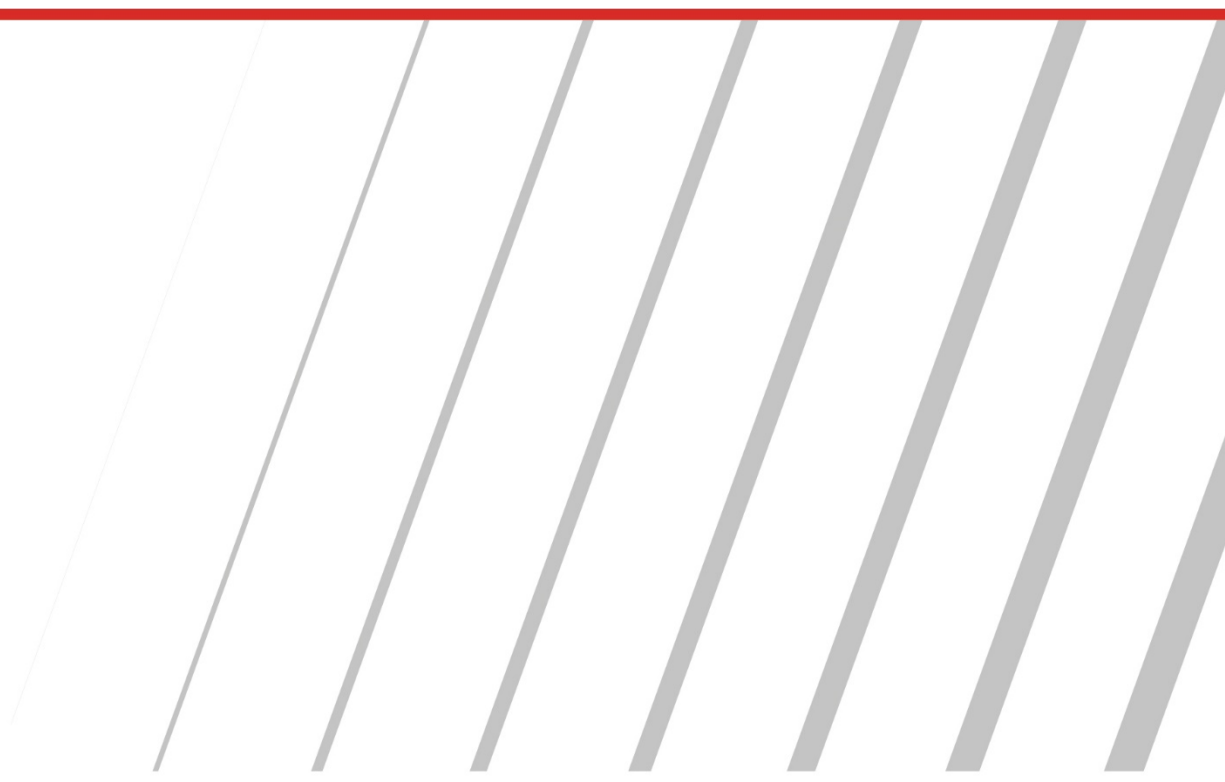




University of Nebraska Television Department A Department of the University of Nebraska

Independent Auditor's Report and Financial Statements

June 30, 2023 and 2022



University of Nebraska Television Department
A Department of the University of Nebraska
June 30, 2023 and 2022

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Independent Auditor's Report

Board of Regents
University of Nebraska Television Department
Lincoln, Nebraska

Opinion

We have audited the financial statements of the University of Nebraska Television Department, a Department of the University 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 University of Nebraska Television Department'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 University of Nebraska Television Department, 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 University of Nebraska Television Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the University of Nebraska Television Department of the University of Nebraska are intended to present the financial position, the changes in financial position and cash flows of only that portion of the University of Nebraska that is attributable to the transactions of the University of Nebraska Television Department. They do not purport to, and do not, present fairly the financial position of the University of Nebraska, as of June 30, 2023 and 2022, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 University of Nebraska Television Department'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.

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 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.

FORVIS, LLP

Lincoln, Nebraska
January 5, 2024

University of Nebraska Television Department

A Department of the University of Nebraska

Management's Discussion and Analysis

Introduction and Reporting Entity

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

The Department is operated by the University of Nebraska-Lincoln and is governed by the University of Nebraska Board of Regents. The Department's financial statements present the Department and its component unit, the Nebraska Public Media Foundation (Television Division). The Television Division is a citizen support organization which solicits funds to be used to support program promotion, program production and acquisition and computer support services.

Overview of the Financial Statements

The basic financial statements of the Department consist of Balance Sheets, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows. The Department 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 Department is classified in three components; investment in capital assets, restricted and unrestricted.

The Balance Sheets include Assets, Liabilities, Deferred Inflows of Resources and Net Position of the Department as of June 30, 2023 and 2022. These statements are classified into Current and Noncurrent Assets, Liabilities, and Deferred Inflows of Resources with Net Position classified in the categories as noted above. The Statements 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 provide the total Increase or Decrease in Net Position. The Statements of Cash Flows show the sources and uses of cash flows from operations, noncapital financing activities, capital and related financing activities and investing activities. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Highlights

The financial position of the Department remains strong. Net Position increased by \$2,959,379 for the year ended June 30, 2023 (FY 2023), decreased by \$285,256 for the year ended June 30, 2022 (FY 2022), and increased by \$10,467,086 for the year ended June 30, 2021 (FY 2021).

University of Nebraska Television Department

A Department of the University of Nebraska

Management's Discussion and Analysis

Financial Highlights - Continued

Net Position totaled \$46,816,967, \$43,857,588, and \$44,142,844 at the end of FY 2023, FY 2022, and FY 2021, respectively. The Department's Operating Revenues decreased by \$181,532 and Operating Expenses decreased by \$46,184 in FY 2023. Operating Revenues were \$13,544,042 in FY 2023 compared to \$13,725,574 in FY 2022 and \$14,843,350 in FY 2021. Operating Expenses were \$15,410,420 in FY 2023, compared to \$15,456,604 in FY 2022 and \$15,485,872 in FY 2021. The Operating Loss for FY 2023 was \$1,866,378, including non-cash depreciation expense of \$315,113. The Operating Loss for FY 2022 was \$1,731,030, including non-cash depreciation expense of \$310,541. The Operating Loss for FY 2021 was \$642,522, including non-cash depreciation expense of \$299,472. Total Nonoperating Revenues were \$4,606,629, \$1,407,648, and \$10,953,584 in FY 2023, FY 2022, and FY 2021, respectively. The significant components of Nonoperating Revenues consisted of: University of Nebraska appropriations of \$1,925,912 in FY 2023, \$2,013,741 in FY 2022, and \$2,066,784 in FY 2021; contributions of \$55,280 in FY 2023, \$2,729,411 in FY 2022, and \$1,754,736 in FY 2021; and investment income (loss) of \$2,560,855 in FY 2023, (\$3,428,648) in FY 2022 and \$7,053,619 in FY 2021.

Contributed support totaled \$1,427,410, \$1,380,268, and \$1,298,419 for FY 2023, FY 2022 and FY 2021, respectively. Contributed support represents expenses paid on behalf of the Department by others outside the reporting entity. The amount of contributed support is reflected as revenues in the accompanying statements of revenues, expenses and changes in net position. Expenses of an equivalent amount are also recognized, thus there is no impact on total net position.

Cash and cash equivalents increased by \$186,393 in FY 2023, decreased by \$1,970,263 in FY 2022, and increased by \$2,070,694 in FY 2021. The Department's capital assets, net of accumulated depreciation, totaled \$1,451,294, \$1,082,330, and \$1,057,145 at June 30, 2023, 2022, and 2021, respectively. The Department has no outstanding debt obligations as of June 30, 2023.

Financial Analysis of the Statements

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

Current Assets consist primarily of equity in pooled cash, cash and cash equivalents, and accounts and pledges receivable. Noncurrent Assets consist primarily of investments, capital assets, and lease receivables. Capital assets are presented net of accumulated depreciation of \$3,327,876, \$3,036,318, and \$2,897,287 at June 30, 2023, 2022, and 2021, respectively. Liabilities consist of accounts payable and accrued expenses and unearned revenues. Net Position is classified as net investment in capital assets, restricted and unrestricted.

University of Nebraska Television Department

A Department of the University of Nebraska

Management's Discussion and Analysis

Financial Analysis of the Statements - Continued

Operating Revenues consist primarily of program production and contracted service income and grants, community service grants, membership contributions, contributed support and other grants. Operating Expenses consist primarily of national and local programming and production, management and general expenses and fundraising and membership development. Nonoperating Revenues consist primarily of University of Nebraska appropriations, contributions and investment income/(loss).

The net cash provided by noncapital financing activities was used primarily for operating activities, purchase of capital assets and investing activities.

Condensed Balance Sheets

	June 30,		
	2023	2022	2021
Assets			
Current assets	\$ 9,124,109	\$ 11,718,011	\$ 11,597,246
Noncurrent investments	37,942,038	32,764,695	33,322,392
Other noncurrent assets	1,653,091	1,447,795	1,414,915
Total assets	<u>\$ 48,719,238</u>	<u>\$ 45,930,501</u>	<u>\$ 46,334,553</u>
Liabilities			
Current liabilities	<u>\$ 1,674,724</u>	<u>\$ 1,674,961</u>	<u>\$ 1,825,198</u>
Deferred Inflows of Resources	<u>227,547</u>	<u>397,952</u>	<u>366,511</u>
Net Position			
Investment in capital assets	1,451,294	1,082,330	1,057,145
Restricted for endowment - nonexpendable	4,408,933	4,562,667	4,463,891
Restricted for endowment - expendable	891,411	681,216	1,522,495
Unrestricted	<u>40,065,329</u>	<u>37,531,375</u>	<u>37,099,313</u>
Total net position	<u>46,816,967</u>	<u>43,857,588</u>	<u>44,142,844</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 48,719,238</u>	<u>\$ 45,930,501</u>	<u>\$ 46,334,553</u>
A Detailed Analysis of Unrestricted Net Position is as Follows			
Board-designated for next year operations	\$ 2,881,182	\$ 2,821,997	\$ 2,526,026
Board-designated acting as endowments	23,843,299	18,767,252	20,391,996
Undesignated	<u>13,340,848</u>	<u>15,942,126</u>	<u>14,181,291</u>
Total unrestricted net position	<u>\$ 40,065,329</u>	<u>\$ 37,531,375</u>	<u>\$ 37,099,313</u>

University of Nebraska Television Department
A Department of the University of Nebraska
Management's Discussion and Analysis

Condensed Statements of Revenues, Expenses and Changes in Net Position

	Years Ended June 30,		
	2023	2022	2021
Program production and contracted service income and grants	\$ 4,209,851	\$ 4,765,684	\$ 4,491,936
Community service grants	2,881,182	2,821,997	2,526,026
Membership contributions	3,762,764	3,736,285	4,000,914
Contributed support	1,427,410	1,380,268	1,298,419
Other operating revenues	<u>1,262,835</u>	<u>1,021,340</u>	<u>2,526,055</u>
Total operating revenues	<u>13,544,042</u>	<u>13,725,574</u>	<u>14,843,350</u>
National and local programming and production	9,503,087	9,718,831	9,896,413
Program information	884,272	703,302	784,150
Management and general	4,141,957	4,120,971	3,894,685
Fundraising and membership development	<u>881,104</u>	<u>913,500</u>	<u>910,624</u>
Total operating expenses	<u>15,410,420</u>	<u>15,456,604</u>	<u>15,485,872</u>
Operating loss	<u>(1,866,378)</u>	<u>(1,731,030)</u>	<u>(642,522)</u>
University of Nebraska appropriations	1,925,912	2,013,741	2,066,784
Community support	64,582	93,144	78,445
Contributions	55,280	2,729,411	1,754,736
Investment income	<u>2,560,855</u>	<u>(3,428,648)</u>	<u>7,053,619</u>
Total nonoperating revenues	<u>4,606,629</u>	<u>1,407,648</u>	<u>10,953,584</u>
Increase (decrease) in net position before additions to permanent endowments	2,740,251	(323,382)	10,311,062
Additions to permanent endowments	<u>219,128</u>	<u>38,126</u>	<u>156,024</u>
Increase (decrease) in net position	2,959,379	(285,256)	10,467,086
Net position, beginning of year	<u>43,857,588</u>	<u>44,142,844</u>	<u>33,675,758</u>
Net position, end of year	<u>\$ 46,816,967</u>	<u>\$ 43,857,588</u>	<u>\$ 44,142,844</u>

University of Nebraska Television Department
A Department of the University of Nebraska
Management's Discussion and Analysis

Condensed Statements of Cash Flows

	Years Ended June 30,		
	2023	2022	2021
Net cash used in operating activities	\$ (1,726,569)	\$ (1,799,276)	\$ (527,275)
Net cash provided by noncapital financing activities	5,239,272	2,547,688	2,916,217
Net cash used in capital and related financing activities	(707,132)	(345,300)	(165,242)
Net cash used in investing activities	<u>(2,619,178)</u>	<u>(2,373,375)</u>	<u>(153,006)</u>
Net increase (decrease) in cash and cash equivalents	186,393	(1,970,263)	2,070,694
Cash and cash equivalents, beginning of the year	<u>7,019,879</u>	<u>8,990,142</u>	<u>6,919,448</u>
Cash and cash equivalents, end of the year	<u><u>\$ 7,206,272</u></u>	<u><u>\$ 7,019,879</u></u>	<u><u>\$ 8,990,142</u></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.

University of Nebraska Television Department

A Department of the University of Nebraska

Balance Sheets June 30, 2023 and 2022

Assets

	2023	2022
Current Assets		
Equity in pooled cash and cash equivalents	\$ 5,852,358	\$ 5,303,158
Cash and cash equivalents	1,353,914	1,716,721
Grants receivable	88,644	84,016
Accounts and pledges receivable, net	1,466,539	4,341,525
Inventory	80,744	75,692
Costs incurred for programs not yet broadcast	142,087	48,383
Prepaid expenses and other current assets	97,877	108,474
Lease receivable	41,946	40,042
Total current assets	<u>9,124,109</u>	<u>11,718,011</u>
Noncurrent Assets		
Investments	37,942,038	32,764,695
Lease receivable, net of current portion	201,797	238,703
Capital assets, net	1,451,294	1,082,330
Beneficial interest in charitable remainder trust	-	126,762
Total noncurrent assets	<u>39,595,129</u>	<u>34,212,490</u>
Total assets	<u>\$ 48,719,238</u>	<u>\$ 45,930,501</u>

Liabilities, Deferred Inflows of Resources and Net Position

Current Liabilities		
Accounts payable and accrued expenses	\$ 1,219,679	\$ 1,237,403
Unearned revenues		
Programs not yet broadcast	429,917	414,410
Other	25,128	23,148
Total current liabilities	<u>1,674,724</u>	<u>1,674,961</u>
Deferred Inflows of Resources		
Deferred inflows for beneficial interest in charitable remainder trust	-	126,762
Deferred inflows for leases	227,547	271,190
Total deferred inflows of resources	<u>227,547</u>	<u>397,952</u>
Net Position		
Investment in capital assets	1,451,294	1,082,330
Restricted for endowment - nonexpendable	4,408,933	4,562,667
Restricted for endowment - expendable	891,411	681,216
Unrestricted	40,065,329	37,531,375
Total net position	<u>46,816,967</u>	<u>43,857,588</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 48,719,238</u>	<u>\$ 45,930,501</u>

See Notes to Financial Statements

University of Nebraska Television Department
A Department of the University of Nebraska
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2023 and 2022

	2023	2022
Operating Revenues		
Program production and contracted service income and grants	\$ 4,209,851	\$ 4,765,684
Community service grants	2,881,182	2,821,997
Membership contributions	3,762,764	3,736,285
Contributed support	1,427,410	1,380,268
Program underwriting	338,666	253,694
Other grants	641,804	627,642
Other	282,365	140,004
	<hr/>	<hr/>
Total operating revenues	13,544,042	13,725,574
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Operating Expenses		
National and local programming and production	9,503,087	9,718,831
Program information	884,272	703,302
Management and general	4,141,957	4,120,971
Fundraising and membership development	881,104	913,500
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Total operating expenses	15,410,420	15,456,604
	<hr/>	<hr/>
Operating Loss	(1,866,378)	(1,731,030)
	<hr/>	<hr/>
Nonoperating Revenues (Expenses)		
University of Nebraska appropriations	1,925,912	2,013,741
Community support	64,582	93,144
Contributions	55,280	2,729,411
Investment income (loss)	2,560,855	(3,428,648)
	<hr/>	<hr/>
Net nonoperating revenues	4,606,629	1,407,648
	<hr/>	<hr/>
Increase (Decrease) in Net Position before Additions to Permanent Endowments	2,740,251	(323,382)
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Additions to Permanent Endowments	219,128	38,126
	<hr/>	<hr/>
Increase (Decrease) in Net Position	2,959,379	(285,256)
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Net Position, Beginning of Year	43,857,588	44,142,844
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Net Position, End of Year	\$ 46,816,967	\$ 43,857,588
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University of Nebraska Television Department
A Department of the University of Nebraska

Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Program production and contracted service income and grants	\$ 4,061,607	\$ 4,318,551
Community service grants	2,881,182	2,821,997
Membership contributions	3,741,376	3,727,777
Program underwriting	338,666	253,694
Other grants	641,804	627,642
Other receipts	238,722	102,428
Payments to vendors	(5,254,667)	(5,417,286)
Payments to employees	(8,375,259)	(8,234,079)
	<u>(1,726,569)</u>	<u>(1,799,276)</u>
Net cash used in operating activities		
Cash Flows From Noncapital Financing Activities		
Contributions	3,313,360	533,947
University of Nebraska appropriations	1,925,912	2,013,741
	<u>5,239,272</u>	<u>2,547,688</u>
Net cash provided by noncapital financing activities		
Cash Flows From Capital and Related Financing Activities		
Purchase of capital assets	(744,824)	(379,201)
Principal payments received on leases receivable	35,002	31,453
Interest payments received on leases receivable	2,690	2,448
	<u>(707,132)</u>	<u>(345,300)</u>
Net cash used in capital and related financing activities		
Cash Flows From Investing Activities		
Purchases of investments	(4,078,123)	(4,219,338)
Sales and maturities of investments	382,606	849,604
Interest and other revenues received	1,076,339	996,359
	<u>(2,619,178)</u>	<u>(2,373,375)</u>
Net cash used in investing activities		
Increase (Decrease) in Cash and Cash Equivalents	186,393	(1,970,263)
Cash and Cash Equivalents, Beginning of Year	<u>7,019,879</u>	<u>8,990,142</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,206,272</u>	<u>\$ 7,019,879</u>
Reconciliation of Cash and Cash Equivalents to the Balance Sheets		
Equity in pooled cash and cash equivalents	\$ 5,852,358	\$ 5,303,158
Cash and cash equivalents	<u>1,353,914</u>	<u>1,716,721</u>
	<u>\$ 7,206,272</u>	<u>\$ 7,019,879</u>

University of Nebraska Television Department
A Department of the University of Nebraska
Statements of Cash Flows - Continued
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Reconciliation of Operating Loss to Net Cash Used in		
Operating Activities		
Operating loss	\$ (1,866,378)	\$ (1,731,030)
Depreciation and amortization expense	315,113	310,541
Loss on disposal of assets	60,747	43,475
Changes in operating assets and liabilities		
Grants receivable	(4,628)	185,493
Accounts and pledges receivable, net	(99,384)	(545,433)
Inventory	(5,052)	(4,859)
Costs incurred for programs not yet broadcast	(93,704)	134,998
Prepaid expenses and other current assets	10,597	(4,649)
Lease receivable	-	(88,465)
Beneficial interest in charitable remainder trust	(126,762)	(30,157)
Accounts payable and accrued expenses	(17,724)	75,813
Unearned revenues for programs not yet broadcast	15,507	(204,015)
Other unearned revenues	1,980	(22,034)
Deferred inflows for beneficial interest in charitable remainder trust	126,762	30,157
Deferred inflows for leases	(43,643)	50,889
Net Cash Used in Operating Activities	<u>\$ (1,726,569)</u>	<u>\$ (1,799,276)</u>

University of Nebraska Television Department

A Department of the University 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

The University of Nebraska Television Department (the “Department”) is operated by the University of Nebraska-Lincoln (the “University”) and is governed by the University of Nebraska Board of Regents (“Board of Regents”).

Basis of Accounting and Presentation

The financial statements present only the Department and do not purport to, and do not, present fairly the financial position of the University as of June 30, 2023 and 2022, and the changes in its financial position, or where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The financial statements of the Department have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities 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 University appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in 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 University appropriations) and investment income are included in nonoperating revenues and expenses.

The Department’s financial statements present the Department (the primary government entity) and its component unit. The component unit is included in the Department’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*. The Nebraska Public Media Foundation - Television Division is reported as part of the Department as a blended component unit.

Nebraska Public Media Foundation – Television Division – Nebraska Public Media Foundation – Television Division (“TV Division”) is a citizen support organization which solicits funds to be used to support program promotion (advertising), program production and acquisition (sponsorship of programs) and computer support services. The TV Division is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. The distribution of TV Division funds is determined by the Board of Directors of the Nebraska Public Media Foundation (“Foundation”) of which the General Manager of the Department is a member. Separate financial statements for the Nebraska Public Media Foundation can be obtained by contacting the Department, 1800 North 33rd Street, Lincoln, NE 68503 or (402) 472-3611.

University of Nebraska Television Department

A Department of the University of Nebraska

Notes to Financial Statements

June 30, 2023 and 2022

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

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 of resources and disclosure of contingent balance sheet items 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 and Cash Equivalents

The Department considers all liquid investments including money market funds and equity in pooled cash held by the University, which are readily convertible to known amounts of cash and have original maturities of three months or less to be cash equivalents.

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

Investments and Investment Income

Investments in equity securities having a readily determinable fair value and all debt securities 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 pool's underlying investment portfolios. Other investments are valued at the lower of cost or fair value.

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

Accounts and Pledges Receivable

Accounts receivable consists primarily of amounts billed for programming production contracts and is recorded net of estimated uncollectible amounts. The Department analyzes collectability of 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 customer. Pledges receivable consist of membership and contribution commitments outstanding, net of recorded discount and allowance. The Department provides an allowance for pledges receivable based upon a review of outstanding pledges and historical collection information.

University of Nebraska Television Department

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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

Beneficial Interest in Charitable Remainder Trust

The TV Division has been the recipient of a charitable remainder trust. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the TV Division's use. Assets held in the charitable remainder trust are recorded at fair value \$126,762 as of June 30, 2022. During the year ended June 30, 2023, the trust's term ended and the remaining assets were made available for the TV Division's use.

Lease Receivable

The Department is a lessor for noncancellable leases for the use of certain office and facility space, and recognizes a related lease receivable and a deferred inflow of resources. At the commencement of a lease, the Department 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 Department 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.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair 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 Department:

Buildings	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

University of Nebraska Television Department

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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

Compensated Absences

University 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 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 date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

Deferred Inflows of Resources

The Department reports acquisitions of net position that are 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 Department is classified in four components. The investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. The restricted for endowment – nonexpendable component of net position consists of noncapital assets that are required to be maintained in perpetuity as specified by donors. The restricted for endowment – expendable component consists of noncapital assets subject to externally-imposed restrictions that can be fulfilled by actions of the Division, including the spendable portion of endowments. The unrestricted component of net position is the remaining net position that does not meet the definition of the investment in capital assets or the restricted components of net position. The Department first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position is available.

University of Nebraska Television Department
A Department of the University of Nebraska

Notes to Financial Statements
June 30, 2023 and 2022

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

Net Position - Continued

Unrestricted net position is designated by the Board for the following purposes:

	2023	2022
Next year operations	\$ 2,881,182	\$ 2,821,997
Endowments	23,843,299	18,767,252
Undesignated	13,340,848	15,942,126
	<u>\$ 40,065,329</u>	<u>\$ 37,531,375</u>

Revenue Recognition

The Department records revenue based on the following recognition policies:

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.

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

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

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.

Grants for other purposes are recorded as unearned revenue, upon receipts of funds, until an expenditure is incurred for which the grant was intended. The amounts are then included in revenues.

University of Nebraska Television Department

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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

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

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. As a matter of Foundation Board policy, all income received from bequests and gifts are designated by the 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.

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 Department's deposits, through the University, are required to be maintained as part of the State of Nebraska's pooled cash and investments. The Department has been allocated a portion of the University's pooled cash and investments.

Investments

The Department's investments, through the University, are required to be maintained as part of the State of Nebraska's pooled cash and investments. The Department does not have a formal investment policy. 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 Foundation's Board of Directors.

University of Nebraska Television Department

A Department of the University of Nebraska

Notes to Financial Statements June 30, 2023 and 2022

Note 2: Deposits, Investments and Investment Return - Continued

Investments - Continued

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

Type	Carrying Value	Maturities in Years		
		Less than 1	1 - 5	6 - 10
June 30, 2023				
U.S. agencies obligations	\$ 4,130,139	\$ 39,753	\$ 557,616	\$ 3,532,770
U.S. treasury securities	243,332	-	243,332	-
Mutual and exchange traded funds	6,678,121	6,678,121	-	-
Corporate bonds	2,361,987	583,564	887,508	890,915
Municipal bonds	319,767	-	134,169	185,598
External investment pools	13,065,212	13,065,212	-	-
Money market funds	1,787,617	1,787,617	-	-
	28,586,175	\$ 22,154,267	\$ 1,822,625	\$ 4,609,283
Corporate stocks	10,709,777			
	\$ 39,295,952			
June 30, 2022				
U.S. agencies obligations	\$ 3,722,033	\$ 41,461	\$ 545,836	\$ 3,134,736
U.S. treasury securities	147,457	-	147,457	-
Mutual and exchange traded funds	5,868,876	5,868,876	-	-
Corporate bonds	2,543,166	669,676	1,127,188	746,302
Municipal bonds	231,510	-	141,559	89,951
External investment pools	12,350,695	12,350,695	-	-
Money market funds	92,326	92,326	-	-
	24,956,063	\$ 19,023,034	\$ 1,962,040	\$ 3,970,989
Corporate stocks	9,525,355			
	\$ 34,481,418			

The mutual funds, external investment pools and money market funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately.

University of Nebraska Television Department

A Department of the University of Nebraska

Notes to Financial Statements June 30, 2023 and 2022

Note 2: Deposits, Investments and Investment Return - Continued

Investments - Continued

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.

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 portfolio shall be greater than "A" rated.

At June 30, 2023 and 2022, all of the Department's investments in U.S. treasury securities and U.S. agencies obligations were rated AAA by Moody's Investors Service, and no ratings were available for the investments in money market funds, mutual funds and external investment pools.

At June 30, 2023 and 2022, investments in corporate bonds were rated by Standard & Poor's at the rates in the following table:

	Fair Value	
	2023	2022
Standard & Poor's		
AAA	\$ 121,943	\$ 122,884
AA+	337,124	322,137
AA	459,985	476,831
AA-	24,349	74,349
A+	258,229	263,971
A	191,820	147,520
A-	193,994	248,712
BBB+	48,534	50,059
BBB	35,686	36,155
Not Rated	690,323	800,548
	<u>\$ 2,361,987</u>	<u>\$ 2,543,166</u>

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Notes to Financial Statements
June 30, 2023 and 2022

Note 2: Deposits, Investments and Investment Return - Continued

Investments - Continued

At June 30, 2023 and 2022, investments in municipal bonds were rated by Standard & Poor's at the rates in the following table:

	Fair Value	
	2023	2022
Standard & Poor's		
AAA	\$ 65,801	\$ 67,545
AA+	238,964	143,935
A+	15,002	20,030
	<u>\$ 319,767</u>	<u>\$ 231,510</u>

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

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 TV Division's exposure to foreign currency risk derives from its investment in international mutual funds and equity securities. 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 TV Division's investment in international mutual funds and equity securities had a fair value of \$2,205,476 and \$2,069,566, respectively.

University of Nebraska Television Department
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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

The carrying values of deposits and investments shown above are included in the balance sheets as follows:

	<u>2023</u>	<u>2022</u>
Carrying value		
Investments	\$ 39,295,952	\$ 34,481,418
Equity in pooled cash and cash equivalents	<u>5,852,358</u>	<u>5,303,156</u>
	<u><u>\$ 45,148,310</u></u>	<u><u>\$ 39,784,574</u></u>

	<u>2023</u>	<u>2022</u>
Included in the following balance sheet captions		
Equity in pooled cash and cash equivalents	\$ 5,852,358	\$ 5,303,158
Cash and cash equivalents	1,353,914	1,716,721
Investments - noncurrent	<u>37,942,038</u>	<u>32,764,695</u>
	<u><u>\$ 45,148,310</u></u>	<u><u>\$ 39,784,574</u></u>

Investment Income

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

	<u>2023</u>	<u>2022</u>
Interest and dividend income	\$ 1,242,050	\$ 1,047,815
Net realized and unrealized gain (loss) on investments reported at fair value	<u>1,318,805</u>	<u>(4,476,463)</u>
	<u><u>\$ 2,560,855</u></u>	<u><u>\$ (3,428,648)</u></u>

University of Nebraska Television Department

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Notes to Financial Statements June 30, 2023 and 2022

Note 3: Capital Assets

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

2023	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Buildings	\$ 185,219	\$ -	\$ -	\$ -	\$ 185,219
Towers and transmission equipment	312,654	-	-	-	312,654
Production equipment	2,796,235	644,355	(23,555)	-	3,417,035
Office furniture and equipment	249,963	-	-	-	249,963
Information systems	513,830	-	-	-	513,830
Construction in progress	<u>60,747</u>	<u>100,469</u>	<u>(60,747)</u>	<u>-</u>	<u>100,469</u>
Total	<u>4,118,648</u>	<u>744,824</u>	<u>(84,302)</u>	<u>-</u>	<u>4,779,170</u>
Less accumulated depreciation					
Buildings	185,219	8,318	-	-	193,537
Towers and transmission equipment	291,174	1,026	-	-	292,200
Production equipment	1,796,130	305,769	(23,555)	-	2,078,344
Office furniture and equipment	249,965	-	-	-	249,965
Information systems	<u>513,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>513,830</u>
Total	<u>3,036,318</u>	<u>315,113</u>	<u>(23,555)</u>	<u>-</u>	<u>3,327,876</u>
Net Capital Assets	<u>\$ 1,082,330</u>	<u>\$ 429,711</u>	<u>\$ (60,747)</u>	<u>\$ -</u>	<u>\$ 1,451,294</u>
2022					
Buildings	\$ 185,219	\$ -	\$ -	\$ -	\$ 185,219
Towers and transmission equipment	312,654	-	-	-	312,654
Production equipment	2,690,079	318,454	(212,298)	-	2,796,235
Office furniture and equipment	249,963	-	-	-	249,963
Information systems	513,830	-	-	-	513,830
Construction in progress	<u>2,687</u>	<u>60,747</u>	<u>(2,687)</u>	<u>-</u>	<u>60,747</u>
Total	<u>3,954,432</u>	<u>379,201</u>	<u>(214,985)</u>	<u>-</u>	<u>4,118,648</u>
Less accumulated depreciation					
Buildings	185,219	-	-	-	185,219
Towers and transmission equipment	286,487	4,687	-	-	291,174
Production equipment	1,661,786	305,854	(171,510)	-	1,796,130
Office furniture and equipment	249,965	-	-	-	249,965
Information systems	<u>513,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>513,830</u>
Total	<u>2,897,287</u>	<u>310,541</u>	<u>(171,510)</u>	<u>-</u>	<u>3,036,318</u>
Net Capital Assets	<u>\$ 1,057,145</u>	<u>\$ 68,660</u>	<u>\$ (43,475)</u>	<u>\$ -</u>	<u>\$ 1,082,330</u>

University of Nebraska Television Department

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Notes to Financial Statements

June 30, 2023 and 2022

Note 4: Pension Plan

The Department participates in the University's defined contribution retirement plan, Basic Retirement Plan 401(a), which covers employees of the Department. The retirement plan was established and can be amended by the University's Board of Regents. Employees (at least .5 FTE) are eligible to participate upon reaching age 26 and having completed 24 months of service and are required to participate upon reaching age 30 and having completed 24 months of service. Under the plan, employees select between two levels of participation. In Tier 1, the employee contributes 3.5% and the Department contributes 6.5% of the employee's monthly earnings. In Tier 2, the employee contributes 5.5% and the Department contributes 8.0% of the employee's monthly earnings. All contributions, including those made by the University, are vested immediately. The plan provides that the total contributions made for each employee, together with applicable earnings, are to be used to provide an annuity upon retirement. Costs under this plan are funded as they accrue. The Department's portion of the total cost of this plan was approximately \$375,000 and \$400,000 in 2023 and 2022, respectively.

Note 5: Leases

Lease Receivable

The Department leases a portion of its property and equipment to various third parties, the terms of which expire through 2036. Payments increase annually based on scheduled lease payments stated in the related agreements. Revenue recognized under these lease contracts totaled approximately \$42,000 and \$40,000 for the years ended June 30, 2023 and 2022, respectively, which includes both lease revenue and interest. This revenue is included within other operating 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 6: Related Parties

The following are entities related to the Department:

Nebraska Educational Telecommunications Commission (the Commission) – The Commission is an instrumentality of the State of Nebraska. 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.

For promotional purposes the Department and the Commission 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 each year transfers a Community Service Grant (CSG), a Distance Service Grant (DSG) and an Interconnection Grant, received from the Corporation for Public Broadcasting (CPB), to the Department to fund programming of the Network. The CSG, DSG and Interconnection Grants transferred from the Commission totaling \$1,762,770 and \$1,697,674 in 2023 and 2022, respectively, are included in the financial statements as community service grants revenues and as various program and supporting services expenses. The Commission also contracts with the Department for services that are paid from state appropriations. The amount received for services provided to the Commission for fiscal years 2023 and 2022 was approximately \$2,050,000 and \$2,071,000, respectively, and is included in the accompanying financial statements as contracted service income. As of June 30, 2023 and 2022, the Commission owed the Department approximately \$76,000 and \$54,000, respectively.

The Commission owns the Nebraska Educational Telecommunications Center (the Center), which 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.

Nebraska Public Media Foundation – Radio Division (the Radio Division) - The Radio Division reimbursed the Department approximately \$1,594,000 and \$1,388,000 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 Department approximately \$831,000 and \$881,000, respectively. The TV Division was owed approximately \$28,000 and \$4,000 from the Radio Division at June 30, 2023 and 2022, respectively. The TV Division owed the Radio Division approximately \$216,000 and \$222,000 at June 30, 2023 and 2022, respectively.

See Note 9 for contributed support from the University.

University of Nebraska Television Department
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Notes to Financial Statements

June 30, 2023 and 2022

Note 7: 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
- 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 Department's investments in money market funds are carried at amortized cost, and thus are not included within the fair value hierarchy.

University of Nebraska Television Department

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Notes to Financial Statements June 30, 2023 and 2022

Note 7: Disclosures About Fair Value of Assets and Liabilities - Continued

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying balance sheets 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:

June 30, 2023	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Mutual funds			
International	\$ 812,423	\$ 812,423	\$ -
Mid cap	266,768	266,768	-
Small cap	937,330	937,330	-
Fixed income	2,527,145	2,527,145	-
Common stock			
Basic materials	328,884	328,884	-
Communication services	870,375	870,375	-
Consumer discretionary	771,689	771,689	-
Consumer products	98,974	98,974	-
Consumer staples	754,540	754,540	-
Energy	692,035	692,035	-
Financial	1,385,183	1,385,183	-
Health care	1,682,086	1,682,086	-
Industrials	1,340,201	1,340,201	-
Information technology	2,465,953	2,465,953	-
Real estate	149,943	149,943	-
Utilities	169,914	169,914	-
Equity exchange traded funds	2,134,455	2,134,455	-
U.S. treasury and government agency securities and municipal bonds	4,693,238	-	4,693,238
Corporate bonds	2,361,987	2,361,987	-
External investment pools	13,065,212	13,065,212	-
	<u>\$ 37,508,335</u>	<u>\$ 32,815,097</u>	<u>\$ 4,693,238</u>

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Notes to Financial Statements June 30, 2023 and 2022

Note 7: Disclosures About Fair Value of Assets and Liabilities - Continued

June 30, 2022	Fair Value	Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)
Mutual funds			
International	\$ 607,665	\$ 607,665	\$ -
Mid cap	268,685	268,685	-
Small cap	845,420	845,420	-
Fixed income	2,574,836	2,574,836	-
Common stock			
Basic materials	277,175	277,175	-
Communication services	828,410	828,410	-
Consumer discretionary	635,781	635,781	-
Consumer products	82,657	82,657	-
Consumer staples	718,525	718,525	-
Energy	714,872	714,872	-
Financial	1,174,898	1,174,898	-
Health care	1,775,070	1,775,070	-
Industrials	909,759	909,759	-
Information technology	1,975,185	1,975,185	-
Real estate	163,993	163,993	-
Utilities	269,030	269,030	-
Equity exchange traded funds	1,572,270	1,572,270	-
U.S. government agency securities and municipal bonds	4,101,000	-	4,101,000
Corporate bonds	2,543,166	2,543,166	-
External investment pools	12,350,695	12,350,695	-
Beneficial interest in charitable remainder trust	126,762	-	126,762
	<u>\$ 34,515,854</u>	<u>\$ 30,288,092</u>	<u>\$ 4,227,762</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 Department does not have any Level 3 investments.

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Notes to Financial Statements June 30, 2023 and 2022

Note 7: Disclosures About Fair Value of Assets and Liabilities - Continued

Beneficial Interest in Charitable Remainder Trust

Assets held in the charitable remainder trust are estimated at fair value based on the TV Division's share of the underlying assets of the trust expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 2 of the hierarchy.

Note 8: Blended Component Unit

The TV Division's financial statements for the years ended June 30, 2023 and 2022 have been blended with the Department'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 TV Division are not recorded by the Department.

Condensed balance sheets for the TV 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

	June 30, 2023		
	TV Division	Eliminations	Total
Assets			
Current assets	\$ 2,546,528	\$ (14,106)	\$ 2,532,422
Other assets	34,730,945	(369,664)	34,361,281
Total assets	<u>\$ 37,277,473</u>	<u>\$ (383,770)</u>	<u>\$ 36,893,703</u>
Liabilities, and Net Position			
Liabilities			
Payable to Television Department	\$ 753,235	\$ (753,235)	\$ -
Other current liabilities	801,892	-	801,892
Total liabilities	<u>1,555,127</u>	<u>(753,235)</u>	<u>801,892</u>

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Notes to Financial Statements June 30, 2023 and 2022

Note 8: Blended Component Unit - Continued

Condensed Balance Sheets - Continued

June 30, 2023			
	TV Division	Eliminations	Total
Net Position			
Restricted for endowment - nonexpendable	\$ 4,792,703	\$ (383,770)	\$ 4,408,933
Restricted for endowment - expendable	891,411	-	891,411
Unrestricted	<u>30,038,232</u>	<u>753,235</u>	<u>30,791,467</u>
Total net position	<u>35,722,346</u>	<u>369,465</u>	<u>36,091,811</u>
 Total liabilities and net position	 <u>\$ 37,277,473</u>	 <u>\$ (383,770)</u>	 <u>\$ 36,893,703</u>
June 30, 2022			
	TV Division	Eliminations	Total
Assets			
Current assets	\$ 5,523,424	\$ (15,585)	\$ 5,507,839
Other assets	<u>29,847,587</u>	<u>(285,142)</u>	<u>29,562,445</u>
Total assets	<u>\$ 35,371,011</u>	<u>\$ (300,727)</u>	<u>\$ 35,070,284</u>
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Payable to Television Department	\$ 880,706	\$ (880,706)	\$ -
Other current liabilities	<u>866,020</u>	<u>-</u>	<u>866,020</u>
Total liabilities	<u>1,746,726</u>	<u>(880,706)</u>	<u>866,020</u>
Deferred Inflows of Resources			
Deferred inflow for beneficial interest in charitable remainder trust	<u>-</u>	<u>126,762</u>	<u>126,762</u>
Net Position			
Restricted for endowment - nonexpendable	4,863,394	(300,727)	4,562,667
Restricted for endowment - expendable	681,216	-	681,216
Unrestricted	<u>28,079,675</u>	<u>753,944</u>	<u>28,833,619</u>
Total net position	<u>33,624,285</u>	<u>453,217</u>	<u>34,077,502</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 35,371,011</u>	<u>\$ (300,727)</u>	<u>\$ 35,070,284</u>

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Notes to Financial Statements
June 30, 2023 and 2022

Note 8: Blended Component Unit - Continued

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

	Year Ended June 30, 2023		
	TV Division	Eliminations	Total
Operating revenues	\$ 5,321,189	\$ (20,268)	\$ 5,300,921
Operating expenses			
Programming and production	3,417,649	127,471	3,545,120
Program information	415,433	-	415,433
Management and general	290,423	-	290,423
Fundraising and membership development	1,511,540	-	1,511,540
Total operating expenses	5,635,045	127,471	5,762,516
Operating income	(313,856)	(147,739)	(461,595)
Investment income	2,155,447	-	2,155,447
Other nonoperating revenues	101,329	-	101,329
Net nonoperating revenues	2,256,776	-	2,256,776
Income before capital grants and other gains	1,942,920	(147,739)	1,795,181
Additions to permanent endowments	155,141	63,987	219,128
Increase in net position	2,098,061	(83,752)	2,014,309
Net position, beginning of year	33,624,285	453,217	34,077,502
Net position, end of year	\$ 35,722,346	\$ 369,465	\$ 36,091,811

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Notes to Financial Statements
June 30, 2023 and 2022

Note 8: Blended Component Unit - Continued

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

	Year Ended June 30, 2022		
	TV Division	Eliminations	Total
Operating revenues	\$ 5,594,323	\$ 52,845	\$ 5,647,168
Operating expenses			
Programming and production	3,185,769	(476,932)	2,708,837
Program information	331,394	-	331,394
Management and general	277,500	-	277,500
Fundraising and membership development	1,424,375	-	1,424,375
Total operating expenses	5,219,038	(476,932)	4,742,106
Operating income	375,285	529,777	905,062
Investment loss	(2,810,483)	-	(2,810,483)
Other nonoperating revenues	2,822,555	-	2,822,555
Net nonoperating revenues	12,072	-	12,072
Income before capital grants and other gains	387,357	529,777	917,134
Additions to permanent endowments	38,348	(222)	38,126
Increase in net position	425,705	529,555	955,260
Net position, beginning of year	33,198,580	(76,338)	33,122,242
Net position, end of year	\$ 33,624,285	\$ 453,217	\$ 34,077,502

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Notes to Financial Statements June 30, 2023 and 2022

Note 8: Blended Component Unit - Continued

Condensed Statements of Cash Flows

	Year Ended June 30, 2023		
	TV Division	Eliminations	Total
Net cash flows provided by operating activities	\$ 3,259,048	\$ -	\$ 3,259,048
Net cash flows provided by noncapital financing activities	73,661	-	73,661
Net cash flows used in investing activities	<u>(3,695,516)</u>	<u>-</u>	<u>(3,695,516)</u>
Net decrease in cash and cash equivalents	(362,807)	-	(362,807)
Cash and cash equivalents, beginning of year	<u>1,716,721</u>	<u>-</u>	<u>1,716,721</u>
Cash and cash equivalents, end of year	<u>\$ 1,353,914</u>	<u>\$ -</u>	<u>\$ 1,353,914</u>

	Year Ended June 30, 2022		
	TV Division	Eliminations	Total
Net cash flows provided by operating activities	\$ 2,472,437	\$ -	\$ 2,472,437
Net cash flows provided by noncapital financing activities	60,254	-	60,254
Net cash flows used in investing activities	<u>(3,369,733)</u>	<u>-</u>	<u>(3,369,733)</u>
Net decrease in cash and cash equivalents	(837,042)	-	(837,042)
Cash and cash equivalents, beginning of year	<u>2,553,763</u>	<u>-</u>	<u>2,553,763</u>
Cash and cash equivalents, end of year	<u>\$ 1,716,721</u>	<u>\$ -</u>	<u>\$ 1,716,721</u>

Note 9: Contributed Support

Contributed support represents expenses paid on behalf of the Department by others outside the reporting entity, and includes contributed professional services, donated materials or facilities, and indirect administrative support. The amount of contributed services is reflected as revenues in the accompanying statements of revenues, expenses and changes in net position. As expenses of an equivalent amount are also recognized, there is no impact on net position.

Institutional support from the University of \$1,427,410 and \$1,380,268 for 2023 and 2022, respectively, consists of certain administrative costs and other expenses incurred by the University on behalf of the Department. The allocation was calculated as 2.4% of the applicable institutional support of the University for 2023 and 2022.

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Notes to Financial Statements

June 30, 2023 and 2022

Note 10: Risk Management

The University of Nebraska Television Department is a department within the University of Nebraska and falls under the risk management policies of the University. The University 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 Department 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 Department invests 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 will occur in the near term and that such changes could materially affect the amounts reported in the accompanying balance sheets.