

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS
ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Directors (<u>After September, 2019 Election</u>)		
Dr. Robert Rasmus**	President	2023
Russell Wray*	Vice President	2025
Tricia Sutherland+	Member	2025
Derrick Franck	Member	2023
Al Aymar	Member	2025
Bill Anderson	Member	2025
Neal Adler	Member	2025
William Lyle^	Member	2023
Jeremy Ogle	Member	2023

Board of Directors (<u>After November, 2021 Election</u>)		
Dr. Robert Rasmus**	President	2023
Russell Wray*	Vice President	2025
Neal Adler@	Member	2025
Bill Anderson	Member	2025
William Lyle^	Member	2023
Tricia Sutherland+	Member	2025
Jeremy Ogle	Member	2023
Al Aymar	Member	2025
Derrick Franck	Member	2023

**Blanca Martinez replaced Dr. Robert Rasmus on April 11, 2022 through 2023

*Russell Wray was sworn in as President on April 11, 2022

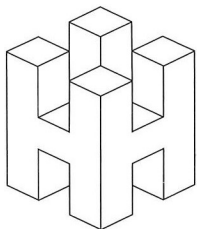
@Micah Lang replaced Neal Adler on May 8, 2023

^Linnea Fletcher replaced William Lyle on November 8, 2021

+Tricia Sutherland sworn in as Vice President on April 11, 2022

Community College

Dr. Terry Murrell	President
Troy A. Jasman	Vice President of Finance and Administrative Services, Board Treasurer
Brenda K. Wright	Board Secretary



**HENJES, CONNER &
WILLIAMS, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Western Iowa Tech Community College
Sioux City, Iowa

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of KWTI-KOJI FM RADIO, a public telecommunications entity operated by Western Iowa Tech Community College, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Radio Station's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of KWTI-KOJI FM Radio, a public telecommunications entity operated by Western Iowa Tech Community College, as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Radio Station, a public telecommunications entity operated by Western Iowa Tech Community College, 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 opinions.

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 Radio Station'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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 generally accepted 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 generally accepted 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 the Radio 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 Radio Station's ability to continue as a going concern for a reasonable period of time.

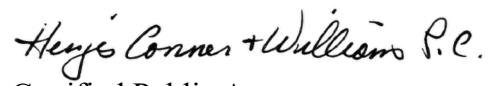
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

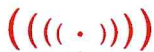
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of Radio Station's proportionate share of the net pension liability, the schedule of Radio Station contributions, notes to required supplementary information - pension liability, and the schedule of changes in the Radio Station's total OPEB liability, related ratios, and notes on pages 5 through 12 and 50 through 57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2023, on our consideration of the Radio Station'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 solely 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 the Radio Station'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 the Radio Station's internal control over financial reporting and compliance.


Certified Public Accountants

Dakota Dunes, South Dakota
November 7, 2023



SIouxLAND PUBLIC MEDIA

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of KWIT-KOJI FM Radio, a public telecommunications entity operated by Western Iowa Tech Community College, provides this Management's Discussion and Analysis of the Radio Station's annual financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2023 for KWIT-KOJI FM Radio and does not discuss the component unit of Friends of FM 90. We would encourage the reader to consider this information in conjunction with the Radio Station's financial statements which follow.

FINANCIAL HIGHLIGHTS

- Operating revenues decreased 11.0%, or \$37,136 from fiscal year 2022 (FY22). Corporation for Public Broadcasting support, rental of facilities, donated materials and services, gifts and contributions, underwriting and other operating revenues increased while Paycheck Protection Program – Loan Forgiveness decreased.
- Operating expenses increased 7.2%, or \$56,252 from FY22. Programming and production, broadcasting, program information and management and general all increased from the prior year.
- Net non-operating revenue increased 28.5%, or \$146,811 from FY22 due to an increase in state appropriations and donated equipment from Friends of FM90 offset by a decrease in interest income – lease and gifts from Friends of FM90.
- The Radio Station's net position increased 16.4%, or \$130,215 from FY22 net position.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and other information as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides management's analytical overview of the Radio Station's financial activities.

The basic financial statements consist of Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows and Statements of Functional Expenses. These statements provide information about the activities of the Radio Station as a whole and present an overall view of the Radio Station's finances.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information presents the Radio Station's proportionate share of the net pension liability and related contributions, as well as presenting the Schedule of Changes in Radio Station's Total OPEB Liability, Related Ratios and Notes.

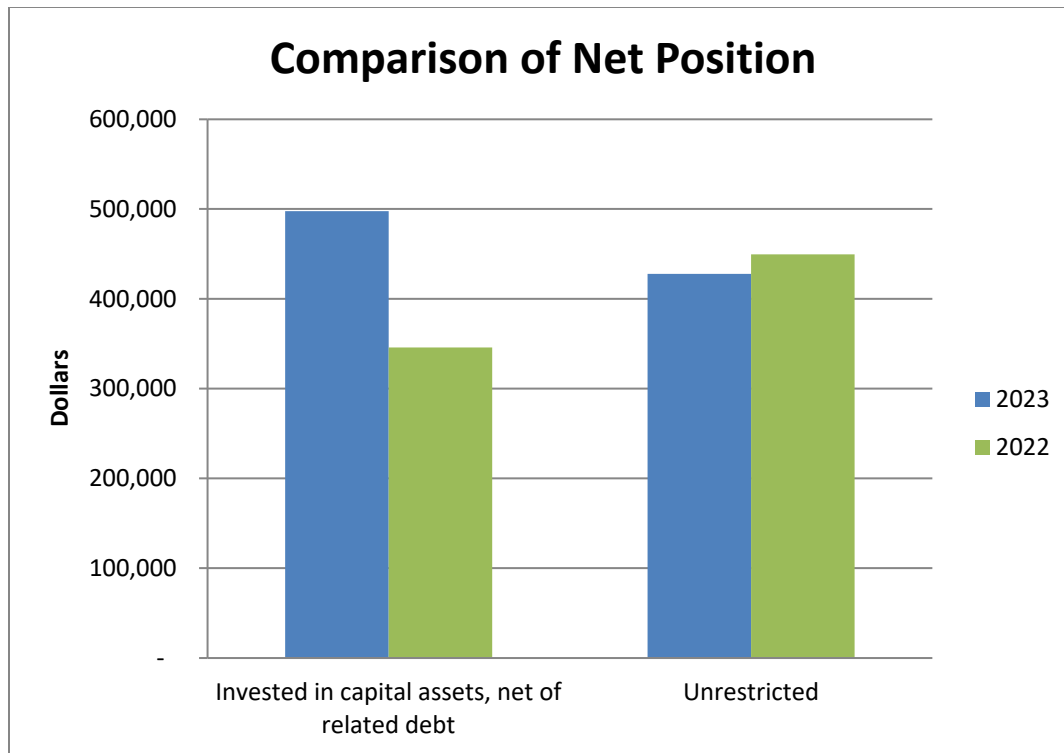
REPORTING THE RADIO STATION AS A WHOLE

The Statements of Net Position

The Statements of Net Position present financial information on all the Radio Station's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. The Statements of Net Position are point-in-time financial statements. The purpose of the statements is to present a fiscal snapshot of the Radio Station to the readers of the financial statements. The Statements of Net Position include year-end information concerning current and non-current assets, deferred outflows of resources, current and non-current liabilities, deferred inflows of resources and net position. Over time, readers of the financial statements will be able to determine the Radio Station's financial position by analyzing the increases and decreases in net position. These statements are also a good source for readers to determine how much the Radio Station owes to outside vendors and creditors. The statements also present the available assets that can be used to satisfy those liabilities.

Statement of Net Position

	June 30	
	2023	2022
Current assets	\$ 1,374,256	\$ 1,459,764
Capital assets, net of accumulated depreciation/amortization	497,643	345,843
Total Assets	1,871,899	1,805,607
Deferred outflows of resources	30,504	28,193
Total assets and deferred outflows of resources	1,902,403	1,833,800
Current liabilities	49,043	47,836
Non-current liabilities	162,853	98,744
Total Liabilities	211,896	146,580
Deferred inflows of resources	765,046	891,974
Net Position:		
Invested in capital assets	497,643	345,843
Restricted		
Unrestricted	427,818	449,403
Total Net Position	925,461	795,246
Total liabilities, deferred inflows and net position	\$ 1,902,403	\$ 1,833,800



The largest portion of the Radio Station's net position (53.8%) is invested in capital assets (i.e. buildings and equipment) with the remainder (46.2%) being unrestricted net position that can be used to meet the Radio Station's obligations as they come due.

Statements of Revenues, Expenses and Changes in Net Position

Changes in total net position as presented on the Statements of Net Position are based on the activity presented in the Statements of Revenues, Expenses and Changes in Net Position. The purpose of the statements is to present the revenues earned by the Radio Station, both operating and non-operating, and the expenses incurred by the Radio Station, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the Radio Station.

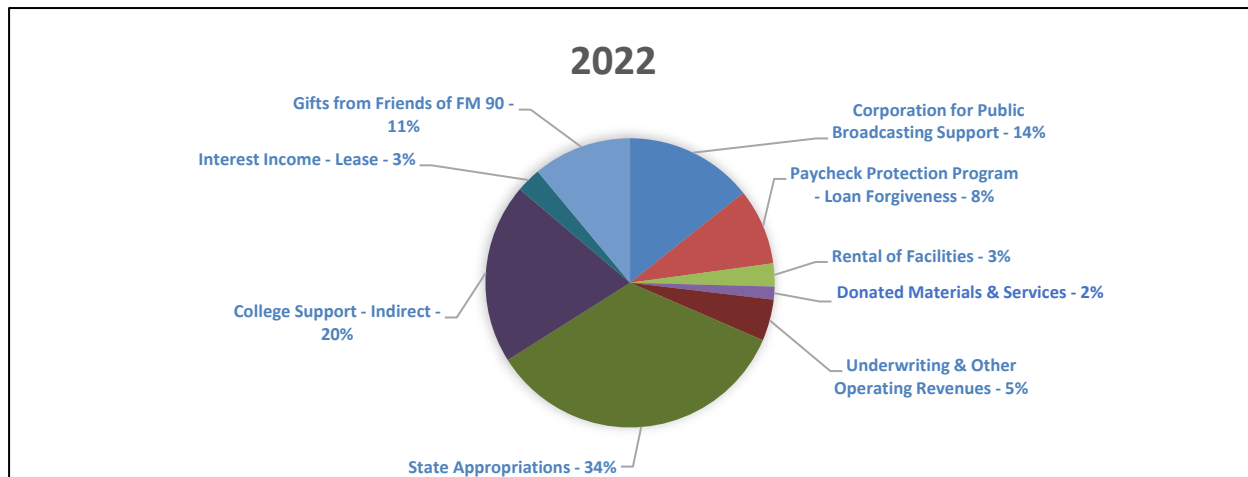
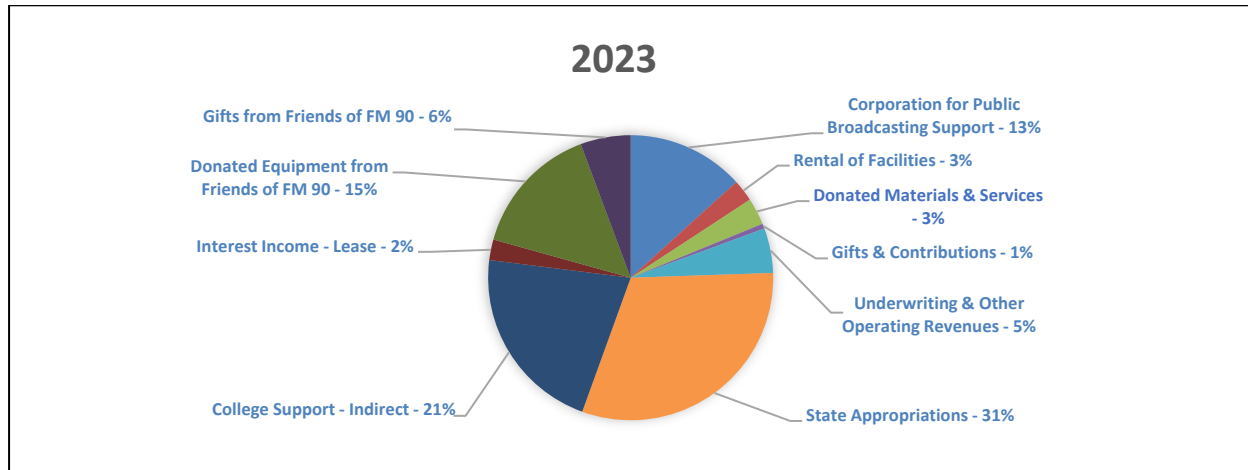
In general, a public radio station, such as KWIT-KOJI FM Radio, will report an operating loss since the financial reporting model classifies state support, college support and gifts as non-operating revenues. Operating revenues are received from the Corporation for Public Broadcasting, rental of facilities, donated materials and supplies, federal appropriations, gifts and contributions, underwriting as well as other operating revenues of the Radio Station. 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 the Radio Station. Non-operating revenues are revenues received for which goods and services are not directly provided. The utilization of capital assets is reflected in the financial statements as depreciation/amortization, which allocates the cost of an asset over its expected useful life.

Statement of Revenues, Expenses and Changes in Net Position

	Year Ended June 30,	
	2023	2022
Operating Revenues:		
Corporation for Public Broadcasting Support	\$ 163,604	\$ 153,962
Paycheck Protection Program - Loan Forgiveness	-	91,252
Rental of Facilities	30,587	27,719
Donated Materials and Services	37,568	15,644
Gifts and Contributions	6,800	-
Other Operating Revenues	(470)	1,120
Underwriting Revenues	63,028	48,556
Total Operating Revenues	301,117	338,253
Operating Expenses:		
Program Services:		
Programming and Production	477,488	475,717
Broadcasting	46,723	39,265
Program Information	18,321	7,647
Total Program Services	542,532	522,629
Management and General	290,889	254,540
Total Operating Expenses	833,421	777,169
Operating Loss	(532,304)	(438,916)
Non-Operating Revenues (Expenses):		
State Support	382,404	370,951
Interest Income - Lease	28,795	29,873
Interest Expense - Lease	(3,222)	(3,490)
College Support - Indirect	262,184	216,537
Gifts from Friends of FM90	70,000	118,374
Donated Equipment from Friends of FM90	184,542	-
Donated Facilities	(262,184)	(216,537)
Net Non-Operating Revenues	662,519	515,708
Change in Net Position	130,215	76,792
Net Position - Beginning of Year	795,246	718,454
Net Position - End of Year	\$ 925,461	\$ 795,246

The Statements of Revenues, Expenses and Changes in Net Position reflect an increase of 16.4%, or \$130,215 in the net position at the end of the fiscal year compared to FY22 net position.

Total Revenues by Source



In fiscal year 2023, operating revenues decreased by \$37,136 or 11.0%. The decrease was a result of the following changes:

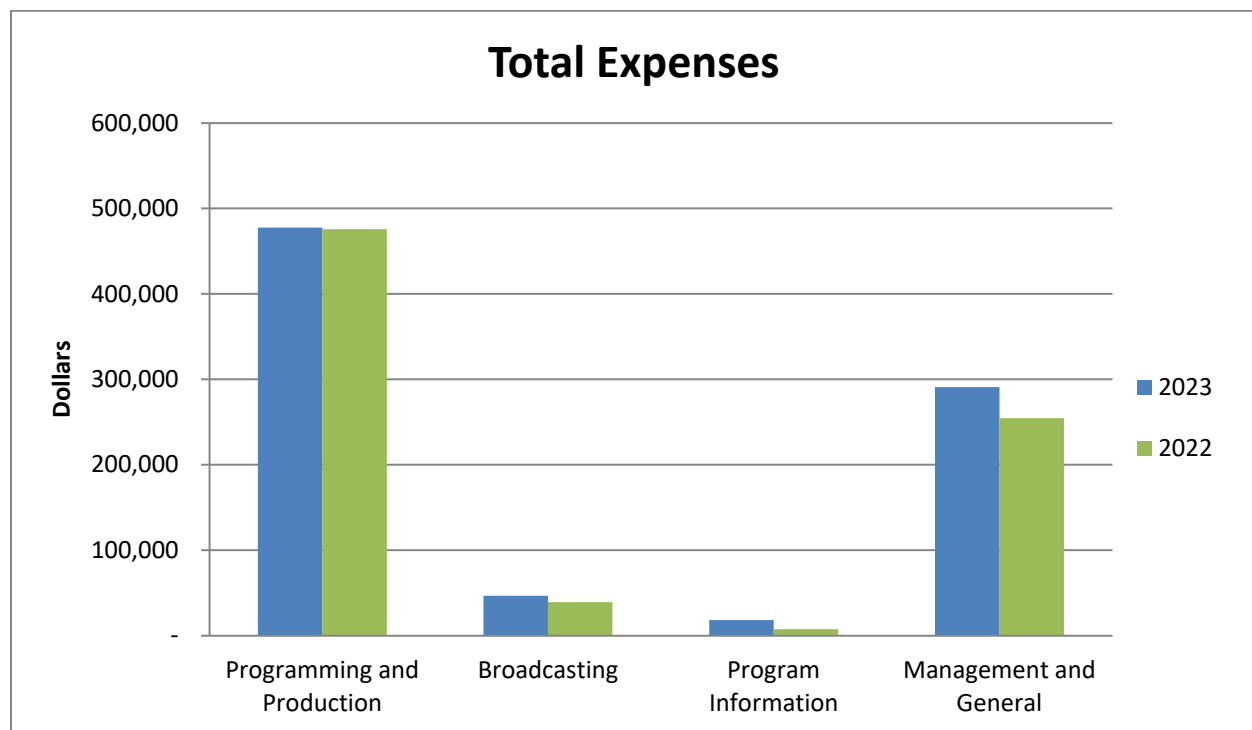
- Corporation for Public Broadcasting support, rental of facilities, donated materials and services, gifts and contributions, underwriting and other operating revenues increased while Paycheck Protection Program – Loan Forgiveness decreased.

Operating Expenses

	Year Ended June 30,	
	2023	2022
Program Services:		
Programming and Production	\$ 477,488	\$ 475,717
Broadcasting	46,723	39,265
Program Information	18,321	7,647
Management and General	290,889	254,540
Total Operating Expenses	<u>\$ 833,421</u>	<u>\$ 777,169</u>

In fiscal year 2023, operating expenses increased by \$56,252 or 7.2%. The following factors explain some of the changes:

Programming and production, broadcasting, program information and management and general all increased from the prior year. Programming and production increased primarily due to an increase in salaries and related payroll costs offset by a decrease in memberships. Broadcasting increased primarily due to an increase in salaries and related payroll costs and other services offset by a decrease in depreciation/amortization. Program information increased due to an increase in donated professional services. Management and general increased primarily due to increases in salaries and related payroll costs, utilities, postage, materials and supplies, equipment, travel and repairs and maintenance offset by decreases in professional services, communications, other services, periodicals and depreciation/amortization.



Statements of Cash Flows

Statements of Cash Flows are included in KWIT-KOJI's basic financial statements. These Statements of Cash Flows are an important tool in helping users assess the Radio Station's ability to generate future net cash flows, its ability to meet its obligations as they come due and its need for external financing. The Statements of Cash Flows present information related to cash inflows and outflows, summarized by operating, non-capital financing, capital and related financing and investing activities.

Statement of Cash Flows

	Year Ended June 30,	
	2023	2022
Cash provided (used) by:		
Operating Activities	\$ (529,348)	\$ (545,383)
Non-Capital Financing Activities	477,977	515,708
Capital Activities	(10,030)	(15,087)
Investing Activities	-	-
Net Increase (Decrease) in Cash	(61,401)	(44,762)
Cash at the Beginning of the Year	669,460	714,222
Cash at the End of the Year	\$ 608,059	\$ 669,460

Cash provided by operating activities includes grants received from the Corporation for Public Broadcasting, rental of tower space and donor contributions. Cash used by operating activities includes salary and benefit and vendor payments. Cash provided by non-capital financing activities includes state support, gifts from Friends of FM 90 and interest received from lease receivable offset by interest paid for lease agreements payable. Cash used by capital financing activities includes acquisition of capital assets. KWIT-KOJI FM 90 did not have any cash flow from investing activities.

Statements of Functional Expenses

The Statements of Functional Expense provide the reader with detailed information regarding the program services consisting of programming and production, broadcasting and program information expenses as well as the supporting services of management and general expenses.

CAPITAL ASSETS

At June 30, 2023, the Radio Station had \$497,643 invested in capital assets, net of accumulated depreciation/amortization of \$964,714. Depreciation/amortization charges totaled \$42,773 for Fiscal Year 2023. Details of the capital assets are shown below.

Capital Assets, Net, at Year End

	June 30	
	2023	2022
Right-to-Use Leased Equipment	\$ 96,251	\$ 96,251
Buildings	355,305	355,305
Radio Tower	692,734	561,847
Furniture and Equipment	318,067	254,381
	1,462,357	1,267,784
Accumulated Depreciation/Amortization	(964,714)	(921,941)
Total	\$ 497,643	\$ 345,843

The Radio Station has no planned capital expenditures for the fiscal year to end June 30, 2024.

DEBT

During FY2021, Western Iowa Tech Community College, on behalf of KWIT-KOJI FM Radio, entered into the Paycheck Protection Program offered by the enactment of the CARES Act at the outset of the COVID-19 pandemic. For the years ended June 30, 2022 and 2021, the balance for the note was \$0 and \$91,252, respectively. Western Iowa Tech Community College, on behalf of KWIT-KOJI FM Radio, applied for forgiveness of the loan during Fiscal Year 2022, in accordance with the requirements of the CARES Act. The loan principal amount of \$91,252 and interest of \$473 were forgiven on October 14, 2021.

ECONOMIC FACTORS

KWIT-KOJI FM 90 continues to monitor its financial position in times of uncertain funding from the Corporation for Public Broadcasting. Funding from state support and gifts from the Friends of FM 90 continue to play a more significant part of the operations of the Radio Station. Some of the realities that may potentially become challenges for the Radio Station to meet are:

At the time of this reporting, state support for fiscal year 2024 is expected to increase by \$12,735 over fiscal year 2023.

Expenses will continue to increase. Costs associated with serving radio listeners will continue to increase. The increased cost of salaries, related payroll costs and fringe benefits continues to prove problematic in budgeting.

With the exception of state support, the Radio Station anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the Radio Station's ability to react to unknown issues.

CONTACTING THE RADIO STATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, radio listeners and taxpayers in the community college merged area and our creditors with a general overview of the Radio Station's finances and to demonstrate the Radio Station's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Western Iowa Tech Community College, 4647 Stone Avenue, Sioux City, Iowa 51106.

KWIT-KOJI FM RADIOEXHIBIT AA PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGESTATEMENT OF NET POSITIONJUNE 30, 2023

	KWIT-KOJI FM Radio	Component Unit Friends of FM 90
<u>CURRENT ASSETS</u>		
Cash	\$ 608,059	\$ 123,695
Accounts Receivable	13,591	
Pledges Receivable	1,250	
Lease Receivable	751,356	
Prepaid Expense	-	-
Total Current Assets	\$ 1,374,256	\$ 123,695
<u>NONCURRENT ASSETS</u>		
Endowment Investments - Note 3		\$ 2,028,376
Capital Assets, Net of Accumulated Depreciation/Amortization - Note 4	\$ 497,643	
Total Noncurrent Assets	\$ 497,643	\$ 2,028,376
Total Assets	\$ 1,871,899	\$ 2,152,071
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
OPEB Related Deferred Outflows	\$ 5,676	
Pension Related Deferred Outflows	24,828	
Total Deferred Outflows	\$ 30,504	-
Total Assets and Deferred Outflows	\$ 1,902,403	\$ 2,152,071
<u>CURRENT LIABILITIES</u>		
Salaries and Benefits Payable	\$ 16,810	
Lease Agreements Payable	7,555	
Compensated Absences	24,678	
Total Current Liabilities	\$ 49,043	-
<u>NONCURRENT LIABILITIES</u>		
Net Pension Liability	\$ 76,760	
Lease Agreements Payable	74,408	
Total OPEB Liability	11,685	
Total Noncurrent Liabilities	\$ 162,853	-
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension Related Deferred Inflows	\$ 11,892	
OPEB Related Deferred Inflows	1,798	
Lease Related Deferred Inflows	751,356	
Total Deferred Inflows of Resources	\$ 765,046	-
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 497,643	
Restricted:		
Nonexpendable		\$ 250,000
Unrestricted	427,818	1,902,071
Total Net Position	\$ 925,461	\$ 2,152,071
Total Liabilities, Deferred Inflows, and Net Position	\$ 1,902,403	\$ 2,152,071

See Accompanying Notes to Financial Statements

KWIT-KOJI FM RADIOEXHIBIT A
(Cont.)A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGESTATEMENT OF NET POSITIONJUNE 30, 2022

	KWIT-KOJI FM Radio	Component Unit Friends of FM 90
<u>CURRENT ASSETS</u>		
Cash	\$ 669,460	\$ 54,839
Accounts Receivable	6,942	
Pledges Receivable	1,720	
Lease Receivable	781,642	
Prepaid Expense		25,477
Total Current Assets	\$ 1,459,764	\$ 80,316
<u>NONCURRENT ASSETS</u>		
Endowment Investments - Note 3		\$ 1,839,421
Capital Assets, Net of Accumulated Depreciation/Amortization - Note 4	\$ 345,843	
Total Noncurrent Assets	\$ 345,843	\$ 1,839,421
Total Assets	\$ 1,805,607	\$ 1,919,737
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
OPEB Related Deferred Outflows	\$ 7,123	
Pension Related Deferred Outflows	21,070	
Total Deferred Outflows	\$ 28,193	-
Total Assets and Deferred Outflows	\$ 1,833,800	\$ 1,919,737
<u>CURRENT LIABILITIES</u>		
Salaries and Benefits Payable	\$ 16,189	
Lease Agreements Payable	7,278	
Compensated Absences	24,369	
Total Current Liabilities	\$ 47,836	-
<u>NONCURRENT LIABILITIES</u>		
Net Pension Liability	\$ 2,905	
Lease Agreements Payable	81,964	
Total OPEB Liability	13,876	
Total Noncurrent Liabilities	\$ 98,745	-
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension Related Deferred Inflows	\$ 107,914	
OPEB Related Deferred Inflows	2,418	
Lease Related Deferred Inflows	781,642	
Total Deferred Inflows of Resources	\$ 891,974	-
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 345,843	
Restricted:		
Nonexpendable		\$ 250,000
Unrestricted	449,403	1,669,737
Total Net Position	\$ 795,246	\$ 1,919,737
Total Liabilities, Deferred Inflows, and Net Position	\$ 1,833,800	\$ 1,919,737

See Accompanying Notes to Financial Statements

KWIT-KOJI FM RADIOEXHIBIT BA PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGESTATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONFOR THE YEAR ENDED JUNE 30, 2023

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>OPERATING REVENUES</u>		
Corporation for Public Broadcasting Support	\$ 163,604	
Rental of Facilities	30,587	
Donated Materials and Services	37,568	
Gifts and Contributions	6,800	\$ 316,709
Other Operating Revenues	(470)	739
Underwriting Revenues	<u>63,028</u>	<u> </u>
Total Operating Revenues	\$ 301,117	\$ 317,448
<u>OPERATING EXPENSES</u>		
Program Services:		
Programming and Production	\$ 477,488	
Broadcasting	46,723	
Program Information	<u>18,321</u>	<u> </u>
Total Program Services	\$ 542,532	-
Management and General	<u>290,889</u>	<u>11,120</u>
Total Operating Expenses	\$ <u>833,421</u>	\$ <u>11,120</u>
Operating Income (Loss)	\$(532,304)	\$ 306,328
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
State Support	\$ 382,404	
College Support - Indirect	262,184	
Investment Income, Net of Investment Expense of \$12,431		\$ 188,955
Interest Income - Lease	28,795	
Interest Expense - Lease	(3,222)	
Gifts from Friends of FM 90	70,000	
Payments to KWIT-KOJI		(70,000)
Payments to KWIT-KOJI - Underwriting		(1,607)
Donated Equipment from Friends of FM90	184,542	(191,342)
Donated Facilities	<u>(262,184)</u>	<u> </u>
Net Non-Operating Revenues (Expenses)	\$ <u>662,519</u>	\$(<u>73,994</u>)
Change in Net Position	\$ 130,215	\$ 232,334
Net Position - Beginning of Year	<u>795,246</u>	<u>1,919,737</u>
Net Position - End of Year	\$ <u>925,461</u>	\$ <u>2,152,071</u>

See Accompanying Notes to Financial Statements

KWIT-KOJI FM RADIOEXHIBIT B

(Cont.)

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGESTATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITIONFOR THE YEAR ENDED JUNE 30, 2022

	KWIT-KOJI FM Radio	Component Unit Friends of FM 90
<u>OPERATING REVENUES</u>		
Corporation for Public Broadcasting Support	\$ 153,962	
Paycheck Protection Program - Loan Forgiveness	91,252	
Rental of Facilities	27,719	
Donated Materials and Services	15,644	
Gifts and Contributions		\$ 141,608
Other Operating Revenues	1,120	106
Underwriting Revenues	<u>48,556</u>	<u> </u>
Total Operating Revenues	\$ 338,253	\$ 141,714
<u>OPERATING EXPENSES</u>		
Program Services:		
Programming and Production	\$ 475,717	
Broadcasting	39,265	\$ 4,727
Program Information	<u>7,647</u>	<u> </u>
Total Program Services	\$ 522,629	\$ 4,727
Management and General	<u>254,540</u>	<u>14,108</u>
Total Operating Expenses	\$ <u>777,169</u>	\$ <u>18,835</u>
Operating Income (Loss)	\$(438,916)	\$ 122,879
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
State Support	\$ 370,951	
College Support - Indirect	216,537	
Investment (Loss), Net of Investment Expense of \$13,410		\$(264,231)
Interest Income - Lease	29,873	
Interest Expense - Lease	(3,490)	
Gifts from Friends of FM 90	118,374	
Payments to KWIT-KOJI		(118,374)
Donated Facilities	<u>(216,537)</u>	<u> </u>
Net Non-Operating Revenues (Expenses)	\$ <u>515,708</u>	\$(<u>382,605</u>)
Change in Net Position	\$ 76,792	\$(259,726)
Net Position - Beginning of Year	<u>718,454</u>	<u>2,179,463</u>
Net Position - End of Year	\$ <u>795,246</u>	\$ <u>1,919,737</u>

See Accompanying Notes to Financial Statements

KWIT-KOJI FM RADIOEXHIBIT CA PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGESTATEMENT OF CASH FLOWSFOR THE YEAR ENDED JUNE 30, 2023INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>KWIT-KOJI FM Radio</u>	<u>Component Unit Friends of FM 90</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Operating Grants Received from the Corporation for Public Broadcasting	\$ 163,604	
Rental Receipts	30,587	
Cash Received from Donors and Others	63,028	\$ 317,448
Cash Payments to Employees and Others	(786,567)	(11,120)
Net Cash Provided (Used) by Operating Activities	\$(529,348)	\$ 306,328
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Cash Received from State Support	\$ 382,404	
Cash Received from Gifts from Friends of FM 90	70,000	
Interest Received from Lease Receivable	28,795	
Interest Paid for Lease Agreements Payable	(3,222)	
Cash Paid for Gifts to KWIT-KOJI	_____	\$(71,607)
Net Cash Provided (Used) by Non-Capital Financing Activities	\$ 477,977	\$(71,607)
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>		
Acquisition of Capital Assets	\$(10,030)	_____
Net Cash (Used) by Capital Financing Activities	\$(10,030)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash Paid for Equipment Donated to KWIT-KOJI		\$(165,865)
Cash Received from Investment Income		44,956
Cash Paid for Investment Expenses		(12,431)
Proceeds from Sale of Investments		616,614
Purchase of Investments	_____	(649,139)
Net Cash Provided by Investing Activities	_____ -	165,865
Net Change in Cash and Cash Equivalents	\$(61,401)	\$ 68,856
Cash and Cash Equivalents - Beginning of Year	669,460	54,839
Cash and Cash Equivalents - End of Year	\$ 608,059	\$ 123,695

See Accompanying Notes to Financial Statements

KWIT-KOJI FM RADIOEXHIBIT C
(Cont.)A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGESTATEMENT OF CASH FLOWSFOR THE YEAR ENDED JUNE 30, 2023INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>KWIT-KOJI</u> <u>FM Radio</u>	<u>Component Unit</u> <u>Friends of</u> <u>FM 90</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO <u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$(532,304)	\$ 306,328
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation/Amortization	\$ 42,773	
(Increase) Decrease in:		
Accounts Receivable	(6,649)	
Lease Receivable	30,286	
Pledges Receivable	470	
Deferred Outflows of Resources	(2,311)	
Increase (Decrease) in:		
Salaries and Benefits Payable	621	
Compensated Absences	309	
Net Pension Liability	73,855	
Lease Agreements Payable	(7,279)	
Deferred Inflows of Resources	(126,928)	
Total OPEB Liability	(2,191)	
Total Adjustments	\$ 2,956	\$ -
Net Cash Provided (Used) by Operating Activities	\$(529,348)	\$ 306,328
SUPPLEMENTAL SCHEDULE OF SIGNIFICANT <u>NON-CASH ACTIVITIES</u>		
College Support - Indirect	\$ 262,184	-
Donated Materials and Services	\$ 37,568	-
Donated Equipment from Friends of FM 90	\$ 184,542	-

See Accompanying Notes to Financial Statements

KWIT-KOJI FM RADIOEXHIBIT C
(Cont.)A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGESTATEMENT OF CASH FLOWSFOR THE YEAR ENDED JUNE 30, 2022INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>KWIT-KOJI</u> <u>FM Radio</u>	<u>Component Unit</u> <u>Friends of</u> <u>FM 90</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash Operating Grants Received from the Corporation for Public Broadcasting	\$ 153,962	
Rental Receipts	29,010	
Cash Received from Donors and Others	48,556	\$ 141,714
Cash Payments for Prepaid Expenses		(25,477)
Cash Payments to Employees and Others	(776,911)	(18,835)
Net Cash Provided (Used) by Operating Activities	\$(545,383)	\$ 97,402
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Cash Received from State Support	\$ 370,951	
Cash Received from Gifts from Friends of FM 90	118,374	
Interest Received from Lease Receivable	29,873	
Interest Paid for Lease Agreements Payable	(3,490)	
Cash Paid for Gifts to KWIT-KOJI	_____	\$(118,374)
Net Cash Provided (Used) by Non-Capital Financing Activities	\$ 515,708	\$(118,374)
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>		
Acquisition of Capital Assets	\$(15,087)	_____
Net Cash (Used) by Capital Financing Activities	\$(15,087)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash Received from Investment Income		\$ 43,668
Cash Paid for Investment Expenses		(13,410)
Proceeds from Sale of Investments		96,870
Purchase of Investments	_____	(127,128)
Net Cash Provided by Investing Activities	_____ -	_____ -
Net Change in Cash and Cash Equivalents	\$(44,762)	\$(20,972)
Cash and Cash Equivalents - Beginning of Year	<u>714,222</u>	<u>75,811</u>
Cash and Cash Equivalents - End of Year	\$ <u>669,460</u>	\$ <u>54,839</u>

See Accompanying Notes to Financial Statements

KWIT-KOJI FM RADIO

EXHIBIT C
(Cont.)

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>KWIT-KOJI</u> <u>FM Radio</u>	<u>Component Unit</u> <u>Friends of</u> <u>FM 90</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO <u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$(438,916)	\$ 122,879
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation/Amortization	\$ 43,318	
(Increase) Decrease in:		
Accounts Receivable	2,294	
Lease Receivable	57,293	
Pledges Receivable	(1,120)	
Prepaid Expenses		\$(25,477)
Deferred Outflows of Resources	15,069	
Increase (Decrease) in:		
Salaries and Benefits Payable	(404)	
Compensated Absences	(3,356)	
Net Pension Liability	(174,013)	
Lease Agreements Payable	(7,010)	
Paycheck Protection Program (PPP) Liability	(91,252)	
Deferred Inflows of Resources	45,962	
Total OPEB Liability	<u>6,752</u>	
Total Adjustments	\$(106,467)	\$(25,477)
Net Cash Provided (Used) by Operating Activities	\$(<u>545,383</u>)	\$ <u>97,402</u>
SUPPLEMENTAL SCHEDULE OF SIGNIFICANT <u>NON-CASH ACTIVITIES</u>		
College Support - Indirect	\$ <u>216,537</u>	<u> -</u>
Donated Materials and Services	\$ <u>15,644</u>	<u> -</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2023

	KWIT - KOJI FM Radio			
	Program Services			Total
	Programming and Production	Broadcasting	Program Information	Program Services
Salaries, Related Payroll Costs and Fringe Benefits	\$ 316,223			\$ 316,223
Professional Services				
Memberships	111,184			111,184
Communications				
Utilities				
Postage				
Other Services	11,170	\$ 31,101		42,271
Materials and Supplies	721	4,934		5,655
Periodicals				
Equipment	1,720			1,720
Travel and Meeting Expense	1,133			1,133
Donated Personal Services of Volunteers	1,501			1,501
Donated Professional Services			\$ 18,321	18,321
Donated Materials and Facilities	17,746			17,746
Repairs and Maintenance				
Depreciation/Amortization	<u>16,090</u>	<u>10,688</u>	<u> </u>	<u>26,778</u>
Total Operating Expenses ...	\$ <u>477,488</u>	\$ <u>46,723</u>	\$ <u>18,321</u>	\$ <u>542,532</u>

		Component Unit		
		Friends of FM 90		
<u>Supporting Services</u>		<u>Program Services</u>	<u>Supporting Services</u>	
Management and <u>General</u>	<u>Total Expenses</u>	<u>Broadcasting</u>	Management and <u>General</u>	<u>Total Expense</u>
\$ 147,377	\$ 463,600			
12,987	12,987			
	111,184			
184	184			
49,036	49,036			
1,967	1,967			
16,183	58,454		\$ 11,120	\$ 11,120
20,298	25,953			
784	784			
18,160	19,880			
2,714	3,847			
	1,501			
	18,321			
	17,746			
5,204	5,204			
<u>15,995</u>	<u>42,773</u>	<u> </u>	<u> </u>	<u> </u>
\$ <u>290,889</u>	\$ <u>833,421</u>	<u> </u>	\$ <u>11,120</u>	\$ <u>11,120</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2022

	KWIT - KOJI FM Radio			
	Program Services			Total
	Programming and Production	Broadcasting	Program Information	Program Services
Salaries, Related Payroll Costs and Fringe Benefits	\$ 287,450	\$ 3,210		\$ 290,660
Professional Services				
Memberships	157,092			157,092
Communications				
Utilities				
Postage				
Other Services	2,838	20,635		23,473
Materials and Supplies	64			64
Periodicals				
Equipment	3,332	1,958		5,290
Travel and Meeting Expense	2,124			2,124
Donated Personal Services of Volunteers	1,508			1,508
Donated Professional Services			\$ 7,647	7,647
Donated Materials and Facilities	6,489			6,489
Repairs and Maintenance	960			960
Depreciation/Amortization	<u>13,860</u>	<u>13,462</u>	<u> </u>	<u>27,322</u>
Total Operating Expenses ...	\$ <u>475,717</u>	\$ <u>39,265</u>	\$ <u>7,647</u>	\$ <u>522,629</u>

		Component Unit		
		Friends of FM 90		
<u>Supporting Services</u>		<u>Program Services</u>	<u>Supporting Services</u>	
<u>Management and General</u>	<u>Total Expenses</u>	<u>Broadcasting</u>	<u>Management and General</u>	<u>Total Expense</u>
\$ 133,422	\$ 424,082			
14,869	14,869			
	157,092			
832	832			
48,990	48,990			
1,083	1,083			
17,487	40,960		\$ 14,108	\$ 14,108
10,856	10,920			
835	835			
4,445	9,735	\$ 4,727		4,727
2,013	4,137			
	1,508			
	7,647			
	6,489			
3,712	4,672			
<u>15,996</u>	<u>43,318</u>	<u> </u>	<u> </u>	<u> </u>
\$ <u>254,540</u>	\$ <u>777,169</u>	\$ <u>4,727</u>	\$ <u>14,108</u>	\$ <u>18,835</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

KWIT-KOJI FM Radio is a non-profit, non-commercial radio station and an affiliate of the National Public Radio Network. The Radio Station operates with a power of 100,000 watts, including a repeater station. Emphasis is placed on service to eighteen counties in northwest Iowa. KWIT-KOJI FM Radio is operated by, and the financial activity is included in the financial statements of, Western Iowa Tech Community College, Sioux City, Iowa.

The Radio Station's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, KWIT-KOJI FM Radio has included all funds, organizations, agencies, boards, commissions and authorities. The Radio Station has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Radio Station are such that exclusion would cause the Radio Station's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Radio Station to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Radio Station.

These financial statements present KWIT-KOJI FM Radio and its component unit. The component unit discussed below is included in the Radio Station's reporting entity because of the significance of its operational or financial relationship with the Radio Station.

Discrete Component Unit

The financial statements of KWIT-KOJI FM Radio include the discrete presentation of Friends of FM 90 (Friends), a legally separate, tax-exempt component unit of the Radio Station. Friends acts primarily as a fund-raising organization to supplement the resources that are available to the Radio Station in support of its programming. Although the Radio Station does not control the timing or amount of receipts from Friends, the majority of resources, or income thereon, that Friends holds and invests are restricted to the activities of the Radio Station by the donors.

Friends is a non-profit organization which reports under accounting standards established by the Financial Accounting Standards Board (FASB). Friends' financial statements were prepared in accordance with the provisions of FASB No. 117, *Financial Statements of Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to Friends' financial information in the Radio Station's financial reporting for these differences. Friends reports net assets, which is equivalent to net position reported by the Radio Station.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.) Friends distributed \$70,000 and \$118,374 to KWIT-KOJI for unrestricted programming purposes, during the years ended June 30, 2023 and 2022, respectively.

B. Basis of Presentation

GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following net position categories:

Net Investment in Capital Assets

Capital assets, net of accumulated depreciation/amortization and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position

Nonexpendable

Net position subject to externally imposed stipulations that they be maintained permanently by the Radio Station, including permanent endowment funds.

Expendable

Net position whose use by the Radio Station is subject to externally imposed stipulations that can be fulfilled by actions of the Radio Station pursuant to those stipulations or that expire by the passage of time.

Unrestricted Net Position

Net position not subject to externally imposed situations. Resources may be designated for specific purposes by action of management or by the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for general operation of the Radio Station.

GASB Statement No. 35 also requires the Statements of Net Position, Revenues, Expenses and Changes in Net Position, Cash Flows and Functional Expenses be reported on a consolidated basis. These basic financial statements report information on all of the activities of the Radio Station. The effect of interfund activity has been removed from these statements.

C. Measurement Focus and Basis of Accounting

For financial reporting purposes, the Radio Station is considered a special-purpose government engaged only in business-type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the Radio Station have been prepared 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. State support is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (Cont.) D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position
Cash, Cash Equivalents, and Investments
Investments are stated at fair value.

For purposes of the Statement of Cash Flows, the Radio Station considers all unrestricted short term debt securities purchased with a maturity of three months or less to be cash equivalents.

Capital Assets

Capital assets, which include buildings, radio tower, furniture and equipment, are recorded at historical cost if purchased or constructed (except for intangible right-to-use lease assets, the measurement of which is discussed under “Leases” below). Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Capital assets are defined by the Radio Station as assets with an initial, individual cost in excess of \$5,000 and estimated useful lives in excess of two years.

Depreciation/amortization expense is computed using the straight-line method over their estimated useful lives. For the years ended June 30, 2023 and 2022, depreciation/amortization expense was \$42,773 and \$43,318, respectively.

Leases

Radio Station as Lessee: The Community College, on behalf of the Radio Station, is the lessee for a noncancelable lease of tower space from which the Radio Station’s repeater station, KOJI, transmits. The Radio Station has recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The Radio Station recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of the lease, the Radio Station initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the Radio Station determines the discount rate it uses to discount the expected lease payments to present value, lease term and lease payments.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.) D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources
and Net Position (Cont.)

Leases (Cont.)

The Radio Station uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Radio Station generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments.

The Radio Station monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Radio Station as Lessor: The Community College, on behalf of the Radio Station, is the lessor for noncancelable leases of tower and transmitter space to various other communications companies in the area. The Radio Station recognizes a lease receivable and a deferred inflow of resources in the statement of net position.

At the commencement of a lease, the Radio Station 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 judgements related to leases include how the Radio Station determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

The Radio Station uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed and variable payments from the lessees.

The Radio Station monitors changes in circumstances that would require a remeasurement of its leases 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.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.) D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position (Cont.)

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position applicable to a future year(s) which will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension and OPEB expense and contributions from the Radio Station after the measurement date but before the end of the Radio Station's reporting period.

Compensated Absences

Radio Station employees accumulate a limited amount of earned but unused vacation benefits for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of compensated absences are recorded as liabilities. These liabilities have been computed based on rates of pay in effect at year end.

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 Iowa Public Employees' Retirement System (IPERS) and additions to/deductions from IPERS' fiduciary net position have been determined on the same basis as they are reported by IPERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Total OPEB Liability

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and OPEB expense, information has been determined based on the Radio Station's proportionate share of the Community College's actuary report. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position applicable to a future year(s) which will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources in the Statement of Net Position consists of unrecognized items not yet charged to pension expense and the unamortized portion of the net difference between projected and actual earnings on pension plan assets and deferred amounts related to leases.

Operating and Non-operating Activities

Operating activities, as reported in the Statements of Revenues, Expenses and Changes in Net Position, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Non-operating activities include state appropriations, college support and interest income.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

E. In-Kind Contributions

Donated professional services and materials are recorded as revenue and expenditures in the accompanying statements of revenues, expenses and changes in net position at estimated fair value.

Donated facilities from Western Iowa Tech Community College consist of office and studio space together with related occupancy costs and are recorded as revenue and expenses at estimated fair rental values. Administrative support from Western Iowa Tech Community College consists of allocated financial and administrative costs and certain other expenses incurred by the Community College on behalf of the Radio Station.

Total recorded in-kind contributions for June 30, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Donated Professional Services of Volunteers:		
Voluntary Services	\$ 1,501	\$ 1,508
Donated Professional Services and Programs:		
Advertising and Contracted Services	18,321	7,647
Donated Materials and Facilities:		
Compact Discs, Other Materials and Equipment	17,746	6,489
College Facilities	<u>262,184</u>	<u>216,537</u>
	<u>\$ 299,752</u>	<u>\$ 232,181</u>

F. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Allowance for Uncollectible Pledges

The allowance for uncollectible pledges is maintained at a balance which, in the opinion of management, is adequate to reflect pledges receivable at their net realizable value. Management reviews its pledge listing annually to determine the collectability of pledges. If management believes a pledge is uncollectible, an allowance is established. No allowance was considered necessary at June 30, 2023 or 2022.

H. Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates of personnel time and space used.

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Note 2 - CASH AND CASH EQUIVALENTS

The Radio Station's deposits in the bank accounts of Western Iowa Tech Community College at June 30, 2023 and 2022, were entirely covered by the Federal Depository Insurance Corporation, government securities pledged by the banks as collateral on repurchase agreement accounts, or by the State Sinking Fund, in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

Note 3 - DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

The Friends of FM 90 Endowment was established by a contributor to benefit the arts organization within the Siouxland Community. This contribution and its earnings were fully restricted until the principal reached \$250,000. Because the principal has surpassed \$250,000, interest earned may now be withdrawn for Radio Station activities. The investments are recorded at market.

Interest Rate Risk: The Radio Station, as a part of Western Iowa Tech Community College, has an investment policy that limits the investment of operating funds (funds expected to be expended in the current budget year or within fifteen months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of the Radio Station.

On July 1, 2008, the State of Iowa adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) which assisted organizations in managing their endowment funds. The Friends of FM 90 Endowment consists of one individual fund. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

Interpretation of Law

The directors of Friends have reviewed the endowment fund for purposes of classifying as permanently restricted net assets, the historic dollar value of endowment funds received. The term "historic dollar value" is defined as the aggregate fair value in dollars of:

- (1) The original values of the gifts donated to the permanent endowment,
- (2) Each subsequent donation to the fund at the time it is made, and
- (3) Each accumulation made pursuant to a provision in the applicable gift instrument at the time the accumulation is added to the fund.

The remaining portion of endowment funds with donor restrictions that are not classified as in perpetuity shall be classified as restricted for purpose net assets until appropriated for expenditure by Friends in a manner consistent with the Standard of Prudence prescribed by UPMIFA.

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Note 3 - DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

(Cont.)

Availability of Financial Assets

The following reflects the Friends of FM 90's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions available within 1 year of the balance sheet date to meet cash needs for general expenditure:

Cash	\$ 123,695
Endowment Investments	<u>2,028,376</u>
Total Financial Assets	\$ 2,152,071
Less: Assets Unavailable for General Expenditure Due to:	
Contractual or Donor Restrictions - In Perpetuity	(250,000)
Restricted by Donor by Time or Purpose	(1,902,071)
Plus: Distributions Expected/Available from Endowments and Restricted Investments Within One Year	<u>170,000</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	\$ <u>170,000</u>

Friends of FM 90 have a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet normal operating and program expenses of the Radio Station, which are, on average approximately \$165,000 annually. Friends of FM 90 has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Endowment Net Asset Composition by Type of Fund as of June 30, 2023:

	<u>For Purpose</u>	<u>In Perpetuity</u>	<u>Total</u>
With Donor Restriction	\$ <u>1,778,376</u>	\$ <u>250,000</u>	\$ <u>2,028,376</u>

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Note 3 - DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES
(Cont.) Changes in Endowment Net Assets for the fiscal year ended June 30, 2023:

	<u>For Purpose</u>	<u>In Perpetuity</u>	<u>Total</u>
With Donor Restriction Endowment Net Assets, June 30, 2022	\$ 1,589,421	\$ 250,000	\$ 1,839,421
Investment Gains:			
Investment Income	\$ 32,525		\$ 32,525
Net Appreciation:			
Realized	38,438		38,438
Unrealized	<u>117,992</u>		<u>117,992</u>
Total Investment Income	\$ <u>188,955</u>	-	\$ <u>188,955</u>
With Donor Restriction Endowment Net Assets, June 30, 2023	\$ <u>1,778,376</u>	\$ <u>250,000</u>	\$ <u>2,028,376</u>

Endowment Net Asset Composition by Type of Fund as of June 30, 2022:

	<u>For Purpose</u>	<u>In Perpetuity</u>	<u>Total</u>
With Donor Restriction	\$ <u>1,589,421</u>	\$ <u>250,000</u>	\$ <u>1,839,421</u>

Changes in Endowment Net Assets for the fiscal year ended June 30, 2022:

	<u>For Purpose</u>	<u>In Perpetuity</u>	<u>Total</u>
With Donor Restriction Endowment Net Assets, June 30, 2021	\$ 1,853,652	\$ 250,000	\$ 2,103,652
Investment Gains (Losses):			
Investment Income	\$ 30,257		\$ 30,257
Net Appreciation (Decline):			
Realized	2,175		2,175
Unrealized	(<u>296,663</u>)		(<u>296,663</u>)
Total Investment (Losses)	\$ (<u>264,231</u>)	-	\$ (<u>264,231</u>)
With Donor Restriction Endowment Net Assets, June 30, 2022	\$ <u>1,589,421</u>	\$ <u>250,000</u>	\$ <u>1,839,421</u>

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Note 3 - DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

(Cont.) Description of amounts classified as net assets restricted in perpetuity and net assets restricted for purpose (endowments only):

	<u>2023</u>	<u>2022</u>
The Portion of Endowment Funds Subject to be Appropriated for Expenditure by the Organization	\$ <u>1,778,376</u>	\$ <u>1,589,421</u>
Total Endowment Funds Classified Restricted For Purpose	\$ <u>1,778,376</u>	\$ <u>1,589,421</u>
The Portion of Endowment Funds that is Required to be Retained In Perpetuity Either by Explicit Donor Stipulation or by UPMIFA	\$ <u>250,000</u>	\$ <u>250,000</u>
Total Endowment Funds Classified Net Assets Restricted in Perpetuity	\$ <u>250,000</u>	\$ <u>250,000</u>

The fair value of the Endowment's investments is summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain on Investments</u>
June 30, 2023			
Mutual Funds, Money Market Funds and Fixed Income Securities and Bonds	\$ <u>1,620,256</u>	\$ <u>2,028,376</u>	\$ <u>408,120</u>
June 30, 2022			
Mutual Funds, Money Market Funds and Fixed Income Securities and Bonds	\$ <u>1,549,293</u>	\$ <u>1,839,421</u>	\$ <u>290,128</u>

The following table shows the Endowment's investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position:

	<u>Less Than 12 Months</u>		<u>More Than 12 Months</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>
Fixed Income - Bonds	\$ 13,879	\$(1,121)	\$ 160,480	\$(11,831)	\$ 174,359	\$(12,952)
Fixed Income - ETF	<u>192,080</u>	<u>(3,642)</u>	<u>15,954</u>	<u>(1,431)</u>	<u>208,034</u>	<u>(5,073)</u>
2023 Total	\$ <u>205,959</u>	\$(<u>4,763</u>)	\$ <u>176,434</u>	\$(<u>13,262</u>)	\$ <u>382,393</u>	\$(<u>18,025</u>)

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Note 3 - DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

(Cont.) The Radio Station has determined that the unrealized losses are deemed to be temporary impairments as of June 30, 2023. The Radio Station believes that the unrealized losses generally are caused by liquidity discounts and increases in the risk premiums required by market participants rather than a materially adverse change in cash flows or a fundamental weakness in the credit quality of the issuer or underlying asset.

The Radio Station is primarily invested in well diversified mutual funds and fixed income bonds and securities, several of which incurred losses due to the market environment of the past few years. The Radio Station has the ability and intent to hold these investments for a reasonable period of time sufficient for the recovery of fair value. The Radio Station does not consider these investments to be other than temporarily impaired at June 30, 2023.

Return Objectives and Risk Parameters

Friends has adopted investment and spending policies for endowment assets that attempt to achieve long-term preservation and conservative growth of the sums received as donations. Endowment assets include those assets of donor-restricted funds that Friends must hold in perpetuity or for a donor-specified period(s) as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that will obtain the maximum possible total return, taking into account both income and appreciation, that is consistent with an acceptable level of risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Friends relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Friends targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Friends has a policy of appropriating for distribution each year a certain percent, not to exceed four percent, of its endowment fund's market value on December 31st of the preceding year.

Fair Value Measurements

The Radio Station follows the Codification, which among other things, requires enhanced disclosures about investments that are measured and reported at fair value. It establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The Codification provides an option to elect fair value as an alternative measurement for selected financial assets and liabilities not previously recorded at fair value. The Radio Station did not elect fair value accounting for any asset or liability that is not currently required to be measured at fair value.

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Note 3 - DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

(Cont.) The Codification establishes a three level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

The types of investments included in Level 1 are mutual funds, listed equities and listed derivatives.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

Investments which are generally included in this category include less liquid and restricted equity securities and certain over-the-counter derivatives which include interest rate exchange agreements.

Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Investments are included in this category generally include limited partnership interest in corporate private equity and real estate funds, funds of hedge funds, and distressed debt.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. While the Radio Station believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Money Market: Valued at the daily unadjusted quoted price.

Mutual Funds: Valued at the daily closing price as reported by the fund.

Fixed Income Securities and Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities.

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Note 3 - DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

(Cont.) Investments have been valued based on the following input levels by investment category as of June 30, 2023:

Investment Category	Fair Value			2023 Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
ETF's	\$ 1,488,062			\$ 1,488,062
Fixed Income Securities and Bonds		\$ 493,097		493,097
Total	\$ 1,488,062	\$ 493,097	-	\$ 1,981,159
Money Market				47,217
Investments Total				\$ 2,028,376

Investments have been valued based on the following input levels by investment category as of June 30, 2022:

Investment Category	Fair Value			2022 Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
ETF's	\$ 1,347,456			\$ 1,347,456
Fixed Income Securities and Bonds		\$ 426,997		426,997
Total	\$ 1,347,456	\$ 426,997	-	\$ 1,774,453
Money Market				64,968
Investments Total				\$ 1,839,421

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Note 4 - CAPITAL ASSETS

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

	Balance July 1, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2023</u>
Right-to-Use Leased Equipment	\$ 96,251			\$ 96,251
Buildings	355,305			355,305
Radio Tower	561,847	\$ 130,887		692,734
Furniture and Equipment	<u>254,381</u>	<u>63,686</u>	-	<u>318,067</u>
	\$ 1,267,784	\$ 194,573	-	\$ 1,462,357
Accumulated Depreciation/Amortization	(<u>921,941</u>)	(<u>42,773</u>)		(<u>964,714</u>)
Net Capital Assets	\$ <u>345,843</u>	\$ <u>151,800</u>	-	\$ <u>497,643</u>
	Balance July 1, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2022</u>
Right-to-Use Leased Equipment	\$ 96,251			\$ 96,251
Buildings	355,305			355,305
Radio Tower	561,847			561,847
Furniture and Equipment	<u>248,280</u>	\$ <u>15,087</u>	\$(<u>8,986</u>)	<u>254,381</u>
	\$ 1,261,683	\$ 15,087	\$(<u>8,986</u>)	\$ 1,267,784
Accumulated Depreciation/Amortization	(<u>887,609</u>)	(<u>43,318</u>)	<u>8,986</u>	(<u>921,941</u>)
Net Capital Assets	\$ <u>374,074</u>	\$(<u>28,231</u>)	\$ -	\$ <u>345,843</u>

Note 5 - LEASE RECEIVABLE

The Radio Station leases tower and transmitter space to various other communications companies in the area.

Effective October 1, 2011, the Community College, on behalf of the Radio Station, entered into a ten-year lease with the United States Department of Commerce, National Oceanic and Atmospheric Administration (National Weather Service) for tower and shelter space at the Radio Station's tower location. The Radio Station is to receive \$5,304 tower rent annually. Interest is calculated with an implicit rate of 3.75%. Subsequent to June 30, 2023, the lease was extended for an additional ten-year period.

Effective August 1, 2017, the Community College, on behalf of the Radio Station, entered into a ten-year lease with Powell Broadcasting Company, Inc. for tower and shelter space at the Radio Station's tower location. The Radio Station is currently receiving \$16,987 tower rent in the sixth year of the lease, with annual increases based on the Consumer Price Index for all Urban Consumers, All Cities, published by the Bureau of Labor Statistics of the United States Department of Labor for the year ending the prior December 31. Interest is calculated with an implicit rate of 3.75%.

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Note 5 - LEASE RECEIVABLE

(Cont.) Effective July 1, 2018, the Community College, on behalf of the Radio Station, entered into a ten-year lease with Capstar Radio Operating Company for tower and shelter space at the Radio Station's tower location. The Radio Station is currently receiving \$36,791 tower rent in the fifth year of the lease, with annual increases of 3.00%. Interest is calculated with an implicit rate of 3.75%.

Years Ending <u>June 30,</u>	<u>Amount</u>
2024	\$ 60,249
2025	61,386
2026	62,557
2027	63,763
2028	65,005
2029 - 2033	335,723
2034 - 2038	<u>340,000</u>
Total	\$ 988,683
Less Interest (3.75%)	(<u>237,327</u>)
Present Value	\$ <u>751,356</u>

Note 6 - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Balance July 1, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2023</u>	Due Within <u>One Year</u>
Lease Agreements Payable	\$ 89,242		\$ 7,279	\$ 81,963	\$ 7,555
Net Pension Liability	2,905	\$ 73,855		76,760	
Total OPEB Liability	<u>13,876</u>	<u> </u>	<u>2,191</u>	<u>11,685</u>	<u> </u>
	\$ <u>106,023</u>	\$ <u>73,855</u>	\$ <u>9,470</u>	\$ <u>170,408</u>	\$ <u>7,555</u>

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Note 6 - LONG-TERM LIABILITIES

(Cont.) A summary of changes in long-term liabilities for the year ended June 30, 2022 is as follows:

	Balance July 1, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2022</u>	Due Within <u>One Year</u>
Lease Agreements Payable	\$ 96,251		\$ 7,009	\$ 89,242	\$ 7,278
Net Pension Liability	176,918		174,013	2,905	
Total OPEB Liability	<u>7,124</u>	<u>\$ 6,752</u>	<u> </u>	<u>13,876</u>	<u> </u>
	<u>\$ 280,293</u>	<u>\$ 6,752</u>	<u>\$ 181,022</u>	<u>\$ 106,023</u>	<u>\$ 7,278</u>

The Radio Station also leases tower space from which its repeater station, KOJI, transmits. On October 1, 2017, the Community College, on behalf of the Radio Station, entered into a five-year lease agreement with United Farmers Telephone Company for tower space to operate the KOJI communication radio antenna and studio-transmitter link. An initial lease liability was calculated in the amount of \$120,697. The agreement requires annual payments of \$10,500 over five years with an initial payment made October 1, 2017 for \$875, with an implicit interest rate of 3.75%. Final payment is due September 1, 2022. Subsequent to June 30, 2022, as per terms of the agreement, the lease renewal option was exercised for an additional five-year term effective October 1, 2022.

Future principal and interest lease payments as of June 30, 2023 are as follows:

Years Ending <u>June 30,</u>	<u>Tower space for KOJI</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,555	\$ 2,945	\$ 10,500
2025	7,844	2,656	10,500
2026	8,143	2,357	10,500
2027	8,454	2,046	10,500
2028	8,776	1,724	10,500
2029 & Thereafter	<u>41,191</u>	<u>3,434</u>	<u>44,625</u>
Total	<u>\$ 81,963</u>	<u>\$ 15,162</u>	<u>\$ 97,125</u>

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Note 7 - PAYCHECK PROTECTION PROGRAM

Western Iowa Tech Community College, on behalf of KWIT-KOJI FM Radio, entered into the Paycheck Protection Program offered by the enactment of the CARES Act at the outset of the COVID-19 coronavirus pandemic. The stated interest rate on the Note is 1%. The note was originally set to mature on April 8, 2026. For the years ended June 30, 2023 and 2022, the balance for the note was \$0.

Western Iowa Tech Community College, on behalf of KWIT-KOJI FM Radio, applied for forgiveness of the loan during Fiscal Year 2022, in accordance with the requirements of the CARES Act. This loan principal amount of \$91,252 and interest of \$473 were forgiven on October 14, 2021.

Note 8 - IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

Plan Description

Western Iowa Tech Community College contributes to the Iowa Public Employees Retirement System (IPERS) on behalf of KWIT-KOJI FM Radio. IPERS membership is mandatory for employees of the Community College except for those covered by another retirement system. Employees of the Community College are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code Chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits

A Regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

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Note 8 - IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

(Cont.) If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, a reduction of 0.25 percent for each month the member receives benefits before the member's earliest normal retirement age. For service earned on or after July 1, 2012, the reduction is 0.5 percent for each month the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits

A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions

Contribution rates are established by IPERS following the annual actuarial valuation which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2023 and 2022, pursuant to the required rate, Regular members contributed 6.29% of covered payroll and the Community College contributed 9.44% of covered payroll, for a total rate of 15.73%.

The Community College's contributions, on behalf of the Radio Station, to IPERS for the years ended June 30, 2023 and 2022 were \$17,507 and \$16,950, respectively.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 8 - IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

(Cont.) Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023 and 2022, the Radio Station reported a liability of \$76,760 and \$2,905, respectively, for its proportionate share of the Community College's net pension liability. The net pension liability was measured as of June 30, 2022 and 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Radio Station's proportion of the Community College's net pension liability was based on the Radio Station's share of contributions to IPERS relative to the contributions of the Community College. At June 30, 2022 and 2021, the Community College's collective proportion was 0.0996881% and 0.0972915%, respectively, which was an increase of 0.0023966% and a decrease of 0.003351%, respectively, from its proportion measured as of June 30, 2021 and 2020.

For the years ended June 30, 2023 and 2022, the Community College, on behalf of the Radio Station, recognized pension expense (recovery) of \$(457) and \$(9,806), respectively. At June 30, 2023 and 2022, the Community College, on behalf of the Radio Station, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>2023</u>		<u>2022</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>
Difference between expected and actual experience	\$ 3,403	\$ 1,051	\$ 2,210	\$ 2,219
Changes of assumption	65	2	1,900	
Net difference between projected and actual earnings on pension plan investments		8,217		105,260
Changes in proportion and differences between Community College contributions, on behalf of the Radio Station, and proportionate share of contributions	3,898	2,622		435
Community College contributions, on behalf of the Radio Station, subsequent to the measurement date ...	<u>17,462</u>	<u> </u>	<u>16,960</u>	<u> </u>
Total	\$ <u>24,828</u>	\$ <u>11,892</u>	\$ <u>21,070</u>	\$ <u>107,914</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 8 - IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

(Cont.) \$17,462 reported as deferred outflows of resources related to pensions resulting from the Community College contributions, on behalf of the Radio Station, subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30,</u>		
2024	.....	\$( 6,806)
2025	.....	( 5,123)
2026	.....	( 9,909)
2027	.....	16,973
2028	.....	<u>339</u>
		\$(<u><u>4,526</u></u>)

There were no non-employer contributing entities to IPERS.

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement.

Rate of inflation (effective June 30, 2017)	2.60% per annum
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25% average including inflation. Rates vary by membership group
Long-term investment rate of return (effective June 30, 2017)	7.00% compounded annually, net of investment expense, including inflation
Wage growth (effective June 30, 2017)	3.25% per annum based on 2.60% inflation and 0.65% real wage inflation

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of a quadrennial experience study covering the period of July 1, 2017 through June 30, 2021.

Mortality rates used in the 2022 valuation were based on the PubG-2010 Employee and Healthy Annuitant Tables with future mortality improvements modeled using Scale MP-2021.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 8 - IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

(Cont.) The long-term expected rate of return on IPERS' investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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 geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	22.0 %	3.57 %
International Equity	17.5	4.79
Global Smart Beta Equity	6.0	4.16
Core Plus Fixed Income	20.0	1.66
Public Credit	4.0	3.77
Cash	1.0	0.77
Private Equity	13.0	7.57
Private Real Assets	8.5	3.55
Private Credit	8.0	3.63
Total	<u>100.0 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the contractually required rate and contributions from the Radio Station will be made at contractually required rates, actuarially determined. Based on those assumptions, IPERS' fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Radio Station's proportionate share of the Community College's net pension liability calculated using the discount rate of 7.00%, as well as what the Radio Station's proportionate share of the Community College's net pension liability would be if it were calculated using a discount rate 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Radio Station's proportionate share of the Community College's net pension liability	\$ <u>143,014</u>	\$ <u>76,760</u>	\$ <u>18,373</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 8 - IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS)

(Cont.) IPERS Fiduciary Net Position

Detailed information about IPERS' fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS

At June 30, 2023 and 2022, the Community College reported payables, on behalf of the Radio Station, to the defined benefit pension plan of \$728 and \$671, respectively, for legally required employer contributions and \$485 and \$447, respectively, for legally required employee contributions withheld from employee wages which had not yet been remitted to IPERS.

Note 9 - TEACHERS INSURANCE AND ANNUITY ASSOCIATION -
COLLEGE RETIREMENT EQUITIES FUND (TIAA-CREF)

Western Iowa Tech Community College contributes to the TIAA-CREF retirement program, a defined contribution pension plan, on behalf of KWIT-KOJI FM Radio. TIAA administers the retirement plan for the Community College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by Chapter 97B.42 of the Code of Iowa, all eligible Community College employees must participate in a retirement plan from the date they are employed.

Benefit terms, including contribution requirements, for TIAA-CREF are established and specified by the plan with TIAA-CREF and in accordance with the Code of Iowa. For each employee in the pension plan, the Community College is required to contribute 9.44% for fiscal year 2023 and 2022 of annual salary, including overtime pay, to an individual employee account. Each employee is required to contribute 6.29% for fiscal year 2023 and 2022. Contributions made by both employer and employees vest immediately. For the years ended June 30, 2023 and 2022, employee contributions totaled \$10,249 and \$9,767, respectively, and the Community College recognized pension expense of \$15,382 and \$14,658, respectively.

At June 30, 2023 and 2022, the Community College, on behalf of the Radio Station, reported payables to TIAA-CREF of \$627 and \$635, respectively, for legally required employer contributions and \$418 and \$423, respectively, for legally required employee contributions which had been withheld from employee wages but not yet remitted to TIAA-CREF.

Note 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

Western Iowa Tech Community College administers a single-employer benefit plan on behalf of KWIT-KOJI FM Radio which provides medical and prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)
(Cont.) OPEB Benefits

Individuals who are employed by the Community College and eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy and an OPEB liability.

Retired participants must be age 55 or older at retirement. At June 30, 2023 and 2022, the following employees were covered by the benefit terms:

	<u>2023</u>	<u>2022</u>
Inactive employees or beneficiaries currently receiving benefit payments	16	18
Active employees	<u>255</u>	<u>229</u>
Total	<u>271</u>	<u>247</u>

Total OPEB Liability

The Radio Station's proportion of the Community College's total OPEB liability of \$11,685 and \$13,876 was measured as of June 30, 2023 and 2022, respectively and was determined by an actuarial valuation as of those dates.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

June 30, 2023

Rate of inflation (effective June 30, 2023)	3.00% per annum
Rates of salary increase (effective June 30, 2023)	3.00% per annum including inflation
Discount rate (effective June 30, 2023)	2.14% compounded annually including inflation
Healthcare cost trend rate (effective June 30, 2023)	7.00% initial rate decreasing by 0.50% annually to an ultimate rate of 5.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 2.14% at June 30, 2023 and 2022 which reflects the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

(Cont.) Mortality rates are from the RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement. Annual retirement probabilities are based on varying rates by age and turnover probabilities mirror those used by IPERS.

Changes in the Total OPEB Liability

	<u>2023</u>	<u>2022</u>
Total OPEB liability beginning of year	\$ 13,876	\$ 7,124
Changes for the year:		
Service cost	\$ 366	\$ 386
Interest	263	312
Differences between expected and actual experiences	(1,091)	6,987
Changes in assumptions	-	1,098
Benefit payments	(1,729)	(2,031)
Net Changes	\$(2,191)	\$ 6,752
Total OPEB liability end of year	\$ <u>11,685</u>	\$ <u>13,876</u>

Sensitivity of the Radio Station's Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Radio Station, as well as what the Radio Station's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.14%) or 1-percentage-point higher (3.14%) than the current discount rate.

	1% Decrease (<u>1.14%</u>)	Discount Rate (<u>2.14%</u>)	1% Increase (<u>3.14%</u>)
Total OPEB liability	\$ <u>12,295</u>	\$ <u>11,685</u>	\$ <u>11,115</u>

Sensitivity of the Radio Station's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Radio Station, as well as what the Radio Station's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.5% decreasing to 4.0%) or 1-percentage-point higher (7.5% decreasing to 6.0%) than the current healthcare cost trend rates.

	1% Decrease (5.50% Decreasing to 4.00%)	Healthcare Cost Trend Rate (6.50% Decreasing to 3.00%)	1% Increase (7.50% Decreasing to 6.00%)
Total OPEB liability	\$ <u>11,029</u>	\$ <u>11,685</u>	\$ <u>12,428</u>

KWIT-KOJI FM RADIO

A PUBLIC TELECOMMUNICATIONS ENTITY OPERATED BY
WESTERN IOWA TECH COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

Note 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

(Cont.) OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2023 and 2022, the Radio Station recognized OPEB expense of \$1,086 and \$1,194, respectively. At June 30, 2023 and 2022, the Radio Station reported deferred inflows and outflows of resources related to OPEB from the following resources:

	<u>2023</u>		<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 771	\$ 1,299	\$ 967	\$ 1,730
Difference between expected and actual experience	<u>4,905</u>	<u>499</u>	<u>6,156</u>	<u>688</u>
Total	\$ <u>5,676</u>	\$ <u>1,798</u>	\$ <u>7,123</u>	\$ <u>2,418</u>

The amount reported as deferred inflows and outflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended
June 30,

2024	\$ 457
2025	457
2026	457
2027	516
2028	749
2029 & Thereafter	<u>1,242</u>
	\$ <u>3,878</u>

Note 11 - FUNDRAISING EXPENSES

During the years ended June 30, 2023 and 2022, the Radio Station conducted various fundraising activities. Management and general expenses related to fundraising for the years ended June 30, 2023 and 2022, total \$63,736 and \$63,893, respectively.

Note 12 - SUBSEQUENT EVENTS

The Radio Station has evaluated all subsequent events through November 7, 2023, the date the financial statements were available to be issued.

KWIT-KOJI FM RADIO

SCHEDULE OF RADIO STATION'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST NINE FISCAL YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Radio Station's proportion of the net pension liability	0.001934%	0.002072%	0.002536%	0.002436%
Radio Station's proportionate share of the net pension liability	\$ 76,760	\$ 2,905	\$ 176,918	\$ 142,016
Radio Station's covered-employee payroll	\$ 180,656	\$ 196,124	\$ 199,026	\$ 204,292
Radio Station's proportionate share of the net pension liability as a percentage of its covered-employee payroll ...	42.49%	1.48%	88.90%	69.52%
IPERS' net position as a percentage of the total pension liability	90.34%	99.65%	81.87%	85.45%

* The amounts presented for each fiscal year were determined as of June 30.

Note: GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10 year trend is compiled, the Radio Station will present information for those years for which information is available.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.002650%	0.002895%	0.002650%	0.001743%	0.001590%
\$ 167,627	\$ 182,286	\$ 165,250	\$ 142,016	\$ 64,369
\$ 210,274	\$ 191,047	\$ 129,338	\$ 124,085	\$ 104,807
79.72%	95.41%	127.76%	69.82%	61.42%
83.62%	82.21%	81.82%	85.19%	87.61%

KWIT-KOJI FM RADIO

SCHEDULE OF RADIO STATION CONTRIBUTIONS

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE LAST TEN FISCAL YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Statutorily required contribution	17,507	16,950	18,796	18,773	19,157
Contributions in relation to the statutorily required contribution	(<u>17,507</u>)	(<u>16,950</u>)	(<u>18,796</u>)	(<u>18,773</u>)	(<u>19,157</u>)
Contribution deficiency (excess)	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Radio Station's covered-employee payroll	184,840	180,656	196,124	199,026	204,292
Contributions as a percentage of covered-employee payroll	9.47%	9.38%	9.58%	9.43%	9.38%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
18,852	17,242	17,242	11,110	9,450
(18,852)	(<u>17,242</u>)	(<u>17,242</u>)	(<u>11,110</u>)	(<u>9,450</u>)
<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
210,274	191,047	191,047	124,085	104,807
8.97%	9.03%	9.03%	8.95%	9.02%

KWIT-KOJI FM RADIO

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY

YEAR ENDED JUNE 30, 2023

Changes of benefit terms:

There is no significant change in benefit terms.

Changes of assumptions:

The 2022 valuation incorporated the following refinements after a quadrennial experience study:

- Changed mortality assumptions to the PubG-2010 mortality tables with mortality improvements modeled using Scale MP-2021.
- Adjusted retirement rates for Regular members.
- Lowered disability rates for Regular members.
- Adjusted termination rates for all membership groups.

The 2018 valuation implemented the following refinements as a result of a demographic assumption study dated June 28, 2018:

- Changed mortality assumptions to the RP-2014 mortality tables with mortality improvements modeled using Scale MP-2017.
- Adjusted retirement rates.
- Lowered disability rates.
- Adjusted the probability of a vested Regular member electing to receive a deferred benefit.
- Adjusted the merit component of the salary increase assumption.

The 2017 valuation implemented the following refinements as a result of an experience study dated March 24, 2017:

- Decreased the inflation assumption from 3.00% to 2.60%.
- Decreased the assumed rate of interest on member accounts from 3.75% to 3.50% per year.
- Decreased the discount rate from 7.50% to 7.00%.
- Decreased the wage growth assumption from 4.00% to 3.25%.
- Decreased the payroll growth assumption from 4.00% to 3.25%.

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25% to 3.00%.
- Decreased the assumed rate of interest on member accounts from 4.00% to 3.75% per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Moved from an open 30-year amortization period to a closed 30-year amortization period for the UAL (unfunded actuarial liability) beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20-year period.

KWIT-KOJI FM RADIO

SCHEDULE OF CHANGES IN RADIO STATION'S TOTAL OPEB LIABILITY, RELATED
RATIOS AND NOTES

FOR THE LAST SIX FISCAL YEARS

REQUIRED SUPPLEMENTARY INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Service cost	\$ 366	\$ 386	\$ 315	\$ 311
Interest cost	263	312	259	279
Difference between expected and actual experiences	(1,091)	6,987	(129)	436
Changes in proportionate share	-	1,098	-	(2,736)
Benefit payments	(<u>1,729</u>)	(<u>2,031</u>)	(<u>1,068</u>)	(<u>997</u>)
Net change in total OPEB liability	\$(2,191)	\$(6,752)	\$(623)	\$(2,707)
Total OPEB liability beginning of year	<u>13,876</u>	<u>7,124</u>	<u>7,747</u>	<u>10,454</u>
Total OPEB liability end of year	\$ <u>11,685</u>	\$ <u>13,876</u>	\$ <u>7,124</u>	\$ <u>7,747</u>
Covered-employee payroll	\$ 266,660	\$ 256,876	\$ 246,874	\$ 243,734
Total OPEB liability as a percentage of covered-employee payroll	4.39%	5.41%	2.89%	3.18%

<u>2019</u>	<u>2018</u>
655	793
407	514
(407)	(430)
2,261	-
(<u>963</u>)	(<u>1,751</u>)
(2,569)	(874)
<u>13,023</u>	<u>13,897</u>
<u>10,454</u>	<u>13,023</u>
195,017	232,429
8.97%	2.07%

KWIT-KOJI FM RADIO

SCHEDULE OF CHANGES IN RADIO STATION'S TOTAL OPEB LIABILITY, RELATED
RATIOS AND NOTES

FOR THE LAST SIX FISCAL YEARS

REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedule of Changes in the Radio Station's Total OPEB Liability and Related Ratios

No Assets were accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

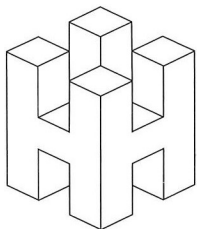
Changes in benefit terms

There were no significant changes in benefit terms.

Changes in assumptions

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

Year Ended June 30, 2023	2.14%
Year Ended June 30, 2022	2.14%
Year Ended June 30, 2021	3.50%
Year Ended June 30, 2020	3.50%
Year Ended June 30, 2019	3.72%
Year Ended June 30, 2018	3.72%



**HENJES, CONNER &
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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 Board of Directors
Western Iowa Tech Community College
Sioux City, Iowa

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 the business-type activities and discretely presented component unit of KWIT-KOJI FM RADIO, a public telecommunications entity operated by Western Iowa Tech Community College, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Radio Station's basic financial statements and have issued our report thereon dated November 7, 2023. The financial statements of Friends of FM90, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Friends of FM90.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Radio Station's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Radio Station's internal control. Accordingly, we do not express an opinion on the effectiveness of the Radio Station'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 Radio Station'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, or significant deficiencies may exist that were not identified.


Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Radio Station'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 financial statements. 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 Radio Station's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Radio Station's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of KWIT-KOJI FM Radio during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.


Certified Public Accountants

Dakota Dunes, South Dakota
November 7, 2023

Indirect Administrative Support (IAS) Calculation-New Method	
Grantee's Call Letters:	KWIT-FM
Grantee ID:	1401
Enter the fiscal year of this calculation:	2023
Step 1 - Compute the Rate - Licensee Indirect Costs /Licensee Direct Costs	
Institutional Support (<i>Enter this amount here, only if station benefits from Institutional Support</i>)	\$3,121,794
Physical Plant Support (<i>Enter this amount here, only if station benefits from Physical Plant Support</i>)	\$12,183,884
Total Licensee Indirect Costs	\$15,305,678
Licensee Direct Costs	
Total Operating expenses	\$59,268,676
Less: Institutional Support (Please enter this amount whether or not the station benefits from Institutional Support)	\$3,121,794
Less: Physical Plant Support (Please enter this amount whether or not the station benefits from Physical Plant Support)	\$12,183,884
Licensee's Direct Costs = (Total operating expenses minus both institutional support and physical plant support)	\$43,962,998
Indirect Cost Rate = (Licensee's Indirect Costs/Licensee's Direct Costs)	34.81%
Step 2 - Identify the Base (Station Net Direct Expenses)	
Station's Total Operating Expenses	\$833,421
Less: Total Depreciation and amortization-per AFS (if applicable)	\$42,773
In-kind contributions and donated property and equipment reported as expenses per AFS (if applicable)	\$37,568
Indirect administrative support (if included in station's total expenses)-per AFS	\$0
Expenses for non-broadcast activities and UBIT-per AFS (if applicable)	
Expenses not supported by licensee-per AFS – example, expenses of consolidated entities like Friends' Group, foundations, and component units. (if applicable)	
Station Net Direct Expenses	\$753,080
Step 3: Apply the Rate to the Base	\$ 262,184
Step 4: Compute Occupancy Value (if applicable)	
Step 5: Deductions- Fees Paid to the Licensee (if applicable)	
Calculated IAS*	\$ 262,184
Completed by: Name & title	Brian D. Smith, Controller
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