KUFM-FM Radio
A Public Telecommunications Entity Operated by University of Montana

Financial Report

June 30, 2024 and 2023

KUFM-FM

Contents

Plante & Moran, PLLC
Suite 300
634 Front Avenue N.W.
Grand Rapids, MI 49504
Tel: 616.774.8221
Fax: 616.459.3594
plantemoran.com

Independent Auditor's Report

To the Board of Regents
University of Montana-Missoula

Opinion

We have audited the financial statements of KUFM-FM Radio (a public telecommunications entity operated by the University of Montana; the "Station") as of and for the years ended June 30, 2024 and 2023 and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of KUFM-FM Radio as of June 30, 2024 and 2023 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Station and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 1, which explains that these financial statements present only the Station and do not purport to, and do not, present fairly the financial position of the University of Montana-Missoula as of June 30, 2024 and 2023 and the changes in its financial position and its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audits 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 audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Regents
University of Montana-Missoula

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Station's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of KUFM's proportionate share of the net pension liability, schedule of KUFM's employer contributions, schedule of KUFM's proportionate share of the OPEB liability, and notes to required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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.

Plante & Moran, PLLC

February 11, 2025

INTRODUCTION

The management's discussion and analysis (MD&A) provides an overview of KUFM-FM Radio's (KUFM) financial position and activities for the fiscal years ended June 30, 2023, 2022 and 2021. The MD&A emphasizes the current year and identifies any economic or financial factors which could have a significant impact on future operations. This discourse has been prepared by management and should be read in conjunction with the financial statements and notes following this section.

KUFM is a public service unit of the Montana University System as well as a National Public Radio affiliate. It provides public radio programming and services to communities in western and central Montana. With eight full-powered transmitters, five translators and digital content broadcasting twenty-four hours a day, KUFM boasts a coverage area spanning nearly half of Montana. KUFM's network service is branded as Montana Public Radio (MTPR) with central operations located at the University of Montana – Missoula.

USING THE FINANCIAL STATEMENTS

Pursuant to GASB Statement No. 35, the basic financial statements consist of the following three statements: Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; Statement of Cash Flows; and notes to the financial statements. In addition to the financial statements, the MD&A is included as required supplementary information.

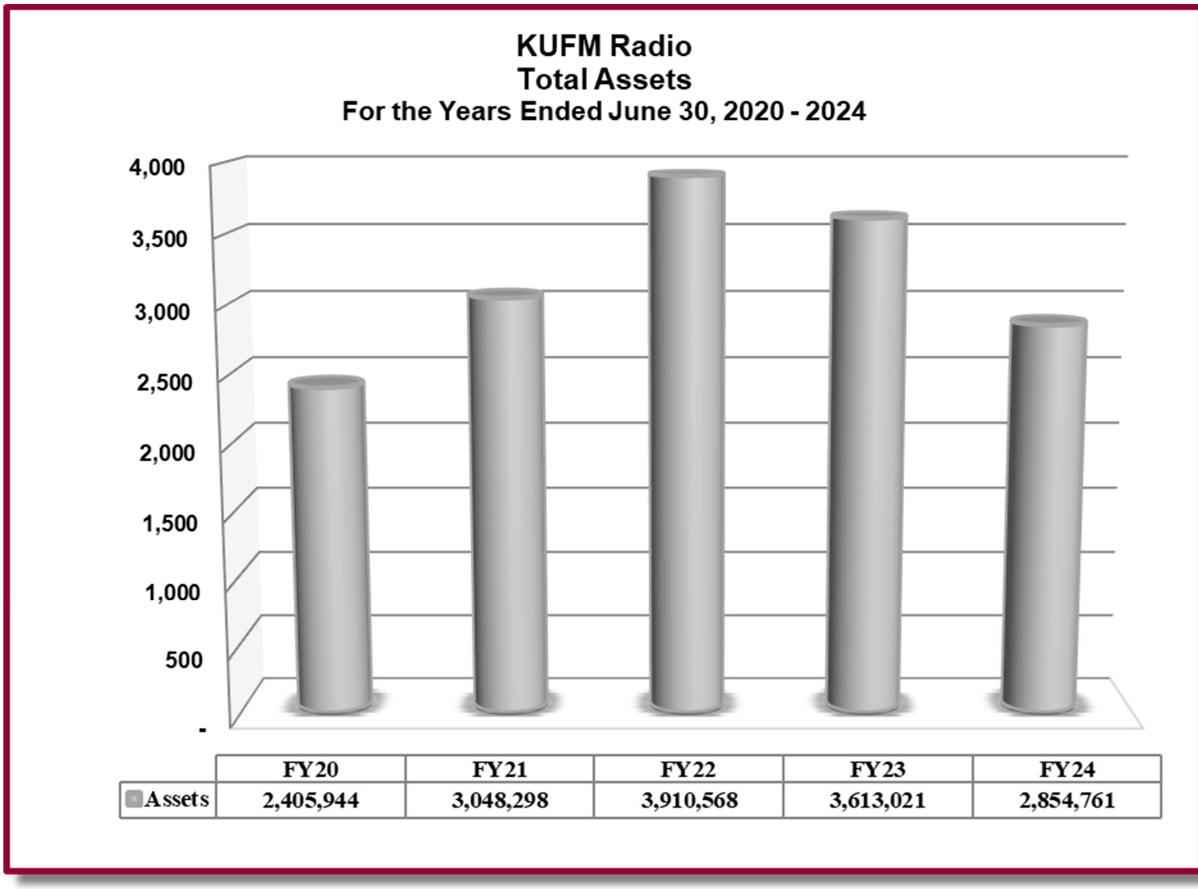
The financial statements are prepared using the accrual basis of accounting, whereas revenues are recognized when services are provided and expenses are recognized when goods or services are received, regardless of when cash is exchanged.

FINANCIAL HIGHLIGHTS AND ANALYSIS

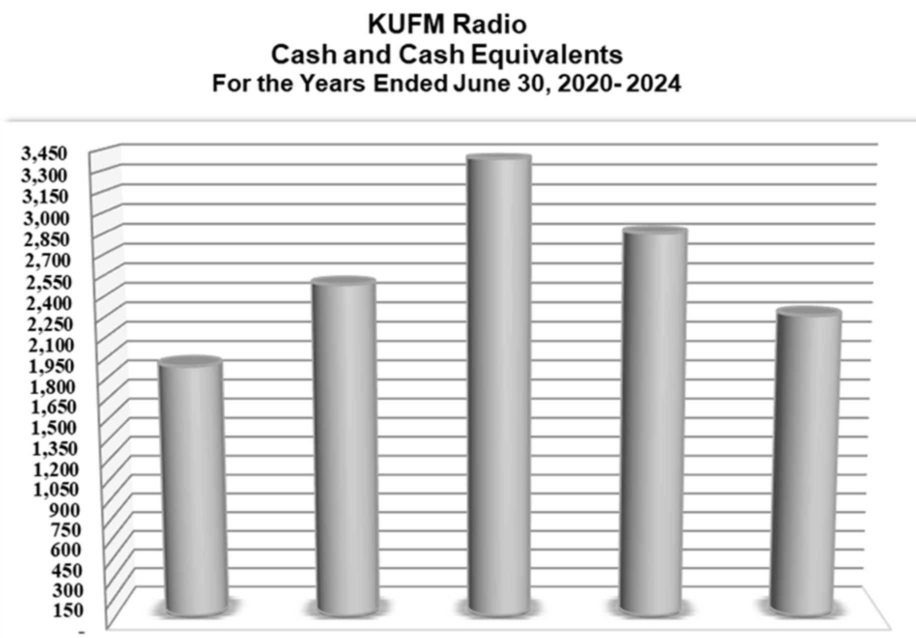
In FY24, total revenues from all sources decreased by $369,409, or by about 10%, most notably from a decrease in revenue received from grants of $89,666 as well as donations and contributions of $316,883 along with sales and services of $91,347. The decreases in these revenues were offset by increases in state and university support of $58,488 and earnings from investments of $69,999. Overall, net position decreased by $684,331 or by 49%.

FINANCIAL HIGHLIGHTS AND ANALYSIS (continued)

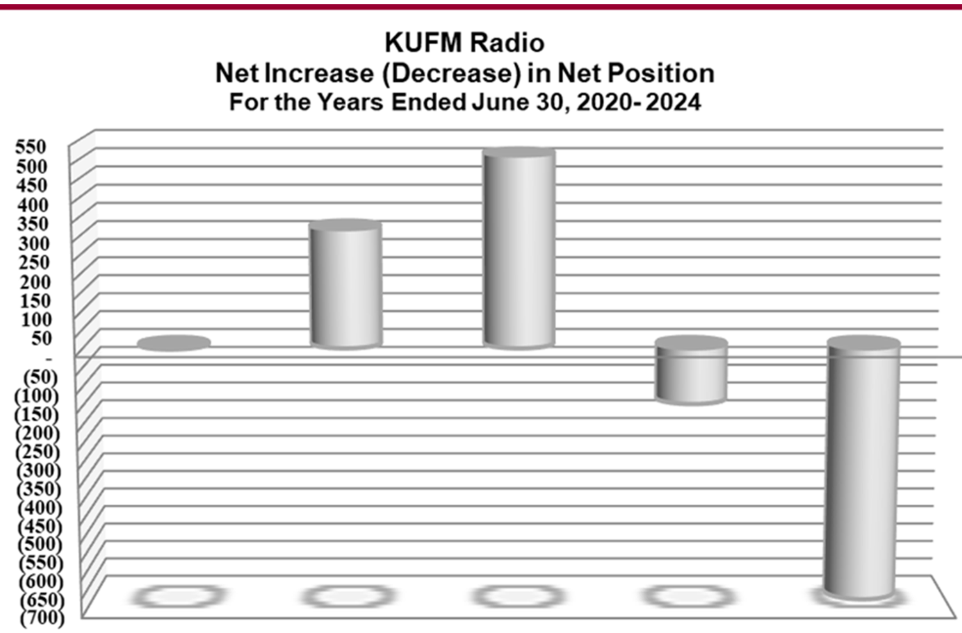
The following charts illustrate the current year changes and financial position of KUFM for prior years.



FINANCIAL HIGHLIGHTS AND ANALYSIS (continued)



	FY20	FY21	FY22	FY23	FY24
Cash and Cash Equivalents	1,884,532	2,483,686	3,391,433	2,856,318	2,257,574



	FY20	FY21	FY22	FY23	FY24
Increase (Decrease) in Net Position	(3,082)	317,741	512,111	(150,021)	(684,331)

FINANCIAL HIGHLIGHTS AND ANALYSIS (continued)

Statement of Net Position

The Statement of Net Position presents the financial position of KUFM at the end of the fiscal year and includes all assets and liabilities. The difference between total assets and total liabilities (Net Position) is one indicator of whether the overall financial condition of an entity has improved or worsened during the year. Assets and liabilities are generally measured using current values except for capital assets, which are stated at historical cost less an allowance for depreciation.

A summary of the Statements of Net Position is as follows at June 30:

	2024	2023	2022
ASSETS			
Total current assets	$ 2,494,167	$ 3,259,922	$ 3,556,548
Total noncurrent assets	360,594	353,099	354,020
Total assets	2,854,761	3,613,021	3,910,568
DEFERRED OUTFLOWS OF RESOURCES	421,296	435,873	426,742
	$ 3,276,057	$ 4,048,894	$ 4,337,310
LIABILITIES			
Total current liabilities	$ 688,114	$ 737,659	$ 952,920
Total noncurrent liabilities	1,561,846	1,525,266	1,268,357
Total liabilities	2,249,960	2,262,925	2,221,277
DEFERRED INFLOWS OF RESOURCES	314,472	390,013	570,056
NET POSITION			
Net invested in capital assets	130,538	107,563	104,393
Restricted	266,114	250,044	222,657
Unrestricted	314,973	1,038,349	1,218,927
Total net position	711,625	1,395,956	1,545,977
	$ 3,276,057	$ 4,048,894	$ 4,337,310

Events or developments which occurred during 2024

- In FY24, current assets decreased by $765,755 or by 23%, due primarily to a decrease in cash and cash equivalents of $598,744 and a decrease in accounts receivable of $179,126. This decrease was offset by an increase in prepaid expenses of $12,115.

- Noncurrent assets increased by $7,495 due to an increase in endowed investments of $8,270, that was offset by a decrease in net capital assets of $775.

- The $14,577 decrease in deferred outflows of resources is due to a decrease in outflows of KUFM's OPEB health benefits plan of $31,262 and an increase in outflows of the pension plan of $16,685.

FINANCIAL HIGHLIGHTS AND ANALYSIS (continued)

- Current liabilities decreased by $49,545 or by 7% due primarily to a decrease in accounts payable of $5,483 and deferred revenue of $72,331. This was offset by an increase in property held in trust for others of $15,416 and an increase in accrued compensated absences of $12,853.

- Current lease liability remained the same as last year. The property held in trust is for the Great Falls Public Radio Association-KGPR. KUFM solicits funds for Great Falls Public Radio Association – and records donation received on their behalf in property held in trust.

- Noncurrent liabilities increased by $36,580 or by 2% due primarily to an increase in the net liability for OPEB health benefits of $12,226 and net pension liability of $67,983. This was offset by a decrease in accrued compensated absences of $19,879 and a decrease in long-term lease liabilities of $23,750.

- The $75,541 decrease in deferred inflows of resources is due to a decrease in inflows from the pension plan of $43,020 and a decrease in inflows for health benefits of $32,520.

- The decrease in net position of $684,331 was due primarily to an increase of operating expenses for the year of $164,901. Operating revenues decreased by $122,525, along with non-operating revenues also decreasing by $246,884.

<u>Events or developments which occurred during 2022</u>

- In FY23, current assets decreased by $296,626 or by 8%, due primarily to a decrease in cash and cash equivalents of $535,115 and a decrease in prepaid expenses of $31,779. This decrease was offset by an increase in accounts receivable of $270,268.

- Noncurrent assets decreased by $921 due an increase in endowed investments of $20,410 that was offset by a decrease in net capital assets of $21,331.

- The increase in deferred outflows of resources of $9,131 is from an increase in outflows of KUFM's OPEB health benefits plan of $68,591 and a decrease in outflows of the pension plan of $59,459.

- Current liabilities decreased by $215,261 or 22% due primarily to decrease in deferred revenue of $249,500 along with a decrease in property held in trust for KGPR of $11,218. These decreases were offset by an increase of accounts payable of $12,846, and an increase of accrued compensated absences of $32,610.

- Current lease liability remained the same as last year. The property held in trust for the Great Falls Public Radio Association-KGPR. KUFM solicits funds for Great Falls Public Radio Association – KGPR and records donations received on their behalf in property held in trust.

FINANCIAL HIGHLIGHTS AND ANALYSIS (continued)

- Noncurrent liabilities increased by $256,909 or by 20% primarily due to an increase in OPEB pension liability of $283,003 and an increase in accrued compensated absences of $42,114. Net OPEB Health Benefit liability decreased by $43,707 and the long-term lease liability also decreased by $24,501.

- The decrease in deferred inflows of resources is due primarily to a decrease in deferred inflows from pensions of $299,038. This decrease was offset slightly by an increase in deferred inflows from health benefits of $118,993.

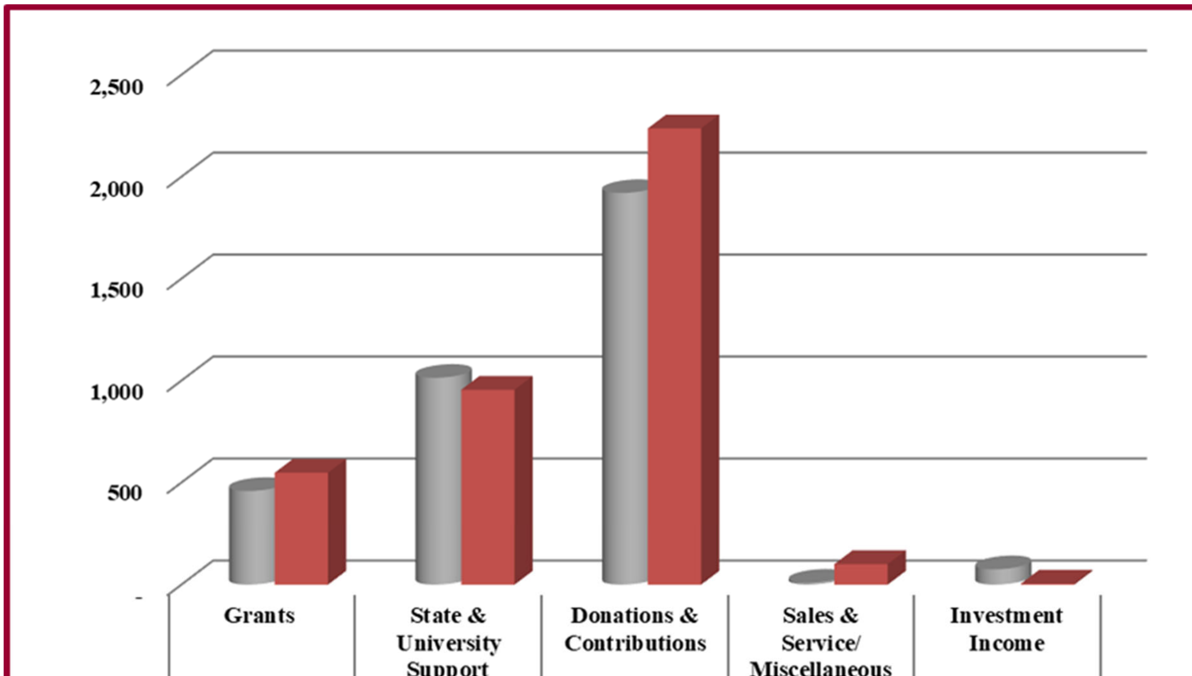
Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position present the results of KUFM's operational activities. In accordance with GASB, revenues and expenses are classified as either operating or non-operating. Operating revenues and expenses are the inflows or uses of funds related directly to fulfilling the entity's purpose (i.e. providing public radio services). Non-operating revenues are revenues earned for which goods or services are not provided and include private gifts and investment income. Non-operating expense is interest on long-term debt.

A summary of the Statements of Revenues, Expenses and Changes in Net Position is as follows at June 30:

	2024	2023	2022
Operating revenue	$ 1,481,298	$ 1,603,823	$ 1,261,967
Operating expenses	4,160,895	3,995,994	3,426,069
Operating loss	(2,679,597)	(2,392,171)	(2,164,102)
Nonoperating revenues	1,995,266	2,242,150	2,676,213
Change in net position	(684,331)	(150,021)	512,111
Net position -beginning of year	1,395,956	1,545,977	1,033,866
Net position - end of year	$ 711,625	$ 1,395,956	$ 1,545,977

FINANCIAL HIGHLIGHTS AND ANALYSIS (continued)



	Grants	State & University Support	Donations & Contributions	Sales & Service/ Miscellaneous	Investment Income
FY24	458,419	1,013,688	1,920,253	9,191	75,013
FY23	548,085	955,200	2,237,136	100,538	5,014

<u>Events or developments which occurred during 2024</u>

- Operating revenue decreased in FY24 by $122,525 largely from a decrease grant from CPB of $127,556. Other revenues also decreased by $91,347. These decreases were offset by an increase in federal grants of $37,890, state appropriations of $4,358 and indirect cost recoveries of $54,130.

- Operating expenses increased in FY24 by $164,901 due largely to an increase in management and general expenses of $146,893, fundraising expenses of $30,238, depreciation expense of $12,140 and amortization expense of $6,088. The increase was offset by a decrease in program expenses of $30,458.

FINANCIAL HIGHLIGHTS AND ANALYSIS (continued)

Events or developments which occurred during 2023

- Operating revenues increase in FY23 by $341,856 largely from an increase from CPB grant funds of $218,880 along with an increase of funds from federal grants of $87,450. Other revenue also increased by $100,052 due to a FED wire received for $83,490 and a public claim of $12,651. State appropriation funds decreased by $6,394 over the year as did indirect cost recoveries by $58,133.

- Operating expenses increased in FY23 by $569,925 due largely to an increase in program service expenses of $752,084 and an increase in fundraising expenses of $67,321. This increase was offset by a decrease in managerial expenses of $217,611 and a decrease in depreciation expense of $40,030. Amortization expenses did increase by $8,161.

Statement of Cash Flows

The Statement of Cash Flows provides additional information about KUFM's financial results by reporting the major sources and uses of cash. This statement aids in assessing KUFM's ability to a) meet obligations and commitments as they become due, b) generate future cash flows, and c) recognize the need for external financing.

A summary of the Statements of Cash Flows is as follows at June 30:

	2024	2023	2022
CASH PROVIDED BY (USED IN)			
Operating activities	$ (2,519,185)	$ (2,639,521)	$ (1,831,845)
Noncapital financing activities	1,990,746	2,136,827	2,749,489
Investing activities	(81,974)	(43,941)	12,276
Capital and related financing activities	11,669	11,520	(22,173)
Net change in cash and cash equivalents	(598,744)	(535,115)	907,747
Cash and cash equivalents – beginning of year	2,856,318	3,391,433	2,483,686
Cash and cash equivalents – end of year	$ 2,257,574	$ 2,856,318	$ 3,391,433

Events or developments which occurred during 2024

Specific events or cash transactions that had a significant effect on a decrease in cash of $598,744 during FY24 were:

- Net cash used in operating activities in FY24 decreased by $120,336 compared to FY23, primarily due to payments to vendors decreasing by $700,203.

- Cash provided by noncapital activities decreased by $146,081 because of a decrease in private gifts received.

FINANCIAL HIGHLIGHTS AND ANALYSIS (continued)

- Cash provided by investing activities increased by $149 due to earnings received on investments.

- Cash used in Capital related financing activities in FY24 increased by $38,033. This increase was due to principal payments for GASB 87 and 96 leases.

Events or developments which occurred during 2023

Specific events or cash transactions that had a significant effect on the decrease in cash (a net cash inflow) of $535,115 during FY23 were:

- Net cash used in operating activities in FY23 increased by $807,676, primarily due to payments to employees increase by $484,886.

- Cash provided by noncapital financing activities decreased by $612,617 as a result of a decrease in private gifts received.

- Cash provided by investing activities decreased by $56,217 due to earnings received on investments and the purchase of a capital asset.

- Cash used in capital related financing activities in FY23 increased by $2,328. This increase was due to the principal payments for GASB 87 leases.

ECONOMIC OUTLOOK

- MTPR management remains optimistic that the organization is positioned for continued membership, corporate support and major gift growth, improved over-the-air and online service, and financial stability.

- CPB along with NPR, PBS and APTS continue to lobby Congress for funding increases for the federal appropriation for public broadcasting. CPB funds make up about 9% of total MTPR revenue.

- Due to continued increases in enrollment at the University of Montana, institutional support has remained consistent for FY24. Further future drops in enrollment may impact MTPR's operational and personnel budgets. Base budget cuts from past years are not likely to be restored and further cuts may be possible in the future. About 17% of MTPR funding comes from the University appropriation.

ECONOMIC OUTLOOK (continued)

- Station management regularly monitors performance in all areas of development. MTPR membership revenue has increased slightly over the past four years, but that trend may be changing. Many other public radio and television stations are seeing decreases in annual giving by individuals, while sponsor and corporate support revenue produces mixed results and major giving/planned gifts are increasing in national trends. Management will continue to watch these trends closely and see how they evolve locally. MTPR member donations make up about 74% of the annual revenue for the station.

- NPR program costs will continue to rise each year for the foreseeable future. Increases of nearly 9% occurred in FY24. Those increases of nearly $25,000 will continue to put pressure on membership and corporate support revenue generation and MTPR will look at offsetting those increases with a recent large bequest gift that was received in FY25.

- Corporate support and underwriting on MTPR has strengthened with the two staff members responsible for this revenue line, typical of what happens in an election year. Without carrying political ads, many businesses and corporations come on board with sponsor packages for their marketing. Management will continue to monitor MTPR corporate support trends moving into FY25 and the tail end of the election year.

- MTPR received approval from the Federal Communications Commission to expand the broadcast signal into unserved areas of western and central Montana. In FY24, MTPR added transmitters in White Sulphur Springs and Deer Lodge, Philipsburg and Georgetown Lake. In FY25, MTPR will add a Browning transmitter. The expansion comes with additional costs for transmission equipment but will be partially offset by a major bequest gift MTPR received.

- In FY25, MTPR will hire a rural policy reporter position funded by a two-year grant from the Corporation for Public Broadcasting. Long-term funding for this position will be a consideration for the future.

KUFM-FM

Statement of Net Position

	As of June 30	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	$ 2,257,574	$ 2,856,318
Accounts receivable - net	207,282	386,408
Prepaid expenses	29,311	17,196
Total current assets	2,494,167	3,259,922
Noncurrent assets:		
Property and equipment - Net	159,515	160,290
Endowment investments	201,079	192,809
Total noncurrent assets	360,594	353,099
Total assets	2,854,761	3,613,021
Deferred Outflows of Resources		
Related to pensions	184,153	188,811
Related to OPEB	237,143	247,062
Total deferred outflows of resources	421,296	435,873
Liabilities		
Current liabilities:		
Accounts payable	$ 17,725	$ 23,208
Property held in trust for others	61,171	45,755
Deferred revenue	467,602	539,933
Accrued compensated absences	120,703	107,850
Lease liability	20,913	20,913
Total current liabilities	688,114	737,659
Noncurrent liabilities:		
Net OPEB liability - health benefits	121,649	109,423
Net pension liability	1,312,727	1,244,744
Accrued compensated absences	119,406	139,285
Lease liability - long term	8,064	31,814
Total noncurrent liabilities	1,561,846	1,525,266
Total liabilities	2,249,960	2,262,925
Deferred Inflows of Resources		
Related to pensions	21,436	64,457
Related to OPEB	293,036	325,556
Total deferred outflows of resources	314,472	390,013
Net Position		
Net investment in capital assets	130,538	107,563
Restricted - nonexpendable	266,114	250,044
Unrestricted	314,973	1,038,349
Total net position	**$ 711,625**	**$ 1,395,956**

See Notes to Financial Statements.

KUFM-FM

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30	
	2024	2023
Operating Revenue		
State appropriations	$ 457,334	$ 452,976
Federal grants and contracts	172,060	134,170
Grants from CPB	286,359	413,915
Indirect cost recoveries	556,354	502,224
Other revenues	9,191	100,538
Total operating revenue	1,481,298	1,603,823
Operating Expenses		
Program services	3,118,041	3,148,499
Management and general	478,742	331,849
Fundraising	505,113	474,875
Depreciation expense	28,502	16,362
Amortization expense	30,497	24,409
Total operating expenses	4,160,895	3,995,994
Operating Loss	(2,679,597)	(2,392,171)
Nonoperating Revenue (Loss)		
Private gifts and underwriting	1,920,253	2,237,136
Investment income	19,940	31,930
Other revenue (losses)	55,073	(26,916)
Total nonoperating revenue	1,995,266	2,242,150
Change in Net Position	(684,331)	(150,021)
Net Position - Beginning of year	1,395,956	1,545,977
Net Position - End of year	**$ 711,625**	**$ 1,395,956**

See Notes to Financial Statements.

Statement of Cash Flows

	Year Ended June 30	
	2024	2023
Cash Flows from Operating Activities		
State appropriations	457,334	452,976
Federal grants and contracts	78,692	311,722
Grants from CPB	286,359	413,915
Other revenue	9,193	100,536
Payment to employees	(2,333,687)	(2,201,391)
Payment to vendors	(1,017,076)	(1,717,279)
Net cash used in operating activities	(2,519,185)	(2,639,521)
Cash Flows from Noncapital Financing Activities		
Private gifts and underwriting	1,990,746	2,136,827
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(58,224)	(19,440)
Principal paid on leases	(23,750)	(24,501)
Net cash used by captial and related financing activities	(81,974)	(43,941)
Cash Flows from Investing Activities:		
Earnings received on investments	11,669	11,520
Net Decrease Increase in Cash and Cash Equivalents	(598,744)	(535,115)
Cash and Cash Equivalents - Beginning of year	2,856,318	3,391,433
Cash and Cash Equivalents - End of year	**$ 2,257,574**	**$ 2,856,318**
Reconciliation of Operating Loss to Net Cash used in Operating Activities		
Operating loss	$ (2,679,597)	$ (2,392,171)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	28,502	16,362
Amortization	30,497	24,409
Changes in assets and liabilities:		
Accounts receivable - Net	179,126	(208,091)
Prepaid expenses	(12,117)	31,779
Deferred outflows - pensions	67,983	59,460
Deferred outflows - OPEB	12,226	(68,591)
Accounts payable	(5,483)	12,846
Net OPEB liability - health benefits	(16,685)	283,003
Net pension liability	31,261	(43,707)
Deferred revenue	(72,331)	(249,500)
Compensated absences	(7,026)	74,724
Deferred inflows - pensions	(43,020)	(299,038)
Deferred inflows - OPEB	(32,521)	118,994
Total changes in assets and liabilities	101,413	(288,121)
Net cash used in operating activities	**$ (2,519,185)**	**$ (2,639,521)**

Note 1 - Organization

The University of Montana's licensee KUFM-FM Radio (the "Station" or "KUFM") is a nonprofit public radio station operating from the campus of the University of Montana - Missoula. Currently, KUFM services the Missoula area and parts of Montana (nearly half of the state) which are within the KUFM reception area.

The accounting records for KUFM are maintained on a centralized Statewide Accounting, Budgeting and Human Resource System. The accompanying financial statements have been extracted from University funds and other financial information for presentation as a separate entity. The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

Note 2 - Basis of Presentation and Significant Accounting Policies

Basis of Presentation - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for publicly owned colleges and universities and is presented in accordance with the reporting model as prescribed in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as amended by GASB Statements No. 37, No. 38, and No. 63. WEMU follows the "business-type" activities requirements of GASB Statement No. 34. This approach requires the following components of WEMU's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements including a Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows; and Notes to the Financial Statements

The GASB established standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a consolidated basis to focus on the University as a whole, with resources classified for accounting and reporting purposes into three net position categories according to externally imposed restrictions.

Note 2 - Basis of Presentation and Significant Accounting Policies (Continued)

The three net position categories are as follows:

- **Net Investment in Capital Assets** - Includes capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

- **Restricted - Nonexpendable** - Net position subject to externally-imposed restrictions that require KUFM to maintain those assets permanently. Such assets include KUFM's permanent endowment funds. The endowment funds are made up of cash and investments. Investments are carried at fair market value per Governmental Accounting Standards Board (GASB) Statement No. 31, *Account and Financial Reporting for Certain Investments and Certain Investment Pools.*

- **Unrestricted** - Includes net position not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Board of Regents or may otherwise be limited by contractual agreements with outside parties.

Cash and Cash Equivalents - Cash is held in University of Montana funds. The amounts reflected in the accompanying statement of net position represent the net amounts due to the Station from the University's pooled cash system.

Accounts Receivable - Accounts receivable are primarily made up of pledges receivable. Pledges receivable are recognized by KUFM when the donor makes a promise to give that is unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net position if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in expendable or nonexpendable restricted net position depending on the nature of the restrictions. When an expendable restriction is fulfilled, expendable restricted net position is reclassified to unrestricted net position.

Deferred Revenue - Receipts from unrestricted gifts and grants are recorded as revenue only to the extent expenses have been incurred for the purpose specified by the donors. Additional amounts are accounted for as unearned revenue until such time as qualifying expenditures have been incurred.

Property and Equipment - All acquisitions and improvements ranging from $5,000 for equipment to $500,000 for infrastructure, and with estimated useful lives of more than one year are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at acquisition value. Donated property and equipment is carried at the approximate acquisition value at the date of donation. Depreciation is computed using the straight-line method over the estimated lives of the assets ranging from 4 to 40 years.

Note 2 - Basis of Presentation and Significant Accounting Policies (Continued)

Compensated Absences - Compensated absences include sick leave, annual leave, and compensatory time accrued by station employees per University policy and paid by the University. It is the University's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is a liability for unpaid accumulated sick leave since the University does have a policy to pay half of any amounts accumulated when eligible employees retire from the University. All vacation pay is accrued when incurred. A receivable from the University and a liability is reported for these amounts as of year-end.

State Appropriations from the University - General appropriations from the University consist of certain payroll and other direct expenses paid by the University on behalf of KUFM.

Indirect Administrative Support - A portion of the University's general overhead costs relates to and benefits KUFM. Such items include administration, utilities, maintenance, repairs, and other institutional support expenditures of the University. These services were provided without cost and have been allocated to KUFM. The fair value of these services is reported as revenue (indirect cost recoveries) and expenditures in the accompanying statement of revenue, expenses, and changes in net position.

Contributions and Grants - Unrestricted gifts are recognized as revenue when received.

Revenue from grants and contracts is recognized when qualified expenses are incurred under the grant or contract. Revenue from gifts and in-kind services is recognized when received.

Allocation of Expenditures - Certain expenses relating to instructional functions have been separated from University departmental accounting records to properly reflect the operations of KUFM. Personnel costs are used as a basis to establish percentages for allocation purposes. Similarly, allocations of certain KUFM expenses to programming, management and general, underwriting and fundraising services are based on estimated time which is identifiable with such services.

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

Deferred Outflows - In addition to assets, the statement of net position reports 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. Deferred outflows are related to pension and OPEB obligations described in Note 7.

Note 2 - Basis of Presentation and Significant Accounting Policies (Continued)

Deferred Inflows - In addition to liabilities, the statement of net position reports 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. Deferred inflows are related to the pension and OPEB plans described in Note 7.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of Montana Public Employee Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. PERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Other Postemployment Benefit Costs - For the single employer OPEB-health benefits plan, deferred outflows and inflows of resources, and the net OPEB liability for the plan were determined based on the report prepared by the University's actuary. There are no assets held in trust for the plan, and expense is recognized in accordance with full accrual accounting.

Tax-Exempt Status - Since KUFM is a component of the University of Montana (a political subdivision of the state of Montana); it is exempt from federal income taxes under Internal Revenue Code Section 115. However, income generated from activities unrelated to the exempt purpose is subject to income tax under Internal Revenue Code Section 5 I I(a)(2)(B). The Unrelated Business Income Tax (UBIT) amount was $-0- for the years ended June 30, 2024 and 2023. The Station believes income tax filing positions will be sustained upon examination and do not anticipate any adjustments that would result in a material adverse effect on the financial statements or cash flows. Accordingly, no reserves or related accruals for interest or penalties for uncertain income tax positions have been recorded as of June 30, 2024 and 2023. The Station's income tax positions are subject to examination for the preceding three tax years. Any interest or penalties that may be assessed in the future will be recorded as management and general expenses.

Upcoming GASB Statements – In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences,* which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the University's financial statements for the year ending June 30, 2025.

Note 2 - Basis of Presentation and Significant Accounting Policies (Continued)

GASB Statement No. 102 - Certain Risk Disclosures January 2024. This new accounting pronouncement will be effective for fiscal years ending June 30, 2025 and after. This statement requires a government to assess whether a concentration or constraint makes the primary government or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. It also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements.

In April 2024, the Government Accounting Standards Board issued Statement No. 103, Financial Reporting Model Improvements, which establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the University's financial statements for the year ending June 30, 2026.

Note 3 – Cash and Cash Equivalents

Cash balances are maintained in pooled funds with other University funds. The University allocates interest earnings based on the amounts KUFM has invested in the Short Term Investment Pool (STIP) with the Montana Board of Investments (MBOI). Amounts held in STIP may be withdrawn by the university system on demand, and as such are classified as cash equivalents, even though a portion of the pool's underlying investments may be considered noncurrent. Audited financial statements for the MBOI are available at 2401 Colonial Drive, 3rd Floor, Helena, Montana 59620.

Investments in the pool are reported at a Net Asset Value (NAV). The fair value of pooled investments is determined annually and is based on year-end market prices. The NAV at June 30, 2024 and 2023 is 0.998407. Investments in STIP are carried at cost but reported using the NAV. STIP income is automatically reinvested in additional units. The STIP is not rated by a national rating agency.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Because most of the Station's cash equivalents and certain investments are held in the state of Montana STIP, the state's policies regarding custodial risk are relevant. The security in STIP is held in the name of the MBOI or were registered in the nominee name for the MBOI and held in possession of the MBOI custodial bank. Per policy, the MBOI's custodial institution must hold short-term and long-term credit rating by at least one Nationally Recognized Statistical Rating Organization with a minimum requirement of AI/PI (short-term) and A3/A-I (long- term).

Note 4 – Investments

Investments consist of endowment funds held in a common investment pool administered by the University of Montana Foundation. The Foundation portfolio includes cash equivalents, fixed income, and equity securities. KUFM's investment in these pools are intended to be permanent and accordingly, a liquidity term has not been formally established for these funds. The fair values of this investment pool have been determined using the NAV per share (or its equivalent) of the investment.

Note 5 - Property and Equipment

Property and equipment at June 30, 2024 and 2023 consist of the following:

	2023	Additions	Retirement	2024
Transmission, antenna and tower	$ 652,964	$ -	$ -	$ 652,964
Studio and broadcast equipment	494,745	58,224	-	552,969
Furniture, fixture, and equipment	143,365	-	-	143,365
Right to use asset	99,402	-	-	99,402
Subtotal	1,390,476	58,224	-	1,448,700
Less accumulated depreciation	(1,189,529)	(28,502)	-	(1,218,031)
Less right to use asset amortization	(40,657)	(30,497)	-	(71,154)
Net property and equipment	$ 160,290	$ (775)	$ -	$ 159,515

	2022	Additions	Retirement	2023
Transmission, antenna and tower	$ 652,964	$ -	$ -	$ 652,964
Studio and broadcast equipment	475,305	19,440	-	494,745
Furniture, fixture, and equipment	143,365	-	-	143,365
Right to use asset	99,402	-	-	99,402
Subtotal	1,371,036	19,440	-	1,390,476
Less accumulated depreciation	(1,173,167)	(16,362)	-	(1,189,529)
Less right to use asset amortization	(16,248)	(24,409)	-	(40,657)
Net property and equipment	$ 181,621	$ (21,331)	$ -	$ 160,290

Note 6 – Lease Obligations

KUFM leases land and tower space used to house broadcasting equipment for the Missoula campus public radio station under long-term, non-cancelable lease agreements. The leases expire at various dates through fiscal year 2026 and provide for renewal options ranging from no right for renewal or unlimited five-year renewals. The present value of lease agreements are calculated at the inception of the lease using an implicit interest rate of 3.25%.

Note 6 – Lease Obligations (Continued)

The schedule of the ending lease liability and current portion for June 30, 2024 and 2023 are as follows:

2024

Beginning balance	Additions	Payments	Ending Balance	Current Portion
$ 52,727	$ -	$ (23,750)	$ 28,977	$ 20,913

2023

Beginning balance	Additions	Payments	Ending Balance	Current Portion
$ 77,228	$ -	$ (24,501)	$ 52,727	$ 20,913

Total future minimum lease payments under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	20,913	808	21,721
2026	8,064	203	8,267
Total	28,977	1,011	29,988

Note 7 – Employee Benefit Plans

Overview

All new employees are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-defined Contribution Retirement Plan (DCRP) by filing an irrevocable election. Members may not be participants of both the defined contribution and defined benefit retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP), For members that choose to join the PERS-DCRP or the MUS-RP, a percentage of employer contributions will be used to pay down the liability of the PERS-DBRP.

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the Legislature.

Note 7 – Employee Benefit Plans (Continued)

Plan Description

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiemployer, cost-sharing plan established July 1, 1945, and governed by Title 19, Chapters 2 and 3, Montana Codes Annotated (MCA). This plan covers the state, local governments, certain employees of the Montana University System, and school districts.

Summary of Benefit

Eligibility for Benefit	
Hired prior to July 1, 2011	Age 60, 5 years of membership service; Age 65, regardless of membership service; or Any age, 30 years of membership service
Hired on or after July 1, 2011	Age 65, 5 years of membership service Age 70, regardless of membership service
Early Retirement (Reduced Benefit)	
Hired prior to July 1, 2011	Age 50, 5 years of membership service; or Any Age, 25 years of membership service
Hired on or after July 1, 2011	Age 55, 5 years of membership service

Second Retirement (Requires Returning to PERS-Covered Employer or PERS Service)

Retire before January 1, 2016, and accumulate less than 2 years additional credit or retire on or after January 1, 2016, and accumulate less than 5 years additional service credit:

- A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018);
- No service credit for second employment;
- Start the same benefit amount the month following terminating; and
- Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.

Retire Before January 1 2016, and accumulate at least 2 years of additional service credit:

- A recalculated retirement benefit based on provisions in effect after the initial retirement; and
- GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.

Retire on or after January 1, 2016, and accumulate 5 or more years of service:

- The same retirement as prior to the return to service;
- A second retirement benefit as a prior to the second period of service based on laws in effect upon the rehire date; and
- GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Vesting

5 years of membership service

Member's Highest Average Compensation (HAC)

Hired prior to July 1, 2011 - highest average compensation during any consecutive 36 months; Hired on or after July 1, 2011 - highest average compensation during any consecutive 60 months.

Note 7 – Employee Benefit Plans (Continued)

Compensation Cap
Hired on or after July 1, 2013 - 110% annual cap on compensation considered as part of a member's highest average compensation.

Monthly Benefit Formula
Members hired prior to July 1, 2011:
- Less than 25 years of membership service: 1.785% of HAC per year of service credit;
- 25 years of membership service more: 2% of HAC per year of service credit.

Members hired on or after July 1, 2011:
- Less than 10 years of membership service: 1.5% of HAC per year of service credit;
- 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
- 30 years or more of membership service; 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)
After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of other adjustments to the member's benefit:
- 3% for members hired prior to July 1, 2007;
- 1.5% for members hired on or after July 1, 2007, and

June 30, 2013. Members hired on or after July 1, 2013:
(a) 1.5% for each year PERS is funded at or above 90%;
(b) 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
(c) 0% whenever the amortization period for PERS is 40 years or more.

Contributions to the Plan

State law for periodic employer and employee contributions specifies rates and are a percentage of employee compensation. The state legislature has the authority to establish and amend contribution rates to the plan. Employer and employee contribution rates for 2024 were 9.17% and 7.90% and for 2023 were 9.07% and 7.90%, respectively.

- Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.
- Employer contributions to the system:
  - Effective July 1, 2014, following the 2013 Legislative Session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following an actuary valuation that shows the amortization period of the PERS-DBRP has dropped below 25 years and remains below the 25 years following the reduction of both the additional employer and member contributions rates.

Note 7 – Employee Benefit Plans (Continued)

- Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
- The portion of employer contributions allocated to Plan Choice Rate (PCR), are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.

- Nonemployer contributions:
  - Not Special Funding:
    - Per Montana law, state agencies and universities paid their own additional contributions. The employer paid contributions are not accounted for as special funding for state agencies and universities but are reported as employer contributions.
  - Special Funding:
    - The state contributed 0.1% of members' compensation on behalf of local government entities.
    - The state contributed 0.37% of members' compensation on behalf of school district entities.
    - The state of Montana, as the nonemployer contributing entity to the Plan, contributed a Statutory Appropriation from the General Fund of $34,979,900 and $34,633,570 for 2024 and 2023, respectively.

Actuarial Assumptions

The Total Pension Liability (TPL) used to calculate the Net Pension Liability (NPL) for FY 2024 was determined by taking the actuarial valuation performed by the Plan’s actuary as of June 30, 2023. For FY 2023, the TPL used to calculate the NPL was determined by taking the results of the June 30, 2021 actuarial valuation and applying standard roll forward procedures to update the TPL to June 30, 2022. These roll forward procedures use a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedures will include the effects of any assumption changes and legislative changes.

Note 7 – Employee Benefit Plans (Continued)

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

- Investment Return (Net of Admin Expense) 7.30%
- Admin Expense as a Percent of Payroll 0.20%
- General Wage Growth* 3.50%
  *includes inflation at 2.75%
- Merit Increases 0% to 4.80%
- Postretirement Benefit Increases
  - Guaranteed Annual Benefit Adjustment (GABA) - after the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, inclusive of other all adjustments to the member's benefit.
    - 3.0% for members hired prior to July 1, 2007;
    - 1.5% for members hired between July 1, 2007 and June 30, 2013;
    - Members hired on or after July 1, 2013:
      - 1.5% for each year PERS is funded at or above 90%;
      - 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
      - 0% whenever the amortization period for PERS is 40 years or more.
- Mortality:
  - Active participants - PUB-2010 General Amount Weighted Employer Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
  - Disabled Retirees - PUB-2010 General Amount Weighted Disabled Retirees Retiree Mortality table, projected to 2021, set forward one year for both males and females.
  - Contingent Survivors - PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.
  - Healthy Retirees - PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

Note 7 – Employee Benefit Plans (Continued)

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

• Investment Return (Net of Admin Expense)	7.30%
• Admin Expense as a Percent of Payroll	0.20%
• General Wage Growth*	3.50%
*includes inflation at	2.75%
• Merit Increases	0% to 4.80%

- Postretirement Benefit Increases
    - Guaranteed Annual Benefit Adjustment (GABA) - after the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, inclusive of other all adjustments to the member's benefit.
        - 3.0% for members hired prior to July 1, 2007;
        - 1.5% for members hired between July 1, 2007 and June 30, 2013;
        - Members hired on or after July 1, 2013:
            - 1.5% for each year PERS is funded at or above 90%;
            - 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
            - 0% whenever the amortization period for PERS is 40 years or more.
- Mortality:
    - Active participants - PUB-2010 General Amount Weighted Employer Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
    - Disabled Retirees - PUB-2010 General Amount Weighted Disabled Retirees Retiree Mortality table, projected to 2021, set forward one year for both males and females.
    - Contingent Survivors - PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.
    - Healthy Retirees - PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

Note 7 – Employee Benefit Plans (Continued)

Discount Rate

The discount rate used to measure the TPL was 7.30% for 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and nonemployer contributing entities would be made based on the board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 0.10% of the salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2123. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Target Allocations

The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2023, is based on analysis in the experience study report dated May 2, 2022 without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Note 7 – Employee Benefit Plans (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the PERS-DBRP target asset allocation as of June 30, 2024 and 2023, are summarized in the table below:

	2024		2023	
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Cash Equivalents	3.0%	-0.33%	3.0%	-0.33%
Domestic Equity	30.0%	5.90%	30.0%	5.90%
International Equity	17.0%	7.14%	17.0%	7.14%
Private Investments	15.0%	9.13%	15.0%	9.13%
Natural Resources	5.0%	4.03%	5.0%	4.03%
Real Estate	9.0%	5.41%	9.0%	5.41%
Core Fixed Income	15.0%	1.14%	15.0%	1.14%
Non-Core Fixed Income	6.0%	3.02%	6.0%	3.02%
Total	100%		100%	

Sensitivity Analysis

The following presents KUFM's sensitivity of the pension liability to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The net pension liability was calculated using the discount rate of 7.30% for 2024 and 2023, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

As of measurement date	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
Station's proportionate share of the net pension liability - June 30, 2024	$ 1,896,229	$ 1,312,727	$ 823,221

As of measurement date	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
Station's proportionate share of the net pension liability - June 30, 2023	$ 1,794,357	$ 1,244,744	$ 783,626

Note 7 – Employee Benefit Plans (Continued)

Net Pension Liability

At June 30, 2024, the NPL was measured as of June 30, 2023, and the total pension liability used to calculate the NPL was determined by an actuarial valuation as of June 30, 2022. The employer's proportion share equals the ratio of the employer's contributions relative to the sum of all employer and nonemployer contributions during the measurement period July 1, 2022 through June 30, 2023. KUFM's proportion of the net pension liability at June 30, 2024 and 2023 was 0.05% and 0.06%, respectively. The state's proportionate share for a particular employer equals the ratio of the contributions for the employer to the total state contributions paid.

At June 30, 2024 and 2023, KUFM recorded $1,312,727 and $1,244,744, respectively, for its proportionate share of the NPL.

For the years ended June 30, 2024 and 2023, KUFM recognized pension expense of $46,003 and $79,891, respectively. The University also receives support provided by the State of Montana for its proportionate share of the pension expense associated with the University. For the years ended June 30, 2024 and 2023, KUFM recognized $28,996 and $36,557, respectively, for its proportionate share from this funding source.

Changes in Actuarial Assumptions and Methods

There have been no changes to the assumptions or other inputs since the previous measurement date.

Changes in Benefit Terms

There have been no changes in benefit terms since the previous measurement date.

Changes in Proportionate Share

There were no changes between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

Note 7 – Employee Benefit Plans (Continued)

Deferred Outflows and Deferred Inflows

At June 30, 2024 and 2023, KUFM's proportionate share of PERS-DBRP deferred outflows of resources and deferred inflows of resources were from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 129,727	$ 371	$ 30,021	$ -
Changes in assumptions			87,759	64,063
Change in proportionate differences between employer contributions and proportionate share of contributions	51,755		-	394
Net difference between projected and actual earnings on pension plan investments	850	21,065	69,210	-
Total amortized deferrals	182,332	21,436	186,990	64,457
University contributions subsequent to the measurement date	1,821	-	1,821	-
Total	$ 184,153	$ 21,436	$ 188,811	$ 64,457

Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
2025	(19,796)
2026	56,744
2027	(5,824)

Note 7 – Employee Benefit Plans (Continued)

Summary of Significant Accounting Principles

The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, deferred inflows of resources and deferred outflows of resources related to pensions, Pension Expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same accrual basis as they are reported by MPERA. For this purpose, member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period when due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

Defined Contribution Retirement Plan

Montana University System - Retirement Program (MUS-RP) was established in January of 1998, and is underwritten by the Teachers' Insurance and Annuity Association-College Retirement Equity Fund (TIAA-CREF). The MUS-RP is a defined contribution plan. Contribution rates for the plan are required and determined by state law. KUFM's contributions were equal to the required contribution. The benefits at retirement depend upon the amount of contributions, amounts of investment gains and losses and the employee's life expectancy at retirement. Under the MUS-RP, each employee enters into an individual contract with TIAA-CREF. The University records employee/employer contributions and remits monies to TIAA-CREF. Individuals vest immediately in the employer portion of retirement contributions.

Annual reports that include financial statements and required supplemental information on the plan are available from TIAA-CREF at 730 Third Avenue in New York, New York.

Other Postemployment Benefits - Health Insurance

Other postemployment benefits (OPEB) are benefits, such as health care benefits, that are paid in the period after employment and that are provided separately from a pension plan. OPEB does not include termination benefits or termination payments for sick leave. Employers participating in the plan are required to report OPEB information in their financial statements for fiscal period beginning on or after June 15, 2017, in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities and recognition of OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.

Note 7 – Employee Benefit Plans (Continued)

Following is the total of KUFM's OPEB liabilities, deferred outflows and inflows of resources related to OPEB, and the OPEB expense as reported in accordance with GASB Statement No. 75, for the fiscal year ended June 30:

	2024	2023
Net OPEB Liability	$ 121,649	$ 109,423
Deferred OPEB Outflow of Resources	237,143	247,062
Deferred OPEB Inflow of Resources	293,036	325,556
OPEB Expense	10,546	6,696

Plan Description

The Montana University System (MUS) Group Health Insurance plan is administered by the Office of the Commissioner of Higher Education. The MUS provides optional postemployment health care benefits in accordance with Section 2-18-704, MCA to the following employees and dependents who elect to continue coverage and pay administratively established contributions: (1) employees and dependents who retire under applicable retirement provisions and (2) surviving dependents of deceased employees.

Participants must elect to start medical coverage within 63 days of leaving employment. Coverage is effective the first day of the month following termination of employment. Medical, dental, and vision benefits are available through this defined benefit plan. The MUS OPEB plan is not administered through a trust; as such, no plan assets are eligible to be used to offset the total OPEB liability. The MUS group health insurance program operates in accordance with state law requiring it to be actuarially sound (20-25-1310, MCA) and have sufficient reserves to liquidate unrevealed claims liability and other liabilities.

The MUS OPES plan is reported as single employer plan. The MUS pays for postemployment health care benefits on a pay-as-you-go basis from general assets from the MUS group health insurance plan. Section 20-25-1310, MCA gives authority for establishing and amending the funding policy to the board of regents for the MUS group health insurance plan. The MUS allows retirees to participate, as a group, at a rate that does not cover all of the related costs when retirees separated from the active participants in the group health insurance plan. This results in the reporting of the total OPEB liability in the related financial statements and note disclosures.

Note 7 – Employee Benefit Plans (Continued)

Employer Proportionate Share of Total OPEB Liability and Basis for Allocation

The total OPEB liability (TOL) as of June 30, 2024, was based on the actuarial valuation at December 31, 2023, with update procedures to roll forward the TOL to the measurement date of March 31, 2024. The total OPEB liability (TOL) as of June 30, 2023, was based on the actuarial valuation at December 31, 2022, with update procedures to roll forward the TOL to the measurement date of March 31, 2023 The University's proportion of the TOL was based upon the total participants in the group health insurance plan. The actuary report presents a valuation of the TOL assigned to each participant in the group health insurance plan. The information for KUFM is based on an allocation, using management's best estimate, to apply the following information as it pertains to KUFM. KUFM's proportionate share for June 30, 2024 and 2023 is estimated to be 0.32% and 0.29%, respectively.

OPEB Deferred Outflows of Resources and Deferred Inflows of Resources

KUFM's OPEB plan deferred outflows and inflows of resources were from the following sources as of June 30:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 148,407	$ 209,189	$ -
Changes in assumptions or other inputs	237,143	144,629	37,873	325,556
Total amortized deferrals	237,143	293,036	247,062	325,556

Amounts reported as deferred outflows of resources related to OPEB resulting from transactions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024.

As of June 30, 2024, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

June 30	Amount
2025	(8,474)
2026	(7,409)
2027	(6,343)
2028	(5,278)
Thereafter	-

Note 7 – Employee Benefit Plans (Continued)

Actuarial Methods and Assumptions

The total OPEB liability (TOL) measured under GASB Statement No. 75 is based upon service cost and more standardized reporting assumptions than prior GASB Statements. As a pay-as-you-go public entity, GASB 75 requires a current municipal bond discount rate to establish an Actuarially Determined Contribution (ADC). The GASB 75 valuation is further required to show both historical and projected future net changes in TOL, as well as sensitivity to changes in key underlying assumptions. Actuarially determined amounts are subject to continual revisions being actual results are compared with past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Information as of the latest actuarial valuation for the MUS OPEB plan follows:

	2023	
	Retiree / Surviving Spouse	Spouse
Contributions:		
Before Medicare Eligibility	$ 11,772	$ 9,637
After Medicate Eligibility	4,416	5,205
Actuarial valuation date	December 31, 2023	
Actuarial measurement date	March 31, 2024	
Actuarial Cost Method	Entry Age Normal Cost Method	
Amortization Method	Open Basis	
Remaining Amortization Period	20-year Period	
Asset Valuation Method	Not applicable since no assets meet the definition of plan assets under GASB 75	
Actuarial Assumptions:		
Discount rate	4.12%	
Projected payroll increases	3.50%	
Participation:		
Future retirees	40	
Future eligible spouses	70	
Marital status at retirement	70	

Note 7 – Employee Benefit Plans (Continued)

Information as of the latest actuarial valuation for the MUS OPEB plan follows:

	2022	
	Retiree / Surviving Spouse	Spouse
Contributions:		
Before Medicare Eligibility	$ 11,772	$ 9,637
After Medicate Eligibility	4,416	5,205
Actuarial valuation date	December 31, 2022	
Actuarial measurement date	March 31, 2023	
Actuarial Cost Method	Entry Age Normal Cost Method	
Amortization Method	Open Basis	
Remaining Amortization Period	20-year Period	
Asset Valuation Method	Not applicable since no assets meet the definition of plan assets under GASB 75	
Actuarial Assumptions:		
Discount rate	3.98%	
Projected payroll increases	3.50%	
Participation:		
Future retirees	40	
Future eligible spouses	70	
Marital status at retirement	70	

Mortality used for 2024

Mortality – Contributing Members

For TRS and MUS-RP employees, mortality follows the Pub-2010 Teacher table, projected generationally using MP-2021.

For general MPERA members, mortality follows the Pub-2010 General Employee table, projected generationally using MP-2021.

For GWPORS members, mortality follows the Pub-2010 Safety table, projected generationally using MP-2021.

Mortality – Retired

For TRS and MUS-RP retirees, mortality follows the Pub-2010 Retired Teacher table adjusted 102% for males and 103% for females, projected generationally using MP-2021.

For general MPERA retirees, mortality follows the Pub-2010 General Retiree table set forward 1 year and adjusted 104% for males, or adjusted 103% for females, projected generationally using MP-2021.

Note 7 – Employee Benefit Plans (Continued)

For GWPORS retirees, mortality follows the Pub-2010 Safety Retiree table set forward 1 year and adjusted 105% for males, or adjusted 100% for females, projected generationally using MP-2021.

Mortality – Surviving Beneficiaries

For TRS and MUS-RP survivors, mortality follows the Pub-2010 Contingent Survivor table, projected generationally using MP-2021.

For general MPERA survivors, mortality follows the Pub-2010 Contingent Survivor table set forward 1 year for males and females, projected generationally using MP-2021.

For GWPORS survivors, mortality follows the Pub-2010 Contingent Survivor table set forward 1 year for males, projected generationally using MP-2021.

Mortality – Disabled

For TRS and MUS-RP retirees, mortality follows the Pub-2010 General Disabled table, projected generationally using MP-2021.

For general MPERA retirees, mortality follows the Pub-2010 General Disabled table set forward 1 year for males and females, projected generationally using MP-2021.

For GWPORS retirees, mortality follows the Pub-2010 Safety Disabled table set forward 1 year for males, projected generationally using MP-2021.

Mortality used for 2023

Mortality – Contributing Members

For TRS and MUS-RP employees, mortality follows the Pub-2010 Teacher table, projected generationally using MP-2021.

For general MPERA members, mortality follows the Pub-2010 General Employee table, projected generationally using MP-2021.

For GWPORS members, mortality follows the Pub-2010 Safety table, projected generationally using MP-2021.

Mortality – Retired

For TRS and MUS-RP retirees, mortality follows the Pub-2010 Retired Teacher table adjusted 102% for males and 103% for females, projected generationally using MP-2021.

Note 7 – Employee Benefit Plans (Continued)

For general MPERA retirees, mortality follows the Pub-2010 General Retiree table set forward 1 year and adjusted 104% for males, or adjusted 103% for females, projected generationally using MP-2021.

For GWPORS retirees, mortality follows the Pub-2010 Safety Retiree table set forward 1 year and adjusted 105% for males, or adjusted 100% for females, projected generationally using MP-2021.

Mortality – Surviving Beneficiaries

For TRS and MUS-RP survivors, mortality follows the Pub-2010 Contingent Survivor table, projected generationally using MP-2021.

For general MPERA survivors, mortality follows the Pub-2010 Contingent Survivor table set forward 1 year for males and females, projected generationally using MP-2021.

For GWPORS survivors, mortality follows the Pub-2010 Contingent Survivor table set forward 1 year for males, projected generationally using MP-2021.

Mortality – Disabled

For TRS and MUS-RP retirees, mortality follows the Pub-2010 General Disabled table, projected generationally using MP-2021.

For general MPERA retirees, mortality follows the Pub-2010 General Disabled table set forward 1 year for males and females, projected generationally using MP-2021.

For GWPORS retirees, mortality follows the Pub-2010 Safety Disabled table set forward 1 year for males, projected generationally using MP-2021.

Changes in Actuarial Assumptions and Methods Since Last Measurement Date

Changes to the components of the actuarial assumptions included the following:

- Interest/discount rate was changed from 3.98% to 4.12%

Changes in Benefit Terms Since Last Measurement Date

There were no changes in benefit terms since the last measurement date.

Note 7 – Employee Benefit Plans (Continued)

Sensitivity of the TOL to Changes in the Health Care Cost Tend Rates

The following presents the TOL of the MUS OPES plan, as well as what they would be if calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current health care cost trend rates:

	1% Decrease (5.50%)	Current Healthcare Cost Trend Rate (6.50%)	1% Increase (7.50%)
Station's proportionate share of the net OPEB liability - June 30, 2024	$ 99,481	$ 121,649	$ 150,819

	1% Decrease (5.50%)	Current Healthcare Cost Trend Rate (6.50%)	1% Increase (7.50%)
Station's proportionate share of the net OPEB liability - June 30, 2023	$ 89,086	$ 109,423	$ 136,921

Sensitivity of the TOL to Changes in the Discount Rate

The following presents the TOL of the MUS OPES plan, as well as what they would be if calculated using a discount rate that is 1-percentage-point lower or 1-percentage- point higher than the current discount rate:

	1% Decrease (3.12%)	Current Discount Rate (4.12%)	1% Increase (5.12%)
Station's proportionate share of the net OPEB liability - June 30, 2024	$ 150,819	$ 121,649	$ 99,481

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Station's proportionate share of the net OPEB liability - June 30, 2023	$ 135,661	$ 109,423	$ 89,483

Summary of Significant Accounting Policies

Total OPEB liability is reported on an accrual basis on the financial statements. Plan member contributions are recognized in the period in which the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Note 7 – Employee Benefit Plans (Continued)

The MUS OPEB plan states that an employee enrolled in the plan who (a) at least meets the early retirement criteria defined by Montana Public Employees' Retirement Administration (MPERA); and (b) makes arrangements with their respective benefit office within 60 days of the date active employee coverage ends to continue post-retirement coverage, may continue with the OPEB plan on a self-pay basis, retroactive back to the date active employee coverage was lost. Therefore, the plan does not include terminated employees who have accumulated benefits but are not yet receiving them. There have been no significant changes in the number covered or the type of coverage as of June 30, 2024 and 2023.

Financial and Plan Information

The MUS Group Benefits Plan does not issue a stand-alone financial report, but is subject to audit as part of the state of Montana's basic financial statements, included in the Annual Comprehensive Financial Report (ACFR). A copy of the most recent ACFR can be obtained online at https://sfsd.mt.gov/SAB/acfr/index or by contacting the Montana Department of Administration, PO Box 200102, Helena, MT 59620-0102.

Note 8 - Nonfederal Financial Support (NFFS)

The Corporation for Public Broadcasting (CPB) allocates a portion of its funds annually to public broadcasting entities, primarily based on NFFS, which is defined by CPB. NFFS is defined as the total value of cash and the fair market value of services received as contributions or payments and meeting all the respective criteria for each.

Calculated in accordance with CPB guidelines, KUFM reported total NFFS of $2,894,170 and $3,147,017 for the years ended June 30, 2024 and 2023, respectively.

Note 9 – Related Party Transactions

KUFM receives nonmonetary contributions from the University of Montana in the form of administrative support and use of the facility. During 2024 and 2023, these contributions totaled $556,354 and $502,224, respectively, which is equivalent to the amount of indirect institutional expense and indirect plant expense incurred during 2024 and 2023.

Note 10 – Commitments

Under the terms of an agreement with the Great Falls Public Radio Association (GFPRA), KUFM is obligated to pay GFPRA either a lump sum amount or monthly payments, as requested by GFPRA. Such amounts are limited to total annual donor collections from the GFPRA reception area. As required by the agreement, KUFM made payments to GFPRA in 2024 and 2023 of approximately $20,000. GFPRA receives substantially all of its programming from KUFM and KUFM has the exclusive right to solicit and collect contributions in the GFPRA reception area. The current agreement is in effect through February 15, 2025, with either party having the ability to request a meeting at any time for the purpose of negotiating a modification to or an extension of the agreement. As of June 30, 2024 and 2023, KUFM held undistributed donor amounts of $61,171 and $45,755, respectively.

Note 11 – Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2024, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2024. This analysis has been performed through February 11, 2025, which is the date the financial statements were available to be issued.

Schedule of KUFM's Proportionate Share of the Net Pension Liability (NPL)

Fiscal year ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016
KUFM's Proportion of the Net Pension Liability	0.05%	0.06%	0.07%	0.05%	0.05%	0.05%	0.07%	0.06%	0.05%
KUFM's Porportionate Share of the Net Pension Liability	1,312,727	1,312,727	$ 1,241,729	$ 1,272,464	$ 1,062,461	$ 1,065,000	$ 1,339,114	$ 1,081,605	$ 718,607
KUFM's Covered Payroll	989,654	907,750	607,212	540,123	545,325	613,744	648,693	577,747	603,382
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	133%	145%	204%	236%	195%	174%	206%	187%	119%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.93%	73.66%	79.91%	68.90%	73.85%	73.47%	73.75%	74.71%	78.40%

Schedule of KUFM's Employer Contributions

Fiscal year ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contracually Required Contributions	90,637	81,815	$ 54,467	$ 47,909	$ 47,280	$ 53,795	$ 56,858	$ 50,249	$ 53,471
Contributions in Relation to the Contractually Required Contributions	90,637	81,815	54,467	47,909	47,280	53,795	56,858	50,249	53,471
Contribution Deficiency / (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 989,654	$ 907,750	$ 607,212	$ 540,123	$ 545,325	$ 613,744	$ 648,693	$ 577,747	$ 603,382
Contributions as a Percentage of Covered Payroll	9.16%	9.01%	8.97%	8.87%	8.67%	8.77%	8.77%	8.70%	8.86%

**Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.*

Notes to Required Supplementary Information

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

- Investment Return (net of admin expense) 7.30%
- General Wage Growth* 3.50%
  *includes inflation at 2.75%
- Merit Increases 0% to 4.80%

Notes to Required Supplementary Information (Continued)

- Postretirement Benefit Increases
  1. Guaranteed Annual Benefit Adjustment (GABA) each January - after the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage each January, inclusive of other all adjustments to the member's benefit.
     - 3.0% for members hired prior to July 1, 2007
     - 1.5% for member hired between July 1, 2007 and June 30, 2013
     - Members hired on or after July 1, 2013
       (a) 1.5% for each year PERS is funded at or above 90%;
       (b) 1.5% reduced by 0.1% for each 2.0% PERS is funded below 90%; and
       (c) 0% whenever the amortization period for PERS is 40 years or more
- Mortality assumptions among active participants were based on PUB-2010 General Amount Weighted Employer Mortality projected to 2021 for males and females. Projected generationally using MP-2021.
- Mortality assumptions among Disabled Retirees were based on PUB-2010 General Amount Weighted Disabled Retirees Retiree Mortality table, projected to 2021, set forward one year for both males and females.
- Mortality assumptions among Contingent Survivors were based on PUB-2010 General Amount Weighted Contingent Survivor projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.
- Mortality assumptions among Healthy Retirees were based on PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

Changes of Benefit Terms

The following changes to the plan provisions were made as identified:

2017 Legislative Changes:

General Revisions - House Bill 101, effective July 1, 2017

Working Retiree Limitations -for PERS

If a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

1. Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
2. Terminating members with accumulated contributions between $200 and $1,000 who wish to rollover their refund must do so within 90 days of termination of service.

Notes to Required Supplementary Information (Continued)

3. Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest Credited to Member Accounts

Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Lump-Sum Payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate than the present value of the member's benefit.

Disabled PERS Defined Contribution (DC) Members

PERS members hired after July 1, 2011 have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same five-year time period available to PERS DC disabled members hired prior to July 1, 2011 who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

Schedule of KUFM's Proportionate Share of the OPEB Liability

Measurement date of March 31,	2024	2023	2022	2021	2020	2019	2018
KUFM's Proportion of the OPEB liability	0.32%	0.29%	0.31%	0.32%	0.26%	0.34%	0.34%
KUFM's Share of the OPEB Liability	$ 121,649	$ 109,423	$ 153,130	$ 190,838	$ 75,222	$ 138,628	$ 126,361
KUFM's Employee Payroll	$1,246,987	$1,146,988	$1,226,668	$1,195,681	$1,117,047	$1,060,032	$ 976,838
KUFM's Share of the OPEB liability as a Percentage of Covered Employee Payroll	9.76%	9.54%	12.48%	15.96%	6.73%	13.08%	12.94%
Plan Fiduciary Net Position as a Percentage of the OPEB Liability	0%	0%	0%	0%	0%	0%	0%

**Schedules are intended to present information for 10 years. Additional years will be displayed as they become available.*

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION-OPEB

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Changes to the plan that affect trends will be reported as they occur in the future.