



KNME-TV

(A Department of the University of New Mexico)

FINANCIAL STATEMENTS

For the Years Ended June 30, 2024 and 2023

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KNME-TV
(A Department of the University of New Mexico)
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June 30, 2024

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FINANCIAL SECTION





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INDEPENDENT AUDITOR’S REPORT

The Board of Regents
University of New Mexico
Albuquerque, New Mexico

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of KNME-TV (“the Station”), a department of the University of New Mexico (“UNM”), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the 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 financial position of the Station, as of June 30, 2024 and 2023, and the changes in financial 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 audit 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 Station and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Reporting Entity

As discussed in Note 1, the financial statements of the entity are intended to present the financial position and the changes in financial position of only the Station. They do not purport to, and do not, present fairly the financial position of UNM, as of June 30, 2024, the changes in its financial position for the year then ended in conformity 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 the 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 auditors' 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 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 Station's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the GASB required other post-employment benefit schedules that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 14, the GASB required pension schedules on pages 59 through 64, and the notes to the required supplementary information on page 68 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.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
January 13, 2025

KNME-TV
(A Department of the University of New Mexico)
Management's Discussion and Analysis

The following discussion and analysis provide an overview of the financial position and activities of KNME-TV (the Station) for the fiscal years ended June 30, 2024, 2023, and 2022. This discussion should be read in conjunction with the accompanying financial statements and notes. Additional information can be found in the Station's annual report to the Corporation for Public Broadcasting (CPB).

Overview of the Operations

The Station is an unincorporated entity operating under a co-license issued by the Federal Communications Commission (FCC) to The University of New Mexico (UNM) and Albuquerque Public Schools (APS). The Station was created through a joint powers' agreement between UNM and APS. Annually, the Station receives significant grants from the CPB, a private, nonprofit corporation created by Congress in 1967. Its mission is to facilitate the development of, and ensure universal access to, noncommercial high-quality programming and educational telecommunications services.

Overview of the Financial Statements

The statements of net position include the assets, liabilities, deferred inflows and outflows, and net position of the Station as of the end of the fiscal year. It is a point-in-time statement and provides both long-term and short-term fiscal information about the Station's investments in resources (assets and deferred outflows), obligations (liabilities and deferred inflows), and net position (assets and deferred outflows minus liabilities and deferred inflows). It also provides the basis for evaluating the capital structure of the Station and assessing its liquidity and financial flexibility.

The statement of revenues, expenses, and changes in net position present the results of operations of the Station. It includes both the operating and nonoperating revenues and expenses. This statement measures the activity of the Station's telecommunications, education, and outreach services and can be used to determine whether the Station has recovered all its costs through member donations, business underwriting support, grants, production services, and other revenue generating activities.

The statement of cash flows provides information about the sources and uses of cash by the Station. The statement reports cash receipts, cash payments, and net changes in cash resulting from operational, fund raising, and business activities, and the change in cash during the reporting period. It is summarized in categories consisting of operating, capital financing, noncapital financing, and investing activities.

The notes to the financial statements provide required disclosures and other information essential to a full understanding of material data provided in the financial statements.

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(A Department of the University of New Mexico)
Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

The notes present information about the Station's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

Condensed Financial Information

| June 30, | 2024 | 2023 | Restated 2022 |
|---|----------------------|----------------------|--------------------------|
| Assets and deferred outflows of resources | | | |
| Current Assets | \$ 14,920,341 | \$ 12,159,200 | \$ 10,773,464 |
| Restricted assets | 798,676 | 751,557 | 731,076 |
| Capital assets, net | 2,316,666 | 2,445,482 | 2,342,935 |
| Other noncurrent assets | 421,591 | 372,984 | 433,913 |
| Deferred outflows of resources | 1,111,642 | 1,964,948 | 4,614,071 |
| Total assets and deferred outflows of resources | \$ 19,568,916 | \$ 17,694,171 | \$ 18,895,459 |
| Liabilities and deferred inflows of resources | | | |
| Current liabilities | \$ 3,365,171 | \$ 1,569,008 | \$ 1,368,271 |
| Noncurrent liabilities | 7,141,672 | 6,767,684 | 5,921,097 |
| Deferred inflows of resources | 1,358,795 | 4,159,327 | 7,923,689 |
| Total liabilities and deferred inflows of resources | 11,865,638 | 12,496,019 | 15,213,057 |
| Net position (deficit) | | | |
| Net investment in capital assets | 2,316,665 | 2,445,482 | 2,361,564 |
| Restricted | 809,435 | 764,367 | 737,698 |
| Unrestricted (deficit) | 4,577,178 | 1,988,303 | 583,140 |
| Total net position (deficit) | 7,703,278 | 5,198,152 | 3,682,402 |
| Total liabilities, deferred inflows of resources, and net position (deficit) | \$ 19,568,916 | \$ 17,694,171 | \$ 18,895,459 |
| June 30, | | | |
| | 2024 | 2023 | 2022 |
| Statement of revenues, expenses, and changes in net position (deficit) | | | |
| Total operating revenues | \$ 8,897,951 | \$ 9,223,593 | \$ 9,725,938 |
| Total operating expenses | 7,839,713 | 9,014,275 | 9,387,052 |
| Total nonoperating revenues | 1,446,888 | 1,306,432 | 936,011 |
| Total capital contributions | - | - | 193,353 |
| Change in net position (deficit) | \$ 2,505,126 | \$ 1,515,750 | \$ 1,468,250 |

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Management's Discussion and Analysis

Current Assets and Liabilities

Current assets include cash and other assets that are deemed to be consumed or convertible to cash within one year. Cash, investments, and prepaid broadcast rights are the most significant current assets of the Station totaling \$14,548,440, \$11,919,814, and \$10,147,786 as of June 30, 2024, 2023, and 2022, respectively. Total current assets is \$14,920,341, \$12,159,200 and \$10,773,464 as of June 30, 2024, 2023, and 2022, respectively. The increase on June 30, 2024 of current assets to \$14,920,341 was primarily due to a positive change in net position. The increase on June 30, 2023 of current assets to \$12,159,200 is due to funds received from an ARPA grant awarded by the Corporation for Public Broadcasting and the increased amount of bequests received in fiscal year 2023 that resulted in greater cash balances.

Current liabilities include amounts and obligations due by the Station within one year and are primarily made up of accounts payable, accrued payroll and related liabilities, due to related parties and unearned revenue. Unearned revenue was \$2,873,668, \$1,259,769, and \$1,123,134 at June 30, 2024, 2023, and 2022, respectively. In fiscal year 2024, unearned revenue increased by \$1,649,899, due to earlier than usual payment of our Community Service Grant from the Corporation for Public Broadcasting.

At June 30, 2024, 2023, and 2022, the Station's current assets of \$14,920,341, \$12,159,200 and \$10,773,464, were sufficient to cover current liabilities of \$3,365,171 (current ratio of 4.43), \$1,569,008 (current ratio of 7.75) and \$1,368,271 (current ratio of 7.87), respectively. The decrease in the current ratio in FY24 is a result of the \$1,649,899 increase in unearned revenue from the early receipt of monies from the Station's Community Service Grants. All other current liabilities are similar to the two preceding years

Restricted Assets

For the fiscal years ended June 30, 2024, 2023, and 2022, nonexpendable restricted asset balances were \$798,676, \$751,557 and \$731,076, respectively. The \$47,119 increase from June 30, 2023 to June 30, 2024 resulted from increased investment gains. The \$20,481 increase from June 30, 2022 to June 30, 2023 resulted from increased investment gains.

Noncurrent Assets

Capital assets are the largest component of noncurrent assets. At June 30, 2024 capital assets, net of accumulated depreciation, decreased from \$2,521,536 to \$2,391,507, chiefly as a result of limited additions of new equipment and existing assets reaching the end of their useful lives. Depreciation expense of \$493,770 more than offset additions of \$367,174 (Note 5).

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Management's Discussion and Analysis

Noncurrent Assets (Continued)

Capital assets, net of accumulated depreciation, increased from \$2,398,217 at June 30, 2022 to \$2,521,536 at June 30, 2023, chiefly as the result of additions of new equipment. Depreciation expense of \$562,886 was not offset by additions of \$649,931 (Note 5). Additionally, equipment with a net book value of \$3,433, \$17,218, and \$23,583, respectively, was disposed of in the fiscal years ended June 30, 2024, 2023, and 2022.

Prepaid tower lease has been fully amortized. We no longer have a noncurrent portion of prepaid leases (Note 4).

Deferred Outflows of Resources

Deferred outflows of resources related to pensions decreased by \$938,453, \$2,646,312 and \$2,903,511, respectively, as of the fiscal years ended June 30, 2024, 2023 and 2022. Deferred outflows of resources related to other postretirement benefits increased by \$85,147, decreased by \$2,811, and increased by \$73,968 as of the fiscal years ended June 30, 2024, 2023 and 2022, respectively. The recognition of a deferred outflow of resources related to pensions resulted from the Station's adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* in fiscal year 2015. The recognition of a deferred outflow of resources related to other post-retirement benefits resulted from the Station's adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in fiscal year 2018. The most significant deferred outflow of resources is related to pensions. Changes of assumptions in the actuarial valuation have had significant impacts on the deferred outflow of resources related to pensions. From 2022 to 2024, the assumption change discount rate did not change, and remained at 7.00%.

Noncurrent Liabilities

Noncurrent liabilities increased \$373,988, \$846,587, and decreased \$10,842,619, respectively, as of the years ended June 30, 2024, 2023, and 2022 primarily due to the recording of a \$6,588,017, \$6,280,713, and \$5,471,731, respectively, net pension liability for its proportionate share of the total net pension liability of the New Mexico Educational Retirement Board (ERB) defined benefit pension plan, as required by the adoption of GASB Statement No. 68, and recording of \$509,135, \$444,708, and \$414,386 for the years ended June 30, 2024, 2023, and 2022, respectively, for the proportionate share of the total net other post-retirement benefits (OPEB) liability as required by the adoption of GASB Statement No. 75.

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Management's Discussion and Analysis

Noncurrent Liabilities (Continued)

From 2021 to 2022, the overall decrease in the net pension liability of the pension plan as reported by ERB was a result of a change of assumption of the discount rate from 6.80% to 6.90%, from 2022 to 2023 the assumption of the discount rate changed from 6.90% to 5.85%

Deferred Inflows of Resources

As a result of the adoption of GASB Statement No. 68 in fiscal year 2015, deferred inflows of resources related to pensions decreased by \$2,764,200 from \$3,976,411 to \$1,212,211, decreased by \$3,658,882 from \$7,635,293 to \$3,976,411, and increased by \$7,461,834 from \$173,459 to \$7,635,293, respectively, as of the fiscal years ended June 30, 2024, 2023 and 2022. Additional detailed information may be found in Note 9 and Note 10, and Required Supplemental Information – Pension.

Due to the adoption of GASB Statement No. 75 in fiscal year 2018, deferred inflows of resources related to postretirement benefits other than pensions increased by \$23,648 from \$96,307 to \$119,955 as of the fiscal year ended June 30, 2024, decreased by \$46,755 from \$143,062 to \$96,307 as of the fiscal year ended June 30, 2023, and decreased by \$20,114 from \$163,176 to \$143,062 as of the fiscal year ended June 30, 2022.

Net Position

Total net position is classified as restricted or unrestricted based on uses stipulated in contract or grant agreements as well as donor instructions. Restricted nonexpendable assets, which include endowments, and the related restricted expendable spending distributions totaled \$798,676, \$751,557, and \$731,076 at June 30, 2024, 2023, and 2022, respectively.

Unrestricted net position may be used to meet all operating needs of the Station. The overall net position of the Station increased \$1,468,250 to \$3,682,402 as of June 30, 2022, and is due to the decreased pension liability from year to year, and forgiveness of a PPP Loan in amount of \$616,052. The net position increased by \$1,515,750 to \$5,198,152 as of June 30, 2023, primarily due to the increased amount of bequests received in fiscal year 2023. The net position increased by \$2,505,126 to \$7,703,278 as of June 30, 2024, primarily due to the decrease in pension liability from the prior year. Additionally, there was also a \$1,171,277 reduction in operating expenses, \$320,000 Datacasting collaboration with KRWG, and increased membership income of \$659,989 in fiscal year 2024

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Management's Discussion and Analysis

Results of Operations

Operating revenues of \$8,897,951 in the 2024 fiscal year decreased by approximately by 3.53% from fiscal year 2023 operating revenues of \$9,223,593, primarily because fiscal year 2023 had unusually high bequests totaling \$1,092,475 which was reduced to \$120,889 in fiscal year 2024. Some of this was offset by the \$659,989 increase in membership income. In fiscal year 2023 operating revenue decreased by approximately by 5.16% from \$9,725,938 in fiscal year 2022 to \$9,223,593 in fiscal year 2023, primarily because fiscal year 2022 had an extraordinary revenue item from a PPP loan being forgiven in the amount of \$616,052.

Total operating expenses for the fiscal year ended June 30, 2024, was \$7,839,713, a \$1,174,562 decrease from the operating expenses for the fiscal year ended June 30, 2023 of \$9,014,275, which is primarily due to a reduction of pension expense of \$1,330,543 from fiscal year 2023. Total operating expenses for the fiscal year ended June 30, 2023 was \$9,014,275, a \$372,777 decrease from the operating expenses for the fiscal year ended June 30, 2022 of \$9,387,052, which is primarily due to decreased broadcasting and engineering costs. As a result of wage inflation, the State of New Mexico prescribed a wage increase of 3% for all state employees effective Q1 of fiscal year 2022, and additional 4% increase begging fiscal year 2023. Additionally, employer contribution to employees' retirement plans increased by 2% in fiscal year 2023.

Factors Affecting Future Periods

The Station operating budget is heavily dependent on support from its members and from the business community.

Contacting the Department's Financial Management

If you have questions about this report or need additional financial information, you may contact the Director of Finance and Administration at KNME-TV, 1130 University Blvd. NE, Albuquerque, New Mexico 87102 or (505) 277-2121.



BASIC FINANCIAL STATEMENTS



KNME-TV
(A Department of the University of New Mexico)
Statements of Net Position

| June 30, | 2024 | 2023 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 11,021,621 | \$ 8,590,433 |
| Investments | 2,908,839 | 2,752,622 |
| Accounts receivable, net | 293,779 | 169,972 |
| Miscellaneous receivables, net | 11,500 | - |
| Lease receivable, net | 26,629 | 59,980 |
| Interest receivable | - | 190 |
| Grants receivable | 30,603 | - |
| Prepaid broadcast rights | 617,980 | 576,759 |
| Prepaid lease | 7,894 | 7,894 |
| Other assets | 1,496 | 1,350 |
| Total current assets | 14,920,341 | 12,159,200 |
| Noncurrent assets | | |
| Restricted investments | 798,676 | 751,557 |
| Lease receivable, net of current portion | - | 26,629 |
| Prepaid broadcast rights, net of current portion | 346,750 | 270,301 |
| Capital assets, net | 2,316,666 | 2,445,482 |
| Right to use assets, net | 42,263 | 59,703 |
| SBITA assets, net | 32,578 | 16,351 |
| Total noncurrent assets | 3,536,933 | 3,570,023 |
| Deferred outflows of resources | | |
| Deferred outflows - pension | 870,460 | 1,808,913 |
| Deferred outflows - OPEB | 241,182 | 156,035 |
| Total deferred outflows of resources | 1,111,642 | 1,964,948 |
| Total assets and deferred outflows of resources | \$ 19,568,916 | \$ 17,694,171 |

The accompanying notes are an integral part of these financial statements.

| June 30, | 2024 | 2023 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable | \$ 208,645 | \$ 68,014 |
| Accrued expenses | 252,536 | 237,434 |
| Unearned revenues | 2,873,668 | 1,229,769 |
| Current portion of lease liability | 14,234 | 17,440 |
| Current portion of subscription liabilities | 16,088 | 16,351 |
| Total current liabilities | 3,365,171 | 1,569,008 |
| Noncurrent liabilities | | |
| Net pension liability | 6,588,017 | 6,280,713 |
| Net other post-retirement benefits liability | 509,135 | 444,708 |
| Lease liabilities, less current maturities | 28,030 | 42,263 |
| Subscription liabilities, less current maturities | 16,490 | - |
| Total noncurrent liabilities | 7,141,672 | 6,767,684 |
| Total liabilities | 10,506,843 | 8,336,692 |
| Deferred inflows of resources | | |
| Deferred inflows - pension | 1,212,211 | 3,976,411 |
| Deferred inflows - OPEB | 119,955 | 96,307 |
| Deferred inflows - leases | 26,629 | 86,609 |
| Total deferred inflows of resources | 1,358,795 | 4,159,327 |
| Net position | | |
| Net investment in capital assets | 2,316,665 | 2,445,482 |
| Restricted | | |
| Expendable | 98,511 | 12,810 |
| Nonexpendable | 798,676 | 751,557 |
| Unrestricted | 4,489,426 | 1,988,303 |
| Total net position | 7,703,278 | 5,198,152 |
| Total liabilities, deferred inflows of resources and net position | \$ 19,568,916 | \$ 17,694,171 |

The accompanying notes are an integral part of these financial statements.

KNME-TV
(A Department of the University of New Mexico)
Statements of Revenues, Expenses and Changes in Net Position

| For the Years Ended June 30, | 2024 | 2023 |
|---|------------------|------------------|
| Operating revenues | | |
| Membership income | \$ 5,204,253 | \$ 4,544,264 |
| Business and industry contributions | 438,315 | 328,563 |
| Albuquerque Public Schools support | 20,000 | 20,000 |
| Corporation for Public Broadcasting grants | 1,619,961 | 1,905,239 |
| University of New Mexico administrative support | 361,664 | 357,020 |
| Other grants | 509,887 | 359,668 |
| Production services | 334,300 | 304,428 |
| Spectrum royalties and translator leases | 244,134 | 288,528 |
| Bequests | 120,889 | 1,092,475 |
| Video/DVD sales | 1,151 | 1,397 |
| Other | 43,397 | 22,011 |
| Total operating revenues | 8,897,951 | 9,223,593 |
| Operating expenses | | |
| Program services | | |
| Programming and production | 2,662,415 | 2,776,125 |
| Broadcasting and engineering | 1,878,727 | 2,091,248 |
| Promotions and public information | 822,264 | 630,843 |
| Total program services | 5,363,406 | 5,498,216 |
| Support services | | |
| Management and general | 627,113 | 1,433,341 |
| Fundraising and membership | 1,287,049 | 1,450,703 |
| Underwriting and grant solicitation | 67,843 | 101,849 |
| Total support services | 1,982,005 | 2,985,893 |
| Depreciation and amortization | 494,302 | 530,166 |
| Total operating expenses | 7,839,713 | 9,014,275 |
| Operating income | 1,058,238 | 209,318 |

The accompanying notes are an integral part of these financial statements.

| For the Years Ended June 30, | 2024 | 2023 |
|--|---------------------|--------------|
| Non-operating revenues (expenses) | | |
| State of New Mexico appropriation | 1,087,900 | 1,051,800 |
| Interest income | 30,962 | 33,628 |
| Gain (loss) on investments | 358,763 | 250,535 |
| Transfers | (30,737) | (29,531) |
| Total non-operating revenues (expenses) | 1,446,888 | 1,306,432 |
| Change in net position | 2,505,126 | 1,515,750 |
| Net position, beginning of year | 5,198,152 | 3,682,402 |
| Net position, end of year | \$ 7,703,278 | \$ 5,198,152 |

The accompanying notes are an integral part of these financial statements.

KNME-TV
(A Department of the University of New Mexico)
Statements of Cash Flows

| For the Years Ended June 30, | 2024 | 2023 |
|--|----------------------|--------------|
| Cash flows from operating activities | | |
| Receipts from subscriptions | \$ 5,204,253 | \$ 4,544,264 |
| Receipts from other operating revenue | 4,793,396 | 4,521,233 |
| Receipts from business and industry contributions | 438,315 | 328,563 |
| Payments to suppliers for goods and services | (3,035,917) | (3,677,030) |
| Payments to employees | (4,653,468) | (3,662,860) |
| Net cash provided by operating activities | 2,746,579 | 2,054,170 |
| Cash flows from noncapital financing activities | | |
| Cash received from State of New Mexico appropriation | 1,087,900 | 1,051,800 |
| Payments on prepaid broadcast rights | (1,190,025) | (877,451) |
| Transfers | (30,737) | (29,531) |
| Net cash (used in) provided by noncapital financing activities | (132,862) | 144,818 |
| Cash flows from capital financing activities | | |
| Payments on lease liabilities | (17,971) | (16,898) |
| Payments on subscription liabilities | (16,493) | (14,748) |
| Purchase of capital assets | (334,454) | (649,931) |
| Proceeds from disposal of capital assets | - | 17,218 |
| Net cash (used in) capital financing activities | (368,918) | (664,359) |
| Cash flows from investing activities | | |
| Purchase of investments | (518,274) | (402,336) |
| Proceeds from sale of investments | 314,938 | 287,858 |
| Investment income (loss), net | 389,725 | 284,163 |
| Net cash provided by investing activities | 186,389 | 169,685 |
| Net change in cash and cash equivalents | 2,431,188 | 1,704,314 |
| Cash and cash equivalents - beginning of year | 8,590,433 | 6,886,119 |
| Cash and cash equivalents - end of year | \$ 11,021,621 | \$ 8,590,433 |

The accompanying notes are an integral part of these financial statements.

| For the Years Ended June 30, | 2024 | | 2023 | |
|--|-------------|--------------------|-------------|------------------|
| Operating income | \$ | 1,058,238 | \$ | 209,318 |
| Reconciliation of operating loss to net cash provided by operating activities | | | | |
| Depreciation expense | | 459,837 | | 530,166 |
| Loss on disposal of capital assets | | 3,433 | | - |
| Amortization of broadcast rights | | 1,072,355 | | 924,069 |
| Amortization of leases and SBITA | | 34,465 | | 32,720 |
| Changes in assets and liabilities | | | | |
| Accounts receivable, net | | (123,807) | | (73,430) |
| Miscellaneous receivable | | (11,500) | | 76,332 |
| Interest receivable | | 190 | | 121 |
| Grants receivable | | (30,603) | | 393,694 |
| Lease receivable | | 59,980 | | (7,894) |
| Other assets | | (146) | | (964) |
| Accounts payable | | 140,631 | | 46,636 |
| Accrued expenses | | 15,102 | | 33,977 |
| Unearned revenue | | 1,643,899 | | 106,635 |
| Deferred inflows - leases | | (59,980) | | - |
| Net pension liability | | 307,304 | | 808,982 |
| Net other post-retirement benefits liability | | 64,427 | | 30,322 |
| Deferred inflows and outflows - pension | | (1,825,747) | | (1,012,570) |
| Deferred inflows and outflows - OPEB | | (61,499) | | (43,944) |
| Net cash provided by operating activities | \$ | 2,746,579 | \$ | 2,054,170 |

The accompanying notes are an integral part of these financial statements.

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KNME-TV
(A Department of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

KNME-TV (the Station) is an unincorporated entity operating under a co-license issued in 1958 by the Federal Communications Commission (FCC) to the University of New Mexico (UNM) and Albuquerque Public Schools (APS) and is administered under a 1968 (and amended in 1978) Joint Powers agreement between UNM and APS. The Station is a department of UNM and receives significant grants from the Corporation for Public Broadcasting (CPB) on an annual basis, which was used during the years ended June 30, 2024 and 2023, in large part, to pay Public Broadcasting Service (PBS) dues. The CPB is a private, nonprofit corporation created by Congress in 1967. Its mission is to facilitate the development of, and ensure universal access to, noncommercial high-quality programming and educational telecommunications services. The Station also receives funding from the State of New Mexico.

The Station is a department of UNM and reported upon as a part of the basic financial statements of UNM. Additional information regarding the University of New Mexico may be obtained directly from their administrative office as follows: 1 University of New Mexico, MSC01 1300, Albuquerque, NM 87131. These financial statements include those activities and functions related to the Station which are controlled by or dependent upon its Board. The accompanying financial statements do not present the financial position and results of operations of UNM, taken as a whole in accordance with generally accepted accounting principles (GAAP).

Reporting Entity

In evaluating how to define the Station, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90.

Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the nomination and voting on income board members, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

KNME-TV
(A Department of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Station has no component units required to be included in these financial statements.

Basis of Accounting and Financial Statement Presentation

As a department of UNM, the Station presents its financial statements in accordance with accounting standards generally accepted in the United States as established by the Governmental Accounting Standards Board (GASB). The Station applies the business-type activity accounting and the Station's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting.

Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. The significant accounting policies utilized by the Station in the preparation of the financial statements are described below.

Assets, Liabilities, Deferred Inflows and Outflows of Resources and Net Position

Cash and Cash Equivalents and Investments

The Station's cash and investment balances are on deposit with its fiscal agent. UNM serves as the fiscal agent for the Station through which the Station participates in a pooled account maintained by UNM. As fiscal agent, UNM requires the financial institution holding these pooled funds to maintain minimum collateral amounts. Interest is allocated monthly to the Station's account based on its balance in the pooled bank account at the end of the preceding month. Custodial risk classifications are not available at the departmental level. For purposes of the statements of cash flows, the Station considers all restricted and unrestricted cash accounts and all highly liquid securities and investments with an original maturity of three months or less to be cash equivalents.

KNME-TV
(A Department of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows and Outflows of Resources and Net Position (Continued)

Certain revenue and expense accounts include noncash activity, which has been excluded from operating revenues and expenses in the statements of cash flows. At June 30, 2024 and 2023, the Station's cash and cash equivalents balance was \$11,021,621 and \$8,590,433, respectively.

In accordance with UNM and the Foundation's Memorandum of Agreement, the endowment assets of the Station are commingled for investment purposes whenever possible in the Consolidated Investment Fund (CIF). At June 30, 2024 and 2023, the Station's portion of CIF and related spending accounts were \$3,707,515 and \$3,504,179 (\$798,676 and \$751,557, restricted), respectively. UNM has established a CIF Endowment and Management Investment Policy for authorizing and spending investment income.

The deposits and investments of the Station are exposed to certain inherent risks, such as credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The deposits and investments with the CIF endowment fund are exposed to risk that have the potential to result in losses. Those risk and their definitions are:

- Credit risk – the risk an insurer or counterparty to an investment will not fulfill its obligation.
- Custodial risk – the risk that, in the case of default by the counterparty, a government will be unable to recover its deposit/investment or collateralizing securities in the possession of an outside party.
- Concentration risk – the risk of loss attributable to the size of a government's investment in a single issuer.
- Interest rate risk – the risk that changes in interest rates will adversely affect the fair value of investments.
- Foreign currency risk – the risk that changes in exchange rates will adversely affect the fair value of a deposit or investment.

As UNM serves as the fiscal agent for the Station through which the Station participates in a pooled CIF maintained by UNM, the amounts reported represent UNM's best estimate of fair value of investments. UNM has established methods and significant assumptions used to estimate the fair value of its investments, and the nature of investments reported at amortized cost. Details of the CIF can be found in the audited financial statements of UNM located at www.unm.edu.

KNME-TV
(A Department of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows and Outflows of Resources and Net Position (Continued)

Accounts Receivable

Accounts receivable represent the amount earned based on existing terms under license agreements but uncollected on accrued royalties earned from customers. Accounts receivable are carried at original amount billed less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis.

Allowance for Doubtful Accounts

Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. There was an allowance for doubtful accounts of \$43,006 and \$131,938 as of June 30, 2024 and 2023, respectively.

Grants Receivable and Revenue

Grants receivable represents the unfunded portion of awards earned by the Station. Management believes these amounts to be fully collectible and, therefore, has provided no allowance for doubtful grant accounts as of June 30, 2024 and 2023.

The 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 to enhance the quality of programming and expand the scope of public broadcasting services. Certain general provisions must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These general provisions pertain to the use of grant funds, record keeping, audits, financial reporting, protection of donor list, and licensee status with the FCC.

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

KNME-TV
(A Department of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows and Outflows of Resources and Net Position (Continued)

Lease Receivables and Payables and Deferred Inflows of Resources

The Station is a lessee and lessor for numerous noncancelable leases. For leases with a maximum possible term of 12 months or less at commencement (short term), the Station recognizes expense based on the provisions of the lease contract. For the years ended June 30, 2024 and 2023, the Station had equipment rent expense of \$39,437 and \$18,061, respectively, for these short-term leases.

Initial measurement of the lease receivable amount is calculated at the present value of payments expected to be received during the lease term, discounted using the Station's incremental borrowing rate. Leases for which the Station is the lessor are discounted by the incremental borrowing rate, with anticipated payments being recorded as a deferred inflow of resources, amortized on a straight-line basis over the term of the lease.

Broadcast Rights

The Station acquires broadcast rights for programs or a series of programs produced for public television. The cost of these rights is amortized using the straight line method based on the number of future broadcasts estimated by management over their remaining contractual lives.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. For equipment, software and furniture, the Station's capitalization policy includes all items with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Information technology equipment including software is being capitalized for assets with a useful life of greater than one year in accordance with 2.20.1.9(C)(5) NMAC (9-30-99, recompiled 10/01/01).

KNME-TV
(A Department of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows and Outflows of Resources and Net Position (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction. There was no interest expense capitalized by the Station during the current fiscal year. No interest was included as part of the cost of capital assets under construction. Property, plant, and equipment of the Station are depreciated using the straight line method over the following estimated useful lives:

| Assets | Years |
|---------------|--------------|
| Buildings | 50 |
| Equipment | 3-15 |

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The Station has two (2) items that qualify for reporting as deferred outflows of resources, the *deferred amount related to pension* and the *deferred outflows related to OPEB*, both reported in the statement of net position. The deferred outflows related to pensions and OPEBs are an aggregate of items related to pensions and OPEB, respectively, as calculated in accordance with GASB Codification Section P20: *Pension Activities - Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to pensions and OPEB will be recognized as either pension or OPEB expense, respectively, or a reduction in the net pension liability or net OPEB liability, respectively, in future reporting years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Station has three (3) items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to pension* and the *deferred inflows related to OPEB* are an aggregate of items related to pensions and OPEBs, respectively, as calculated in accordance with GASB Codification Section P20: *Pension Activities - Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions and OPEBs will be recognized as a reduction to pension and OPEB expense, respectively, in future reporting years. The amounts are further detailed in Notes 11 and 12. For additional discussion about the deferred inflow of resources due to leases, see *Lease Receivables and Payables and Deferred Inflows of Resources* section above.

KNME-TV
(A Department of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows and Outflows of Resources and Net Position (Continued)

Compensated Absences

Qualified employees are entitled to accumulate annual leave up to two hundred fifty two hours per year and carry that leave forward from calendar year to calendar year. Employees may be paid for hours exceeding 168 only in the case of death, retirement, or involuntary separation. The Station recorded \$252,420 and \$237,275 of annual leave as accrued expenses at June 30, 2024 and 2023, respectively. The change from June 30, 2023 and 2024 was as follows:

| | June 30, 2023 | Increase | Decrease | June 30, 2024 |
|----------------------|----------------------|-----------------|-----------------|----------------------|
| Compensated absences | \$ 237,275 | \$ 234,587 | \$ (219,442) | \$ 252,420 |

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 Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. 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.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the post-employment liability, deferred outflows of resources and deferred inflows of resources related to post-employment, and postemployment expense, information about the fiduciary net position of the Retiree Health Care Act (RHCA) and additions to/deductions from RHCA's fiduciary net position have been determined on the same basis as they are reported by RHCA, on the economic resources measurement focus and accrual basis accounting. 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.

Subscription-Based Information Technology Arrangements (SBITAs)

The Station recognizes SBITAs that have a term exceeding one year and the cumulative future payments on the contract exceed \$5,000 that meet the definition of an other than short-term SBITA. The Station uses a discount rate comparable to that available to the Station through banking institutions. Short-term subscription payments are expensed when incurred.

KNME-TV
(A Department of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows and Outflows of Resources and Net Position (Continued)

Unearned Revenues

Unearned revenue represents cash advances received from third parties, which have eligibility requirements. The unearned revenue will be recognized as revenue once the eligibility requirement has been met.

Net Position

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Net position invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The Station does not have any debt.

Restricted net position – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. The Station had no restricted net position for the years ending June 30, 2024 or 2023.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Station’s policy is to first apply the expense toward restricted resources, and then toward unrestricted resources.

Revenues and Expenses

Operating and nonoperating revenues and expenses - The Station distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Station's principal ongoing operations. The principal operating revenues of the Station are memberships and underwriting fees. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

KNME-TV
(A Department of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Inflows and Outflows of Resources and Net Position (Continued)

Membership and underwriting revenue – The Station receives membership contributions and support which are recognized when cash, other assets, an unconditional promise to give or notification of a beneficial interest is received. The Station also negotiates the amount and placement of underwriting spots in the broadcast day for revenue generation with various local businesses, nonprofits, and governmental entities.

Indirect administrative support - The Station uses the Standard Method, which is a method developed and approved by CPB to compute indirect administrative support. The Station receives indirect administrative, custodial, and utility expense support from UNM. The amount of support, recorded as both revenue and expenses. Which is determined by calculating an indirect cost rate, and multiplying it by the Station's total direct costs (expenses) for the given fiscal year. The indirect cost rate is calculated by taking UNM and APS' total operating expenses (for the most recent fiscal year), dividing them by their total operating expenses less institutional and physical plant support.

Additional detailed information may be found in Note 7.

Grant revenue - The 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 to enhance the quality of programming and expand the scope of public broadcasting services. According to the Communications Act, CSG funds may be used at the discretion of recipients for purposes relating primarily to programming, educational content and outreach activities, broadcast, transmission, distribution, and the associated administrative expenses. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years. The station is also awarded various other grants from year to year relating to its' business purpose.

Spectrum royalties and translator leases – The Station has entered into long-term royalty contracts and annually renewable lease agreements. Revenue is recognized in accordance with the contract terms.

Certain general provisions must be satisfied in connection with the application for and use of the grants to maintain eligibility and meet compliance requirements. These general provisions pertain to the use of grant funds, record-keeping, audits, financial reporting, mailing list, and licensee status with the FCC.

KNME-TV
(A Department of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

In the exercise of its essential governmental functions, the income generated by UNM and the Station, as a department of UNM, is excluded from federal income tax under Internal Revenue Code (IRC) Section 115. However, income generated from activities unrelated to the exempt purpose of the Station would be subject to tax under IRC Section 511(a)(2)(B).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the Station is management's estimate of depreciation on assets over their estimated useful lives, amortization of leases and subscription-based information technology arrangements, allowance for doubtful accounts and the calculation of compensated absences.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 13, 2025 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature.

KNME-TV
(A Department of the University of New Mexico)
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Pronouncements (Continued)

In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). There were no significant impacts of implementing this Statement.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement aim to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. Earlier application is encouraged.

In June 2022, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement aim to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

In October 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement aim to improve reporting on capital assets by separately disclosing specific types of capital assets in financial statement notes. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

The Station is evaluating the requirements of the above statements and the impact on reporting.

KNME-TV
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Notes to Financial Statements

Note 2: ACCOUNTS RECEIVABLE

Accounts receivable and miscellaneous receivables for June 30 consisted of the following as of 2024 and 2023:

| As of June 30, | 2024 | 2023 |
|---|-------------------|-------------------|
| Accounts receivable | \$ 336,785 | \$ 214,078 |
| Less allowance for uncollectible accounts | (43,006) | (44,106) |
| Net total accounts receivable | \$ 293,779 | \$ 169,972 |
| <hr/> | | |
| As of June 30, | 2024 | 2023 |
| Miscellaneous receivables | \$ 11,500 | \$ 87,832 |
| Less allowance for uncollectible accounts | - | (87,832) |
| Net total miscellaneous receivable | \$ 11,500 | \$ - |

Note 3: PREPAID BROADCASTING RIGHTS

As a normal course of business, the Station pays for rights to broadcast programming in advance. At June 30, 2024 and 2023, the current and noncurrent portion of the prepaid broadcast rights was as follows:

| As of June 30, | Current | Noncurrent |
|----------------|------------|------------|
| 2024 | \$ 617,980 | \$ 346,750 |
| 2023 | 576,759 | 270,301 |

Note 4: PREPAID LEASE

During 2002, the Station entered into a 20-year lease for digital tower facilities, which has been accounted for as an operating lease. The terms of the lease provide an option for the Station to continue the tower leases for an additional two consecutive 10-year periods. At inception, the Station prepaid the entire lease in the amount of \$787,500. At June 30, 2024 and 2023, the remaining current and noncurrent portion of the prepaid lease was \$7,894 and \$0, respectively.

KNME-TV
(A Department of the University of New Mexico)
Notes to Financial Statements

Note 5: CAPITAL ASSETS

The following is a summary of changes in capital assets during the years ended June 30, 2024 and 2023:

| | June 30, 2023 | Additions | Deletions | Transfers | June 30, 2024 |
|--|---------------------|---------------------|-------------------|------------------|---------------------|
| Assets not being depreciated | | | | | |
| Construction in progress | \$ 583,002 | \$ 166,998 | \$ - | \$ (750,000) | \$ - |
| Total assets not being depreciated | 583,002 | 166,998 | - | (750,000) | - |
| Assets being depreciated | | | | | |
| Buildings | 890,513 | - | - | - | 890,513 |
| Equipment | 4,860,751 | 167,456 | (10,840) | 750,000 | 5,767,367 |
| Right to use assets | 88,741 | - | - | - | 88,741 |
| Subscription based assets | 45,862 | 32,720 | - | - | 78,582 |
| Total assets being depreciated | 5,885,867 | 200,176 | (10,840) | 750,000 | 6,825,203 |
| Less accumulated depreciation | | | | | |
| Buildings | (890,513) | - | - | - | (890,513) |
| Equipment | (2,998,271) | (459,837) | 7,407 | - | (3,450,701) |
| Right to use assets | (29,038) | (17,440) | - | - | (46,478) |
| Subscription based assets | (29,511) | (16,493) | - | - | (46,004) |
| Total accumulated depreciation | (3,947,333) | (493,770) | 7,407 | - | (4,433,696) |
| Total assets being depreciated, net | 1,938,534 | (293,594) | (3,433) | 750,000 | 2,391,507 |
| Net capital assets | \$ 2,521,536 | \$ (126,596) | \$ (3,433) | \$ - | \$ 2,391,507 |

| | Restated June 30, 2022 | Additions | Deletions | Transfers | June 30, 2023 |
|--|---------------------------|-------------------|--------------------|-------------|---------------------|
| Assets not being depreciated | | | | | |
| Construction in progress | \$ - | \$ 583,002 | \$ - | \$ - | \$ 583,002 |
| Total assets not being depreciated | - | 583,002 | - | - | 583,002 |
| Assets being depreciated | | | | | |
| Buildings | \$ 890,513 | \$ - | \$ - | \$ - | \$ 890,513 |
| Equipment | 4,863,486 | 66,929 | (69,664) | - | 4,860,751 |
| Right to use assets | 35,249 | 53,492 | - | - | 88,741 |
| Subscription based assets | 45,862 | - | - | - | 45,862 |
| Total assets being depreciated | 5,835,110 | 120,421 | (69,664) | - | 5,885,867 |
| Less accumulated depreciation | | | | | |
| Buildings | (890,513) | - | - | - | (890,513) |
| Equipment | (2,520,551) | (530,166) | 52,446 | - | (2,998,271) |
| Right to use assets | (11,066) | (17,972) | - | - | (29,038) |
| Subscription based assets | (14,763) | (14,748) | - | - | (29,511) |
| Total accumulated depreciation | (3,436,893) | (562,886) | 52,446 | - | (3,947,333) |
| Total assets being depreciated, net | 2,398,217 | (442,465) | (17,218) | - | 1,938,534 |
| Net capital assets | \$ 2,398,217 | \$ 140,537 | \$ (17,218) | \$ - | \$ 2,521,536 |

KNME-TV
(A Department of the University of New Mexico)
Notes to Financial Statements

Note 5: CAPITAL ASSETS (Continued)

Depreciation expense was \$459,837 and \$530,166, respectively, for the years ended June 30, 2024 and 2023. Amortization expense for right-to-use assets was \$17,972 and \$17,440 for the years ended June 30, 2024 and 2023, respectively. Amortization expense for subscription based assets was \$16,493 and \$14,748, for the years ended June 30, 2024 and 2023, respectively.

Note 6: LEASES

A summary of changes in the deferred inflow of resources related to leases during the years ended June 30, 2024 and June 30, 2023 is as follows:

| | June 30, 2023 | Additions | Deletions | June 30, 2024 |
|---------------------------|---------------|-----------|-------------|---------------|
| Deferred inflows - leases | \$ 86,609 | \$ - | \$ (59,980) | \$ 26,629 |

| | Restated June 30, 2022 | Additions | Deletions | June 30, 2023 |
|---------------------------|---------------------------|-----------|-------------|---------------|
| Deferred inflows - leases | \$ 145,334 | \$ - | \$ (58,725) | \$ 86,609 |

The Station as Lessor - The Station is the lessor of various properties under operating lease agreements. A summary of changes in the lease receivable during the years ended June 30, 2024 and June 30, 2023 is as follows:

| | June 30, 2023 | Additions | Deletions | June 30, 2024 |
|-----------------------|---------------|-----------|-------------|---------------|
| Lease receivable, net | \$ 86,609 | \$ - | \$ (59,980) | \$ 26,629 |

| | Restated June 30, 2022 | Additions | Deletions | June 30, 2023 |
|-----------------------|---------------------------|-----------|-------------|---------------|
| Lease receivable, net | \$ 145,023 | \$ - | \$ (58,414) | \$ 86,609 |

The following is a schedule of minimum future lease income under lease terms exceeding one year as of June 30, 2024:

Year ended June 30:

| | |
|-------|-----------|
| 2025 | \$ 26,629 |
| Total | \$ 26,629 |

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Note 6: LEASES (Continued)

A summary of changes in the related lease liability during the years ended June 30, 2024 and June 30, 2023 is as follows:

| | June 30, 2023 | Additions | Deletions | June 30, 2024 |
|-------------------|---------------|-----------|-------------|---------------|
| Lease liabilities | \$ 71,040 | \$ - | \$ (28,776) | \$ 42,264 |

| | June 30, 2022 | Additions | Deletions | June 30, 2023 |
|-------------------|---------------|-----------|-------------|---------------|
| Lease liabilities | \$ 35,520 | \$ 52,418 | \$ (16,898) | \$ 71,040 |

The Station is a lessee for four noncancelable leases. For leases with a maximum possible term of 12 months or less at commencement (short term), the Station recognizes expense based on the provisions of the lease contract. For leases that are not short-term, the Station recognizes a lease liability and an intangible right-to-use (RTU) lease asset.

Initial measurement of the lease receivable/payable amount is calculated at the present value of payments expected to be received/paid during the lease term, discounted using the Station's incremental borrowing rate. Leases for the Station as a lessee that are accounted for under this standard are capitalized as a right to use asset and lease payable discounted by the incremental borrowing rate.

For lease agreements where the Station is the lessee, there have been no outflows of resources recognized in the reporting periods for variable payments not previously included in the measurement of the lease liability.

The Station is not party to any lease agreements where the Station is the lessor with terms which would affect deferred inflow of resources, such as variable payments, early termination payments, or residual value guarantees.

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Note 6: LEASES (Continued)

Minimum Lease Payment

The Station as Lessee. The following is a schedule of future minimum lease payments for the Station as a lessee as of June 30, 2024.

| <i>For the years ending June 30,</i> | Principal | Interest | Total |
|---|------------------|-----------------|------------------|
| 2025 | \$ 14,234 | \$ 1,188 | \$ 15,422 |
| 2026 | 15,014 | 622 | 15,636 |
| 2027 | 5,077 | 175 | 5,252 |
| 2028 | 1,750 | 125 | 1,875 |
| Thereafter | 6,189 | 655 | 6,844 |
| Total | \$ 42,264 | \$ 2,765 | \$ 45,029 |

Note 7: SUBSCRIPTION LIABILITIES

The Station has one software arrangement that require recognition under GASBS No. 96. The Station now recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use subscription asset for various software. The Station used a 3.37% discount rate for this arrangement based on the long term average for 3-year treasury rates. There are no residual value guarantees in the agreements.

Changes In Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024, was as follows:

| | June 30, 2023 | Additions | Deletions | June 30, 2024 |
|--------------------------|----------------------|------------------|------------------|----------------------|
| Subscription liabilities | \$ 16,351 | \$ 33,129 | \$ (16,902) | \$ 32,578 |
| | June 30, 2022 | Additions | Deletions | June 30, 2023 |
| Subscription liabilities | \$ 31,099 | \$ - | \$ (14,748) | \$ 16,351 |

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Note 7: SUBSCRIPTION LIABILITIES (Continued)

The following is a schedule of minimum future payments from subscription agreements as of June 30th.

| <i>For the years ending June 30,</i> | Principal | | Interest | | Total | |
|--------------------------------------|------------------|---------------|-----------------|--------------|--------------|---------------|
| 2025 | \$ | 16,490 | \$ | 814 | \$ | 17,304 |
| 2026 | | 16,088 | | 412 | | 16,500 |
| Total | \$ | 32,578 | \$ | 1,226 | \$ | 33,804 |

Note 8: ROYALTIES

On October 17, 2006, the Station entered into a long term de facto agreement with People’s Choice TV of Albuquerque, Inc., a wholly owned subsidiary of Sprint Nextel Corporation (Sprint). The agreement allows Sprint to use the Station’s excess capacity of the spectrum, as permitted pursuant to FCC Rules, for use in wireless telecommunications services, and takes advantage of the increased flexibility afforded under rules and policies adopted by the FCC. The objective of the agreement is to promote a substantial reconfiguration of the transmission system to permit a more efficient use of the EBS and BRS spectrums.

The agreement specifies an initial term of 10 years, with annual payments from Sprint totaling \$136,000 per year, and options for two additional terms of 10 years each. A “One Time Royalty Fee” of \$3,500,000 was received in fiscal year 2007 with additional \$1,000,000 payment on the 5th anniversary and a \$500,000 payment on the 9th anniversary. All payments are being amortized on a straight-line basis by the Station over the life of the initial lease. “Monthly Royalty Fees” totaling \$138,000, were received during fiscal years 2023 and 2022 pursuant to the agreement. The agreement was renewed for its first additional 10-year term May 1, 2017, with the next renewal date being April 23, 2027.

Future minimum royalty payments excluding options to renew are as follows for 2024 and 2023:

| <i>Years ended June 30:</i> | |
|-----------------------------|-------------------|
| 2025 | \$ 138,000 |
| 2026 | 138,000 |
| 2027 | 46,000 |
| Total | \$ 322,000 |

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Note 9: RELATED PARTY TRANSACTIONS

UNM administrative support - UNM administrative support is based on allocation of actual indirect costs from UNM; the related expenses are recorded as support services. This method of reporting indirect costs conforms to current CPB guidelines. During the years ended June 30, 2024 and 2023, UNM contributed \$361,664 and \$369,895, respectively.

Albuquerque Public Schools support – During each of the years ended June 30, 2024 and 2023, Albuquerque Public Schools contributed funding of \$20,000 toward the Station’s operating budget.

Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD

General Information about the Pension Plan

Plan description - The New Mexico Educational Retirement Act (“ERA”) was enacted in 1957. The act created the Educational Employees Retirement Plan (Plan) and, to administer it, the New Mexico Educational Retirement Board (NMERB). The Plan is included in NMERB’s annual comprehensive financial report. The report can be found on NMERB’s Web site at https://www.nmerb.org/Annual_reports.html. The Plan is a cost-sharing, multiple-employer pension plan established to provide retirement and disability benefits for certified teachers and other employees of the state’s public schools, institutions of higher learning, and state agencies providing educational programs. Additional tenets of the ERA can be found in Section 22-11-1 through 22-11-55, NMSA 1978, as amended.

The Plan is a pension trust fund of the State of New Mexico. The ERA assigns the authority to establish and amend benefit provisions to a nine-member Board of Trustees (Board); the state legislature has the authority to set or amend contribution rates and other terms of the Plan. NMERB is self-funded through investment income and educational employer contributions. The Plan does not receive General Fund Appropriations from the State of New Mexico.

All accumulated assets are held by the Plan in trust to pay benefits, including refunds of contributions as defined in the terms of the Plan. Eligibility for membership in the Plan is a condition of employment, as defined in Section 22- 11-2, NMSA 1978. Employees of public schools, universities, junior and community colleges, public technical and vocational institutions, state special schools, charter schools, regional education cooperatives, the New Mexico Activities Association, and certain employees at state agencies that provide an educational program, who are employed more than 25% of a full-time equivalency, are required to be members of the Plan, unless specifically excluded.

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Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

General Information about the Pension Plan (Continued)

Benefits provided - A member's retirement benefit is determined by a formula, which includes three component parts: (1) the member's final average salary (FAS), (2) the number of years of service credit, and (3) a multiplier, which for those who began employment prior to July 1, 2019, is 0.0235. The multiplier is variable for those who began work after July 1, 2019. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows: www.nmrhca.org.

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and allowable service credit add up to the sum of 75 or more and those who retire under the age of 60, and who have fewer than 25 years of earned service credit will receive reduced retirement benefits; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010, and before July 1, 2013. The eligibility for a member who either becomes a new member on or after July 1, 2010, and before July 1, 2013, or at any time prior to that date was refunded all member contributions and then became, or becomes, reemployed after July 1, 2010 is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

Section 2-11-23.2, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2013, or who were employed before July 1, 2013, but terminated employment and subsequently withdrew all contributions and returned to work for an NMERB employer on or after July 1, 2013. These members must meet one of the following requirements: the member's minimum age is 55 and has earned 30 or more years of service credit and those who retire earlier than age 55, but with 30 years of earned service credit will have a reduction in benefits to the actuarial equivalent of retiring at age 55; the member's age and earned service credit add up to the sum of 80 or more and those who retire under the age of 65, and who have fewer than 30 years of earned service credit will receive reduced retirement benefits; or the member's age is 67 and has earned five or more years of service credit.

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Notes to Financial Statements

Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

General Information about the Pension Plan (Continued)

Section 22-11-23.3, NMSA 1978 added eligibility requirements for new members who were first employed on or after July 1, 2019, or who were employed before July 1, 2019, but terminated employment and subsequently withdrew all contributions and returned to work for an NMERB employer on or after July 1, 2019. These members must meet one of the following requirements: the member is any age and has thirty or more years of earned service credit; or the member is at least 67 years of age and has 5 or more years of earned service credit; or the sum of the member's age and years of earned service credit equals at least eighty.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

While the fund is not fully funded, the COLA for retirees will be reduced based on the median annual retirement benefit, calculated after the end of each fiscal year.

When the funded ratio is 90% or less, the COLA for retirees whose annuity is at or below the median and who have 25 or more years of service credit at retirement will be reduced by 10%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 20%.

When the funded ratio exceeds 90% but is less than 100%, the COLA for retirees whose annuity is at or below the median adjusted annuity and who had 25 or more years of service credit at retirement and will be reduced by 5%. For retirees whose annuity is either greater than the median or who have less than 25 years of service credit at retirement, the COLA will be reduced by 10%.

Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

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Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

General Information about the Pension Plan (Continued)

A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of the Final Average Salary (FAS) times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied.

Contributions - The contribution requirements of plan members and the College are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. Colleges and universities contributed 10.90% of participating employees' gross salary and 7.25% of the employees' gross salary to NMERB, for a total of 18.15%. For the fiscal year ended June 30, 2024 plan members are required to contribute 10.70% of their gross salary. NMERB is required to contribute 18.15% of the gross covered salary. Plan members whose annual salary is \$24,000 or less are required to contribute 7.90% of their gross salary. Plan members whose annual salary exceeded \$24,000 are required to contribute 10.70% of their gross salary. Employers contribute 18.15% of the gross covered salary for employees whose annual salary was \$24,000 or less, and 18.15% of the gross covered salary for employees whose salary exceeded \$24,000. Contributions to the pension plan from the Station was \$579,087, \$506,932 and \$383,025, respectively, for the years ended June 30, 2024, 2023 and 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2022. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2023, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2023. At June 30, 2024 and 2023, the Station reported a liability of \$6,588,017 and \$6,280,713, respectively, for its proportionate share of the net pension liability. The Station's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2023.

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Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2023, the Station's proportion was 0.074578 percent, which was a decrease of 0.002622 percent from its proportion measured as of June 30, 2022, 0.07720 percent. This was a decrease of 0.000089 percent from its proportion measured as of June 30, 2021.

For the years ended June 30, 2024 and 2023, the Station recognized a pension (benefit) and expense of (\$1,534,131) and (\$203,588), respectively.

At the June 30, 2024 and 2023, the Station reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

| | 2024 | |
|---|---|--|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 186,733 | \$ 59,568 |
| Net difference between projected and actual earnings on pension plan investments | - | 41,271 |
| Changes in assumptions | - | 977,645 |
| Changes in proportion | 104,640 | 133,727 |
| Contributions subsequent to the measurement date | 579,087 | - |
| Total | \$ 870,460 | \$ 1,212,211 |

| | 2023 | |
|---|---|--|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 225,401 | \$ 102,590 |
| Net difference between projected and actual earnings on pension plan investments | - | 127,760 |
| Changes in assumptions | 1,057,983 | 3,490,317 |
| Changes in proportion | 18,597 | 255,744 |
| Contributions subsequent to the measurement date | 506,932 | - |
| Total | \$ 1,808,913 | \$ 3,976,411 |

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Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$579,087 reported as deferred outflows of resources related to pensions resulting from Station contributions subsequent to the measurement date of June 30, 2023, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The \$506,932 reported as deferred outflows of resources related to pensions resulting from the Station contributions subsequent to the measurement date of June 2022, was recognized as a reduction of the net pension liability in the year ended June 30, 2023.

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

| <i>Years ending June 30,</i> | |
|------------------------------|---------------------|
| 2025 | \$ (1,023,672) |
| 2026 | (161,172) |
| 2027 | 257,878 |
| 2028 | 6,129 |
| Total | \$ (920,837) |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows as of June 30, 2023:

| <i>Years ending June 30,</i> | |
|------------------------------|-----------------------|
| 2024 | \$ (1,513,862) |
| 2025 | (1,114,102) |
| 2026 | (264,961) |
| 2027 | 218,495 |
| Total | \$ (2,674,430) |

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on actuarial valuation and performed as of June 30, 2022. The total pension liability was rolled forward from the valuation date to June 30, 2023 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the rollforward liabilities as of June 30, 2023. For purposes of projecting future benefits, it is assumed that the full COLA will be paid in all future years.

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Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The total pension liability was rolled forward from the valuation date to June 30, 2023 using generally accepted actuarial principles and incorporated the following changes to the Plan's provisions: Change to the employer contribution rate, which increased the employer contribution by 1% each year for the next fiscal year, resulting in a 16.15% employer contribution rate in fiscal year 2023. As a result of these changes and the excellent performance of the fund for the fiscal year, the discount rate was 7.00%.

The actuarial methods and assumptions used to determine contributions rates included in the measurement are as follows:

| | |
|---------------------------|--|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percentage of Payroll |
| Remaining Period | Amortized – closed 30 years from June 30, 2019 to June 30, 2049 |
| Asset Valuation Method | 5 year smoothed market |
| Inflation | 2.3% |
| Salary Increase | Composed of 2.30% inflation, plus 0.70% productivity increase rate, plus step rate promotional increases for members with less than 15 years of service |
| Investment Rate of Return | 7.00% |
| Retirement Age | Experience based table rates based on age and service, adopted by the Board on April 17, 2020 in conjunction with the six-year experience study for the period ending June 30, 2019. |
| Mortality | Healthy males: 2020 GRS Southwest Region Teacher Mortality Table, set back one year and scaled at 95%. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. Healthy females: 2020 GRS Southwest Region Teacher Mortality Table, set back one year. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. |

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.); 2) application of key economic projections (inflation, real growth, dividends, etc.); and 3) structural themes (supply and demand imbalances, capital flows, etc.) developed for each major asset class.

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Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the current asset allocation policy adopted in August 2019.

Comparative Schedule of Target Investment Allocation

| Asset Class | After Allocation | Policy Target |
|-------------------------------|-----------------------------|--------------------------|
| Equities | | |
| <i>Domestic Equities</i> | | |
| Large cap equities | 11.4% | 15.0% |
| Small- mid cap equities | 2.9% | 4.0% |
| Total domestic | 14.3% | 19.0% |
| <i>International Equities</i> | | |
| Developed | 4.9% | 5.0% |
| Emerging markets | 5.3% | 4.0% |
| Total international | 10.2% | 9.0% |
| Total equities | 24.5% | 28.0% |
| Fixed Income | | |
| Core fixed income | 5.0% | 6.0% |
| Opportunistic credit | 17.8% | 18.0% |
| Emerging markets debt | 0.0% | 0.0% |
| Total fixed income | 22.8% | 24.0% |
| Alternatives | | |
| Global asset allocation | 2.1% | 2.0% |
| Risk parity | 0.5% | 0.0% |
| Other diversifying assets | 6.1% | 8.0% |
| REITs | 1.5% | 0.0% |
| Private real estate | 8.1% | 8.0% |
| Private equity | 22.3% | 17.0% |
| Inflation-linked assets | 10.8% | 12.0% |
| Total alternatives | 51.4% | 47.0% |
| Cash | 1.3% | 1.0% |
| Total | 100.0% | 100.0% |

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Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount rate - A single discount rate of 7.00% was used to measure the total pension liability as of June 30, 2023. This is the same rate used for June 30, 2022. The 7.00% single discount rate was based on a long-term expected rate of return on pension plan investments of 7.00%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were sufficient to finance all projected future benefit payments of current plan members. As a result, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate - The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the June 30, 2023. In particular, the table presents the (employer's) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the single discount rate.

| | June 30, 2024 | | |
|--|------------------------------|-------------------------------------|---------------------------|
| | 1.00% Decrease (6.00%) | Current Discount Rate (7.00%) | 1.00% Increase (8.00%) |
| Proportionate share of the net pension liability | \$ 8,932,693 | \$ 6,588,017 | \$ 4,243,341 |

| | June 30, 2023 | | |
|--|------------------------------|-------------------------------------|---------------------------|
| | 1.00% Decrease (6.00%) | Current Discount Rate (7.00%) | 1.00% Increase (8.00%) |
| Proportionate share of the net pension liability | \$ 8,516,019 | \$ 6,280,713 | \$ 4,432,927 |

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued audited financial statements as of and for the year ended June 30, 2023, which is publicly available at www.nmerb.org.

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Note 10: PENSION PLAN - EDUCATIONAL RETIREMENT BOARD (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Payables to the pension plan - The Station remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld.

Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND

General Information about the Other Post-Employment Benefits Plan

Plan Description - Substantially all of the Station's full-time employees are provided with other post-employment benefits (OPEB) through the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was created by the state's Retiree Health Care Act, Section 10-7C-1 through 10-7C-16, NMSA 1978, as amended, to administer the New Mexico Retiree Health Care Fund (Plan). The Plan is a cost-sharing, multiple employer defined benefit healthcare plan established to provide comprehensive core group health insurance for persons who have retired from certain public service in New Mexico.

The purpose is to provide eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents and surviving spouses and dependents with health insurance consisting of a plan or optional plans of benefits that can be purchased by funds flowing into the retiree health care fund and by co-payments or out-of-pocket payments of eligible retirees.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during the period of time made contributions as a participant in plan on the person's behalf, unless that person retires before the employer's effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The Authority issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the New Mexico Retiree Health Care Authority at 6300 Jefferson Street NE, Suite 150; Albuquerque, NM 87109.

Benefits provided - The Act authorizes the Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits.

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Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)

General Information about the Other Post-Employment Benefits Plan (Continued)

Each participating retiree pays a monthly premium according to a service-based subsidy rate schedule for the medical, plus basic life plan, plus an additional participation fee of five dollars (\$5) if the eligible participant retired prior to the employer's effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the Authority or viewed on their website at www.nmrhca.org.

Employees covered by benefit terms - At June 30, 2023, the Fund's measurement date, the following employees were covered by the benefit terms:

| | |
|--|---------|
| Plan Membership | |
| Current retirees and surviving spouses | 52,978 |
| Inactive and eligible for deferred benefit | 12,552 |
| Current active members | 93,595 |
| | 159,125 |
| | 159,125 |
| Active membership | |
| State general | 18,462 |
| State police and corrections | 1,260 |
| Municipal general | 17,283 |
| Municipal police | 3,169 |
| Municipal FTRE | 2,419 |
| Educational Retirement Board | 51,002 |
| | 93,595 |
| | 93,595 |

Contributions - The employer, employee, and retiree contributions are required to be remitted to the Authority on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the fund in the amount determined to be appropriate by the Board.

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Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)

General Information about the Other Post-Employment Benefits Plan (Continued)

The Act is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4, or 5; municipal fire member coverage plan 3, 4, or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced plan during the fiscal year ended June 30, 2021, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1% of their salary. In addition, pursuant to Section 10-7C-5(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Act.

The Station's contributions to the plan for the year ended June 30, 2023 totaled \$29,106 and \$28,991, which equals the required contributions for the year. At June 30, 2024 and 2023, the Station reported a liability of \$509,135 and \$444,708, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Station's proportion of the net OPEB liability was based on a projection of the Station's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Station's proportion was 0.374830 percent, which was a 0.012874 percent decrease from its proportion measured as of June 30, 2022 of 0.387705 percent.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024 and 2023, the Station recognized an OPEB (benefit) of \$2,928 and (\$13,622), respectively.

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Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At June 30, 2024 and 2023, the Station reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 43,848 | \$ 101,699 |
| Net difference between projected and actual earnings on OPEB plan investments | 22,593 | - |
| Changes in assumptions | 130,952 | 18,256 |
| Changes in proportion | 14,683 | - |
| Contributions subsequent to the measurement date | 29,106 | - |
| Total | \$ 241,182 | \$ 119,955 |

At June 30, 2023, the Station reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | 2023 | |
|--|-----------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 56,447 | \$ 40,569 |
| Net difference between projected and actual earnings on OPEB plan investments | 31,688 | - |
| Changes in assumptions | 18,162 | 30,210 |
| Changes in proportion | 20,747 | 25,528 |
| Contributions subsequent to the measurement date | 28,991 | - |
| Total | \$ 156,035 | \$ 96,307 |

\$29,106 reported as deferred outflows of resources related to OPEB resulting from the Station's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024.

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Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$28,991 reported as deferred outflows of resources related to OPEB resulting from the Station's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ended June 30:

| | | |
|--------------|-----------|---------------|
| 2025 | \$ | 15,028 |
| 2026 | | 30,137 |
| 2027 | | 31,274 |
| 2028 | | 6,991 |
| 2029 | | 8,691 |
| Total | \$ | 92,121 |

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

Years ended June 30:

| | | |
|--------------|-----------|---------------|
| 2024 | \$ | (8,207) |
| 2025 | | 4,347 |
| 2026 | | 18,537 |
| 2027 | | 19,445 |
| 2028 | | (3,385) |
| Total | \$ | 30,737 |

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Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial assumptions - The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023. The mortality, retirement, disability, turnover, and salary increase assumptions for PERA members are based on the PERA actuarial valuation as of April 17, 2020, in conjunction with the six-year actuarial experience study period ending June 30, 2019, and for ERB members are based on the ERB actuarial valuation as of June 30, 2022. The following actuarial assumptions were applied to the actuary's measurement:

| | |
|-----------------------------|--|
| Valuation Date | June 30, 2023 |
| Actuarial cost method | Entry age normal, level percent of pay, calculated on individual employee basis |
| Asset valuation method | Market value of assets |
| Actuarial assumptions: | |
| Inflation | 2.30% for ERB member, 2.50% for PERA members |
| Projected payroll increase | 3.00% to 13.00% based on years of service, including inflation |
| Investment rate of return | 7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation |
| Discount rate | 6.22% |
| Health care cost trend rate | 8% graded down to 4.5% over 14 years for non-Medicare medical plan costs and 8.5% graded down to 4.5% over 12 for Medicare medical plan costs. Actual premium increase for the first year, then 8.25% graded down the 4.50% over 15 years |
| Mortality | ERB members: 2020 GRS Southwest Region Teacher Mortality Table, set back one year (and scaled at 95% for males). Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. PERA members: Headcount-Weighted RP-2014 Blue Collar Annuitant Mortality, set forward one year for females, projected generationally with Scale MP-2017 times 60%. |

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class.

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Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The best estimates for the long-term expected rate of return is summarized as follows:

| Asset Class | Target Allocation | Long-Term Rate of Return |
|-------------------------------|--------------------------|---------------------------------|
| U.S. core fixed income | 20% | 1.6% |
| U.S. equity - large cap | 20% | 6.9% |
| Non U.S. - emerging markets | 15% | 8.7% |
| Non U.S. - developed equities | 12% | 7.2% |
| Private equity | 10% | 9.9% |
| Credit and structured finance | 10% | 3.7% |
| Real estate | 5% | 3.6% |
| Absolute return | 5% | 3.2% |
| U.S. equity - small/mid cap | 3% | 6.9% |

Discount rate - The discount rate used to measure the total OPEB liability is 6.22% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2070. The 7.00% assumed investment return on plan assets, which includes the assumed inflation rate of 2.50%, was used to calculate the net OPEB liability through 2070. The index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.65%) was used beyond 2070, resulting in a blended discount rate of 6.22%.

Basis for Allocation - The employers' proportionate share, reported in the Schedule of Employer Allocations, is calculated using employer contributions for employers that were members of the Authority as of June 30, 2023.

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Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of the Station's proportionate share of the net OPEB liability to changes in the discount rate - The following presents the College's proportionate share of the net OPEB liability, calculated using the discount rate of 6.22% as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.22 percent) or 1-percentage-point higher (7.22 percent) than the current discount rate:

| June 30, 2024 | | |
|----------------------|----------------------|--------------------|
| Current | | |
| 1% Decrease | Discount Rate | 1% Increase |
| (5.22%) | (6.22%) | (7.22%) |
| \$ 591,666 | \$ 509,135 | \$ 426,604 |
| June 30, 2023 | | |
| Current | | |
| 1% Decrease | Discount Rate | 1% Increase |
| (4.42%) | (5.42%) | (6.42%) |
| \$ 531,693 | \$ 444,708 | \$ 372,621 |

The following presents the Net OPEB Liability of NMRHCA as of June 30, 2023, as well as what the Station's Net OPEB Liability would be if it were calculated using a health cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the health cost trend rates used:

| June 30, 2024 | | |
|----------------------|--------------|--------------------|
| Current Trend | | |
| 1% Decrease | Rates | 1% Increase |
| \$ 372,888 | \$ 509,135 | \$ 531,604 |
| June 30, 2023 | | |
| Current Trend | | |
| 1% Decrease | Rates | 1% Increase |
| \$ 343,236 | \$ 444,708 | \$ 491,628 |

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Notes to Financial Statements

Note 11: OTHER POST-EMPLOYMENT BENEFITS (OPEB) - RETIREE HEALTH CARE FUND (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

OPEB plan fiduciary net position - Additional financial information supporting the preparation of the Schedule of Employer Allocations and the Schedule of OPEB Amounts by Employer, including the disclosure of the net OPEB liability and the unmodified audit opinion on the financial statements, is located in the New Mexico Retiree Health Care Authority financial statements for the fiscal year ended June 30, 2023. Additional financial information is available at www.nmrhca.state.nm.us or by contacting New Mexico Retiree Health Care Authority at 6300 Jefferson Street NE, Suite 150, Albuquerque, NM 87109.

Payables to the Pension Plan - The NMRHCA requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld.

Note 12: RISK MANAGEMENT

The Station is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; and natural disasters. The Station is insured under private carriers for liability and casualty insurance, and through a private carrier for director and officer liability insurance. There have been no significant reductions in coverage from the prior year and there have been no settlements in any of the past years.

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REQUIRED SUPPLEMENTARY INFORMATION



KNME-TV
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Schedule of the Employer's Proportionate Share of the Net Pension Liability
Educational Retirement Board (ERB) Plan
Last 10 Fiscal Years*

| | June 30, | | | |
|--|--------------|--------------|--------------|---------------|
| Fiscal Year | 2024 | 2023 | 2022 | 2021 |
| Measurement Date | 2023 | 2022 | 2021 | 2020 |
| Proportion of the net pension liability | 0.07458% | 0.07720% | 0.07809% | 0.07593% |
| Proportionate share of the net pension liability | \$ 6,588,017 | \$ 6,280,713 | \$ 5,471,731 | \$ 15,826,330 |
| Covered payroll | 3,014,840 | 2,545,055 | 2,561,601 | 2,538,039 |
| Proportionate share of the net pension liability as a percentage of covered payroll | 218.52% | 246.78% | 213.61% | 623.57% |
| Plan fiduciary net position as a percentage of the total pension liability | 64.87% | 64.87% | 158.12% | 54.13% |

* The amounts presented were determined as of June 30th. This schedule is presented to illustrate the requirement to show information for ten (10) years.

See notes to required supplementary information.

June 30,

| 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| 0.07727% | 0.08171% | 0.08159% | 0.08159% | 0.08792% | 0.08788% |
| \$ 5,753,750 | \$ 9,188,802 | \$ 9,080,573 | \$ 5,871,359 | \$ 5,694,728 | \$ 5,014,028 |
| 2,245,675 | 2,143,688 | 2,333,225 | 2,486,430 | 2,409,854 | 2,409,854 |
| 256.21% | 428.64% | 389.19% | 236.14% | 236.31% | 208.06% |
| 88.82% | 81.29% | 70.90% | 91.86% | 63.97% | 66.54% |

See notes to required supplementary information.

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Schedule of Employer Contributions
Educational Retirement Board (ERB) Plan
Last 10 Fiscal Years*

| As of and for the Year Ended June 30, | 2024 | 2023 | 2022 | 2021 |
|--|-------------|-------------|--------------|--------------|
| Contractually required contribution | \$ 579,087 | \$ 517,045 | \$ 388,083 | \$ 362,467 |
| Contributions in relation to the contractually required contribution | 579,087 | 506,932 | 383,025 | 353,569 |
| Contribution deficiency (excess) | \$ - | \$ 10,113 | \$ 5,058 | \$ 8,898 |
| Covered payroll | 3,256,565 | 3,014,840 | \$ 2,545,055 | \$ 2,561,601 |
| Contributions as a percentage of covered payroll | 17.78% | 16.81% | 15.05% | 13.80% |

* This schedule is presented to illustrate the requirement to show information for ten (10) years.

See notes to required supplementary information.

| 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$ 352,787 | \$ 312,149 | \$ 297,973 | \$ 324,318 | \$ 321,515 | \$ 345,614 |
| 359,608 | 308,539 | 294,449 | 323,363 | 321,754 | 345,614 |
| \$ (6,821) | \$ 3,610 | \$ 3,524 | \$ 955 | \$ (239) | \$ - |
| \$ 2,538,039 | \$ 2,245,675 | \$ 2,143,688 | \$ 2,333,225 | \$ 2,486,430 | \$ 2,409,854 |
| 14.17% | 13.74% | 13.74% | 13.86% | 12.94% | 14.34% |

See notes to required supplementary information.

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Notes to Required Supplementary Information

Education Retirement Board (ERB) Plan

Changes of benefit terms. The COLA and retirement eligibility benefits changes in recent years are described in the Benefits Provided subsection of the financial statement note disclosure Pension Plan – Educational Retirement Board, General Information on the Pension Plan.

Changes of assumptions. There were not assumption changes since the last actuary valuation.