## **NOTES TO FINANCIAL STATEMENTS**

**June 30, 2021 And 2020**

### **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, 2021 and 2020. As KMOS-TV is part of the University, it is exempt from federal and state income taxes.

#### **Basis Of Accounting And Presentation**

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

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



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Notes To Financial Statements (*Continued*)

**Use Of Estimates**

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

**Cash**

At June 30, 2021 and 2020, cash consisted primarily of pooled cash accounts with the University and the Foundation.

**Accounts Receivable**

Accounts receivable includes amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to KMOS-TV's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts; however, KMOS-TV had no estimated uncollectible amounts at June 30, 2021 or 2020.

**Capital Assets**

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

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Notes To Financial Statements (*Continued*)

**Compensated Absences**

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

**Unearned Revenue**

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

**Net Position**

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

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

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

**In - Kind Contributions**

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

**Foundation**

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

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Notes To Financial Statements (*Continued*)

**Risk Management**

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

**Pension And OPEB Liabilities**

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

**2. Deposits**

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

At June 30, 2021 and 2020, KMOS-TV's share of pooled cash maintained by the University and the Foundation was \$2,416,443 and \$2,148,125, respectively. None of these deposits were exposed to custodial credit risk at June 30, 2021 or 2020.

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

**3. Capital Assets**

Capital assets activity for the year ended June 30, 2021, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
Antennas	\$ 327,373	\$ —	\$ —	\$ 327,373
Building	48,422	—	(48,422)	—
Tower	265,650	—	—	265,650
Tipton Tower	4,732,991	—	—	4,732,991
Equipment	4,385,685	433,514	—	4,819,199
<b>Total</b>	<b>9,760,121</b>	<b>433,514</b>	<b>(48,422)</b>	<b>10,145,213</b>
<b>Less: Accumulated Depreciation</b>	<b>6,974,921</b>	<b>299,615</b>	<b>(48,422)</b>	<b>7,226,115</b>
<b>Capital Assets, Net</b>	<b>\$ 2,785,200</b>	<b>\$ 133,899</b>	<b>\$ —</b>	<b>\$ 2,919,101</b>

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

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

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Notes To Financial Statements *(Continued)*

**4. Contingencies**

**Grants**

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

**5. Current Economic Conditions**

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

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

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

**COVID-19**

In January 2020, an outbreak of a new strain of coronavirus, COVID-19, was identified. The World Health Organization declared the virus a pandemic. In response, various governmental agencies have mandated stricter procedures to address the health and safety of both employees and patrons including, in certain cases, requiring the closure of operations. For the fiscal year ended June 30, 2021, the coronavirus outbreak has had an impact on KMOS-TV's operations. While the impact will extend into the new fiscal year, management cannot reasonably estimate the effect on operations, cash flows, or its overall financial position.

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Notes To Financial Statements (*Continued*)

In April 2020, the Corporation for Public Broadcasting (the CPB) received \$75 million of emergency stabilization funds for public media as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This award was distributed by the CPB to public radio and television stations to be used as needed to sustain operations and services. KMOS-TV received \$260,205 of emergency stabilization funding from the CPB and recorded the full amount as unearned revenue in fiscal year 2020; the amount remains in unearned revenue in fiscal year 2021. There is no expenditure period for the funds, nor single audit requirement.

Similar to the previous year, KMOS-TV received \$497,068 of funding from the CPB as part of the American Rescue Plan and recorded the full amount as unearned revenue in fiscal year 2021. The amount remains in unearned revenue at the end of the year.

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**Supplementary Information**

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**KMOS TELEVISION - A PUBLIC BROADCASTING ENTITY  
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**FUNCTIONAL EXPENSES  
For The Year Ended June 30, 2021**

	Programming And Production	Program Services Broadcasting	Program Information And Promotion	Total Program Services	Fundraising And Membership Development	Support Services Underwriting And Grant Solicitation	Management And General	Total Support Services	Depreciation	Total
Salaries, payroll taxes and employee benefits	\$ 305,698	\$ 256,149	\$ 66,641	\$ 628,488	\$ 77,593	\$ 39,578	\$ 272,138	\$ 389,309	\$ —	\$ 1,017,797
Supplies and other services										
Technical services and fees	11,893	34,441	—	46,334	16,351	—	13,381	29,732	—	76,066
Office supplies	2,183	404	30,874	33,461	10,710	—	2,183	12,893	—	46,354
Utilities and postage	3,151	75,965	346	79,462	4,643	190	10,934	15,767	—	95,229
Printing	—	—	—	—	—	—	—	—	—	—
	17,227	110,810	31,220	159,257	31,704	190	26,498	58,392	—	217,649
Program costs										
Program acquisition	566,629	—	—	566,629	—	—	—	—	—	566,629
Program production costs	—	—	—	—	—	—	—	—	—	—
	566,629	—	—	566,629	—	—	—	—	—	566,629
Depreciation	—	—	—	—	—	—	—	—	299,615	299,615
Other										
Donated facilities and administrative support	—	—	—	—	—	—	312,560	312,560	—	312,560
Advertising	—	—	2,569	2,569	(1,825)	387	392	(1,046)	—	1,523
Rental and maintenance of equipment	857	73,494	—	74,351	219	—	—	219	—	74,570
Travel and professional meetings	178	2,022	147	2,347	128	108	197	433	—	2,780
Miscellaneous	17,827	33,114	63,213	114,154	58,136	13,357	27,941	99,434	—	213,588
	18,862	108,630	65,929	193,421	56,658	13,852	341,090	411,600	—	605,021
	\$ 908,416	\$ 475,589	\$ 163,790	\$ 1,547,795	\$ 165,955	\$ 53,620	\$ 639,726	\$ 859,301	\$ 299,615	\$ 2,706,711



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**FUNCTIONAL EXPENSES (Continued)**

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

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