

**KCCK-FM Radio**  
**(A Public Telecommunications Entity Operated as a**  
**Department of Kirkwood Community College,**  
**Cedar Rapids, Iowa)**

**FINANCIAL REPORT**

**June 30, 2024 and 2023**

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**KCCK-FM Radio**  
**(A Public Telecommunications Entity Operated as a**  
**Department of Kirkwood Community College, Cedar Rapids, Iowa)**  
**OFFICIALS**

<u>Name</u>	<u>Title</u>	<u>Term expires</u>
<b>Board of Trustees</b>		
James Mollenhauer	Chair (resigned October 10, 2024)	2025
Tracy Pearson	Vice Chair	2027
Dr. Keith Stamp	Trustee	2025
Joel Thys	Trustee	2025
Lorraine Williams	Trustee	2027
Alan Jensen	Trustee	2027
Steven Caves	Trustee	2027
Margaret (Peggy) Doerge	Trustee	2025
Leslie Wright	Trustee	2025
Doug Bannon	Trustee (effective October 11, 2024)	2025
<b>Community College</b>		
Dr. Kristie Fisher	President	
Casey Dunning	Board Treasurer, V.P. and Chief Financial Officer	
Margaret (Peg) Sprengler	Board Secretary	
Danielle Pickering	Senior Director of Finance	
Dennis Green	Director and General Manager	

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
KCCCK-FM Radio  
Kirkwood Community College  
Cedar Rapids, Iowa

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of KCCCK-FM Radio (a public telecommunications entity operated as a department of Kirkwood Community College, Cedar Rapids, Iowa), which comprise the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

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

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of KCCCK-FM Radio and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter*

As discussed in Note 1 to the financial statements, the financial statements of KCCCK-FM Radio, a department of Kirkwood Community College, are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities of Kirkwood Community College that are attributable to the transactions of KCCCK-FM Radio. They do not purport to, and do not, present fairly the financial position of Kirkwood Community College as of June 30, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KCKK-FM Radio's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about KCKK-FM Radio's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 10, and the schedules of Radio Station's proportionate share of the net pension liability, Radio Station contributions, Radio Station's early retirement liability, and changes in Radio Station's OPEB liability, related ratios and notes on pages 27 through 31 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 January 19, 2025, on our consideration of KCKK-FM Radio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 KCKK-FM Radio's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KCKK-FM Radio's internal control over financial reporting and compliance.

  
Denman CPA LLP

West Des Moines, Iowa  
January 19, 2025

**KCKK-FM Radio**  
**(A Public Telecommunications Entity Operated as a**  
**Department of Kirkwood Community College)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended June 30, 2024**

KCKK-FM Radio (the Radio Station), a public telecommunications entity operated as a department of Kirkwood Community College, provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider this information in conjunction with KCKK-FM Radio's financial statements, which follow:

**2024 Financial Highlights**

- KCKK-FM Radio's operating revenues decreased from \$535,142 in fiscal 2023 to \$517,452 in fiscal 2024.
- KCKK-FM Radio's operating expenses increased 0.7% or \$8,651 in fiscal 2024.
- KCKK-FM Radio's net position increased \$157,111 from June 30, 2023 to June 30, 2024.

**2023 Financial Highlights**

- KCKK-FM Radio's operating revenues increased from \$497,601 in fiscal 2022 to \$535,142 in fiscal 2023.
- KCKK-FM Radio's operating expenses increased 15.8% or \$168,094 in fiscal 2023.
- KCKK-FM Radio's net position increased \$145,600 from June 30, 2022 to June 30, 2023.

**Using This Annual Report**

KCKK-FM Radio presents its financial statements using the economic resources measurement focus and accrual basis of accounting, which is the same measurement focus and basis of accounting employed by private sector business enterprises. This discussion and analysis is intended to serve as an introduction to KCKK-FM Radio's basic financial statements. This report includes a series of financial statements and other information, as follows:

- The Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of KCKK-FM Radio's financial activities.
- The statements of net position present information on KCKK-FM Radio's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of KCKK-FM Radio is improving or deteriorating.
- The statements of revenues, expenses and changes in net position present information on KCKK-FM Radio's operating revenues and expenses, nonoperating revenues and expenses and whether KCKK-FM Radio's financial position has improved or deteriorated as a result of the year's activities.
- The statements of cash flows present the change in KCKK-FM Radio's cash and cash equivalents during the year. This information can assist readers of the report in determining how KCKK-FM Radio financed its activities and how it met its cash requirements.
- Notes to financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements with information related to IPERS, the Radio Station's early retirement liability, and the Radio Station's OPEB liability.

## Financial Analysis of KCKK-FM Radio

### Statements of Net Position

As noted earlier, net position may serve over time as a useful indicator of KCKK-FM Radio's financial position. KCKK-FM Radio's net position at the end of fiscal 2024 totaled \$448,061. This compares to \$290,950 at the end of fiscal 2023. A summary of KCKK-FM Radio's net position is presented below:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current assets	\$ 1,215,834	\$ 1,063,699	\$ 839,658
Capital assets, net of accumulated depreciation	62,865	41,449	56,061
Total assets	<u>1,278,699</u>	<u>1,105,148</u>	<u>895,719</u>
Deferred outflows of resources	<u>136,138</u>	<u>71,069</u>	<u>68,501</u>
Total assets and deferred outflows of resources	<u>\$ 1,414,837</u>	<u>\$ 1,176,217</u>	<u>\$ 964,220</u>
Current liabilities	\$ 386,577	\$ 389,976	\$ 313,811
Noncurrent liabilities	553,663	467,883	336,739
Total liabilities	<u>940,240</u>	<u>857,859</u>	<u>650,550</u>
Deferred inflows of resources	<u>26,536</u>	<u>27,408</u>	<u>168,320</u>
Total liabilities and deferred inflows of resources	<u>966,776</u>	<u>885,267</u>	<u>818,870</u>
Net position			
Net investment in capital assets	62,865	41,449	56,061
Unrestricted	<u>385,196</u>	<u>249,501</u>	<u>89,289</u>
Total net position	<u>448,061</u>	<u>290,950</u>	<u>145,350</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,414,837</u>	<u>\$ 1,176,217</u>	<u>\$ 964,220</u>

As of June 30, 2024 and 2023, the unrestricted portion of KCKK-FM Radio's net position may be used to meet KCKK-FM Radio's obligations as they come due. The net investment in capital assets (i.e., equipment) portion of net position is resources allocated to capital assets.

The primary reason for the increase in capital assets in fiscal 2024 was due to capital asset purchases of \$29,646 offset by depreciation expense of \$8,230. Total liabilities in 2024 increased from 2023 by \$82,381, which was primarily due to increases in the early retirement, net pension (IPERS), and OPEB liabilities. Deferred outflows of resources increased by \$65,069 and deferred inflows of resources decreased by \$872 resulting from early retirement, pension (IPERS), and OPEB related items.

The primary reason for the decrease in capital assets in fiscal 2023 was due to depreciation expense of \$14,612. Total liabilities in 2023 increased from 2022 by \$207,309, which was primarily due to a significant increase in the net pension (IPERS) liability. Deferred outflows of resources increased by \$2,568 and deferred inflows of resources decreased by \$140,912 resulting from early retirement, pension (IPERS), and OPEB related items.

More detailed information about IPERS is presented in Note 5 to the financial statements, more detailed information about early retirement is presented in Note 7 to the financial statements, and more detailed information about OPEB is presented in Note 8 to the financial statements.



## **Statements of Revenues, Expenses and Changes in Net Position**

Operating revenues are received from the Corporation for Public Broadcasting (CPB) – Community Service Grants, other CPB support, and contributions from individuals and business and industry through Kirkwood Community College Foundation. Operating expenses are expenses paid to operate KCCCK-FM Radio, including programming and production, and administrative expenses. Nonoperating revenues are investment earnings, State Board and Iowa Department of Education allocations and administrative support from Kirkwood Community College. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life. A summary of revenues, expenses and changes in net position for the years ended June 30, 2024, 2023 and 2022 is presented below:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>OPERATING REVENUES</b>			
CPB – Community Service Grants	\$ 163,679	\$ 83,929	\$ 155,317
CPB – other support	–	80,316	–
Contributions from individuals through Kirkwood Community College Foundation	290,751	322,586	287,740
Contributions from Business and Industry through Kirkwood Community College Foundation	49,422	34,111	40,744
Jazz Camp	13,600	14,200	13,800
<b>NONOPERATING REVENUES</b>			
Investment earnings (loss)	85,281	59,564	(87,796)
State Board and Iowa Department of Education allocations	545,589	539,580	536,895
Administrative support from Kirkwood Community College	250,999	244,873	187,158
Total revenues	<u>1,399,321</u>	<u>1,379,159</u>	<u>1,133,858</u>
<b>EXPENSES</b>			
Programming and production	516,160	539,656	467,048
Broadcast and engineering	15,681	15,842	11,254
Program information and production	21,468	17,922	25,209
Management and general	524,732	484,840	408,241
Fundraising and membership development	124,681	131,276	108,708
Underwriting and grant solicitation	21,039	18,850	15,695
Jazz camp	10,219	10,561	11,680
Depreciation	8,230	14,612	17,630
Total expenses	<u>1,242,210</u>	<u>1,233,559</u>	<u>1,065,465</u>
<b>CHANGE IN NET POSITION</b>	157,111	145,600	68,393
<b>NET POSITION – beginning of year</b>	<u>290,950</u>	<u>145,350</u>	<u>76,957</u>
<b>NET POSITION – end of year</b>	<u>\$ 448,061</u>	<u>\$ 290,950</u>	<u>\$ 145,350</u>

The statements of revenues, expenses and changes in net position reflect an increase in net position for fiscal years 2024, 2023 and 2022.

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

### **Year ended June 30, 2024**

Operating revenues decreased \$17,690, driven by a decrease in contributions from individuals partially offset by an increase in contributions from business and industry. Operating expenses increased 0.7% or \$8,651. The increase in operating expenses was due primarily to increases of \$27,086 in early retirement, pension (IPERS), and OPEB expenses and \$6,126 in indirect administrative support expenses, offset by decreases of \$10,285 in materials and \$13,259 in program purchases. Nonoperating revenues increased \$37,852 driven by an increase of \$25,717 in investment earnings.

### **Year ended June 30, 2023**

Operating revenues increased \$37,541, driven by a decrease in CPB – Community Service Grants offset by increases in both CPB – other support and contributions from individuals. Operating expenses increased 15.8% or \$168,094. The increase in operating expenses was due primarily to increases of \$55,197 in salaries and benefits and \$57,715 in indirect administrative support expenses. Nonoperating revenues increased \$207,760 driven by an increase of \$147,360 in investment earnings and an increase of \$57,715 in administrative support received from Kirkwood Community College.

## **Statements of Cash Flows**

The statements of cash flows present information related to cash inflows and outflows, summarized by operating, capital and related financing, and noncapital financing activities. Cash provided by noncapital financing activities includes State Board and Iowa Department of Education allocations provided by Kirkwood Community College. Cash used in capital and related financing activities includes purchases of capital assets. Operating cash flows consist of cash received from the CPB for grants, cash received from Kirkwood Community College and others for contributions and underwriting, and cash paid to employees, vendors, and suppliers.

## **Capital Assets**

As of June 30, 2024, KCKK-FM Radio had \$383,557 invested in capital assets at historical cost, net of accumulated depreciation of \$320,692. As of June 30, 2023, KCKK-FM Radio had \$353,911 invested in capital assets at historical cost, net of accumulated depreciation of \$312,462. Depreciation charges for fiscal 2024 and fiscal 2023 totaled \$8,230 and \$14,612, respectively. More detailed information about KCKK-FM Radio's capital assets is presented in Note 4 to the financial statements.

## **Economic Factors**

As the economic recovery has been, and continues to be, slow, Radio Station management has examined all expense lines and trimmed expenses for fiscal year 2025. The ability to raise donations is affected by many economic factors out of the Radio Station's control, so the current state of the economy continues to be a concern for KCKK-FM Radio officials.

## **Contacting KCKK-FM Radio's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of KCKK-FM Radio's finances and to show KCKK-FM Radio's accountability for the money it receives. If you have questions about this report or need additional financial information, contact KCKK-FM Radio, Dennis Green, General Manager, 6301 Kirkwood Blvd. SW, Cedar Rapids, Iowa 52404.

**KCKK-FM Radio**  
**(A Public Telecommunications Entity Operated as a**  
**Department of Kirkwood Community College, Cedar Rapids, Iowa)**  
**STATEMENTS OF NET POSITION**

	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Due from Kirkwood Community College Foundation	\$ 1,204,276	\$ 1,045,173
Prepaid expenses	11,558	18,526
Total current assets	<u>1,215,834</u>	<u>1,063,699</u>
<b>Noncurrent Assets</b>		
Capital assets, net of accumulated depreciation	62,865	41,449
Total assets	<u>1,278,699</u>	<u>1,105,148</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Early retirement related	49,019	19,066
IPERS related	65,061	37,005
OPEB related	22,058	14,998
Total deferred outflows of resources	<u>136,138</u>	<u>71,069</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	3,101	1,803
Due to Kirkwood Community College	261,010	229,302
Unearned revenue	35,848	74,663
Accrued payroll and vacation	86,618	84,208
Total current liabilities	<u>386,577</u>	<u>389,976</u>
<b>Noncurrent Liabilities</b>		
Early retirement liability	212,582	171,371
Net pension (IPERS) liability	138,743	116,842
OPEB liability	202,338	179,670
Total noncurrent liabilities	<u>553,663</u>	<u>467,883</u>
Total liabilities	<u>940,240</u>	<u>857,859</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Early retirement related	8,904	—
IPERS related	2	12,508
OPEB related	17,630	14,900
Total deferred inflows of resources	<u>26,536</u>	<u>27,408</u>
<b>NET POSITION</b>		
Net investment in capital assets	62,865	41,449
Unrestricted	<u>385,196</u>	<u>249,501</u>
Total net position	<u>\$ 448,061</u>	<u>\$ 290,950</u>

See Notes to Financial Statements.

**KCCK-FM Radio**  
**(A Public Telecommunications Entity Operated as a**  
**Department of Kirkwood Community College, Cedar Rapids, Iowa)**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<b>Year ended June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>OPERATING REVENUES</b>		
Corporation for Public Broadcasting – Community Service Grants	\$ 163,679	\$ 83,929
Corporation for Public Broadcasting – other support	–	80,316
Contributions from individuals through Kirkwood Community College Foundation	290,751	322,586
Contributions from Business and Industry through Kirkwood Community College Foundation	49,422	34,111
Jazz camp	13,600	14,200
Total operating revenues	<u>517,452</u>	<u>535,142</u>
<b>OPERATING EXPENSES</b>		
Programming and production	516,160	539,656
Broadcast and engineering	15,681	15,842
Program information and production	21,468	17,922
Jazz camp	10,219	10,561
Management and general	524,732	484,840
Fundraising and membership development	124,681	131,276
Underwriting and grant solicitation	21,039	18,850
Depreciation	8,230	14,612
Total operating expenses	<u>1,242,210</u>	<u>1,233,559</u>
<b>OPERATING LOSS</b>	<u>(724,758)</u>	<u>(698,417)</u>
<b>NONOPERATING REVENUES</b>		
Investment earnings	85,281	59,564
State Board and Iowa Department of Education allocations	545,589	539,580
Administrative support from Kirkwood Community College	250,999	244,873
Total nonoperating revenues	<u>881,869</u>	<u>844,017</u>
<b>CHANGE IN NET POSITION</b>	157,111	145,600
<b>NET POSITION – beginning of year</b>	<u>290,950</u>	<u>145,350</u>
<b>NET POSITION – end of year</b>	<u>\$ 448,061</u>	<u>\$ 290,950</u>

See Notes to Financial Statements.

**KCKK-FM Radio**  
**(A Public Telecommunications Entity Operated as a**  
**Department of Kirkwood Community College, Cedar Rapids, Iowa)**  
**STATEMENTS OF CASH FLOWS**

	<b>Year ended June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from Corporation for Public Broadcasting – Community Service Grants	\$ 124,864	\$ 117,814
Cash received from Kirkwood Community College Foundation contributors, underwriting and other	266,351	200,640
Other operating revenues	13,600	14,200
Cash paid to employees	(737,432)	(715,771)
Cash paid to vendors and suppliers	(112,737)	(78,883)
Net cash flows from operating activities	<u>(445,354)</u>	<u>(462,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	<u>(29,646)</u>	<u>—</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Cash received from State Board and Iowa Department of Education allocations	<u>475,000</u>	<u>462,000</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>—</u>	<u>—</u>
<b>CASH</b>		
Beginning of year	<u>—</u>	<u>—</u>
End of year	<u>\$ —</u>	<u>\$ —</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Operating loss	<u>\$(724,758)</u>	<u>\$(698,417)</u>
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation	8,230	14,612
Allocation of payroll and related expenses from Kirkwood Community College	70,589	77,580
Allocation of administrative support from Kirkwood Community College	250,999	244,873
Changes in assets and liabilities		
Due from Kirkwood Community College Foundation	(73,822)	(156,057)
Prepaid expenses	6,968	(8,420)
Accounts payable	1,298	873
Due to Kirkwood Community College	31,708	99,321
Unearned revenue	(38,815)	(46,430)
Accrued payroll and vacation	2,410	22,401
Early retirement liability	41,211	11,230
Net pension liability	21,901	112,663
OPEB liability	22,668	7,251
Deferred outflows of resources	(65,069)	(2,568)
Deferred inflows of resources	(872)	(140,912)
Total adjustments	<u>279,404</u>	<u>236,417</u>
Net cash from operating activities	<u>\$(445,354)</u>	<u>\$(462,000)</u>

See Notes to Financial Statements.

**KCCK-FM Radio**  
**(A Public Telecommunications Entity Operated as a**  
**Department of Kirkwood Community College, Cedar Rapids, Iowa)**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

KCCK-FM Radio (the Radio Station) is a public telecommunications entity, a noncommercial Radio Station and an affiliate of the National Public Radio Network operating with a power of 10,000 watts. Emphasis is placed on service to a seven county area in East Central Iowa. KCCK-FM Radio is operated as a department of Kirkwood Community College (the College), and the financial activity of the Radio Station is included in the financial statements of the College. These financial statements present only the financial position, changes in financial position and cash flows of the Radio Station and do not purport to, and do not, present fairly the financial position of the College and changes in its financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. The Federal Communications Commission (FCC) license that KCCK-FM Radio operates under is owned by the College and the College does not charge rent.

**General**

In its accounting and financial reporting, the Radio Station follows accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB), since GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for governmental units.

The Radio Station follows the provisions of GASB Statement No. 35, which establishes standards for external financial reporting for all public colleges and universities, which includes a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows prepared on the direct method, as well as the notes to financial statements. It requires the classification of net position into three categories – net investment in capital assets, restricted and unrestricted.

**Basis of Accounting**

The financial statements of the Radio Station are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Operating revenues result from providing services and goods in connection with KCCK-FM Radio's principal ongoing operations. Operating expenses include programming and production, broadcasting and engineering, program information and production, jazz camp, management and general, fundraising and membership development, and underwriting and grant solicitation expenses and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**Accounting Estimates**

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

**Cash and Cash Equivalents**

For purposes of the statement of cash flows the Radio Station considers cash and all short-term cash investments that are highly liquid and, at the date of purchase, have a maturity date no longer than three months to be cash equivalents. There were no cash and cash equivalents as of June 30, 2024 and 2023.

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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Due from Kirkwood Community College Foundation**

The Radio Station deposits any funds not used for operating purposes with the Kirkwood Community College Foundation (the Foundation) to obtain greater flexibility, efficiency and return. The amounts held by the Foundation are included in due from Kirkwood Community College Foundation on the statements of net position.

**Capital Assets**

Capital assets are valued at historical cost if purchased. Donated capital assets are stated at fair value at date of donation. The cost of repair and maintenance is charged to expense when incurred, while the cost of renewals or substantial betterments is capitalized. Capital assets are defined by the Radio Station as assets with initial, individual costs in excess of \$5,000 and estimated useful lives in excess of two years. Depreciation is computed using the straight-line method over the estimated useful lives of the equipment held, which range from 5 to 20 years.

**Deferred Outflows of Resources**

Deferred outflows of resources represent consumption of net position that applies to a future period and 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 (IPERS), early retirement, and OPEB expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

**Unearned Revenue**

Unearned revenue represents the amount of cash that has been received, but the related revenue has not been recognized since it has not been earned or the cash has not been spent for its intended purpose restriction.

**Accrued Vacation**

Radio Station employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. Amounts representing the cost of accrued vacation are recorded as current liabilities. These liabilities have been computed based on rates of pay in effect as of June 30, 2024 and 2023.

**Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources consist of the unamortized items related to the Radio Station's early retirement, pension (IPERS), and OPEB plans.

**Early Retirement Liability**

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

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**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Pensions (IPERS)**

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.

**OPEB Liability**

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

**Donated Facilities and Administrative Support**

The Radio Station receives the use of facilities and administrative support from Kirkwood Community College. The fair value of this support is recognized in the statements of revenues, expenses and changes in net position as administrative support from Kirkwood Community College and also as expense in the management and general expense category.

The Corporation for Public Broadcasting has prescribed the method of calculating the amount of indirect administrative support provided. Administrative support (including both facilities and administrative support) is based on the ratio of the College's general institution and physical plant expenses to the College's total operating expenses applied to the Radio Station's total operating expenses, excluding depreciation expense and indirect administrative support.

**Corporation for Public Broadcasting Community Service Grants**

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and Radio Stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act of 1934, 47 United States Code Annotated Section 396(k)(7) (the Communications Act). In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of participants for purposes relating primarily to production and acquisition of programming. The grants may also be used to sustain activities begun with CSGs awarded in prior years.

**Corporation for Public Broadcasting – Other Support**

During the year ended June 30, 2023, the Radio Station recognized additional support provided by the CPB in the form of stabilization funding through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This funding was provided primarily to support the salaries and related expenses of the Radio Station.



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**NOTE 2 DUE FROM KIRKWOOD COMMUNITY COLLEGE FOUNDATION**

The Radio Station has elected to transfer its cash and investments to Kirkwood Community College Foundation (the Foundation) to pool with the Foundation's cash and investments so that the Radio Station can maximize its investment return. The amounts reported as due from Kirkwood Community College Foundation represent cash and investments held by the Foundation for the Radio Station. These funds are available for operations at the Radio Station's request. The Radio Station reported investment earnings of \$85,281 and \$59,564 for the years ended June 30, 2024 and 2023, respectively, due to the pass through of dividend and interest income and realized and unrealized gains (losses) recorded by the Foundation. In addition, the Foundation collects contributions from individuals and business and industry for the Radio Station.

**NOTE 3 KIRKWOOD COMMUNITY COLLEGE ALLOCATIONS**

Kirkwood Community College pays all expenses, including salaries, for the Radio Station. The College allocates these expenses, which are direct costs to the Radio Station. Included in these expenses are a provision for sharing in the College's risk management program and the College's various other employee benefit programs.

Revenues from State Board and Iowa Department of Education allocations from the College are determined by recording revenue in an amount equal to direct salaries and fringe benefit expenses plus allocations of other salaries and fringe benefit expenses based on a percentage of time spent as well as adding certain other direct expenses.

Administrative support revenues from the College and the related expense are determined based on calculations prescribed by the Corporation for Public Broadcasting, as discussed in the Donated Facilities and Administrative Support section preceding.

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the years ended June 30, 2024 and 2023, is as follows:

	<b>July 1, 2023</b> <b>Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2024</b> <b>Balance</b>
Capital assets being depreciated, equipment	\$ 353,911	\$ 29,646	\$ —	\$ 383,557
Less accumulated depreciation for equipment	<u>312,462</u>	<u>8,230</u>	<u>—</u>	<u>320,692</u>
	<u>\$ 41,449</u>	<u>\$ 21,416</u>	<u>\$ —</u>	<u>\$ 62,865</u>
	<b>July 1, 2022</b> <b>Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2023</b> <b>Balance</b>
Capital assets being depreciated, equipment	\$ 353,911	\$ —	\$ —	\$ 353,911
Less accumulated depreciation for equipment	<u>297,850</u>	<u>14,612</u>	<u>—</u>	<u>312,462</u>
Capital assets, net	<u>\$ 56,061</u>	<u>\$ (14,612)</u>	<u>\$ —</u>	<u>\$ 41,449</u>

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**NOTE 5 IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS)**

**Plan Description** – IPERS membership is mandatory for employees of the Radio Station except for those covered by another retirement system. Employees of the Radio Station 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 P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://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.

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, the reduction is 0.25% for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50% for each month that 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 years 2024 and 2023, pursuant to the required rate, regular members contributed 6.29% of covered payroll and the Radio Station contributed 9.44% of covered payroll, for a total rate of 15.73%. Contributions made on behalf of the Radio Station are included in the allocation determined by the College as discussed in Note 3.

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**NOTE 5 IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS) (continued)**

**Net Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – At June 30, 2024 and 2023, the Radio Station reported a liability of \$138,743 and \$116,842, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and 2022 for the fiscal years 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Radio Station's proportion of the net pension liability was based on the Radio Station's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2023, the Radio Station's proportion was 0.003070%, which was a decrease of 0.000020% from its proportion measured as of June 30, 2022. At June 30, 2022, the Radio Station's proportion was 0.003090%, which was an increase of 0.004301% from its proportion measured as of June 30, 2021.

For the years ended June 30, 2024 and 2023, the Radio Station recognized pension expense (gain) of \$14,235 and \$(870), respectively. At June 30, 2024 and 2023, the Radio Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 11,168	\$ –	\$ 3,579	\$ –
Changes in assumptions	–	2	96	–
Net difference between projected and actual earnings on pension plan investments	12,849	–	–	12,508
Changes in proportion and difference between Radio Station contributions and proportionate share of contributions	14,079	–	6,416	–
Radio Station contributions subsequent to the measurement date	<u>26,965</u>	<u>–</u>	<u>26,914</u>	<u>–</u>
Totals	<u>\$ 65,061</u>	<u>\$ 2</u>	<u>\$ 37,005</u>	<u>\$ 12,508</u>

An amount of \$26,965 at June 30, 2024, reported as deferred outflows of resources related to pensions resulting from the Radio Station contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Year ending June 30</u></b>	<b><u>Amount</u></b>
2025	\$ (250)
2026	(6,663)
2027	35,239
2028	8,254
2029	<u>1,514</u>
Totals	<u>\$ 38,094</u>

There are no non-employer entities contributing to IPERS.

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**NOTE 5 IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS) (continued)**

**Actuarial Assumptions** – The total pension liability in the June 30, 2023 and 2022 actuarial valuations 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 groups.
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, 2023 and 2022 valuations 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 2023 and 2022 valuations were based on the PubG-2010 mortality tables with future mortality improvements modeled using Scale MP-2021.

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of 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	21.0 %	4.56 %
International equity	16.5	6.22
Global smart beta equity	5.0	5.22
Core plus fixed income	23.0	2.69
Public credit	3.0	4.38
Cash	1.0	1.59
Private equity	17.0	10.44
Private real assets	9.0	3.88
Private credit	4.5	4.60
Total	<u>100.0 %</u>	

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**NOTE 5 IOWA PUBLIC EMPLOYEES RETIREMENT SYSTEM (IPERS) (continued)**

**Discount Rate** – The discount rate used to measure the total pension liability as of June 30, 2023 and 2022 was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the Radio Station will be made at contractually required rates, actuarially determined. Based on those assumptions, the IPERS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on IPERS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Radio Station'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 net pension liability calculated using the discount rate of 7.00% at June 30, 2024 and 2023, as well as what the Radio Station's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Radio Station's proportionate share of the net pension liability at June 30, 2024	<u>\$ 294,998</u>	<u>\$ 138,743</u>	<u>\$ 7,798</u>
Radio Station's proportionate share of the net pension liability at June 30, 2023	<u>\$ 217,691</u>	<u>\$ 116,842</u>	<u>\$ 27,967</u>

**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](http://www.ipers.org).

**NOTE 6 TEACHERS INSURANCE AND ANNUITY ASSOCIATION (TIAA)**

The Radio Station, through the College, contributes to the TIAA retirement program, which is a defined contribution pension plan. TIAA administers the retirement plan for the College. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible Radio Station employees must participate in a retirement plan from the date they are employed.

Benefit terms, including contribution requirements, for TIAA are established and specified by the contract with TIAA and in accordance with the Code of Iowa. For each employee in the pension plan in fiscal years 2024 and 2023, the Radio Station is required to contribute 9.44% of annual covered payroll, including overtime pay, to an individual employee account. In fiscal years 2024 and 2023, each employee is required to contribute 6.29%. Contributions made by both the employer and employees vest immediately. Contributions made on behalf of the Radio Station by the College are included in the allocation determined by the College as discussed in Note 3.

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**NOTE 7 EARLY RETIREMENT**

**Plan Administration** – The College administers a Retirement Incentive Plan (Plan) providing a one-time cash benefit to retired employees, including Radio Station employees, under certain conditions. The College does not issue a separate report that includes financial statements and required supplementary information for the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73.

**Benefits Provided** – Full-time certified staff are eligible to receive a one-time cash benefit upon retirement if they are at least 55 years of age with ten or more years of consecutive service with the Radio Station. Upon initial eligibility, the employee has an eligibility period that ends after seven years. The benefit is an early retirement incentive cash severance amount of 5% per each year of service, not to exceed 100% of base salary. The severance amount is paid 50% on retirement and 50% the following January.

**Plan Membership** – As of June 30, 2024 and 2023, Plan membership for the Radio Station consisted of the following:

	<u>2024</u>	<u>2023</u>
Inactive members currently receiving benefits	–	–
Active members	<u>7</u>	<u>7</u>
Total	<u><u>7</u></u>	<u><u>7</u></u>

**Funding Policy** – Payments under the Plan are made on a pay-as-you-go basis. There are no invested plan assets accumulated for payment of future benefits.

**Early Retirement Liability** – The Radio Station's early retirement liability of \$212,582 and \$171,371 at June 30, 2024 and 2023, respectively, was measured as of June 30, 2023 and 2022, respectively, and was determined by actuarial valuations as of July 1, 2023 and July 1, 2021, respectively.

**Early Retirement Expense, Deferred Outflows of Resources and Deferred Inflows of Resources** – For the years ended June 30, 2024 and 2023, the Radio Station recognized early retirement expense related to the Plan of \$20,162 and \$14,071, respectively. At June 30, 2024 and 2023, the Radio Station reported deferred outflows of resources and deferred inflows of resources related to early retirement from the following sources:

	<u>June 30, 2024</u>		<u>June 30, 2023</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>
Differences between expected and actual experience	\$ 43,969	\$ –	\$ 13,161	\$ –
Changes in assumptions	<u>5,050</u>	<u>8,904</u>	<u>5,905</u>	<u>–</u>
Total	<u><u>\$ 49,019</u></u>	<u><u>\$ 8,904</u></u>	<u><u>\$ 19,066</u></u>	<u><u>\$ –</u></u>

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**NOTE 7 EARLY RETIREMENT (continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to early retirement will be recognized in early retirement expense as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2025	\$ 5,754
2026	5,754
2027	5,754
2028	5,749
2029	5,343
Thereafter	<u>11,761</u>
Totals	<u>\$ 40,115</u>

**Actuarial Assumptions** – The early retirement liability in the July 1, 2023 and July 1, 2021 actuarial valuations was determined using the following actuarial assumptions and the entry age normal level percentage of pay actuarial cost method, applied to all periods included in the measurement.

	<u>Effective July 1, 2023</u>	<u>Effective July 1, 2021</u>
Rate of inflation, per annum	3.00%	3.00%
Rate of salary increase, per annum	4.00%	4.00%
Discount rate, per annum	3.65%	2.14%

**Discount, Mortality, and Other Rates** – The discount rate used to measure the early retirement liability at June 30, 2024 and 2023 was 3.65% and 2.14%, respectively, which reflects the index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP-2021 generational projection of future mortality improvement at June 30, 2024 and 2023. Annual retirement probabilities are based on varying rates by age, and turnover rates are based on Scale T-8 of the Actuary's Pension Handbook.

**Changes in the Early Retirement Liability**

	<u>Early Retirement Liability June 30</u>	
	<u>2024</u>	<u>2023</u>
Early retirement liability – beginning of year	\$ 171,371	\$ 160,141
Service cost	11,766	8,458
Interest	2,642	2,772
Difference between expected and actual experience	36,793	–
Changes in assumptions	(9,990)	–
Net changes	<u>41,211</u>	<u>11,230</u>
Early retirement liability – end of year	<u>\$ 212,582</u>	<u>\$ 171,371</u>

Changes in assumptions reflect a change in the discount rate from 2.14% in fiscal year 2023 to 3.65% in fiscal year 2024.

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**NOTE 7 EARLY RETIREMENT (continued)**

**Sensitivity of the Early Retirement Liability to Changes in the Discount Rate** – The following presents the total early retirement liability, calculated using the current discount rate, as well as the early retirement liability calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Rates as of June 30, 2024	<u>2.65%</u>	<u>3.65%</u>	<u>4.65%</u>
Early retirement liability as of June 30, 2024	<u>\$ 237,393</u>	<u>\$ 212,582</u>	<u>\$ 164,109</u>
Rates as of June 30, 2023	<u>1.14%</u>	<u>2.14%</u>	<u>3.14%</u>
Early retirement liability as of June 30, 2023	<u>\$ 178,951</u>	<u>\$ 171,371</u>	<u>\$ 164,109</u>

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description** – The College administers a single-employer benefit plan which provides medical, prescription drug, dental, vision, and life benefits for employees, retirees and their eligible dependents, including Radio Station employees, retirees and their eligible dependents. 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.

**OPEB Benefits** – Individuals who are employed by the Radio Station and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement if they are age 55 with 10 years of service. Coverage during retirement continues in the group health, dental, vision, and life plans. Employees covered by the plan make contributions toward the plan premiums, but employees participating in the early retirement program may have a single premium paid by the Radio Station.

At June 30, 2024 and 2023, the following employees were covered by the benefit terms:

	<u>2024</u>	<u>2023</u>
Inactive employees or beneficiaries currently receiving benefit payments	–	–
Active employees	<u>7</u>	<u>7</u>
Total	<u>7</u>	<u>7</u>

**OPEB Liability** – The Radio Station's OPEB liability of \$202,338 and \$179,670 at June 30, 2024 and 2023, respectively, was measured as of June 30, 2024 and 2023, respectively, and was determined by actuarial valuations as of July 1, 2023 and July 1, 2021, respectively.

**Actuarial Assumptions** – The OPEB liability in the July 1, 2023 and 2021 actuarial valuations was determined using the following actuarial assumptions and the entry age normal actuarial cost method, applied to all periods included in the measurement.

	<u>Effective July 1, 2023</u>	<u>Effective July 1, 2021</u>
Rate of inflation, per annum	3.00%	3.00%
Rate of salary increase, per annum, including inflation	4.00%	4.00%
Discount rate, compounded annually, including inflation	3.65%	2.14%
Healthcare cost trend rate, per annum	5.00%	5.00%



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**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

**Discount, Mortality, and Other Rates** – The discount rate used to measure the OPEB liability at June 30, 2024 and 2023 was 3.65% and 2.14%, respectively, which reflects the index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates are from the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP-2021 generational projection of future mortality improvement at June 30, 2024 and 2023. Annual retirement probabilities are based on varying rates by age, and turnover rates are based on Scale T-8 of the Actuary's Pension Handbook.

**Changes in the OPEB Liability**

	<b>OPEB Liability</b>	
	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
OPEB liability-beginning of year	\$ 179,670	\$ 172,419
Changes for the year		
Service cost	11,107	8,828
Interest	6,225	3,201
Differences between expected and actual experiences	(6,563)	(4,778)
Changes in assumptions	11,899	–
Net changes	22,668	7,251
OPEB liability-end of year	\$ 202,338	\$ 179,670

Changes in assumptions reflect a change in the discount rate from 2.14% in fiscal year 2023 to 2.14% in fiscal year 2024.

**Sensitivity of the Radio Station's OPEB Liability to Changes in the Discount Rate** – The following presents the OPEB liability of the Radio Station, as well as what the Radio Station's OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate.

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Rates as of June 30, 2024	<b>2.65%</b>	<b>3.65%</b>	<b>4.65%</b>
OPEB liability as of June 30, 2024	\$ 216,164	\$ 202,338	\$ 189,600
Rates as of June 30, 2023	<b>1.14%</b>	<b>2.14%</b>	<b>3.14%</b>
OPEB liability as of June 30, 2023	\$ 191,334	\$ 179,670	\$ 168,810

**KCKK-FM Radio**  
**(A Public Telecommunications Entity Operated as a**  
**Department of Kirkwood Community College, Cedar Rapids, Iowa)**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

**Sensitivity of the Radio Station's OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the OPEB liability of the Radio Station, as well as what the Radio Station's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates.

	<b>1% Decrease (4.00%)</b>	<b>Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
OPEB liability as of June 30, 2024	<u>\$ 184,981</u>	<u>\$ 202,338</u>	<u>\$ 222,264</u>
OPEB liability as of June 30, 2023	<u>\$ 164,584</u>	<u>\$ 179,670</u>	<u>\$ 197,005</u>

**OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – For the years ended June 30, 2024 and 2023, the Radio Station recognized OPEB expense of \$18,338 and \$12,396, respectively. At June 30, 2024 and 2023, the Radio Station reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 951	\$ 17,630	\$ 1,511	\$ 14,900
Changes in assumptions	<u>21,107</u>	<u>–</u>	<u>13,487</u>	<u>–</u>
Total	<u>\$ 22,058</u>	<u>\$ 17,630</u>	<u>\$ 14,998</u>	<u>\$ 14,900</u>

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

<b><u>Year ending June 30</u></b>	<b><u>Amount</u></b>
2025	\$ 1,006
2026	511
2027	(422)
2028	819
2029	1,526
Thereafter	<u>988</u>
Total	<u>\$ 4,428</u>

**KCCK-FM Radio**  
**(A Public Telecommunications Entity Operated as a**  
**Department Kirkwood Community College, Cedar Rapids, Iowa)**  
**SCHEDULE OF RADIO STATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**For the Last Ten Fiscal Years\***

**Required Supplementary Information**

	Year ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Radio Station's proportion of the net pension liability	0.003070%	0.003090%	(0.001211)%	0.003226%	0.003130%	0.003113%	0.002799%	0.002885%	0.002952%	0.002593%
Radio Station's proportionate share of the net pension liability	\$ 138,743	\$ 116,842	\$ 4,179	\$ 226,608	\$ 181,262	\$ 196,981	\$ 186,439	\$ 181,536	\$ 146,856	\$ 102,823
Radio Station's covered-employee payroll	\$ 285,656	\$ 285,120	\$ 269,613	\$ 262,673	\$ 242,102	\$ 233,611	\$ 207,385	\$ 229,271	\$ 196,189	\$ 169,653
Radio Station's proportionate share of the net pension liability as a percentage of its covered-employee payroll	48.57%	40.98%	1.55%	86.27%	74.87%	84.32%	89.90%	79.18%	74.85%	60.61%
IPERS net position as a percentage of the total pension liability	90.13%	91.40%	100.81%	82.90%	85.45%	83.62%	82.21%	81.82%	85.19%	87.61%

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

**KCCK-FM Radio**  
**(A Public Telecommunications Entity Operated as a**  
**Department of Kirkwood Community College, Cedar Rapids, Iowa)**  
**SCHEDULE OF Radio Station CONTRIBUTIONS**  
**For the Last Ten Fiscal Years**

**Required Supplementary Information**

	<u>Year ended June 30</u>									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutory required contribution	\$ 26,965	\$ 26,914	\$ 25,457	\$ 24,796	\$ 22,854	\$ 22,053	\$ 18,519	\$ 20,470	\$ 17,520	\$ 15,150
Contributions in relation to the contractually required contribution	<u>(26,965)</u>	<u>(26,914)</u>	<u>(25,457)</u>	<u>(24,796)</u>	<u>(22,854)</u>	<u>(22,053)</u>	<u>(18,519)</u>	<u>(20,470)</u>	<u>(17,520)</u>	<u>(15,150)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Radio Station's covered-employee payroll	<u>\$285,656</u>	<u>\$285,120</u>	<u>\$269,613</u>	<u>\$262,673</u>	<u>\$242,102</u>	<u>\$233,611</u>	<u>\$207,385</u>	<u>\$229,271</u>	<u>\$196,189</u>	<u>\$169,653</u>
Contributions as a percentage of covered-employee payroll	9.44%	9.44%	9.44%	9.44%	9.44%	9.44%	8.93%	8.93%	8.93%	8.93%

See accompanying independent auditor's report.

**KCCK-FM Radio**  
**(A Public Telecommunications Entity Operated as a**  
**Department of Kirkwood Community College, Cedar Rapids, Iowa)**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION LIABILITY**  
**Year ended June 30, 2024**

**CHANGES OF BENEFIT TERMS**

There are no significant changes in benefit terms.

**CHANGES OF ASSUMPTIONS**

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

- Changed the 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 the 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%.

**KCCK-FM Radio**  
**(A Public Telecommunications Entity Operated as a**  
**Department of Kirkwood Community College, Cedar Rapids, Iowa)**  
**SCHEDULE OF RADIO STATION'S EARLY RETIREMENT LIABILITY**  
**For the Last Eight Fiscal Years**

**Required Supplementary Information**

	Year ended June 30							
	2024	2023	2022	2021	2020	2019	2018	2017
Total early retirement liability	\$ 212,582	\$ 171,371	\$ 160,141	\$ 127,419	\$ 116,453	\$ 101,496	\$ 90,636	\$ 173,471
Radio Station's covered-employee payroll	\$ 587,135	\$ 584,086	\$ 528,434	\$ 521,803	\$ 542,169	\$ 522,025	\$ 505,272	\$ 524,943
Total early retirement liability as a percentage of the covered-employee payroll	36.21 %	29.34 %	30.30 %	24.42 %	21.48 %	19.44 %	17.94 %	33.05 %

**Changes in assumptions or other inputs**

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

Year ended June 30, 2024	3.65%
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	3.58%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	5.00%

Note: GASB Statement No. 73 requires ten years of information to be presented in this table. However, until a full ten-year trend is completed, the Radio Station will present information for those years for which information is available.

**KCCK-FM Radio**  
**(A Public Telecommunications Entity Operated as a**  
**Department of Kirkwood Community College, Cedar Rapids, Iowa)**  
**SCHEDULE OF CHANGES IN RADIO STATION'S OPEB LIABILITY, RELATED RATIOS AND NOTES**  
**For the Last Seven Fiscal Years**  
**Required Supplementary Information**

	Year ended June 30						
	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 11,107	\$ 8,828	\$ 9,782	\$ 7,985	\$ 7,410	\$ 7,344	\$ 6,693
Interest	6,225	3,201	3,630	5,175	4,947	4,871	4,604
Changes in benefit terms	-	-	-	-	-	-	(3,815)
Differences between expected and actual experience	(6,563)	(4,778)	(1,055)	(5,654)	(7,145)	(6,443)	4,871
Changes in assumptions	11,899	-	13,561	-	626	-	9,521
Benefit payments	-	-	-	-	-	-	(4,386)
Net change in OPEB liability	22,668	7,251	25,918	7,506	5,838	5,772	17,488
OPEB liability, beginning of year	179,670	172,419	146,501	138,995	133,157	127,385	109,897
OPEB liability, end of year	<u>\$ 202,338</u>	<u>\$ 179,670</u>	<u>\$ 172,419</u>	<u>\$ 146,501</u>	<u>\$ 138,995</u>	<u>\$ 133,157</u>	<u>\$ 127,385</u>
Covered employee payroll	\$ 587,135	\$ 584,086	\$ 528,434	\$ 521,803	\$ 542,169	\$ 522,025	\$ 505,272
OPEB liability as a percentage of covered employee payroll	34.46 %	30.76 %	32.63 %	28.08 %	25.64 %	25.51 %	25.21 %

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

**Changes in benefit terms**

There were no significant changes in benefit terms during the years ended June 30, 2024, 2023, 2022, 2021, 2020, or 2019.

Changes in benefit terms during the year ended June 30, 2018 reflect the effects of limiting the retiree life insurance benefit to \$50,000.

**Changes in assumptions or other inputs**

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, 2024	3.65%
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	3.58%
Year ended June 30, 2018	3.58%
Year ended June 30, 2017	5.00%

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

**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**

Board of Trustees  
KCKK-FM Radio  
Kirkwood Community College  
Cedar Rapids, 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 KCKK-FM Radio (a public telecommunications entity operated as a department of Kirkwood Community College, Cedar Rapids, Iowa) as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated January 19, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered KCKK-FM Radio'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KCKK-FM Radio's internal control. Accordingly, we do not express an opinion on the effectiveness of KCKK-FM Radio's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 have not been identified.



## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether KCCK-FM Radio's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 KCCK-FM Radio's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KCCK-FM Radio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Denman CPA LLP

West Des Moines, Iowa  
January 19, 2025