

KISU-FM

**A Public Telecommunications Entity Operated by
The State Board of Education – Idaho University System**



Report of Independent Auditor's
and Financial Statements
June 30, 2019 and 2018

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KISU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE STATE BOARD OF EDUCATION—IDAHO UNIVERSITY SYSTEM

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MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

Management’s Discussion and Analysis (“MD&A”) presents an overview of the financial performance of the Idaho State Public Radio System (the “Station”) based on currently known facts, decisions and conditions, and is designed to assist readers in the understanding of the accompanying financial statements. The MD&A discusses financial performance during the current year in comparison to the prior year with emphasis on the current year.

Overview of the Financial Statements and Financial Analysis

The financial statements for the fiscal years ended June 30, 2019 and 2018 are prepared in accordance with Governmental Accounting Standard Board (“GASB”) principles. There are three financial statements presented: the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows.

Statement of Net Position

The statement of net position presents the assets, liabilities, and net position of the Station as of the current fiscal year-end in comparative format with the prior fiscal year-end. The purpose of the statement of net position is to present to the readers of the financial statements a point-in-time fiscal snapshot of the Station. The statement of net position presents year-end data concerning assets (current and noncurrent), liabilities (current and noncurrent) and net position (assets minus liabilities). The difference between current and noncurrent classification is discussed in the footnotes to the financial statements.

Financial Statement Presentation

From the data presented, readers of the statement of net position are able to determine the assets available to continue the operations of the Station. They also are able to determine how much the Station owes vendors, investors and lending institutions. Finally, the statement of net position provides a picture of the net position (assets minus liabilities) and its availability for expenditure by the Station.

Net position is divided into two major categories. The first category, net investment in capital assets, provides the System’s equity in capital assets. The last category is unrestricted net position. Unrestricted net position is available to the Station for any lawful purpose of the Station.

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Idaho State University

KISU Radio

Summary Statement of Net Position
As Of June 30, 2019 and 2018

	2019	2018
ASSETS:		
Current assets	\$ 118,014	\$ 138,251
Capital assets, net	-	945
Other long-term assets	11,897	10,308
Total assets	129,911	149,504
LIABILITIES:		
Current liabilities	65,919	169,840
Noncurrent liabilities	23,722	25,523
Total liabilities	89,641	195,363
NET POSITION:		
Unrestricted net position	40,270	(46,804)
Net investment in capital assets	-	945
Total net position	\$ 40,270	\$ (45,859)

The Station's total assets decreased during fiscal year 2019 from \$149,504 to \$129,911. The decrease in assets is primarily due to a cash decrease as a result of the payoff of the outstanding lease liability.

Liabilities decreased from \$195,363 to \$89,641 during fiscal year 2019. The decrease is due primarily to the payoff of the lease liability.

Statement of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the statement of net position are based on the activity presented in the statement of revenues, expenses and changes in net position. The purpose of the statement is to present the revenues earned by the Station, both operating and nonoperating, and the expenses incurred by the Station, both operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the Station.

Generally speaking, operating revenues are earned by providing services to the various customers and constituencies of the Station. Operating expenses are incurred to acquire or produce the services provided in return for operating revenues and to carry out the functions of the Station. Nonoperating revenues are revenues received for which services are not provided.

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KISU Radio

Summary Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2019 and 2018

	2019	2018
Operating revenues	\$ 471,834	\$ 399,372
Operating expenses	385,705	395,795
Operating revenue	86,129	3,577
Increase/(Decrease) in net position	86,129	3,577
Net position, Beginning of year (previously reported)	(45,859)	45,325
Prior period restatements	-	(94,761)
Net position, Beginning of year (as restated)	(45,859)	(49,436)
Net position, End of year	\$ 40,270	\$ (45,859)

Operating revenues increased \$72,462 due primarily to additional funds from ASISU to aid in the payment of the outstanding lease liability.

Operating expenses decreased \$10,090 which is relatively flat.

Statement of Cash Flows

The final statement presented by the Station is the statement of cash flows. This statement presents detailed information about the cash activity of the Station during the year.

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Idaho State University

KISU Radio

Summary Statement of Cash Flows
For the Years Ended June 30, 2019 and 2018

	2019	2018
Cash provided (used) by:		
Operating activities	\$ (29,121)	\$ 14,242
Net increase in cash	(29,121)	14,242
Cash, Beginning of year	129,209	114,967
Cash, End of year	\$ 100,088	\$ 129,209

Cash decreased from 2018 to 2019 due primarily to payment of the outstanding lease liability.

Economic Outlook

Revenue streams to KISU FM radio are from three major sources, with about 25-percent coming from ASISU student fee funding, underwriting from both profits and non-profits, along with “member” or listener donations accounting for about 40-percent, and Community Service Grant funding from the Corporation for Public Broadcasting providing the rest. As always, there were some unanticipated costs for some capital improvements and repairs, but KISU spending remained within budget parameters.

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STATEMENT OF NET POSITION
AS OF JUNE 30, 2019 AND 2018

	2019	Restated 2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 100,088	\$129,209
Accounts receivable	19,316	10,478
Allowance for doubtful accounts	(3,197)	(1,436)
Pledges receivable	1,807	-
Total current assets	118,014	138,251
NONCURRENT ASSETS:		
Capital assets, net	-	945
Other long-term assets	11,897	10,308
Total noncurrent assets	11,897	11,253
TOTAL ASSETS	129,911	149,504
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	1,602	96,702
Wages payable	10,256	6,959
Accrued compensated absences	5,696	8,106
Unearned revenue	48,365	58,073
Total current liabilities	65,919	169,840
NONCURRENT LIABILITIES:		
Other post-employment benefits	23,722	25,523
Total noncurrent liabilities	23,722	25,523
TOTAL LIABILITIES	89,641	195,363
NET POSITION:		
Unrestricted net position	40,270	(46,804)
Net investment in capital assets	-	945
TOTAL NET POSITION	\$ 40,270	\$ (45,859)

The Notes to the Financial Statements are an integral part of this Statement

KISU-FM
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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>Restated 2018</u>
OPERATING REVENUES		
Contributions	\$ 134,123	\$ 124,724
Grants from CPB	127,212	117,914
Donations	47,000	38,019
<i>Support from Idaho State Education System</i>		
Indirect administrative support from ISU	13,747	13,715
Associated Students of Idaho State University	<u>149,752</u>	<u>105,000</u>
Total operating revenues	<u>471,834</u>	<u>399,372</u>
OPERATING EXPENSES		
Programming and production	105,356	97,539
Broadcasting and engineering	45,880	61,031
Program information and promotion	5,012	2,450
Management and general	180,169	184,669
Fundraising and membership development	1,250	1,729
Underwriting and grant solicitation	47,093	47,241
Depreciation and amortization	<u>945</u>	<u>1,136</u>
Total operating expenses	<u>385,705</u>	<u>395,795</u>
OPERATING INCOME (LOSS)	<u>86,129</u>	<u>3,577</u>
CHANGE IN NET POSITION	<u>86,129</u>	<u>3,577</u>
NET POSITION, Beginning of year (previously reported)	(45,859)	45,325
PRIOR PERIOD RESTATEMENT (NOTE B)	<u>-</u>	<u>(94,761)</u>
NET POSITION, Beginning of year (as restated)	<u>(45,859)</u>	<u>(49,436)</u>
NET POSITION, End of year	<u>\$ 40,270</u>	<u>\$ (45,859)</u>

The Notes to the Financial Statements are an integral part of this Statement

KISU-FM
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STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
ASISU support	\$ 149,752	\$105,000
Community service grants	117,504	114,486
Other operating revenues (contributions)	125,239	129,545
Donations	47,000	38,019
Payments to suppliers for goods and services	(267,575)	(172,357)
Payments to employees for services	(201,041)	(200,451)
Net cash provided (used) by operating activities	(29,121)	14,242
NET INCREASE (DECREASE) IN CASH	(29,121)	14,242
CASH, BEGINNING OF THE YEAR	129,209	114,967
CASH, END OF THE YEAR	\$ 100,088	\$129,209
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income/(loss)	86,129	3,577
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation expense	945	1,136
CHANGES IN ASSETS AND LIABILITIES:		
Accounts receivable, net	(8,838)	4,949
Bad debt expense	1,761	(645)
Pledges receivable	(1,807)	517
Other long-term assets	(1,589)	74
Accounts payable	(95,100)	3,621
Wages payable	3,297	194
Compensated absences	(2,410)	2,270
Unearned revenue	(9,708)	(3,428)
Other post-employment benefits	(1,801)	1,977
Net cash flows provided by operating activities	\$ (29,121)	\$ 14,242

The Notes to the Financial Statements are an integral part of this Statement

KISU-FM
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NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. *Organization.* KISU-FM (the Station) is operated by the Idaho University System, which is controlled by the Idaho State Board of Education. The Station is a not-for-profit public radio station operating from the campus of Idaho State University. KISU operates with three funds at ISU. This audit of KISU's financial statements does not represent the entire financials of ISU. Currently, KISU services the Pocatello and Idaho Falls areas and parts of Idaho that are within the KISU reception area. The Station relies on grants, university support and public contributions.
2. *Financial Statement Presentation.* The Station's financial statements are presented in accordance with the requirements of the Government Accounting Standards Board.
3. *Basis of Accounting.* For financial reporting purposes, the Station is considered a special program of the Associated Students of Idaho State University (ASISU) engaged only in business-type activities. Accordingly, the Station's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting in accordance with Generally Accepted Accounting Principles ("GAAP"). Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.
4. *Use of Accounting 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. Accordingly, actual results could differ from those estimates.
5. *Cash and Cash Equivalents.* The Station considers all liquid investments with a remaining maturity of three months or less at the date of acquisition to be cash equivalents. Cash balances that are restricted and not expected to be expended within the subsequent fiscal year are classified as noncurrent assets.
6. *Accounts Receivable, Net.* Accounts receivable consists of underwriting, membership and restricted grant expenditures that have been incurred but not yet reimbursed. Receivables are shown net of allowance and are expected to be collected within the next fiscal year.

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NOTES TO FINANCIAL STATEMENTS

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

7. Capital Assets, Net. Capital assets with a cost, or donated assets with an estimated fair market value on the date of receipt, of \$5,000 or more and an estimated useful life of more than one year are capitalized. As of July 1, 2010, intangible assets with a cost, or donated assets with an estimated fair market value on the date of receipt, of \$200,000 or more and an estimated useful life of more than one year are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 5 to 13 years for equipment. Depreciation is reported as a management and general expense in the statement of revenues, expenses and changes in net position. Depreciation expense recognized was \$945 and \$1,136 in 2019 and 2018, respectively.

8. Compensated Absences. Employees' compensated absences are accrued when earned. The obligation and expenditure incurred during the year are recorded as accrued compensated absences in the statement of net position and as a component of management and general in the statement of revenues, expenses and changes in net position. Upon termination, the employee is paid the accumulated vacation leave. Amounts recorded as accrued compensated absences include employer benefits.

9. Other Post-Employment Benefits (OPEB). The University participates in other post-employment benefit plans relating to health and disability administered by the State of Idaho as agent multiple-employer defined benefit plans. The life insurance benefit is a single-employer defined benefit plan. Idaho Code, Sections 67-5760 to 67-5767 and 72-1335, establish the benefits and contribution obligations. Each of these benefits is provided by the University to retired or disabled employees. The most recent actuarial valuation is as of July 1, 2016. The University has not set aside any assets to pay future benefits; the University funds these benefits on a pay-as-you-go basis. Details of the plans can be found in the Comprehensive Annual Report of the State of Idaho, which may be obtained from the Office of the Idaho State Controller, 700 W State Street, 4th Floor, P.O. Box 83720, Boise, ID 83720-0011 www.sco.idaho.gov.

For full OPEB note disclosure, please refer to Note 12 in the University's financial statements. Since the station is a component unit of the University, the assets and liabilities of the station are the assets and liabilities of the University. The University's financial statements can be found at <https://www.isu.edu/financeadmin/financial-reporting/financial-reports/>.

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NOTES TO FINANCIAL STATEMENTS

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

10. Net Position. The Station's net position is classified as follows:

Net investment in capital assets: This represents the Station's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets. The Station had no outstanding debt for the years ended June 30, 2019 and 2018, respectively.

Restricted net position: The component of net position that reports the constraints placed on the use of net position by either external parties or enabling legislation. The Station had no restricted assets for the years ended June 30, 2019 and 2018, respectively.

Unrestricted net position: The difference between the assets and liabilities that is not reported in net investment in capital assets and restricted assets.

It is the Station's policy to expend restricted resources first and to use unrestricted resources when the restricted resources have been depleted.

11. Classification of Activities. The Station has classified its revenues as either operating or nonoperating.

Operating revenues: Operating revenues generally result from donations from the general public and underwriting of broadcast programs. Operating revenues include (1) operating grants from the Corporation for Public Broadcasting (CPB), (2) contributions from semi-annual fund drives, (3) in-kind contributions, (4) support from ASISU, and (5) underwriting.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue resources that are defined as nonoperating revenues by GASB No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting", and GASB Statement No. 34, such as state general appropriations and investment income.

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NOTES TO FINANCIAL STATEMENTS

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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

The grants received by the Station are broken out into a restricted and unrestricted portion based on a percentage identified by CPB. The unrestricted portion of the grants may be used at the discretion of the recipients. The Station uses these funds primarily for purposes relating to production and programming. Also, the grants may be used to sustain activities initiated with CSGs awarded in prior years.

Certain general provisions must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These general provisions pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists and licensee status with the Federal Communications Commission. The grants are reported in the accompanying financial statements as unrestricted operating revenues.

13. Pledges Receivable. Pledges receivable are monies received from the Station's annual fund drives and other individual donations received throughout the year. The Station records pledges receivable at their fair value and discounts pledges to their net present value based on current market interest rates and the expected payment schedule set out by the donor. Subsequent changes to the discount on pledges are recognized as income, either restricted or unrestricted, as appropriate. At the current time there are no pledges receivable that are greater than one year and management believes all pledges receivable are collectible.
14. Tax Status. As a state institution of higher education, the income of the Station is exempt from federal and state income tax under Internal Revenue Code Section 115. However, income generated from activities not related to the exempt purpose would be subject to income tax under Internal Revenue Code Section 511(a)(2)(B).

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NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE B – RESTATEMENTS OF NET POSITION

GASB 75

GASB 75 was effective for financial statement periods beginning after June 15, 2017, with the effects of accounting changes to be applied retroactively by restating the financial statements. The Statement requires the Station to record its proportionate share of the Other Post-Employment Benefits including the Idaho Sick Leave Insurance Reserve Fund (SLIRF).

The Station adopted this new pronouncement in the prior year but the SLIRF was omitted from the 2018 calculations and not reported in the prior year financial statements. As a result, net position as of July 1, 2017 has been restated to record the sick leave reserve fund excess funding. Since the restatement of the prior year is not practical, the cumulative effect of applying this Statement is reported as a restatement of beginning net position as of July 1, 2017. The effect of this restatement is an increase to net position of \$10,308.

Outstanding Debt Reinstatement

It has come to management's attention in the prior year that a debt previously understood to have been forgiven was not and the holder of that debt has renewed efforts to collect on said debt. Legal counsel for the Station has committed the Station to pay \$93,050 in settlement of the outstanding debt. This payment was made in December 2018.

Net Position Restated – The cumulative effect of implementing *GASB 75* (including the SLIRF adjustment noted below) and reinstating the outstanding debt decreases the net position at the beginning of year from \$45,325 to (\$49,436), a decrease of \$94,761.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE C – CAPITAL ASSETS

Following are the changes in capital assets for the years ended June 30, 2019 and 2018.

	2019				
	Balance	Additions	Deletions	Transfers and Other Changes	Balance
	July 1, 2018				June 30, 2019
Capital assets:					
Furniture, fixtures and equipment	\$ 83,009	\$ -	\$ -	\$ -	\$ 83,009
Total capital assets	83,009	-	-	-	83,009
Less accumulated depreciation:					
Furniture, fixtures and equipment	(82,064)	(945)			(83,009)
Total accumulated depreciation	(82,064)	(945)	-	-	(83,009)
Capital assets, net	<u>\$ 945</u>	<u>\$ (945)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	2018				
	Balance	Additions	Deletions	Transfers and Other Changes	Balance
	July 1, 2017				June 30, 2018
Capital assets:					
Furniture, fixtures and equipment	\$ 83,009	\$ -	\$ -	\$ -	\$ 83,009
Total capital assets	83,009	-	-	-	83,009
Less accumulated depreciation:					
Furniture, fixtures and equipment	(80,928)	(1,136)			(82,064)
Total accumulated depreciation	(80,928)	(1,136)	-	-	(82,064)
Capital assets, net	<u>\$ 2,081</u>	<u>\$ (1,136)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 945</u>

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NOTE D – OPTIONAL RETIREMENT PLANS

Effective July 1, 1990, the Idaho State Legislature authorized the Idaho State Board of Education to establish an Optional Retirement Plan (ORP), a defined contribution plan, for faculty and exempt employees. The employee contribution requirement for the ORP is based on a percentage of the total payroll. Employer contributions are determined by the State of Idaho. The plan provisions were established by, and may be amended by, the State of Idaho.

New faculty and exempt employees hired on or after July 1, 1990, automatically enroll in the ORP and select a vendor option. Faculty and exempt employees hired before July 1, 1990, had a one-time opportunity to enroll in the ORP. Enrollees in the ORP no longer belong to PERSI. Vendor options in the ORP include the *Teachers Insurance and Annuity Association - College Retirement Equities Fund* and the *Variable Annuity Life Insurance Company*.

Participants are immediately fully vested in the ORP. Retirement benefits are available as either a lump sum or any portion thereof upon attaining 55 years of age.

Contributions to the ORP are as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
KISU contributions paid	\$ 9,314	\$ 9,032	\$ 9,114
Employee contributions	\$ 7,015	\$ 6,801	\$ 6,864
Total contributions	<u>\$ 16,329</u>	<u>\$ 15,833</u>	<u>\$ 15,978</u>
KISU contribution rate	9.27%	9.27%	9.27%
Employee contribution rate	6.98%	6.98%	6.98%

Although enrollees in the ORP no longer belong to PERSI, KISU is required to contribute a percentage of the annual covered payroll to PERSI. Effective July 1, 2007, the percentage was changed from 3.03% to 1.49%, allowing the difference of 1.54% to be used to increase the University’s contribution to ORP retirement accounts. In addition, the payoff period of PERSI’s unfunded liability obligation was extended from July 1, 2015, to July 1, 2025. During the years ended June 30, 2019 and 2018, supplemental funding payments to PERSI were \$1,500 and \$1,454, respectively. These amounts are not included in the regular KISU ORP contribution in the table above.

Supplemental Retirement Plans – Full and part time benefited faculty and professional staff enrolled in the ORP as their regular retirement plan may enroll in the 403(b) and the 457(b) plans. It should be noted that KISU currently has two benefited employees.

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457(b) – Deferred Compensation Plan:

The 457(b) is a voluntary retirement savings plan covered under Section 457(b) of the Internal Revenue Code. All KISU employees are eligible to participate in this plan. The plan is funded exclusively through employee pre-tax contributions.

403(b) Plan:

The 403(b) is a voluntary tax-sheltered retirement plan covered under Section 403(b) of the Internal Revenue Code. All KISU employees are eligible to participate in this plan. The plan is funded exclusively by employee pre-tax contributions.

Roth 403(b) Plan:

The Roth 403(b) is a voluntary retirement savings plan covered under Section 403(b) of the Internal Revenue Code. All KISU employees are eligible to participate in this plan. The plan is funded exclusively by employee post-tax contributions.

Termination Payments – Employees who qualify for retirement under ORP are eligible to use 50% of the cash value of their unused sick leave to continue their medical insurance coverage through the University. The University partially funds these obligations by depositing 0.65% of employee gross payroll to PERSI, who administers the plan for all participating ISU employees and retirees under a trust fund. The total contributions for the years ended June 30, 2019 and 2018 were \$654 and \$634, respectively.

Pension Liability – There is no pension liability for KISU since the ORP is a defined contribution plan and contributions are paid in full annually. However, as mentioned earlier in this note, the ORP does pay a percentage (1.49%) to PERSI to help cover PERSI's defined benefit pension liability. This pension liability is completely owned by the PERSI defined benefit plan and is not, in any way, attributed to the ORP defined contribution plan.

NOTE E - RELATED PARTY TRANSACTIONS

The Idaho State University Foundation (the "Foundation") was established for the purpose of soliciting donations to hold for the exclusive benefit of Idaho State University, which includes the Station. In fiscal year 2019, the Station received \$47,000 from the Foundation. This amount is included in operating revenues.

NOTE F – UNEARNED REVENUE

Cash advances received through community service grants from the Corporation for Public Broadcasting are recorded as unearned revenue when received and revenues are recognized when expenditures of the grant funds are incurred.

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NOTES TO FINANCIAL STATEMENTS

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NOTE G – ACCOUNTING FOR LEASES

In fiscal 2009, KISU entered into a 25 year lease agreement with Teton Communications for building and tower space under a noncancelable operating lease. Total costs for such lease was \$8,021 for the year ended June 30, 2019. In fiscal 2016, KISU entered into a ten year lease agreement with Idaho Wireless Corp. for building and radio tower space under a noncancelable operating lease. Total costs for such lease was \$19,131 for the year ended June 30, 2019.

Future minimum lease payments at June 30, 2019 are as follows:

<u>Fiscal Years</u>	<u>Payments</u>
2020	\$ 27,938
2021	28,776
2022	29,639
2023	30,528
2024	31,444
2025-2029	73,758
2029-2033	59,090
Totals	<u>\$ 281,174</u>

NOTE H – CONCENTRATIONS AND CONTINGENCIES

The Station operates its programs with aid of funding primarily from (1) CPB CSG grants, (2) support from the Idaho University System, (3) public contributions and (4) underwriting. A major reduction in the level of support from any of these funding sources could have a negative impact on the Station's ability to maintain its current programs.

The Station must use its CSGs within a two year grant period. Any unexpended funds must be returned to CPB. Although it is a possibility that the funds could not be spent within the grant period, the Station's management deems the contingency remote.

NOTE I – SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to June 30, 2019 to determine the need for any adjustments to and/or disclosure within the audited financial statements for the year ended June 30, 2019. This analysis has been performed through November 26, 2019.

KISU-FM
A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
THE STATE BOARD OF EDUCATION—IDAHO UNIVERSITY SYSTEM
NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE J – DONATED FACILITIES

The station received office space in the estimated fair value of \$13,747 for the year from Idaho State University at no cost to the station. The Statement of Revenues, Expenditures, and Changes in Net Position includes indirect administrative support revenue and administrative expense of \$13,747.

Required Supplementary Information

Schedule of Changes in Employer's Total OPEB Liability and Related Ratios
Last 10 - Fiscal Years*

	2019	Restated 2018
Changes for the Year		
Service Cost	\$ (916)	\$ (900)
Interest on Total OPEB Liability	(920)	(899)
Plan Changes	-	-
Economic/Demographic Gains (Losses)	297	-
Assumption Changes	2,133	-
Expected Benefit Payments	930	959
Net Changes	1,524	(840)
Total OPEB (Liability) Asset, Beginning Balance	(13,349)	(14,375)
Total OPEB (Liability) Asset, Ending Balance	\$ (11,825)	\$ (15,215)
Employer's covered-employee payroll	\$ 142,520	\$ 142,267
Total OPEB liability as a percentage of covered-employee payroll	8.30%	10.69%

*GASB Statement No. 75 requires ten years of information to be presented in this table, However, until a full 10-year trend is compiled, the Station will present information for those years for which information is available.

Data reported is measured as of June 30, 2018 (measurement date).