

# **Nebraska Educational Telecommunications Commission An Instrumentality of the State of Nebraska**

**Independent Auditor's Report and Financial  
Statements**

June 30, 2023 and 2022

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
June 30, 2023 and 2022**

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## Independent Auditor's Report

Commissioners  
Nebraska Educational Telecommunications Commission  
Lincoln, Nebraska

### ***Opinion***

We have audited the financial statements of the Nebraska Educational Telecommunications Commission (the Commission), an Instrumentality of the State of Nebraska, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Nebraska Educational Telecommunications Commission, as of June 30, 2023 and 2022, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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 Commission's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Commission'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 Commission's ability to continue as a going concern for a reasonable period of time.

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

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

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

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The combining schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**FORVIS, LLP**

Lincoln, Nebraska  
January 9, 2024

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Management's Discussion and Analysis  
Years Ended June 30, 2023 and 2022**

***Introduction and Reporting Entity***

The following discussion and analysis is an overview of the financial position, activities, and cash flows of the Nebraska Educational Telecommunications Commission and its component units (the Commission) for the years ended June 30, 2023 and 2022. Management of the Commission has prepared the following discussion and it should be read in conjunction with the financial statements and related footnotes, which follow this section.

The Commission is an instrumentality operating under the jurisdiction of the State of Nebraska (the State). The Commission's primary functions are to promote and establish noncommercial educational telecommunications facilities within the State and to provide transmission facilities for noncommercial educational telecommunications programs throughout the State. The Commission's financial statements present the Commission (the primary government entity) and its component units. Nebraska Public Media Foundation (Radio Division) and the Nebraska Educational Telecommunications Commission Facilities Corporation (the Corporation) are reported as part of the Commission as blended component units. The Radio Division is a citizen support organization which solicits funds to be used to support program production and broadcasting of public radio in Nebraska. The Corporation is a Nebraska not-for-profit corporation organized by the Commission for the purpose of issuing lease revenue bonds to acquire and then lease property to the Commission on specified projects as the need arises. No such projects were being financed by the Corporation during 2023 or 2022.

***Overview of the Financial Statements***

The basic financial statements of the Commission consist of Balance Sheets, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows (direct method). The Commission prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). Net position of the Commission is classified in three components – net investment in capital assets; restricted; and unrestricted.

The Balance Sheet includes Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position of the Commission as of June 30, 2023 and 2022. These statements are classified into Current and Noncurrent Assets, Deferred Outflows of Resources, Current and Noncurrent Liabilities, and Deferred Inflows of Resources, with Net Position classified in the categories as noted above. The Statement of Revenues, Expenses and Changes in Net Position depict the operating revenues and expenses resulting in a Net Operating Loss, which is then combined with Nonoperating Revenues to report the Commission's overall Change in Net Position. The Statement of Cash Flows shows the sources and uses of cash from operations, cash flows from noncapital financing activities, cash flows from capital and related financing activities and cash flows from investing activities. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes are followed by the supplemental combining financial statements for the Television Fund and Radio Fund, which are presented for the purpose of additional analysis.

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Years Ended June 30, 2023 and 2022**

***Financial Highlights***

The financial position of the Commission at June 30, 2023 remains very strong. Net Position totaled \$16,490,022 for the year ended June 30, 2023 (FY 2023) and \$16,821,257 for the year ended June 30, 2022 (FY 2022). The Commission's Net Position decreased by \$331,235 in FY 2023. The Commission's Operating Revenues increased by \$174,796 in FY 2023 and its Operating Expenses increased by \$1,260,163 in FY 2023. Operating Revenues were \$3,916,642 in FY 2023 and \$3,741,846 in FY 2022. Operating Expenses were \$15,874,168 in FY 2023 and \$14,614,005 in FY 2022. The Operating Loss for FY 2023 was \$11,957,526, including non-cash depreciation and amortization of \$1,366,825. The Operating Loss for FY 2022 was \$10,872,159, including non-cash depreciation and amortization of \$1,577,870. The Net Nonoperating Revenues were \$11,626,291 in FY 2023 compared to \$11,062,981 in FY 2022. The significant component of Net Nonoperating Revenues was: State appropriations – operations, which were \$10,703,783 in FY 2023 and \$11,069,869 in FY 2022.

***Financial Analysis of the Statements***

The Commission's condensed financial statements are presented below for FY 2023, 2022 and 2021.

Current Assets consist primarily of cash and cash equivalents, investments and accounts and pledges receivable. Noncurrent Assets consist of property and equipment, right-to-use lease assets, lease receivables and the Commission's net pension asset in 2022. Property and equipment are presented net of accumulated depreciation of \$50,073,050 and \$51,157,852 at June 30, 2023 and 2022, respectively. Property and equipment additions totaled \$998,786 and \$1,257,372 in FY 2023 and 2022, respectively. Current Liabilities consist primarily of accounts payable and accrued expenses, and the current portion of the Commission's lease liability at June 30, 2023 and 2022.

Operating Revenues consist primarily of membership contributions and community service grants. Operating Expenses consist primarily of broadcasting, programming and production, management and general, depreciation and grants expense. Nonoperating Revenues consist primarily of State appropriations for operations and other contributions.

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***Financial Analysis of the Statements - Continued***

The net cash flows from membership contributions, community service grants, other noncapital financing activities and state appropriations were used primarily for operating activities and purchases of property and equipment.

**Condensed Balance Sheets**

	<u>June 30,</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assets and Deferred Outflows of Resources			
Current assets	\$ 10,311,518	\$ 10,013,499	\$ 9,701,214
Noncurrent assets	<u>7,769,778</u>	<u>9,388,614</u>	<u>9,051,125</u>
Total assets	18,081,296	19,402,113	18,752,339
Deferred outflows of resources	<u>926,549</u>	<u>276,865</u>	<u>282,828</u>
Total assets and deferred outflows of resources	<u>\$ 19,007,845</u>	<u>\$ 19,678,978</u>	<u>\$ 19,035,167</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Current liabilities	\$ 913,008	\$ 915,166	\$ 809,953
Noncurrent liabilities	<u>985,033</u>	<u>539,075</u>	<u>670,712</u>
Total liabilities	<u>1,898,041</u>	<u>1,454,241</u>	<u>1,480,665</u>
Deferred inflows of resources	<u>619,782</u>	<u>1,403,480</u>	<u>924,067</u>
Net Position			
Net investment in capital assets	6,777,582	7,015,653	7,210,977
Restricted for pensions	-	1,581,820	856,360
Restricted for endowment - nonexpendable	1,863,566	1,846,466	1,830,081
Restricted for endowment - expendable	795,869	781,035	538,513
Unrestricted	<u>7,053,005</u>	<u>5,596,283</u>	<u>6,194,504</u>
Total net position	<u>16,490,022</u>	<u>16,821,257</u>	<u>16,630,435</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 19,007,845</u>	<u>\$ 19,678,978</u>	<u>\$ 19,035,167</u>



**Nebraska Educational  
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Management's Discussion and Analysis  
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**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<b>Years Ended June 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Operating revenues	\$ 3,916,642	\$ 3,741,846	\$ 3,571,821
Operating expenses			
Broadcasting	(4,570,864)	(4,465,891)	(4,533,969)
Programming and production	(4,280,751)	(4,093,426)	(3,987,840)
Program information	(176,552)	(168,752)	(145,462)
Management and general	(2,509,620)	(2,199,714)	(2,325,154)
Depreciation and amortization	(1,366,825)	(1,577,870)	(1,656,569)
Fundraising and membership development	(562,794)	(467,392)	(465,660)
Grants expense	(2,027,849)	(1,816,501)	(1,924,042)
Net pension (expense) credit	(378,913)	175,541	168,966
Operating loss	<u>(11,957,526)</u>	<u>(10,872,159)</u>	<u>(11,297,909)</u>
State appropriations – operations	10,703,783	11,069,869	11,868,055
Other nonoperating revenues (expenses)	<u>922,508</u>	<u>(6,888)</u>	<u>2,208,517</u>
Net nonoperating revenues	<u>11,626,291</u>	<u>11,062,981</u>	<u>14,076,572</u>
Increase (decrease) in net position	(331,235)	190,822	2,778,663
Net position, beginning of year	<u>16,821,257</u>	<u>16,630,435</u>	<u>13,851,772</u>
Net position, end of year	<u>\$ 16,490,022</u>	<u>\$ 16,821,257</u>	<u>\$ 16,630,435</u>

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**Condensed Statements of Cash Flows**

	<b>Years Ended June 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Net cash flows used in operating activities	\$ (10,074,968)	\$ (10,061,417)	\$ (9,649,860)
Net cash flows provided by noncapital financing activities	10,983,572	11,862,608	12,776,194
Net cash flows used in capital and related financing activities	(1,060,186)	(1,323,752)	(2,701,407)
Net cash flows used in investing activities	<u>(96,272)</u>	<u>(223,009)</u>	<u>(43,549)</u>
Net change in cash and cash equivalents	(247,854)	254,430	381,378
Cash and cash equivalents, beginning of year	<u>1,239,345</u>	<u>984,915</u>	<u>603,537</u>
Cash and cash equivalents, end of year	<u>\$ 991,491</u>	<u>\$ 1,239,345</u>	<u>\$ 984,915</u>

***Other Significant Matters***

Effective July 1, 2021, the NET Foundation for Radio and the NET Foundation for Television merged to form the Nebraska Public Media Foundation. This merger was completed with the intent of increasing operational efficiencies and also improving the Foundation's development efforts.

# Nebraska Educational Telecommunications Commission

## An Instrumentality of the State of Nebraska

### Balance Sheets June 30, 2023 and 2022

#### Assets and Deferred Outflows of Resources

	2023	2022
<b>Current Assets</b>		
Cash and cash equivalents	\$ 841,070	\$ 858,554
Equity in pooled cash	150,421	380,791
Investments	7,542,123	6,881,528
Accounts and pledges receivable, net	1,449,116	1,542,084
Prepaid expenses and other current assets	249,722	277,108
Grants receivable	-	7,500
Lease receivable	79,066	65,934
	<u>10,311,518</u>	<u>10,013,499</u>
<b>Total current assets</b>		
	<u>10,311,518</u>	<u>10,013,499</u>
<b>Noncurrent Assets</b>		
Net pension asset	-	1,581,820
Lease receivable, net of current portion	453,121	120,429
Property and equipment, net	6,802,142	7,037,394
Right-to-use lease assets, net	514,515	648,971
	<u>7,769,778</u>	<u>9,388,614</u>
<b>Total noncurrent assets</b>		
	<u>7,769,778</u>	<u>9,388,614</u>
<b>Deferred Outflows of Resources</b>		
Deferred outflows for pensions	926,549	276,865
	<u>926,549</u>	<u>276,865</u>
<b>Total assets and deferred outflows of resources</b>		
	<u>\$ 19,007,845</u>	<u>\$ 19,678,978</u>

#### Liabilities, Deferred Inflows of Resources and Net Position

<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 754,314	\$ 748,301
Unearned revenues	36,197	35,228
Lease liability	122,497	131,637
	<u>913,008</u>	<u>915,166</u>
<b>Total current liabilities</b>		
	<u>913,008</u>	<u>915,166</u>
<b>Noncurrent Liabilities</b>		
Lease liability, net of current portion	419,366	539,075
Net pension liability	565,667	-
	<u>985,033</u>	<u>539,075</u>
<b>Total noncurrent liabilities</b>		
	<u>985,033</u>	<u>539,075</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflows for pensions	101,719	1,220,609
Deferred inflows for leases	518,063	182,871
	<u>619,782</u>	<u>1,403,480</u>
<b>Total deferred inflows of resources</b>		
	<u>619,782</u>	<u>1,403,480</u>
<b>Net Position</b>		
Net investment in capital assets	6,777,582	7,015,653
Restricted for pensions	-	1,581,820
Restricted for endowment - nonexpendable	1,863,566	1,846,466
Restricted for endowment - expendable	795,869	781,035
Unrestricted	7,053,005	5,596,283
	<u>16,490,022</u>	<u>16,821,257</u>
<b>Total net position</b>		
	<u>16,490,022</u>	<u>16,821,257</u>
<b>Total liabilities, deferred inflows of resources and net position</b>		
	<u>\$ 19,007,845</u>	<u>\$ 19,678,978</u>

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Operating Revenues</b>		
Membership contributions	\$ 1,254,358	\$ 1,245,485
Community service grants	2,042,067	2,006,247
Program production grants	-	7,500
Other grants	265,079	118,827
Program underwriting	346,635	355,479
Contributed support	8,503	8,308
	<u>3,916,642</u>	<u>3,741,846</u>
Total operating revenues	<u>3,916,642</u>	<u>3,741,846</u>
<b>Operating Expenses</b>		
Broadcasting	4,570,864	4,465,891
Programming and production	4,280,751	4,093,426
Program information	176,552	168,752
Management and general	2,509,620	2,199,714
Depreciation and amortization	1,366,825	1,577,870
Fundraising and membership development	562,794	467,392
Grants	2,027,849	1,816,501
Net pension expense (credit)	378,913	(175,541)
	<u>15,874,168</u>	<u>14,614,005</u>
Total operating expenses	<u>15,874,168</u>	<u>14,614,005</u>
<b>Operating Loss</b>	<u>(11,957,526)</u>	<u>(10,872,159)</u>
<b>Nonoperating Revenues (Expenses)</b>		
State appropriations – operations	10,703,783	11,069,869
Investment income (loss)	564,323	(845,828)
Interest expense	(3,760)	(4,102)
Other contributions	57,322	567,180
Other grants	58,357	3,206
Other	246,266	272,656
	<u>11,626,291</u>	<u>11,062,981</u>
Net nonoperating revenues	<u>11,626,291</u>	<u>11,062,981</u>
<b>Increase (Decrease) in Net Position</b>	<u>(331,235)</u>	<u>190,822</u>
<b>Net Position, Beginning of Year</b>	<u>16,821,257</u>	<u>16,630,435</u>
<b>Net Position, End of Year</b>	<u>\$ 16,490,022</u>	<u>\$ 16,821,257</u>

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Statements of Cash Flows  
Years Ended June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Operating Activities</b>		
Membership contributions	\$ 1,332,334	\$ 685,479
Community service grants	2,043,036	2,000,976
Program production grants	7,500	15,000
Program underwriting	361,942	239,174
Contributed support	8,503	8,308
Payments to vendors	(10,020,175)	(8,901,524)
Payments to employees	(3,808,108)	(4,108,830)
Net cash used in operating activities	<u>(10,074,968)</u>	<u>(10,061,417)</u>
<b>Noncapital Financing Activities</b>		
Other	300,700	802,673
State appropriations – operations	10,682,872	11,059,935
Net cash provided by noncapital financing activities	<u>10,983,572</u>	<u>11,862,608</u>
<b>Capital and Related Financing Activities</b>		
Principal payments received on lease receivable	70,724	63,804
Interest payments received on lease receivable	485	669
Principal payments on leases payable	(128,849)	(126,713)
Interest payments on leases payable	(3,760)	(4,140)
Property and equipment acquisitions	(998,786)	(1,257,372)
Net cash used in capital and related financing activities	<u>(1,060,186)</u>	<u>(1,323,752)</u>
<b>Investing Activities</b>		
Purchases of investments	(461,997)	(809,689)
Proceeds from sales of investments	94,094	298,174
Interest and other revenues received	271,631	288,506
Net cash used in investing activities	<u>(96,272)</u>	<u>(223,009)</u>
<b>Change in Cash and Cash Equivalents</b>	(247,854)	254,430
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1,239,345</u>	<u>984,915</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 991,491</u>	<u>\$ 1,239,345</u>

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Statements of Cash Flows - Continued  
Years Ended June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Reconciliation of Cash and Cash Equivalents to the Balance Sheets</b>		
Cash and cash equivalents	\$ 841,070	\$ 858,554
Equity in pooled cash	<u>150,421</u>	<u>380,791</u>
	<u>\$ 991,491</u>	<u>\$ 1,239,345</u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>		
Operating loss	\$ (11,957,526)	\$ (10,872,159)
Depreciation and amortization expense	1,366,825	1,577,870
Loss on disposal of assets	1,669	1,539
Changes in operating assets and liabilities		
Accounts receivable	93,283	(682,285)
Grants receivable	7,500	7,500
Prepaid expenses and other current assets	27,386	(18,668)
Net pension asset/liability	2,147,487	(725,460)
Deferred outflows of resources	(649,684)	5,963
Accounts payable and accrued expenses	6,013	99,624
Unearned revenue	969	703
Deferred inflows for pensions	<u>(1,118,890)</u>	<u>543,956</u>
<b>Net Cash Used in Operating Activities</b>	<u>\$ (10,074,968)</u>	<u>\$ (10,061,417)</u>
<b>Supplemental Cash Flows Information</b>		
Lease receivable recorded for leased assets	\$ 417,033	\$ -

# **Nebraska Educational Telecommunications Commission An Instrumentality of the State of Nebraska**

## **Notes to Financial Statements**

**June 30, 2023 and 2022**

### **Note 1: Nature of Operations and Summary of Significant Accounting Policies**

#### ***Nature of Operations***

Nebraska Educational Telecommunications Commission (the “Commission”) is an instrumentality operating under the jurisdiction of the State of Nebraska (the “State”). The Commission is governed by a Board of Commissioners, some of whom are appointed by the Governor and ratified by the Legislature plus the president of the University of Nebraska and the State Commissioner of Education or their respective designee. The Commission’s primary functions are to promote and establish noncommercial educational telecommunications facilities within the State and to provide transmission facilities for noncommercial educational telecommunications programs throughout the State. The Commission is the licensee of eight Nebraska Educational Telecommunications Network television stations. The Commission also has the responsibility to establish and operate a statewide public radio network and is the licensee for the public radio stations.

#### ***Basis of Accounting and Presentation***

The financial statements of the Commission have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in the preparation of the financial statements unless they relate to services provided and used internally. Operating revenues and expenses include exchange transactions and program-specific, government-mandated nonexchange transactions. Government-mandated nonexchange transactions that are not program specific (such as state appropriations) and investment income are included in nonoperating revenues and expenses.

The Commission’s financial statements present the Commission (the primary government entity) and its component units. The component units are included in the Commission’s reporting entity because of the financial accountability criteria in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 34 and 14*. Nebraska Public Media Foundation – Radio Division and Nebraska Educational Telecommunications Commission Facilities Corporation are reported as part of the Commission as blended component units.

**Nebraska Public Media Foundation – Radio Division** – Nebraska Public Media Foundation Radio Division (“Radio Division”), is a citizen support organization which solicits funds to be used to support program production and broadcasting of public radio in Nebraska. The Radio Division is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. The distribution of Radio Division funds is determined by the Board of Directors of the Nebraska Public Media Foundation (“Foundation”) of which the General Manager of the Commission is a member. Separate financial statements for the Radio Division can be obtained by contacting the Nebraska Public Media Foundation, 1800 North 33<sup>rd</sup> Street, Lincoln, Nebraska 68503 or (402) 472-3611.

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**Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued**

***Basis of Accounting and Presentation - Continued***

**Nebraska Educational Telecommunications Commission (NETC) Facilities Corporation** – NETC Facilities Corporation (the Corporation) is a Nebraska not-for-profit corporation, organized on December 15, 1999, by the Commission for the purpose of issuing lease rental revenue bonds to acquire and then lease property to the Commission as part of the Digitization (DTV) project and to renovate and remodel the telecommunications facility as part of the Terry M. Carpenter Telecommunications Center Project. The Corporation is authorized only to act “by and on behalf of” the Commission, and the directors and officers of the Corporation represent current and past members of the Commission and its staff.

***Use of Estimates***

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

***Deposits and Equity in Pooled Cash***

The Commission considers all liquid investments which are readily convertible to known amounts of cash and have original maturities of three months or less to be cash equivalents. Cash equivalents consist of a money market account at a bank, a short-term trust account with a bank and equity in pooled cash held by the State.

The Commission participates in a cash management pool with the State. The Commission’s cash and cash equivalents are deposited in a pooled State fund managed by the Nebraska State Treasurer. The Commission’s interest in the pool is shown as equity in pooled cash on the balance sheets.

***Investments and Investment Return***

Investments in equity securities having a readily determinable fair value are carried at fair value. Fair value of the equity in external investment pools is the same as the value of pool shares determined using the fair value of the pools’ underlying investment portfolios. Other investments are valued at the lower of cost or fair value.

Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses on investments carried at fair value.



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**Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued**

***Accounts and Pledges Receivable***

Accounts receivable consist primarily of state appropriations for which an expenditure has been made, but reimbursement has not been received. Accounts receivable also consist of amounts billed to underwriters plus unbilled amounts for outstanding underwriting contracts. The Commission analyzes collectability of underwriting and other receivables based upon a review of outstanding receivables, historical collection information and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the underwriter. There is no allowance related to appropriations receivable.

Pledges receivable consist of membership and contribution commitments outstanding, net of recorded discount and allowance. The Commission provides an allowance for pledges receivable based upon a review of outstanding pledges and historical collection information.

***Lease Receivable***

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

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

***Property and Equipment***

Property and equipment is recorded at cost at the date of acquisition, or acquisition value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the Commission:

Buildings and building improvements	15 - 30 years
Towers and transmission equipment	15 - 20 years
Production equipment	3 - 10 years
Office furniture and equipment	3 - 5 years
Information systems	3 years
Information services	3 - 7 years

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**Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued**

***Property and Equipment - Continued***

The Commission evaluates its property and equipment for impairment in accordance with the provisions of Governmental Accounting Standards Board Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. When a significant, unexpected decline in the service utility of the asset is indicated, the asset is tested for impairment. Indicators of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological development or evidence of obsolescence, change in manner or duration of use and construction stoppage. The Commission generally uses the service units approach to test for impairment. Impairment is recorded in the year the significant, unexpected decline in the service utility of the asset is indicated. There was no impairment loss recorded during 2023 or 2022.

***Cost-Sharing Defined Benefit Pension Plan***

The Commission participates in a cost-sharing multiple-employer defined benefit pension plan, the State Employees' Retirement Plan, (the Plan). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

***Compensated Absences***

State policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits and are earned whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash, determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet dates plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

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**Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued**

***Lease Liability***

The Commission is a lessee for certain noncancellable leases. The Commission recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The Commission recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

***Deferred Inflows of Resources***

The Commission reports an acquisition of net position that is applicable to a future reporting period as deferred inflows of resources in a separate section of its balance sheets.

***Net Position***

Net position of the Commission is classified into three components. The net investment in capital assets component of net position consists of capital assets and right-to-use lease assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvements of assets. The restricted for endowment component of net position consists of noncapital assets that are required to be maintained in perpetuity as specified by donors (nonexpendable) and unspent earnings on those funds that are restricted for a specific purpose by the donor (expendable). The restricted for pensions component of net position represents the Commission's proportionate share of the net pension asset of the State Employees' Retirement Plan. The unrestricted component of net position is the remaining net position that does not meet the definition of net investment in capital assets or the restricted component of net position. The Commission first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

***Revenue Recognition***

The Commission records revenue based on the following recognition policies:

Membership contributions are recognized as operating revenues in the period they are received, or the commitment is received.

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**Notes to Financial Statements**

**June 30, 2023 and 2022**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies - Continued**

***Revenue Recognition - Continued***

Program production grants are reported as unearned revenues for programs not yet broadcast until the specific program is broadcast. At such time, amounts are included as revenues and the expenditures are recorded. Production income is recorded as unrestricted revenues on an accrual basis.

Grants for other purposes are recorded as unearned revenue, upon receipt of funds, until an expenditure is incurred for which the grant was intended. The amounts are then included in revenues. Upon completion of the project, any remaining balance in other unearned revenues related to the project, if not required to be returned to the grantor, is recognized as revenues.

Revenue related to program underwriting for subsequent fiscal years is reflected as unearned revenues in the accompanying balance sheets. Revenue is recognized when the related program is aired.

Contributed support represents expenses paid on behalf of the Commission by others, and includes contributed professional services, donated materials or facilities and indirect administrative support.

State appropriations are recorded as revenue in the statements of revenues, expenses and changes in net position when an expenditure is recorded.

Non-permanent endowment contributions are recognized as nonoperating revenues in the period in which the promise is made, or the funds are received, if no promise is made. Donor restricted permanent endowment contributions are recognized when received in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. As a matter of Nebraska Public Media Foundation Board policy, all income received from bequests and gifts are designated by the Nebraska Public Media Foundation board to act as an endowment unless otherwise restricted by the donor. The internally designated funds are classified as unrestricted on the accompanying balance sheets.

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**Notes to Financial Statements**

**June 30, 2023 and 2022**

**Note 2: Deposits, Investments and Investment Return**

***Deposits***

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Commission's deposits are required to be maintained as part of the State of Nebraska's pooled cash and investments.

***Investments***

The Commission's investments are required to be maintained as part of the State of Nebraska's pooled cash and investments. Neither the Corporation nor the Commission have formal investment policies. The Foundation's investment policy allows for a variety of investment options, so long as they follow the investment philosophy outlined in the investment policy approved by the Board of Directors.

At June 30, 2023 and 2022, the Commission had the following investments:

<b>Type</b>	<b>Carrying Value</b>	
	<b>2023</b>	<b>2022</b>
Mutual funds	\$ 4,450,360	\$ 4,103,594
U.S. government agency securities	593,137	528,013
Money market funds	353,222	182,246
External investment pools	2,986,474	3,056,718
	<u>\$ 8,383,193</u>	<u>\$ 7,870,571</u>

All investments at June 30, 2023 and 2022 are redeemable in full immediately.

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation's investment policy states fixed income holdings shall emphasize intermediate maturity bonds. The policy prohibits holding bonds with a maturity exceeding 12 years.

**Credit Risk** - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Foundation's investment policy limits its investments in bonds to Baa/BBB or better and specifies the average quality rating of the fixed income portion of the investment portfolio shall be greater than "A" rated. At June 30, 2023 and 2022, no ratings were available for the investments in money market funds, mutual funds and the external investment pools. The Radio Division's investments in U.S. government agency securities were rated AAA at June 30, 2023 and 2022.

**Custodial Credit Risk** - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

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**Notes to Financial Statements**

**June 30, 2023 and 2022**

**Note 2: Deposits, Investments and Investment Return - Continued**

***Investments - Continued***

Concentration of Credit Risk - The Foundation limits the amount that may be invested in any one issuer. Except for U.S. Treasury and agency obligations, the fixed income portion of the portfolio shall not contain more than 10% of total market value from any given issuer. Limitations are also placed on the equity portion of the portfolio as follows:

- No single mutual equity fund shall exceed 15% of the portfolio's market value
- No single international equity fund shall exceed 10% of the portfolio's market value
- No single equity security shall exceed 10% of the portfolio's market value
- No single international equity security shall exceed 5% of the portfolio's market value

Foreign Currency Risk - This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Radio Division's exposure to foreign currency risk derives from its investment in international mutual funds. The Foundation's investment policy permits it to hold up to 10% of total investments in foreign currency-denominated mutual funds or equity securities. At June 30, 2023 and 2022, the Radio Division's investment in international mutual funds had a fair value of approximately \$572,000 and \$496,000, respectively.

***Summary of Carrying Values***

The carrying values of deposits and investments shown above are included in the balance sheets at June 30, 2023 and 2022 as follows:

	<b>2023</b>	<b>2022</b>
Carrying value		
Deposits	\$ 150,421	\$ 250,302
Investments	<u>8,383,193</u>	<u>7,870,571</u>
	<u>\$ 8,533,614</u>	<u>\$ 8,120,873</u>
Included in the following balance sheet captions		
Cash and cash equivalents	\$ 841,070	\$ 858,554
Equity in pooled cash	150,421	380,791
Investments	<u>7,542,123</u>	<u>6,881,528</u>
	<u>\$ 8,533,614</u>	<u>\$ 8,120,873</u>

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**Notes to Financial Statements  
June 30, 2023 and 2022**

**Note 2: Deposits, Investments and Investment Return – Continued**

***Summary of Carrying Values – Continued***

Investment income (loss) for the years ended June 30, 2023 and 2022 consisted of:

	<b>2023</b>	<b>2022</b>
Interest and dividend income	\$ 306,174	\$ 307,159
Net realized and unrealized gains (losses) on investments reported at fair value	<u>258,149</u>	<u>(1,152,987)</u>
	<u><u>\$ 564,323</u></u>	<u><u>\$ (845,828)</u></u>

**Note 3: Capital and Leased Assets**

Capital asset activity for the years ended June 30, 2023 and 2022 was:

<b>2023</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Transfers</b>	<b>Ending Balance</b>
Land	\$ 130,557	\$ -	\$ -	\$ -	\$ 130,557
Buildings	18,221,722	-	-	-	18,221,722
Towers and transmission equipment	30,080,350	573,483	771,957	197,726	30,079,602
Production equipment	7,790,315	22,777	997,125	-	6,815,967
Office furniture and equipment	7,977	-	-	-	7,977
Information systems	1,527,112	195,138	549,758	75,785	1,248,277
Information services	130,545	-	-	-	130,545
Construction in progress	306,668	207,388	-	(273,511)	240,545
Total	<u>58,195,246</u>	<u>998,786</u>	<u>2,318,840</u>	<u>-</u>	<u>56,875,192</u>
Less accumulated depreciation					
Buildings	17,941,772	55,515	-	-	17,997,287
Towers and transmission equipment	24,624,401	843,109	771,957	-	24,695,553
Production equipment	7,178,451	183,451	996,938	-	6,364,964
Office furniture and equipment	10,957	-	-	-	10,957
Information systems	1,108,324	150,294	548,276	-	710,342
Information services	293,947	-	-	-	293,947
Total	<u>51,157,852</u>	<u>1,232,369</u>	<u>2,317,171</u>	<u>-</u>	<u>50,073,050</u>
Property and equipment, net	<u><u>\$ 7,037,394</u></u>	<u><u>\$ (233,583)</u></u>	<u><u>\$ 1,669</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,802,142</u></u>

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**Notes to Financial Statements**

**June 30, 2023 and 2022**

**Note 3: Capital and Leased Assets - Continued**

<b>2022</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Transfers</b>	<b>Ending Balance</b>
Land	\$ 130,557	\$ -	\$ -	\$ -	\$ 130,557
Buildings	18,221,722	-	-	-	18,221,722
Towers and transmission equipment	29,191,856	942,919	54,425	-	30,080,350
Production equipment	7,782,530	7,785	-	-	7,790,315
Office furniture and equipment	7,977	-	-	-	7,977
Information systems	1,527,112	-	-	-	1,527,112
Information services	130,545	-	-	-	130,545
Construction in progress	-	306,668	-	-	306,668
Total	56,992,299	1,257,372	54,425	-	58,195,246
Less accumulated depreciation					
Buildings	17,885,028	56,744	-	-	17,941,772
Towers and transmission equipment	23,590,823	1,086,464	52,886	-	24,624,401
Production equipment	6,978,919	199,532	-	-	7,178,451
Office furniture and equipment	10,957	-	-	-	10,957
Information systems	1,009,980	98,344	-	-	1,108,324
Information services	293,947	-	-	-	293,947
Total	49,769,654	1,441,084	52,886	-	51,157,852
Property and equipment, net	\$ 7,222,645	\$ (183,712)	\$ 1,539	\$ -	\$ 7,037,394

Right-to-use lease asset activity for the years ended June 30, 2023 and 2022 was:

<b>2023</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Transfers</b>	<b>Ending Balance</b>
Land and improvements	\$ 27,366	\$ -	\$ -	\$ -	\$ 27,366
Towers and transmission equipment	895,177	-	-	-	895,177
Total	922,543	-	-	-	922,543
Less accumulated amortization					
Land and improvements	4,976	1,710	-	-	6,686
Towers and transmission equipment	268,596	132,746	-	-	401,342
Total	273,572	134,456	-	-	408,028
Right-to-use lease assets, net	\$ 648,971	\$ (134,456)	\$ -	\$ -	\$ 514,515



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**Notes to Financial Statements**

**June 30, 2023 and 2022**

**Note 3: Capital and Leased Assets - Continued**

2022	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Land and improvements	\$ 27,366	\$ -	\$ -	\$ -	\$ 27,366
Towers and transmission equipment	895,177	-	-	-	895,177
Total	922,543	-	-	-	922,543
Less accumulated amortization					
Land and improvements	2,488	2,488	-	-	4,976
Towers and transmission equipment	134,298	134,298	-	-	268,596
Total	136,786	136,786	-	-	273,572
Right-to-use lease assets, net	\$ 785,757	\$ (136,786)	\$ -	\$ -	\$ 648,971

**Note 4: Pension Plan**

***Plan Description***

The Commission contributes to the State Employees' Retirement Plan, a single-employer plan administered by the Nebraska Public Employees Retirement System (NPERS). The plan covers substantially all full-time employees of the Commission. In accordance with the provisions of GASB Statement No. 68, the Commission accounts for and reports its participation in the single-employer plan as if it was a cost-sharing plan. Participation in the plan is required by all permanent, full-time employees. The plan began as a defined contribution plan in 1964 and a cash balance benefit was added in 2002. As of January 1, 2003, new plan members participate in the cash balance benefit. Existing plan members at that date were given the option to keep the existing defined contribution benefit or convert to the cash balance benefit.

The Nebraska Public Employees Retirement Board issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by writing to the plan at Public Employees Retirement Systems, P.O. Box 94816, Lincoln, Nebraska, 68509-4816, or by calling (402) 471-2053.

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**Note 4: Pension Plan - Continued**

***Contributions***

Contribution and benefit provisions are established by State law and may only be amended by the State Legislature. Per State statute, each member contributes 4.8% of their compensation. The Commission matches a member's contribution at a rate of 156% of the member's contribution. The employee's and employer's contributions are maintained in separate accounts. Costs under this plan are funded as they accrue. The Commission's portion of the total cost for contributions to this plan was \$245,640 and \$247,992 for the years ended June 30, 2023 and 2022, respectively.

***Benefits***

*Defined Contribution Option* – Upon reaching age 55, regardless of service, the retirement allowance is equal to the sum of the employee and employer accounts. Members have several forms of payment available, including withdrawals, deferrals, annuities, or a combination of these.

*Cash Balance Benefit* – Upon reaching age 55, regardless of service, the retirement allowance is equal to the accumulated employee and employer cash balance accounts, including interest credits, annuitized for payment in the normal form. The normal form of payment is a single life annuity with five-year certain, payable monthly. Members also have the option of converting their cash balance account to a monthly annuity with built-in cost-of-living adjustments of 2.5% annually. Also available are additional forms of payment allowed under the plan, which are actuarially equivalent to the normal form, including the option of a lump-sum or partial lump-sum.

***Pension Asset and Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2023, the Commission reported a liability of \$565,667, and at June 30, 2022, the Commission reported an asset of \$1,581,820, for its proportionate share of the collective net pension liability and of the collective net pension asset, respectively, for the State Employees' Retirement Plan. The net pension liability recorded as of June 30, 2023 and the net pension asset recorded as of June 30, 2022 were measured as of December 31, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability and the net pension asset was determined by actuarial valuations as of those dates. The Commission's proportionate share of the net pension liability and the net pension asset was based on the Commission's share of contributions to the pension plan relative to all employer contributions to the plan. At December 31, 2022 and 2021, the Commission's proportion was 0.38% and 0.46%, respectively.

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**Note 4: Pension Plan - Continued**

***Pension Asset and Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued***

For the years ended June 30, 2023 and 2022, the Commission recognized pension expense of \$602,610 and \$65,558, respectively. At June 30, 2023 and 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>June 30, 2023</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 101,719
Changes of assumptions	104,289	-
Net difference between projected and actual earnings on pension plan investments	599,550	-
Change in Commission's proportionate share of collective balance	76,030	-
Commission contributions subsequent to the measurement date	146,680	-
Total	<u>\$ 926,549</u>	<u>\$ 101,719</u>
<b>June 30, 2022</b>		
Differences between expected and actual experience	\$ -	\$ 123,490
Changes of assumptions	143,248	-
Net difference between projected and actual earnings on pension plan investments	-	1,080,393
Change in Commission's proportionate share of collective balance	-	16,726
Commission contributions subsequent to the measurement date	133,617	-
Total	<u>\$ 276,865</u>	<u>\$ 1,220,609</u>

**Nebraska Educational  
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**Notes to Financial Statements**

**June 30, 2023 and 2022**

**Note 4: Pension Plan - Continued**

***Pension Asset and Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued***

The deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2024	\$ 2,166
2025	135,889
2026	201,410
2027	338,685

**Actuarial assumptions** – The total pension liability in the December 31, 2022 and 2021 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Inflation	
2022	2.65%
2023	2.45%
Salary increases	
2022	3.15 to 9.50%, including wage inflation
2023	2.95 to 9.30%, including wage inflation
Investment rate of return	
2022	7.30%, net of pension plan investment expense including price inflation
2023	7.10%, net of pension plan investment expense including price inflation

Pre-retirement mortality rates were based on the Pub-2010 General Members Employee Mortality Table. Post-retirement mortality rates were based on the Pub-2010 General Members Retiree Mortality Table. Beneficiary rates were based on the Pub-2010 Contingent Survivor Mortality Table. The rates within all tables were set back one year, projected generationally using MP-2019 and modified to 75% of the ultimate rates.

The actuarial assumptions used in the December 31, 2022 and December 31, 2021 valuations were based on the results of an actuarial experience study, which covered the four-year period ending June 30, 2019. The experience study report is dated December 21, 2020.

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**Notes to Financial Statements**

**June 30, 2023 and 2022**

**Note 4: Pension Plan - Continued**

***Pension Asset and Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class for both 2022 and 2021 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>
U.S. Equity	27.00%	4.50%
Global Equity	19.00%	5.30%
Non-U.S. Equity	11.50%	5.80%
Fixed Income	30.00%	0.70%
Private Equity	5.00%	7.40%
Real Estate	7.50%	4.20%
Total	<u>100.00%</u>	

\*Arithmetic mean, net of investment expenses

**Discount rate** – The discount rate used to measure the total pension liability at December 31, 2022 was 7.10%, which decreased from the discount rate of 7.20% used to measure the total pension liability at December 31, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate, and that contributions from employers and non-employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projected future benefit payments for all current plan members were projected through 2122.

**Sensitivity of the Commission's proportionate share of the net pension asset/(liability) to changes in the discount rate** – The following presents the Commission's proportionate share of the net pension asset/(liability) calculated using the current discount rate, as well as what the Commission's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

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**Notes to Financial Statements**

**June 30, 2023 and 2022**

**Note 4: Pension Plan - Continued**

***Pension Asset and Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued***

	<b>1% Decrease (6.10%)</b>	<b>Current Discount Rate (7.10%)</b>	<b>1% Increase (8.10%)</b>
<b>June 30, 2023</b>			
Commission's proportionate share of the net pension asset/(liability)	\$ (1,302,198)	\$ (565,667)	\$ 47,161
	<b>1% Decrease (6.20%)</b>	<b>Current Discount Rate (7.20%)</b>	<b>1% Increase (8.20%)</b>
<b>June 30, 2022</b>			
Commission's proportionate share of the net pension asset	\$ 755,181	\$ 1,581,820	\$ 2,271,219

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued NPERS State Employees' Retirement Plan financial report.

**Note 5: Leases**

***Lease Receivable***

The Commission leases a portion of its property and equipment to various third parties, the terms of which expire through 2052. Payments increase annually based on scheduled lease payments stated in the related agreements. Revenue recognized under these lease contracts totaled approximately \$90,000 and \$65,000 for the years ended June 30, 2023 and 2022, respectively, which includes both lease revenue and interest. This revenue is included within other nonoperating revenues on the statements of revenues, expenses and changes in net position.

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**Notes to Financial Statements  
June 30, 2023 and 2022**

**Note 5: Leases - Continued**

***Lease Liability***

The Commission leases certain land improvements and equipment, the terms of which expire in various years through 2040. The table below presents lease liability activity for the years ended June 30, 2023 and 2022:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
<b>2023</b>					
Lease liability	<u>\$ 670,712</u>	<u>\$ -</u>	<u>\$ 128,849</u>	<u>\$ 541,863</u>	<u>\$ 122,497</u>
<b>2022</b>					
Lease liability	<u>\$ 797,425</u>	<u>\$ -</u>	<u>\$ 126,713</u>	<u>\$ 670,712</u>	<u>\$ 131,637</u>

The following is a schedule by year of payments under the leases as of June 30, 2023:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 122,497	\$ 3,197	\$ 125,694
2025	115,478	2,763	118,241
2026	119,414	2,318	121,732
2027	10,421	2,018	12,439
2028	10,860	1,897	12,757
2029 - 2033	61,421	7,473	68,894
2034 - 2038	71,223	3,589	74,812
2039 - 2040	<u>30,549</u>	<u>218</u>	<u>30,767</u>
	<u>\$ 541,863</u>	<u>\$ 23,473</u>	<u>\$ 565,336</u>

**Note 6: Disclosures About Fair Value of Assets and Liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

**Level 1** Quoted prices in active markets for identical assets or liabilities

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**Notes to Financial Statements**

**June 30, 2023 and 2022**

**Note 6: Disclosures About Fair Value of Assets and Liabilities - Continued**

**Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

**Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The Commission's investments in money market mutual funds are carried at amortized cost, and thus are not included within the fair value hierarchy.

***Recurring Measurements***

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2023 and 2022:

<b>June 30, 2023</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>
Mutual Funds			
Equity international	\$ 572,000	\$ 572,000	\$ -
Exchange traded funds	25,625	25,625	-
Fixed income	1,511,377	1,511,377	-
Small cap	318,559	318,559	-
Mid cap	384,668	384,668	-
Large cap	1,638,131	1,638,131	-
U.S. government agency securities	593,137	593,137	-
External Investment Pools	2,986,474	-	2,986,474
	<u>\$ 8,029,971</u>	<u>\$ 5,043,497</u>	<u>\$ 2,986,474</u>



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**Notes to Financial Statements**

**June 30, 2023 and 2022**

**Note 6: Disclosures About Fair Value of Assets and Liabilities - Continued**

***Recurring Measurements - Continued***

June 30, 2022	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Mutual Funds			
Equity international	\$ 495,655	\$ 495,655	\$ -
Exchange traded funds	27,645	27,645	-
Fixed income	1,550,199	1,550,199	-
Small cap	310,346	310,346	-
Mid cap	196,377	196,377	-
Large cap	1,523,372	1,523,372	-
U.S. government agency securities	528,013	528,013	-
External Investment Pools	3,056,718	-	3,056,718
	<u>\$ 7,688,325</u>	<u>\$ 4,631,607</u>	<u>\$ 3,056,718</u>

***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Commission does not have any Level 3 investments.

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Notes to Financial Statements  
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**Note 7: Related Parties**

The following are entities related to the Commission (see Note 9 for contributed support from each entity):

***University of Nebraska Television Department (the Department)***

The Department (licensee - KUON-TV) is operated by the University of Nebraska–Lincoln and governed by the University of Nebraska’s Board of Regents.

For promotional purposes, the Commission and the Department are collectively referred to as the Nebraska Educational Telecommunications Network (the Network). The responsibilities of the Department and the Commission are specified in an agreement dated April 24, 2004. The Department serves as the primary production arm of the Network, while the Commission’s primary responsibility is transmission.

The Commission receives a Community Service Grant (CSG), a Distance Service Grant (DSG) and an Interconnection Grant each year for television production and programming. These grants are assigned to the Department annually. The CSG, DSG and Interconnection Grants for the fiscal years 2023 and 2022 totaling \$1,762,770 and \$1,697,674, respectively, are reflected in the financial statements as community service grants revenues and grants expense. The Commission also contracts with the Department for services that are paid from state appropriations. The amount expended for services provided by the Department for the fiscal years 2023 and 2022 was approximately \$2,050,000 and \$2,071,000, respectively, and is included as expense in the accompanying financial statements. As of June 30, 2023 and 2022, the Commission owed the Department approximately \$76,000 and \$54,000, respectively.

***State of Nebraska***

The State of Nebraska provides state funds to support the operations of the Commission. At June 30, 2023 and 2022, \$626,269 and \$605,358, respectively, of appropriations are recorded as receivable from the State for expenditures incurred but not yet reimbursed, and are included in accounts and pledges receivable as a current asset.

***Nebraska Public Media Foundation (the Radio Division)***

The Radio Division reimbursed the Commission approximately \$322,000 and \$300,000 in fiscal years 2023 and 2022, respectively, for employee costs related to the Radio Division. As of June 30, 2023 and 2022, the Radio Division owed the Commission \$13,433 and \$7,816, respectively.

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June 30, 2023 and 2022**

**Note 7: Related Parties - Continued**

***Nebraska Public Media Foundation (the Radio Division) - Continued***

The Radio Division receives a CSG from the Corporation for Public Broadcasting (CPB) annually. The CSG of \$279,297 and \$308,573 for the fiscal years 2023 and 2022, respectively, is reflected in the accompanying statements of revenues, expenses and changes in net position as community service grants.

***Nebraska Educational Telecommunication Center (the Center)***

The Commission owns the Center and pays the University of Nebraska-Lincoln for certain utility costs. The Center is used primarily for administration, programming and production and broadcasting of the Network. The Commission provides space in the Center to the Department, including custodial and basic maintenance expenses at no cost to the Department.

**Note 8: Blended Component Units**

The Commission reports two blended component units. The Nebraska Educational Telecommunication Commission Facilities Corporation had no assets, liabilities, or net position at June 30, 2023 and 2022, and no activity during the years ended June 30, 2023 and 2022.

The Nebraska Public Media Foundation – Radio Division’s financial statements for the years ended June 30, 2023 and 2022 have been blended with the Commission’s financial statements. All significant intercompany accounting transactions have been eliminated as required by generally accepted accounting principles. In addition, endowment receivables recognized by the Radio Division are not recorded by the Commission.

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**Notes to Financial Statements**

**June 30, 2023 and 2022**

**Note 8: Blended Component Units - Continued**

Condensed balance sheets for the Radio Division as of June 30, 2023 and 2022 and the related condensed statements of revenues, expenses and changes in net position and statements of cash flows for the years then ended are as follows:

**Condensed Balance Sheets**

	<b>June 30, 2023</b>		
	<b>Radio Division</b>	<b>Adjustments/ Eliminations</b>	<b>Total</b>
Assets and Deferred Outflows of Resources			
Current assets	\$ 9,130,194	\$ (7,053)	\$ 9,123,141
Receivable from Commission	64	(64)	-
Other assets	41,517	(30,000)	11,517
Total assets	9,171,775	(37,117)	9,134,658
Deferred outflows of resources	-	68,021	68,021
Total assets and deferred outflows of resources	\$ 9,171,775	\$ 30,904	\$ 9,202,679
Liabilities, Deferred Inflows of Resources and Net Position Liabilities			
Payable to Commission	\$ 13,433	\$ (13,433)	\$ -
Other current liabilities	195,755	-	195,755
Net pension liability	-	22,798	22,798
Total liabilities	209,188	9,365	218,553
Deferred inflows of resources	-	20,968	20,968
Net Position			
Restricted for endowment - nonexpendable	1,870,619	(7,053)	1,863,566
Restricted for endowment - expendable	795,869	-	795,869
Unrestricted	6,296,099	7,624	6,303,723
Total net position	8,962,587	571	8,963,158
Total liabilities and net position	\$ 9,171,775	\$ 30,904	\$ 9,202,679

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**Notes to Financial Statements  
June 30, 2023 and 2022**

**Note 8: Blended Component Units - Continued**

**Condensed Balance Sheets - Continued**

	<b>June 30, 2022</b>		
	<b>Radio Division</b>	<b>Adjustments/ Eliminations</b>	<b>Total</b>
Assets and Deferred Outflows of Resources			
Current assets	\$ 8,594,253	\$ (7,792)	\$ 8,586,461
Receivable from Commission	33	(33)	-
Net pension asset	-	106,489	106,489
Other assets	34,243	(22,000)	12,243
Total assets	8,628,529	76,664	8,705,193
Deferred outflows of resources	-	26,794	26,794
Total assets and deferred outflows of resources	<u>\$ 8,628,529</u>	<u>\$ 103,458</u>	<u>\$ 8,731,987</u>
Liabilities, Deferred Inflows of Resources and Net Position Liabilities			
Payable to Commission	\$ 7,816	\$ (7,816)	\$ -
Other current liabilities	219,308	-	219,308
Total liabilities	227,124	(7,816)	219,308
Deferred inflows of resources	-	88,330	88,330
Net Position			
Restricted for pensions	-	106,489	106,489
Restricted for endowment - nonexpendable	1,854,258	(7,792)	1,846,466
Restricted for endowment - expendable	781,035	-	781,035
Unrestricted	5,766,112	(75,753)	5,690,359
Total net position	8,401,405	22,944	8,424,349
Total liabilities and net position	<u>\$ 8,628,529</u>	<u>\$ 103,458</u>	<u>\$ 8,731,987</u>

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**Notes to Financial Statements**

**June 30, 2023 and 2022**

**Note 8: Blended Component Units - Continued**

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

	<b>Year Ended June 30, 2023</b>		
	<b>Radio Division</b>	<b>Adjustments/ Eliminations</b>	<b>Total</b>
Operating revenues	\$ 1,880,290	\$ -	\$ 1,880,290
Operating expenses			
Programming and production	1,207,805	2,414	1,210,219
Program information	70,852	-	70,852
Management and general	68,648	-	68,648
Fundraising and membership development	562,794	-	562,794
Net pension expense (credit)	-	20,698	20,698
Total operating expenses	1,910,099	23,112	1,933,211
Operating income (loss)	(29,809)	(23,112)	(52,921)
Investment income	557,847	-	557,847
Other nonoperating revenues (expenses)	17,538	739	18,277
Net nonoperating revenues (expenses)	575,385	739	576,124
Income before capital grants and other gains	545,576	(22,373)	523,203
Additions to permanent endowments	15,606	-	15,606
Decrease in net position	561,182	(22,373)	538,809
Net position, beginning of year	8,401,405	22,944	8,424,349
Net position, end of year	\$ 8,962,587	\$ 571	\$ 8,963,158

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**Notes to Financial Statements  
June 30, 2023 and 2022**

**Note 8: Blended Component Units - Continued**

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

	<b>Year Ended June 30, 2022</b>		
	<b>Radio Division</b>	<b>Adjustments/ Eliminations</b>	<b>Total</b>
Operating revenues	\$ 1,917,037	\$ -	\$ 1,917,037
Operating expenses			
Programming and production	1,095,896	(1,280)	1,094,616
Program information	80,130	-	80,130
Management and general	69,148	-	69,148
Fundraising and membership development	466,894	-	466,894
Net pension expense (credit)	-	(10,217)	(10,217)
Total operating expenses	1,712,068	(11,497)	1,700,571
Operating income	204,969	11,497	216,466
Investment income (loss)	(848,666)	-	(848,666)
Other nonoperating revenues (expenses)	589,829	(110)	589,719
Net nonoperating revenues (expenses)	(258,837)	(110)	(258,947)
Income (loss) before capital grants and other gains	(53,868)	11,387	(42,481)
Additions to permanent endowments	18,004	-	18,004
Decrease in net position	(35,864)	11,387	(24,477)
Net position, beginning of year	8,437,269	11,557	8,448,826
Net position, end of year	\$ 8,401,405	\$ 22,944	\$ 8,424,349

**Nebraska Educational  
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**Notes to Financial Statements**  
**June 30, 2023 and 2022**

**Note 8: Blended Component Units - Continued**

**Condensed Statements of Cash Flows**

	Year Ended June 30, 2023		
	Radio Division	Adjustments/ Eliminations	Total
Net cash flows provided by operating activities	\$ 238,034	\$ -	\$ 238,034
Net cash flows provided by noncapital financing activities	112,385	-	112,385
Net cash flows used in investing activities	(367,903)	-	(367,903)
Net increase in cash and cash equivalents	(17,484)	-	(17,484)
Cash and cash equivalents, beginning of year	858,554	-	858,554
Cash and cash equivalents, end of year	<u>\$ 841,070</u>	<u>\$ -</u>	<u>\$ 841,070</u>
	Year Ended June 30, 2022		
	Radio Division	Adjustments/ Eliminations	Total
Net cash flows provided by operating activities	\$ 505,425	\$ -	\$ 505,425
Net cash flows provided by noncapital financing activities	15,169	-	15,169
Net cash flows used in investing activities	(511,515)	-	(511,515)
Net increase in cash and cash equivalents	9,079	-	9,079
Cash and cash equivalents, beginning of year	849,475	-	849,475
Cash and cash equivalents, end of year	<u>\$ 858,554</u>	<u>\$ -</u>	<u>\$ 858,554</u>

**Note 9: Contributed Support**

Contributed support represents expenses paid on behalf of the Commission by others outside the reporting entity, and includes contributed professional services, donated material or facilities and indirect administrative support. The amount of contributed services and equipment are reflected as revenues in the accompanying combined statements of revenues, expenses and changes in net position.

Contributed support from the State consists of certain administrative and other expenses incurred by various state agencies on behalf of the Commission. These costs were \$8,503 and \$8,308 in 2023 and 2022, respectively.



**Nebraska Educational  
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**Notes to Financial Statements**

**June 30, 2023 and 2022**

**Note 10: Risk Management**

As an instrumentality of the State of Nebraska, the Commission falls under the risk management policies of the State. Through the Department of Administrative Services, Divisions of Risk Management and State Personnel, the State maintains insurance and self-insurance programs. Workers' compensation, health care, employee liability and general liability are generally self-insured with commercial insurance for losses in excess of self-insurance. The Commission also carries commercial insurance for errors and omissions coverage. Settled claims have not exceeded commercial insurance coverage levels in any of the past three years.

**Note 11: Significant Estimates and Concentrations**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

***Investments***

The Commission and Foundation invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such changes could materially affect the amounts reported in the accompanying balance sheets.

## **Required Supplementary Information**

**Nebraska Educational  
Telecommunications Commission**  
**An Instrumentality of the State of Nebraska**  
**Schedule of the Commission's Proportionate Share of the Net Pension (Asset)/Liability**  
**State Employees' Retirement Plan**  
**June 30, 2023\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Commission's proportion of the net pension (asset)/liability	0.38%	0.46%	0.44%	0.47%	0.51%	0.54%	0.52%	0.55%	0.57%
Commission's proportionate share of the net pension (asset)/liability	\$ 565,667	\$ (1,581,820)	\$ (856,360)	\$ (572,364)	\$ 387,971	\$ (722,049)	\$ (237,280)	\$ (34,018)	\$ (599,790)
Commission's covered payroll	\$ 3,105,983	\$ 3,269,351	\$ 3,000,614	\$ 3,095,913	\$ 3,160,443	\$ 3,269,452	\$ 3,117,575	\$ 3,202,837	\$ 3,156,628
Commission's proportionate share of the net pension (asset)/liability as a percentage of its covered payroll	18.2%	(48.4%)	(28.5%)	(18.5%)	12.3%	(22.1%)	(7.6%)	(1.10%)	(19.0%)
Plan fiduciary net position as a percentage of the total pension liability	92.90%	117.57%	110.93%	107.23%	95.26%	108.92%	103.33%	100.47%	108.77%

\*The amounts presented for each fiscal year were determined as of the calendar year which occurred within the fiscal year.

Note: This schedule is required to present 10 years of information. However, information is not available and will be added as it becomes available.

**Nebraska Educational  
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Schedule of Commission Contributions  
State Employees' Retirement Plan  
June 30, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 232,576	\$ 244,809	\$ 224,686	\$ 231,822	\$ 236,654	\$ 244,817	\$ 233,444	\$ 239,828	\$ 236,368
Contributions in relation to the contractually required contribution	(232,576)	(244,809)	(224,686)	(231,822)	(236,654)	(244,817)	(233,444)	(239,828)	(236,368)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's covered payroll	\$ 3,105,983	\$ 3,269,351	\$ 3,000,614	\$ 3,095,913	\$ 3,160,443	\$ 3,269,452	\$ 3,117,575	\$ 3,202,837	\$ 3,156,628
Contributions as a percentage of covered payroll	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%

Note: This schedule is required to present 10 years of information. However, information is not available and will be added as it becomes available.

***Notes to Required Supplementary Information***

The following changes to benefits and funding terms were made by the Nebraska Legislature and reflected in the valuation performed as of December 31:

2023: The Board granted a dividend of 4.44% in 2022, which was first reflected in the January 1, 2023 valuation.

2022: The Board granted a dividend of 5.25% in 2021, which was first reflected in the January 1, 2022 valuation.

2021: The Board granted a dividend of 3.00% in 2020, which was first reflected in the January 1, 2021 valuation.

2019: The Board granted a dividend of 5.46% in 2018, which was first reflected in the January 1, 2019 valuation.

2018: The Board granted a dividend of 3.07% in 2017, which was first reflected in the January 1, 2018 valuation.

2016: The Board granted a dividend of 4.53% in 2015, which was first reflected in the January 1, 2016 valuation.

## **Supplementary Information**

**Nebraska Educational  
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Combining Balance Sheet Schedule  
June 30, 2023**

	Television Fund	Radio Fund	Total
<b>Assets and Deferred Outflows of Resources</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ -	\$ 841,070	\$ 841,070
Equity in pooled cash	120,421	30,000	150,421
Investments	-	7,542,123	7,542,123
Accounts and pledges receivable, net	655,023	794,093	1,449,116
Prepaid expenses and other current assets	238,205	11,517	249,722
Lease receivable	79,066	-	79,066
Total current assets	<u>1,092,715</u>	<u>9,218,803</u>	<u>10,311,518</u>
<b>Noncurrent Assets</b>			
Lease receivable, net of current portion	453,121	-	453,121
Property and equipment, net	5,726,221	1,075,921	6,802,142
Right-to-use lease assets, net	514,515	-	514,515
Total noncurrent assets	<u>6,693,857</u>	<u>1,075,921</u>	<u>7,769,778</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows for pensions	823,379	103,170	926,549
Total assets and deferred outflows of resources	<u>\$ 8,609,951</u>	<u>\$ 10,397,894</u>	<u>\$ 19,007,845</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	\$ 522,172	\$ 232,142	\$ 754,314
Unearned revenues	6,801	29,396	36,197
Lease liability	122,497	-	122,497
Total current liabilities	<u>651,470</u>	<u>261,538</u>	<u>913,008</u>
<b>Noncurrent Liabilities</b>			
Lease liability, net of current portion	419,366	-	419,366
Net pension liability	525,814	39,853	565,667
Total noncurrent liabilities	<u>945,180</u>	<u>39,853</u>	<u>985,033</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows for pensions	75,725	25,994	101,719
Deferred inflows for leases	518,063	-	518,063
Total deferred inflows of resources	<u>593,788</u>	<u>25,994</u>	<u>619,782</u>
<b>Net Position</b>			
Net investment in capital assets	5,701,661	1,075,921	6,777,582
Restricted for endowment - nonexpendable	-	1,863,566	1,863,566
Restricted for endowment - expendable	-	795,869	795,869
Unrestricted	717,852	6,335,153	7,053,005
Total net position	<u>6,419,513</u>	<u>10,070,509</u>	<u>16,490,022</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 8,609,951</u>	<u>\$ 10,397,894</u>	<u>\$ 19,007,845</u>

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Combining Balance Sheet Schedule  
June 30, 2022**

	Television Fund	Radio Fund	Total
<b>Assets and Deferred Outflows of Resources</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ -	\$ 858,554	\$ 858,554
Equity in pooled cash	358,791	22,000	380,791
Investments	-	6,881,528	6,881,528
Accounts and pledges receivable, net	662,987	879,097	1,542,084
Prepaid expenses and other current assets	264,865	12,243	277,108
Grants receivable	-	7,500	7,500
Lease receivable	65,934	-	65,934
Total current assets	<u>1,352,577</u>	<u>8,660,922</u>	<u>10,013,499</u>
<b>Noncurrent Assets</b>			
Net pension asset	1,399,857	181,963	1,581,820
Lease receivable, net of current portion	120,429	-	120,429
Property and equipment, net	6,025,149	1,012,245	7,037,394
Right-to-use lease assets, net	648,971	-	648,971
Total noncurrent assets	<u>8,194,406</u>	<u>1,194,208</u>	<u>9,388,614</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows for pensions	243,016	33,849	276,865
Total assets and deferred outflows of resources	<u>\$ 9,789,999</u>	<u>\$ 9,888,979</u>	<u>\$ 19,678,978</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	\$ 514,696	\$ 233,605	\$ 748,301
Unearned revenues	1,524	33,704	35,228
Lease liability	131,637	-	131,637
Total current liabilities	<u>647,857</u>	<u>267,309</u>	<u>915,166</u>
<b>Lease Liability, Net of Current Portion</b>	<u>539,075</u>	<u>-</u>	<u>539,075</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows for pensions	1,079,043	141,566	1,220,609
Deferred inflows for leases	182,871	-	182,871
Total deferred inflows of resources	<u>1,261,914</u>	<u>141,566</u>	<u>1,403,480</u>
<b>Net Position</b>			
Net investment in capital assets	6,003,408	1,012,245	7,015,653
Restricted for pensions	1,399,857	181,963	1,581,820
Restricted for endowment - nonexpendable	-	1,846,466	1,846,466
Restricted for endowment - expendable	-	781,035	781,035
Unrestricted	(62,112)	5,658,395	5,596,283
Total net position	<u>7,341,153</u>	<u>9,480,104</u>	<u>16,821,257</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 9,789,999</u>	<u>\$ 9,888,979</u>	<u>\$ 19,678,978</u>

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Combining Schedule of Revenues, Expenses and  
Changes in Net Position  
Year Ended June 30, 2023**

	<b>Television Fund</b>	<b>Radio Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Membership contributions	\$ -	\$ 1,254,358	\$ 1,254,358
Community service grants	1,762,770	279,297	2,042,067
Other grants	265,079	-	265,079
Program underwriting	-	346,635	346,635
Contributed support	8,503	-	8,503
	<u>2,036,352</u>	<u>1,880,290</u>	<u>3,916,642</u>
Total operating revenues			
<b>Operating Expenses</b>			
Broadcasting	4,358,860	212,004	4,570,864
Programming and production	2,958,901	1,321,850	4,280,751
Program information	105,700	70,852	176,552
Management and general	2,317,326	192,294	2,509,620
Depreciation and amortization	1,288,833	77,992	1,366,825
Fundraising and membership development	-	562,794	562,794
Grants	2,027,849	-	2,027,849
Net pension expense	341,990	36,923	378,913
	<u>13,399,459</u>	<u>2,474,709</u>	<u>15,874,168</u>
Total operating expenses			
<b>Operating Loss</b>	<u>(11,363,107)</u>	<u>(594,419)</u>	<u>(11,957,526)</u>
<b>Nonoperating Revenues (Expenses)</b>			
State appropriations – operations	10,166,008	537,775	10,703,783
Investment income	6,476	557,847	564,323
Interest expense	(3,760)	-	(3,760)
Other contributions	-	57,322	57,322
Other grants	-	58,357	58,357
Other	272,743	(26,477)	246,266
	<u>10,441,467</u>	<u>1,184,824</u>	<u>11,626,291</u>
Net nonoperating revenues			
<b>Increase (Decrease) in Net Position</b>	(921,640)	590,405	(331,235)
<b>Net Position, Beginning of Year</b>	<u>7,341,153</u>	<u>9,480,104</u>	<u>16,821,257</u>
<b>Net Position, End of Year</b>	<u>\$ 6,419,513</u>	<u>\$ 10,070,509</u>	<u>\$ 16,490,022</u>



**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Combining Schedule of Revenues, Expenses and  
Changes in Net Position  
Year Ended June 30, 2022**

	<b>Television Fund</b>	<b>Radio Fund</b>	<b>Total</b>
<b>Operating Revenues</b>			
Membership contributions	\$ -	\$ 1,245,485	\$ 1,245,485
Community service grants	1,697,674	308,573	2,006,247
Program production grants	-	7,500	7,500
Other grants	118,827	-	118,827
Program underwriting	-	355,479	355,479
Contributed support	8,308	-	8,308
	<u>1,824,809</u>	<u>1,917,037</u>	<u>3,741,846</u>
Total operating revenues			
<b>Operating Expenses</b>			
Broadcasting	4,283,015	182,876	4,465,891
Programming and production	2,887,520	1,205,906	4,093,426
Program information	88,622	80,130	168,752
Management and general	2,005,312	194,402	2,199,714
Depreciation and amortization	1,511,903	65,967	1,577,870
Fundraising and membership development	-	467,392	467,392
Grants	1,816,501	-	1,816,501
Net pension expense (credit)	(157,993)	(17,548)	(175,541)
	<u>12,434,880</u>	<u>2,179,125</u>	<u>14,614,005</u>
Total operating expenses			
<b>Operating Loss</b>	<u>(10,610,071)</u>	<u>(262,088)</u>	<u>(10,872,159)</u>
<b>Nonoperating Revenues (Expenses)</b>			
State appropriations – operations	10,274,424	795,445	11,069,869
Investment income (loss)	2,838	(848,666)	(845,828)
Interest expense	(4,102)	-	(4,102)
Other contributions	-	567,180	567,180
Other grants	-	3,206	3,206
Other	234,824	37,832	272,656
	<u>10,507,984</u>	<u>554,997</u>	<u>11,062,981</u>
Net nonoperating revenues			
<b>Increase (Decrease) in Net Position</b>	(102,087)	292,909	190,822
<b>Net Position, Beginning of Year</b>	<u>7,443,240</u>	<u>9,187,195</u>	<u>16,630,435</u>
<b>Net Position, End of Year</b>	<u>\$ 7,341,153</u>	<u>\$ 9,480,104</u>	<u>\$ 16,821,257</u>