ANNUAL FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT

UTAH PUBLIC RADIO

Utah State University

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

UTAH PUBLIC RADIO

June 30, 2023 and 2022

TABLE OF CONTENTS

JONES SIMKINS
Certified Public Accountants
Providing Guidance with Insight & Integrity
75 YEARS 1948-2023

Logan Office:
1011 West 400 North, Suite 100
Logan, UT 84323-0747

Salt Lake City Office:
41 North Rio Grande; Suite 101
Salt Lake City, UT 84101

INDEPENDENT AUDITOR'S REPORT

To the Management of
Utah Public Radio

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Utah Public Radio (a department of Utah State University) as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise Utah Public Radio's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Utah Public Radio as of June 30, 2023 and 2022, and the changes in its financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Utah Public Radio and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Utah Public Radio's 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 Utah Public Radio's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 and Government Auditing Standards 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 and Government Auditing Standards, 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 Utah Public Radio'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 Utah Public Radio'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, the schedule of the proportionate share of net pension liability, and the schedule of pension contributions, as listed in the table of contents, 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 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 Utah Public Radio's basic financial statements. The Statement of Functional Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Statement of Functional Expenses 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. Such 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 Statement of Functional Expenses is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2023, on our consideration of Utah Public Radio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Utah Public Radio's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Utah Public Radio's internal control over financial reporting and compliance.

Jones Simkins LLC

JONES SIMKINS LLC
Logan, Utah
December 18, 2023

Overview of Financial Statements and Financial Analysis

The following unaudited Management's Discussion and Analysis (MD&A) includes an analysis of Utah Public Radio (UPR) for the fiscal years ended June 30, 2023 and June 30, 2022. The financial statements, footnotes, and this discussion are the responsibility of management. This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis – for Public Colleges and Universities.* 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 outlines UPR's financial condition at fiscal year end. UPR has selected a fiscal year beginning July 1 and ending June 30. This statement reflects the various assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of UPR.

From the data presented, readers of the Statement of Net Position have the information to determine the assets available to continue the operations of UPR. They may also be able to determine how much UPR owes vendors, investors, and lending institutions. Finally, the Statement of Net Position outlines the net position (assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources) available to UPR and defines that availability.

Condensed Statements of Net Position

	June 30, 2023	Change	June 30, 2022	Change	As Adjusted June 30, 2021
Assets					
Current assets	$1,002,032	$29,173	$972,859	$196,529	$776,330
Capital assets	211,455	(8,750)	220,205	(9,677)	229,882
Other non-current	375,722	(168,787)	544,509	135,456	409,053
Total assets	1,589,209	(148,364)	1,737,573	322,308	1,415,265
Deferred outflows of resources					
Resources related to pensions	69,763	42,848	26,915	(16,351)	43,266
Total deferred outflows of resources	69,763	42,848	26,915	(16,351)	43,266
Liabilities					
Current liabilities	347,904	(180,687)	528,591	50,084	478,507
Non-current liabilities	14,878	5,052	9,826	2,483	7,343
Total liabilities	362,782	(175,635)	538,417	52,567	485,850

Condensed Statements of Net Position (continued)

	June 30, 2023	Change	June 30, 2022	Change	As Adjusted June 30, 2021
Deferred inflows of resources					
Resources related to leases	357,045	27,228	329,817	15,481	314,336
Resources related to pensions	2,395	(250,888)	253,283	149,575	103,708
Total deferred inflows of resources	359,440	(223,660)	583,100	165,056	418,044
Net position					
Net investment in capital assets	211,455	(8,750)	220,205	(9,677)	229,882
Restricted – nonexpendable	91,580	2,400	89,180	14,345	74,835
Restricted – expendable	39,814	1,331	38,483	(6,521)	45,004
Unrestricted	593,901	298,798	295,103	90,187	204,916
Total net position	$936,750	$293,779	$642,971	$88,334	$554,637

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 this statement is to present the revenues received by UPR, both operating and non-operating, and the expenses paid by UPR.

Operating revenues are received for providing goods and services to the various customers and constituencies of UPR. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of UPR. Non-operating revenues are revenues received for which goods and services are not provided. For example, the majority of the appropriations from the licensee are provided by the Legislature to UPR without the Legislature directly receiving commensurate goods and services in return for those revenues. As noted below, without the non-operating revenues, in particular the appropriations from licensee and private gifts, UPR would not be able to cover its costs of operations. These sources are critical to UPR's financial stability and directly impact the quality of its programs.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	June 30, 2023	Change	June 30, 2022	Change	As Adjusted June 30, 2021
Operating revenues					
Grants and contracts	$216,347	$115,141	$101,206	$3,919	$97,287
Other operating revenues	87	(1,663)	1,750	(13,211)	14,961
Total operating revenues	216,434	113,478	102,956	(9,292)	112,248

Condensed Statements of Revenues, Expenses, and Changes in Net Position (continued)

	June 30, 2023	Change	June 30, 2022	Change	As Adjusted June 30, 2021
Operating expenses					
Salaries and wages	559,561	48,676	510,885	35,903	474,982
Employee benefits	166,294	12,575	153,719	1,325	152,394
Actuarial calculated pension expense/(benefits)	(53,829)	(138,490)	84,661	111,925	(27,264)
Other operating expenses	849,288	183,092	666,196	(692)	666,888
Total operating expenses	1,521,314	105,853	1,415,461	148,461	1,267,000
Operating loss	(1,304,880)	7,625	(1,312,505)	(157,753)	(1,154,752)
Non-operating revenues					
Appropriations from licensee	402,849	1,610	401,239	42,850	358,389
Federal CARES Act	234,826	234,826	0	(15,000)	15,000
Gifts	504,745	(83,716)	588,461	(44,124)	632,585
Other non-operating revenues	456,239	45,100	411,139	26,351	384,788
Total non-operating revenues	1,598,659	197,820	1,400,839	10,077	1,390,762
Income/(loss) before other revenues	293,779	205,445	88,334	(147,676)	236,010
Other revenues					
Private grants and gifts for capital purposes	0	0	0	0	0
Net other revenues	0	0	0	0	0
Increase/(decrease) in net position	293,779	205,445	88,334	(147,676)	236,010
Net position – beginning of year	642,971	96,707	546,264	227,637	318,627
Prior period adjustment	0	(8,373)	8,373	8,373	0
Net position – beginning of year as adjusted	642,971	88,334	554,637	236,010	318,627
Net position – end of year	$936,750	$293,779	$642,971	$88,334	$554,637

The Statement of Revenues, Expenses, and Changes in Net Position reflects a $293,779 increase in the net position at the end of the fiscal year. As reflected in the Statement of Revenues, Expenses, and Changes in Net Position, UPR experienced an operating loss in fiscal year 2023 of $1,304,880. This operating loss highlights UPR's dependency on non-operating revenues to meet its cost of operating. In particular, appropriations from licensee and private gifts are key to maintaining UPR's financial health. In fiscal year 2023, UPR received $402,849 from appropriations from licensee and $504,745 in private gifts. There were other non-operating revenues of $456,239.

Statements of Cash Flows

The final statement presented by UPR is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of UPR during the fiscal year. The statement is divided into five sections. The first section deals with operating cash flows and shows the net cash used by operating activities. The second section includes cash flows from non-capital financing activities. This section includes the cash received and spent for non-operating, non-investing, and non-capital financing purposes. The third section includes the cash flows from capital and related financing activities. This section includes the cash used for the acquisition and construction of capital and related items. The fourth section includes cash flows from investing activities. This section includes the purchases, proceeds, and interest received from investing activities. The fifth section reconciles the net cash used to the operating loss reflected on the Statement of Revenues, Expenses, and Changes in Net Position. This reconciliation is available for review in the Statement of Cash Flows.

Condensed Statements of Cash Flows

	June 30, 2023	Change	June 30, 2022	Change	As Adjusted June 30, 2021
Cash provided/(used) by					
(1) Operating activities	($1,252,108)	($333,411)	($918,697)	($277,432)	($641,265)
(2) Non-capital financing activities	1,141,910	154,444	987,466	(274)	987,740
(3) Capital and related financing activities	129,306	(26,348)	155,654	56,515	99,139
(4) Investing activities	3,268	12,597	(9,329)	62,128	(71,457)
Net increase/(decrease) in cash and cash equivalents	22,376	(192,718)	215,094	(159,063)	374,157
Cash and cash equivalents – beginning of year	876,588	215,094	661,494	374,157	287,337
Cash and cash equivalents – end of year	$898,964	$22,376	$876,588	$215,094	$661,494

UPR experienced an increase in cash and cash equivalents during fiscal year 2023. This increase of $22,376 left UPR with a cash and cash equivalent balance at year-end in the amount of $898,964. Most of this is comprised of unexpended gifts and grant funds.

Capital Assets

Utah Public Radio had the following capital assets as of June 30, 2023:

	June 30, 2023	Change	June 30, 2022	Change	As Adjusted 6/30/2021
Equipment	$1,227,797	$0	$1,227,797	($13,713)	$1,241,510
Accumulated depreciation	(1,016,342)	(8,750)	(1,007,592)	4,036	(1,011,628)
Total capital assets	$211,455	($8,750)	$220,205	($9,677)	$229,882

During the fiscal year ending June 30, 2023, there were no capital additions or deletions.

Economic Outlook

In FY 2023, UPR, as with many organizations, dealt with economic conditions such as inflation, which negatively impacted some of its partners and underwriters.

Underwriting revenue continued at a decreased level. Several sources of underwriting felt the need to divert resources away from marketing on UPR due to the effects of inflation and higher costs of business. Even in the face of increasing costs for programs, UPR continues to seek ways to reduce expenses and plan for long-term needs, all while meeting the needs of its listeners.

Membership revenues continued to hold steady during FY23. UPR's experience has continued to follow the national trend for non-profits: Declines in finding new members but membership revenues holding steady because of increased donations from current members.

In FY23, UPR has been successful in partnering with other non-profit organizations to secure grants which provided funding for the continuation of Bringing War Home and Cropping Up. In FY24 and beyond, UPR will continue to seek partnerships, secure additional grants to fund future projects, and keep programming costs to a minimum in order to maximize revenue streams.

UPR continues to prioritize member engagement in concert with UPR member events. Two examples are an evening with former NPR Bureau Chief Corey Flintoff, an event headlined by renowned animal behavior expert Temple Grandin, and a local performance of Selected Shorts. Additionally, UPR does regular individualized outreach to members.

UPR regularly produces compelling stories, programming, and timely news coverage. Our programming schedule, including popular local programs, continues to receive positive listener response.

Tom Williams

Tom Williams
General Manager of Utah Public Radio
Utah State University

UTAH PUBLIC RADIO

Statements of Net Position

June 30, 2023 and June 30, 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents (Notes 1 and 2)	$898,964	$876,588
Accounts receivable (Note 4)	3,804	6,779
Lease receivable (Note 4)	84,847	77,625
Prepaid expenses (Note 1)	14,417	11,867
Total current assets	1,002,032	972,859
Non-current assets		
Lease receivable (Note 4)	260,584	237,236
Investments restricted for endowments (Notes 1 and 3)	113,376	109,646
Equipment (Notes 1 and 5)	1,227,797	1,227,797
Accumulated depreciation (Notes 1 and 5)	(1,016,342)	(1,007,592)
Net pension asset (Note 9)	1,762	197,627
Total non-current assets	587,177	764,714
Total assets	1,589,209	1,737,573
Deferred outflows of resources		
Resources related to pensions (Note 9)	69,763	26,915
Total deferred outflows of resources	69,763	26,915
Liabilities		
Current liabilities		
Accounts payable (Note 6)	57,895	2,793
Accrued salaries and benefits	58,575	56,357
Liability for compensated absences (Note 7)	44,941	43,524
Unearned revenue (Note 1)	186,493	425,917
Total current liabilities	347,904	528,591
Non-current liabilities		
Liability for compensated absences (Note 7)	14,878	9,826
Net pension liability (Note 9)	0	0
Total non-current liabilities	14,878	9,826
Total liabilities	362,782	538,417
Deferred inflows of resources		
Resources related to leases	357,045	329,817
Resources related to pensions (Note 9)	2,395	253,283
Total deferred inflows of resources	359,440	583,100
Net position		
Net investment in capital assets	211,455	220,205
Restricted		
Non-expendable		
Endowments	91,580	89,180
Expendable		
Donor purposes	21,797	20,466
Capital projects	18,017	18,017
Unrestricted	593,901	295,103
Total net position	$936,750	$642,971

The accompanying notes are an integral part of the financial statements

UTAH PUBLIC RADIO

Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2023 and June 30, 2022

	2023	2022
Operating revenues		
Grants and contracts	$216,347	$101,206
Other operating revenue	87	1,750
Total operating revenues	216,434	102,956
Operating expenses		
Salaries and wages	559,561	510,885
Employee benefits	166,294	153,719
Actuarial calculated pension expense/(benefit)	(53,829)	84,661
Other operating expenses	849,288	666,196
Total operating expenses	1,521,314	1,415,461
Operating loss	(1,304,880)	(1,312,505)
Non-operating revenues/(expenses)		
Appropriations from licensee	402,849	401,239
Federal CARES Act	234,826	0
Facilities and administrative support	237,928	212,988
Gifts	504,745	588,461
Underwriter tradeouts	85,008	52,475
Investment income/(loss)	6,998	(1,505)
Other nonoperating income	126,305	147,181
Total non-operating revenues	1,598,659	1,400,839
Increase in net position	293,779	88,334
Other revenues		
Private grants and gifts for capital purposes	0	0
Net other revenues	0	0
Increase in net position	293,779	88,334
Net position – beginning of year	642,971	546,264
Prior period adjustment	0	8,373
Net position – beginning of year as adjusted	642,971	554,637
Net position – end of year	$936,750	$642,971

The accompanying notes are an integral part of the financial statements

UTAH PUBLIC RADIO

Statements of Cash Flows

For the Years Ended June 30, 2023 and June 30, 2022

	2023	2022
Cash flows from operating activities		
Grants and contracts	($26,445)	$197,682
Other operating revenues	87	1,750
Payments to employees for salaries and benefits	(761,210)	(696,957)
Payments to suppliers	(464,540)	(421,172)
Net cash used by operating activities	(1,252,108)	(918,697)
Cash flows from non-capital financing activities		
Appropriations from licensee	402,849	401,239
Federal CARES Act	234,826	0
Private gifts	504,235	586,227
Net cash provided by non-capital financing activities	1,141,910	987,466
Cash flows from capital and related financing activities		
Receipts from lease agreements including interest	129,306	155,654
Net cash provided by capital and related financing activities	129,306	155,654
Cash flows from investing activities		
Purchases of investments	(2,400)	(14,345)
Interest and dividends received from investments	5,668	5,016
Net cash provided/(used) from investing activities	3,268	(9,329)
Net increase in cash and cash equivalents	$22,376	$215,094
Cash and cash equivalents – beginning of year	876,588	661,494
Cash and cash equivalents – end of year	898,964	876,588

The accompanying notes are an integral part of the financial statements

UTAH PUBLIC RADIO

Statements of Cash Flows

For the Years Ended June 30, 2023 and June 30, 2022

	2023	2022
Reconciliation of operating loss to net cash used by operating activities		
Operating loss	($1,304,880)	($1,312,505)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation expense	8,750	9,677
Underwriter tradeouts	85,008	52,475
Gifts-in-kind	510	2,234
Facilities and administrative support	237,928	212,988
Changes in assets, deferred outflows, liabilities, and deferred inflows		
Accounts receivable	(3,368)	(436)
Prepaid expenses	(2,550)	(318)
Net pension asset	195,865	(122,716)
Deferred outflows resources related to pension	(42,848)	16,351
Accounts payable	55,102	(32,032)
Accrued salaries and benefits	2,218	6,086
Compensated absences	6,469	3,012
Unearned revenue	(239,424)	96,912
Deferred inflows resources related to pension	(250,888)	149,575
Net cash used by operating activities	($1,252,108)	($918,697)

The accompanying notes are an integral part of the financial statements

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Utah Public Radio (UPR) is presented to assist in understanding UPR's financial statements. UPR's financial statements and notes are a representation of UPR's management, who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles as applicable to colleges and universities using the principles and standards established by the Governmental Accounting Standards Board.

Organization

UPR is a department of Utah State University (University) and is governed directly by the Dean of the College of Humanities and Social Sciences. The legal call letters are KUSU-FM which is the flagship station for the Utah Public Radio System and KUSR which is a licensed booster station.

Funding for the operations of UPR is provided mainly by appropriations from licensee, private donations, and community service grants provided by the Corporation for Public Broadcasting (CPB).

Accounting Policies

The accounting policies of UPR conform in all material respects with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

UPR's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues from government-mandated or voluntary non-exchange transactions such as contributions, gifts and grants are recognized when all applicable eligibility requirements are met. Contributions, gifts and grants that do not have eligibility requirements are reported as revenue when UPR is entitled to the funds. When both restricted and unrestricted resources are available for use, it is the policy of UPR to use restricted resources first, then unrestricted resources as they are needed. UPR records appropriations from the State of Utah as unrestricted revenue. UPR recognizes expenditures as expenses when they expend them or when they accrue the liability.

Use of Estimates in Financial Statements

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 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.

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in the University's Cash Management Investment Pool (CMIP). The University pools all cash (including UPR's cash) not separately deposited for trusts or other specific purposes. The University invests cash in excess of daily operating requirements according to the Utah State Money Management Act. The pooled cash is not insured or otherwise guaranteed by the State, and participants share proportionally in any realized gains or losses on investments. UPR's equity in the CMIP is immediately convertible to cash at any time to meet the operating needs of UPR. For more detailed information about investments in the University's CMIP refer to Utah State University's Annual Financial Report at www.usu.edu/controller.

Investments Restricted for Endowment

Utah Public Radio's investments are pooled with the University as a whole in the University's endowment pool. Amounts reported as investments in UPR's financial statements reflect UPR's proportionate ownership of that pool. Therefore, UPR does not have separate accounts in financial institutions. Thus, disclosures of fair value and risk related to investments apply at the University level. See the financial statements of Utah State University for those disclosures.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application* . Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The University accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* . Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

A portion of the University's endowment portfolio is invested in “alternative investments”. These investments, unlike more traditional investments, generally do not have readily obtainable market values and typically take the form of limited partnerships. The University values these investments based on the values provided by the partnerships as well as their audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent capital calls and distributions.

Prepaid Expenses

UPR records costs incurred for programs not yet broadcast and expenses paid for future periods as prepaid expenses. These costs are related to paid subscribed programs that will be broadcast after June 30. As UPR broadcasts these programs, the costs will be in operating expenses. UPR evaluates the status of the programs annually.

Capital Assets

Capital assets consist of equipment. Capital assets are defined by UPR as assets with an initial unit cost of $5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Equipment of UPR is depreciated using the straight-line method over three to ten years, except the broadcasting tower which is being depreciated over forty years using the straight-line method.

1. Summary of Significant Accounting Policies (continued)

Lease Related Assets

At the commencement of a lease, UPR initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how UPR determines (1) the discounts rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

1) UPR uses an incremental borrowing rate applying the Des Moines Federal Home Loan Bank (FHLB) 5-year Advance Rate plus 0.30% as the discount rate for leases.

2) The lease term includes the noncancellable period of the lease.

3) Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

UPR monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. UPR has one item that qualifies for reporting in this category; which is related to deferred pension expense and will be amortized to pension expense over the ensuing years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. UPR has two items that qualify for reporting in this category; resources related to pensions and resources related to leases, and will be amortized to pension expense and lease revenue, respectively over the ensuing years.

1. **Summary of Significant Accounting Policies** (continued)

Pension Related Assets, Liabilities, Deferred Outflows, and Deferred Inflows

UPR records its share of any unfunded liability or asset associated with participation in the defined benefit plans of the Utah Retirement Systems (Systems). For purposes of measuring the net pension liability or net pension asset, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems' Pension Plan and additions to or deductions from the Systems’ fiduciary net position are determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefits terms. Investments are reported at fair value.

Unearned Revenue

Unearned revenue consists of unearned grant revenue.

Facilities and Administrative Support

The University donates office and studio space to UPR and records the related occupancy costs following procedures established by the Corporation for Public Broadcasting. These costs include a computed occupancy value based on a ratio of square footage occupied compared to University totals. The University also provides other indirect administrative support to UPR consisting of institutional support and physical plant support based on a calculation created by the Corporation for Public Broadcasting.

Underwriter Tradeouts

UPR has entered into several underwriting trade agreements with local businesses that provide goods and services in trade for underwriting credit and other media recognition. The Corporation for Public Broadcasting considers these trade agreements as donations.

Employee Leave

Sick leave is not accrued but is recorded in the period of actual use. Sick leave does not vest but is allowed on an earned time basis. At the end of each calendar year employees who have accumulated forty-eight days of sick leave may convert up to four days of sick leave to annual leave subject to other restrictions of the University. Annual leave, including converted sick leave, is accrued and reported as earned. Employees are allowed to carry over a maximum of thirty-four days annual leave. The thirty-four days is variable depending on the number of sick leave days the employee is allowed to convert at calendar year end.

Net Position

UPR's net position is classified as follows:

Net investment in capital assets: This represents UPR's total investment in capital assets.

1. Summary of Significant Accounting Policies (continued)

Restricted – nonexpendable: Restricted – nonexpendable net position consists of endowment and similar-type funds which, as a condition of the gift instruments, the donors or other outside sources have stipulated that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income. The income may either be expended or added to principal.

Restricted – expendable: Restricted – expendable net position includes resources in which UPR is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted: Unrestricted net position represents resources derived from rents, other revenues, and gift donations. These resources are used for transactions relating to the educational and general operations of UPR and may be used at the discretion of UPR to meet current expenses for any purpose.

Income Taxes

As a department of Utah State University, which is exempt from income taxes under Section 115(1) and 501(c)(3) of the Internal Revenue Code, UPR is also exempt from income taxes.

Classification of Revenues and Expenses

Operating revenues: Operating revenues include activities that have characteristics of exchange transactions such as most federal, state, and local contracts and grants.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions such as gifts and appropriations from licensee.

All expense transactions are classified as operating expenses.

2. Cash and Cash Equivalents and Deposits

Cash and cash equivalents consisted of the following at June 30, 2023, and June 30, 2022:

	2023	2022
Claim on cash in the University's Cash Management Investment Pool	$898,964	$876,588

Deposits and bank balances held by CMIP of the University are insured to the extent allowed by the Federal Deposit Insurance Corporation. The balances in excess of these amounts are uninsured and uncollateralized and exposed to custodial credit risk. All deposits are held by a qualified depository as defined by the State Money Management Act. The State of Utah does not require collateral on deposits.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the University's deposits may not be returned to the University. The University does not have a formal deposit policy for custodial credit risk.

3. Investments Restricted for Endowments

Utah Public Radio participates in the University's endowment pool. UPR holds an interest in the University's endowment pool, but not in specific investment insturments within that pool. The University maintains a separate account for each participant in the pool. Investment income, gains, losses, and expenses of the pool are allocated to each participant based on their share of ownership in the pool and are reflected as investment income in the accompanying statement of revenues, expenses, and changes in net position.

As of June 30, 2023 and 2022, total endowment gifts and unspent earnings are $113,376 and $109,646, respectively, of which $91,580 and $89,180, respectively, is corpus and is not expendable. The corpus is reported in restricted non-expendable net position on the statement of net position.

For endowment funds, the University follows the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), Utah Board of Higher Education Policy R541, *Management and Reporting of Institutional Investments* , and the University's Investment Policy and endowment guidelines.

The UPMIFA and Policy R541 allow the University to invest endowment funds (including gifts, devises, or bequests of property of any kind from any source) in any of the above investments or any of the following, subject to certain criteria: mutual funds registered with the Securities and Exchange Commission, investments sponsored by the Commonfund; any investment made in accordance with the donor’s directions in a written instrument; investments in corporate stock listed on a major exchange (direct ownership); and any alternative investment funds that derive returns primarily from high yield and distressed debt (hedged or non-hedged), private capital (including venture capital and private equity), natural resources, and private real estate assets or absolute return and long/short hedge funds.

The University's Investment Policy allows the University to invest endowment funds in investments authorized by the State Money Management Act (Utah Code, Title 51, Chapter 7) (the Act) or any of the following investments: readily marketable equities, which are diversified across a spectrum of market capitalizations, multiple regions, by issue, industry, and sector; readily marketable fixed income investments diversified by country, issue, sector, coupon, and quality; bonds having a minimum quality of "A" or better; and alternative investments that derive returns primarily from high-yield and distressed debt (hedged or non-hedged), natural resources, private capital (including venture capital, private equity, both domestic and international), commodities, private real estate assets or absolute return, and long/short hedge funds. In addition, endowment funds may be invested as specifically directed by donor agreements.

According to the University's Investment Policy, the governing board may appropriate for expenditure as much of the net appreciation, realized and unrealized, of an endowment's corpus as is prudent under the facts and circumstances prevailing at the time of the action or decision. The appropriation must be for the purposes for which the endowment is established and also includes a management fee.

The endowment income spending policy at June 30, 2023, was 4 percent of the 12 quarter moving average of the market value of the endowment pool with a one year lag. The spending policy is reviewed periodically and any necessary changes are made.

The amount of net appreciation on investments of donor-restricted endowments available for authorization for expenditure at June 30, 2023 and 2022, was $21,797 and $20,466, respectively. The net appreciation is a component of restricted-expendable net position.

3. Investments Restricted for Endowments (continued)

The investments within the University's endowment pool are exposed to risks that have the potential to result in losses. Those risks and their definitions are:

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act or the University's Investment Policy, as applicable. For non-endowment funds, the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed-rate negotiable deposits, and fixed-rate corporate obligations to 270 days – 15 months or fewer. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to five years. In addition, variable-rate negotiable deposits and variable-rate securities may not have a remaining term to final maturity exceeding three years. For endowment funds, the University's Investment Policy requires only that investments be made as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the endowments and by exercising reasonable care, skill, and caution.

Credit Risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The University's policy for reducing its exposure to credit risk is to comply with the State Money Management Act and the University's Investment Policy.

Concentration of Credit Risk:

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University's policy for reducing this risk of loss is to comply with the rules of the State of Utah Money Management Council. For endowment funds, the University policy requires diversification of investments across a broad spectrum and specific limits to concentration of securities within categories of equities, fixed income, and alternatives. Rule 17 of the State of Utah Money Management Council limits non-endowment fund investments in a single issuer of commercial paper and corporate obligations to 5-10 percent depending upon the total dollar amount held in the portfolio at the time of purchase. The State of Utah Money Management Council limitations do not apply to securities issued by the U.S. Government and its agencies. For endowments, the University, under Policy R541, is permitted to establish its own investment policy which adheres to the guidelines established by UPMIFA.

Custodial Credit Risk:

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the University will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The University does not have a formal investment policy for custodial credit risk.

4. Accounts and Lease Receivable

Accounts Receivable

Accounts receivable consist of amounts owed to UPR from sources outside of Utah State University that have not been received as of year end. All receivables are considered fully collectible.

Lease Receivable

Lease receivables consist of amounts owed to UPR as a lessor. The lease arrangements consist of radio towers with lease terms of up to 5 years through fiscal year 2028. In fiscal year 2023, UPR recognized $108,943 in lease revenue and $7,525 in interest revenue.

5. Capital Assets

Equipment is valued at cost when purchased or acquisition value at the date of donation in the case of gifts.

The change in capital assets from June 30, 2022 to June 30, 2023 consists of:

	June 30, 2022	**Additions**	**Deletions**	**June 30, 2023**
Equipment	$1,227,797	$0	$0	$1,227,797
Accumulated depreciation	(1,007,592)	(8,750)	0	(1,016,342)
	$220,205	($8,750)	$0	$211,455

The change in capital assets from June 30, 2021 to June 30, 2022 consists of:

	As Adjusted June 30, 2021	**Additions**	**Deletions**	**June 30, 2022**
Equipment	$1,241,510	$0	($13,713)	$1,227,797
Accumulated depreciation	(1,011,628)	(9,677)	13,713	($1,007,592)
	$229,882	($9,677)	$0	$220,205

6. Accounts Payable

All accounts payable consist of payables to suppliers.

7. Non-Current Liabilities

	June 30, 2022	Additions	Deletions	June 30, 2023	Amounts Due Within One Year
Liability for compensated absences	$53,350	$44,248	($37,779)	$59,819	$44,941
Net pension liability	0	0	0	0	0
Total non-current liabilities	$53,350	$44,248	($37,779)	$59,819	$44,941

8. Economic Dependency

UPR received approximately 35.3 percent of its funding from Utah State University for the year ended June 30, 2023.

9. Pension Plans and Retirement Benefits

Eligible employees of Utah State University who work at Utah Public Radio are covered by the Utah Retirement Systems (Systems), Teachers Insurance and Annuity Association (TIAA), and/or Fidelity Investments (Fidelity). Employees may also participate in defined contribution plans consisting of 401(k) and 457 plans managed by the Systems, TIAA, or Fidelity.

9. Pension Plans and Retirement Benefits (continued)

Defined Benefit Pension Plans

Eligible employees of UPR are provided with the following defined benefit pension plan (cost-sharing, multiple-employer plan) administered by the Utah Retirement Systems:

Public Employees Noncontributory Retirement System (Tier 1 Noncontributory System)

The Utah Retirement Systems are established and governed by the respective sections of Title 49 of the Utah Code. The Systems' defined benefit plans are amended statutorily by the Utah legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the board, whose members are appointed by the governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. The Systems are a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. The Utah Retirement Systems issues a publicly available financial report that may be obtained by writing to the Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits provided - The Utah Retirement Systems provide retirement, disability, and death benefits to participants in the defined benefit pension plans. Retirement benefits for each defined benefit plan are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Tier 1 Noncontributory System	Highest 3 years	30 years any age 25 years any age * 20 years age 60* 10 years age 62* 4 years age 65	2% per year all years	Up to 4%

* *With actuarial reductions*

** *All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.*

9. Pension Plans and Retirement Benefits (continued)

Contributions - As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Systems' board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. For the year ended June 30, 2023 the required contribution rates for the plans were as follows:

System	Rates Paid by Employee	by Employer for Employee	Employer Contribution Rates
Tier 1 Noncontributory System	N/A	N/A	22.19%

For the year ended June 30, 2023, employer and employee contributions to the plans were as follows:

System	Employer Contributions	Employees' Contributions
Tier 1 Noncontributory System	$45,653	N/A

9. Pension Plans and Retirement Benefits (continued)

Pension assets, liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions - At June 30, 2023, UPR reported a net pension asset of $1,762. The net asset was measured as of December 31, 2022, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2022 and rolled forward using generally accepted actuarial procedures. UPR's proportion of the net pension asset was based upon actual historical employer contributions to defined benefit pension plans for pay periods ending in 2022. At December 31, 2022, UPR's proportionate shares in the defined benefit pension plans were as follows:

System	Proportionate Share	Net Pension Asset
Tier 1 Noncontributory System	0.1006607%	$1,762

For the year ended June 30, 2023, UPR reported deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$12,226	$1,938
Changes in assumptions	385	0
Net difference between projected and actual earnings on pension plan investments	34,229	0
Changes in proportion and differences between contributions and proportionate share of contributions	9	457
Contributions subsequent to the measurement date	22,913	0
Total	$69,763	$2,395

Contributions made between January 1, 2023 and June 30, 2023, of $22,913 are reported as deferred outflows of resources related to pensions. These contributions will be recognized as a reduction of net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

9. Pension Plans and Retirement Benefits (continued)

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2023	($21,111)
2024	(6,163)
2025	15,376
2026	56,353
2027	0
Thereafter	0

Actuarial assumptions - The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%	
Salary Increases	3.25% - 9.25%	Average, including inflation
Investment Rate of Return	6.85%	Net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80 percent of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are:

9. Pension Plans and Retirement Benefits (continued)

	Expected Return Arithmetic Basis		
Asset Class	**Target Asset Allocation**	**Real Return Arithmetic Basis**	**Long-Term Expected Portfolio Real Rate of Return**
Equity securities	35.00%	6.58%	2.30%
Debt securities	20.00%	1.08%	0.22%
Real assets	18.00%	5.72%	1.03%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	2.91%	0.44%
Cash and cash equivalents	0.00%	-0.11%	0.00%
Total	100.00%		5.17%
Inflation			2.50%
Expected arithmetic nominal return			7.67%

The 6.85 percent assumed investment rate of return is comprised of an inflation rate of 2.5 percent and a real return of 4.35 percent that is net of investment expense.

Discount rate - The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

Sensitivity of UPR's proportionate share of the net pension asset and liability to changes in the discount rate - The following presents the proportionate share of the net pension liability (asset) calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.85%) or 1 percentage point higher (7.85%) than the current rate:

9. Pension Plans and Retirement Benefits (continued)

	Proportionate Share of Net Pension Liability (Asset)		
System	**1% Decrease (5.85%)**	**Discount Rate (6.85%)**	**1% Increase (7.85%)**
Tier 1 Noncontributory System	$268,185	($1,762)	($227,922)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued Systems' financial report.

Defined Contribution Plans

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 required employer contributions and associated earnings are vested after four years of employment. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

401(k) Plans - For employees participating in defined benefit plans, UPR is also required to contribute 1.5 percent of the employee's salary into a 401(k) plan.

EMIA, TIAA and/or Fidelity - EMIA, TIAA and/or Fidelity provide individual defined contribution retirement fund contracts with each participating employee. Employees may allocate contributions by UPR to any or all of the providers and the contracts become vested at the time the contribution is made. Employees are eligible to participate from the date of employment and are not required to contribute to the fund. Benefits provided to retired employees are based on the value of individual contracts and the estimated life expectancy of the employee at retirement. UPR's contribution to this multiple employer defined contribution plan was 14.2 percent of the employees' annual salary. UPR has no further liability once annual contributions are made.

Contributions to the defined contribution plans for the fiscal year ending June 30, 2023 were as follows:

Defined Contribution Plans	**Employer Contributions**	**Employees' Contributions**
401(k) Plan	$3,086	$2,402
EMIA, TIAA and/or Fidelity	$32,786	$6,123

UTAH PUBLIC RADIO

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
As of December 31

Tier 1 Noncontributory System	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of net pension liability/(asset)*	(0.1006607%)	(0.0804047%)	(0.0759522%)	0.0023091%	0.0053545%	0.0058604%	0.0060808%	0.0061857%	0.0072618%
Proportionate share of net pension liability/(asset)	($1,762)	($197,627)	($74,911)	$85,912	$199,214	$143,308	$197,074	$194,310	$182,455
Covered payroll	$205,737	$158,315	$157,203	$155,403	$147,041	$155,715	$157,948	$157,632	$188,382
Proportionate share of net pension liability/(asset) as a percentage of covered payroll	-0.86%	-124.8%	-47.7%	55.3%	135.5%	92.0%	124.8%	123.3%	96.9%
Plan fiduciary net position as a percentage of total pension liability/(asset)	100.1%	111.8%	104.7%	94.2%	84.1%	89.2%	84.9%	84.5%	87.2%

* The change in the proportion of net pension liability (asset) in 2019 is due to Utah Retirement Systems creating a separate pool for higher education.

Note: UPR implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* , in fiscal year 2015. Information on UPR's portion of the plan's net pension liability (asset) is not available for periods prior to fiscal year 2015.

UTAH PUBLIC RADIO

Required Supplementary Information

Schedule of Contributions to the Utah Retirement Systems

For the Years Ending June 30,

Tier 1 Noncontributory System	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually Required Contribution	$45,653	$35,130	$34,883	$34,484	$32,629	$34,553	$35,049	$34,979	$41,517	$42,470
Contributions in Relation to the Contractually Required Contribution	45,653	35,130	34,883	34,484	32,629	34,553	35,049	34,979	41,517	42,470
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Covered Payroll	$205,737	$158,315	$157,203	$155,403	$147,041	$155,715	$157,948	$157,632	$188,382	$205,240
Contributions as a Percentage of Covered Payroll	22.19%	22.19%	22.19%	22.19%	22.19%	22.19%	22.19%	22.19%	22.04%	20.69%

UTAH PUBLIC RADIO

Statement of Functional Expenses

For the Years Ended June 30, 2023 and June 30, 2022

	Program Services				Support Services							
	Programming and Production	Broadcasting and Engineering	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting and Grant Solicitation	Total Support Services	2023 Total	2022 Total	% Change	% of Total Expenses
Salaries, wages, and benefits	$230,049	$96,166	$12,627	$338,842	$183,122	$74,515	$75,548	$333,185	$672,027	$749,265	-10.31%	44.17%
Public and employee relations	252,949	159	52,150	305,258	4,175	51,312	32	55,519	360,777	282,382	27.76%	23.71%
Indirect costs and occupancy	81,450	34,048	4,471	119,969	64,832	26,381	26,747	117,960	237,929	212,989	11.71%	15.64%
Supplies and non-inventoried equipment	4,365	29,645	0	34,010	1,417	7,716	801	9,934	43,944	25,934	69.45%	2.89%
Contractual services	25,015	91,167	0	116,182	14,873	1,348	0	16,221	132,403	85,072	55.64%	8.70%
General services	343	5	0	348	27,093	7,977	0	35,070	35,418	18,706	89.34%	2.33%
Repairs and maintenance	0	1,050	0	1,050	729	0	0	729	1,779	9,964	-82.15%	0.12%
Depreciation	0	8,750	0	8,750	0	0	0	0	8,750	9,677	-9.58%	0.58%
Travel	1,813	3,395	0	5,208	4,415	2,046	0	6,461	11,669	6,483	79.99%	0.77%
Other	0	150	0	150	14,818	1,650	0	16,468	16,618	14,989	10.87%	1.09%
Total operating expenses	$595,984	$264,535	$69,248	$929,767	$315,474	$172,945	$103,128	$591,547	$1,521,314	$1,415,461	7.48%	100.00%

JONES SIMKINS
Certified Public Accountants
Providing Guidance with Insight & Integrity
75 YEARS 1948-2023

Logan Office:
1011 West 400 North, Suite 100
Logan, UT 84323-0747

Salt Lake City Office:
41 North Rio Grande; Suite 101
Salt Lake City, UT 84101

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Management of
Utah Public Radio

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of Utah Public Radio (a department of Utah State University), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Utah Public Radio's basic financial statements, and have issued our report thereon dated December 18, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Utah Public Radio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Utah Public Radio's internal control. Accordingly, we do not express an opinion on the effectiveness of Utah Public Radio's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Utah Public Radio's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Utah Public Radio's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Utah Public Radio's internal control and compliance. Accordingly this communication is not suitable for any other purpose.

Jones Simkins LLC

JONES SIMKINS LLC
Logan, Utah
December 18, 2023