

Montana PBS

A Public Television Entity
Operated by the Montana University System

Financial Statements and Supplementary
Information

Years Ended June 30, 2024 and 2023

Montana  PBS



WIPFLI

Independent Auditor's Report

Management

Montana PBS A Public Television Entity Operated by Montana University System
Bozeman, Montana

Opinion

We have audited the accompanying financial statements of Montana PBS A Public Television Entity Operated by Montana University System (the "Station"), and its discretely presented component unit, Friends of Montana PBS, Inc., a nonprofit organization, which comprise the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Montana PBS A Public Television Entity Operated by Montana University System), and its discretely presented component unit, Friends of Montana PBS, Inc., a nonprofit organization as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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 Montana PBS A Public Television Entity Operated by Montana University System 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 Montana PBS A Public Television Entity Operated by Montana University System's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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 Montana PBS A Public Television Entity Operated by Montana University System'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 Montana PBS A Public Television Entity Operated by Montana University System'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 a management's discussion and analysis appearing on pages 4-12, schedules of proportionate share of the net pension liability, schedules of contributions, and schedule of total OPEB liability appearing on pages 61 - 72, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 as a whole. The supplementary information appearing on pages 74 - 82, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Wipfli LLP

Billings, Montana
February 7, 2025

MONTANA PBS
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE MONTANA UNIVERSITY SYSTEM
Management’s Discussion and Analysis
June 30, 2024 and 2023

INTRODUCTION

Management’s discussion and analysis (MD&A) introduces the basic financial statements and provides an overview of Montana PBS’s (referred to also as the “Station’s”) financial position and activities for the fiscal years ended June 30, 2024 and 2023. This overview is required by Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements—and Management’s Discussion and Analysis—for Public Colleges and Universities*, as amended by GASB Statements No. 37 and 38. Because the stations are component units of the Montana University System (a State agency), they are required to report under these GASB guidelines.

The MD&A emphasizes the current year and identifies any economic or financial factors which could have a significant impact on future operations. This discourse has been prepared by management and should be read in conjunction with the financial statements and footnotes following this section.

Montana PBS is a partnership of two non-commercial television stations licensed to the Montana University System which include KUSM-TV Bozeman, (operated by Montana State University), and KUFM-TV Missoula (operated by the University of Montana). The Station provides public television services through the acquisition, production and delivery of high-quality television to residents of Montana. A related fundraising entity, Friends of Montana PBS, Inc. (“Friends”), is a not-for-profit Montana corporation that provides financial support, promotes positive community relations and provides certain administrative services to Montana PBS. Readers may also wish to refer to the separately issued financial statements of Friends for further information.

USING THE FINANCIAL STATEMENTS

Pursuant to GASB Statement No. 35, the basic financial statements consist of the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows; and the notes to the financial statements. In addition to the financial statements, the MD&A is included as required supplementary information.

The financial statements are prepared using the accrual basis of accounting, wherein revenues are recognized when services are provided, and expenses are recognized when goods or services are received, regardless of when cash is exchanged.

The following discussion and analysis is a comparative overview and noted highlights of Montana PBS’s financial position and operating results for the fiscal years ended June 30, 2024, 2023, and 2022. This provides historical and trend information, supplemental to the audited 2024 and 2023 financial statements.

FINANCIAL HIGHLIGHTS AND ANALYSIS

In FY24, the Station saw operating revenues and non-operating revenues that exceeded operating expenses for an overall financial position increase of \$ 158,174. When comparing to the prior year, FY24 reported revenues (operating and nonoperating) increased by \$ 508,971 and operating expenses increased by \$ 879,744. The positive change in net position meant an increase in net position from the prior year.

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In FY23, the Station saw operating revenues and non-operating revenues that exceeded operating expenses for an overall financial position increase of \$ 489,273. When comparing to the prior year, FY23 reported revenues and operating expenses increased by \$ 283,876 and \$ 546,343 respectively. The change in net position was primarily due to the strong net position at the beginning of the year.

The Statement of Net Position reflects the financial position of Montana PBS at the end of the fiscal year. The difference between total assets and total liabilities (net position) is one indicator of the overall financial strength of any entity.

A summary of the Statements of Net Position is as follows at June 30:

	2024	2023	2022
ASSETS			
Total current assets	\$ 5,865,717	\$ 5,489,543	\$ 4,997,868
Capital assets, net	2,511,843	2,516,200	1,630,716
Total other non-current assets		7,436	10,667
Total Assets	8,377,560	8,013,179	6,639,251
DEFERRED OUTFLOWS (pension and OPEB related)	751,928	579,477	628,099
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 9,129,488	\$ 8,592,656	\$ 7,267,350
LIABILITIES			
Total current liabilities	\$ 3,011,970	\$ 2,824,153	\$2,372,359
Total non-current liabilities	2,436,537	2,239,197	1,683,053
Total Liabilities	5,448,507	5,063,350	4,055,412
DEFERRED INFLOWS (pension and OPEB related)	517,342	523,841	695,746
NET POSITION			
Invested in capital assets, net of related debt	2,056,317	1,952,181	1,627,630
Unrestricted	1,107,322	1,053,284	888,562
Total Net Position	3,163,639	3,005,465	2,516,192
Total Liabilities and Net Position	\$ 9,129,488	\$ 8,592,656	\$ 7,267,350

Events or developments which occurred during FY 2024 include:

- Current assets increased by \$ 376,174. This was due to an increase in cash and cash equivalents of \$ 545,997, moderated by a net decrease in Accounts Receivable of \$ 155,880.
- Net capital assets decreased by \$ 4,357 in FY24 due to net depreciation of assets.

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- Total current liabilities increased by \$ 187,817 in FY24 and total noncurrent liabilities increased by \$197,340. The net pension liability calculated in accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, increased by \$ 240,934. See **Note 7** to the financial statements for more information on pensions. Postemployment benefits (OPEB) liability obligation calculated in accordance with GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* increased by \$ 86,398 in FY24 (**Note 8**). There were liability decreases in compensated absences (\$22,450), contract liability (\$108,240) and deferred inflows of resources (pension and OPEB) (\$6499).
- Net position increased by \$ 158,174 in FY24.

Events or developments which occurred during FY 2023 include:

- Current assets increased by \$ 491,675. While there was an increase in cash and cash equivalents of \$635,034, there was a net decrease in Accounts Receivable of \$ 178,724.
- Net capital assets increased by \$ 319,119 in FY23 due to net depreciation of assets.
- Total liabilities increased by \$ 1,007,938 in FY23. Inclusion of GASB 87 and 96 (Leases and Subscription-Based Information Technology Arrangements), meant the addition of lease liability to this figure of \$ 444,431 and unearned revenue of \$150,000 from the Otto Bremer Trust grant. The net pension liability calculated in accordance with GASB 68, *Accounting and Financial Reporting for Pensions*, increased \$199,468 and the deferred inflow of resources for pension and OPEB decreased by \$ 171 ,905. See **Note 7** to the financial statements for more information on pensions. Postemployment benefits (OPEB) liability obligation calculated in accordance with GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* decreased by \$ 133,701 in FY23. There were also liability decreases in accrued payroll and long-term debt.
- Net position increased by \$ 487,939 in FY2.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position present revenues earned and expenses incurred during the year on a full accrual basis. In accordance with GASB, revenues and expenses are classified as either operating or non-operating. Operating revenues and expenses are the inflows or uses of funds related directly to fulfilling the entity's purpose (i.e. providing public television services). Non-operating revenues are revenues earned for which goods or services are not provided and include grants from CPB, support from the Montana University System, grant and contract revenue, and contributions from Friends. Other revenues and expenses include capital grants and gifts, and investment earnings.

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A summary of the Statements of Revenues, Expenses and Changes in Net Position at June 30:

	2024	2023	2022
Operating revenue	681,469	651,595	664,963
Operating expenses	7,661,649	6,781,905	6,235,562
Operating gain/(loss)	(6,980,180)	(6,130,310)	(5,570,599)
Non-operating revenue	7,050,257	6,571,160	6,273,916
Investment income and other items	88,097	48,423	3418
Increase/(decrease) in Net Position	158,174	489,273	706,735
Net position, beginning of year as previously reported	3,005,465	2,516,192	1,809,457
Net position, beginning of year OPEB restatement			
Net Position, end of year	\$ 3,163,639	\$ 3,005,465	\$2,170,802

Events or developments which occurred during 2024 include:

- Operating revenues increased slightly by \$ 29,874, with the majority of the income due to revenue from contract productions.
- Operating expenses increased by \$ 879,744 or almost 13%. Nearly all employee positions at the station were filled, and new positions were added resulting in increased payroll expenses over prior years.
- Non-operating revenue increased in FY23 by \$ 479,097, or over 7%. All major sources of funding (CPB grants, University support and contributions from Friends) increased in FY24.
- For additional analysis, the notes to the financial statements present operating expenses in functional groups. Functional expenses include salaries and benefits, services and supplies, repairs and maintenance, rent, public broadcasting dues and other occupancy costs as well as depreciation and amortization.

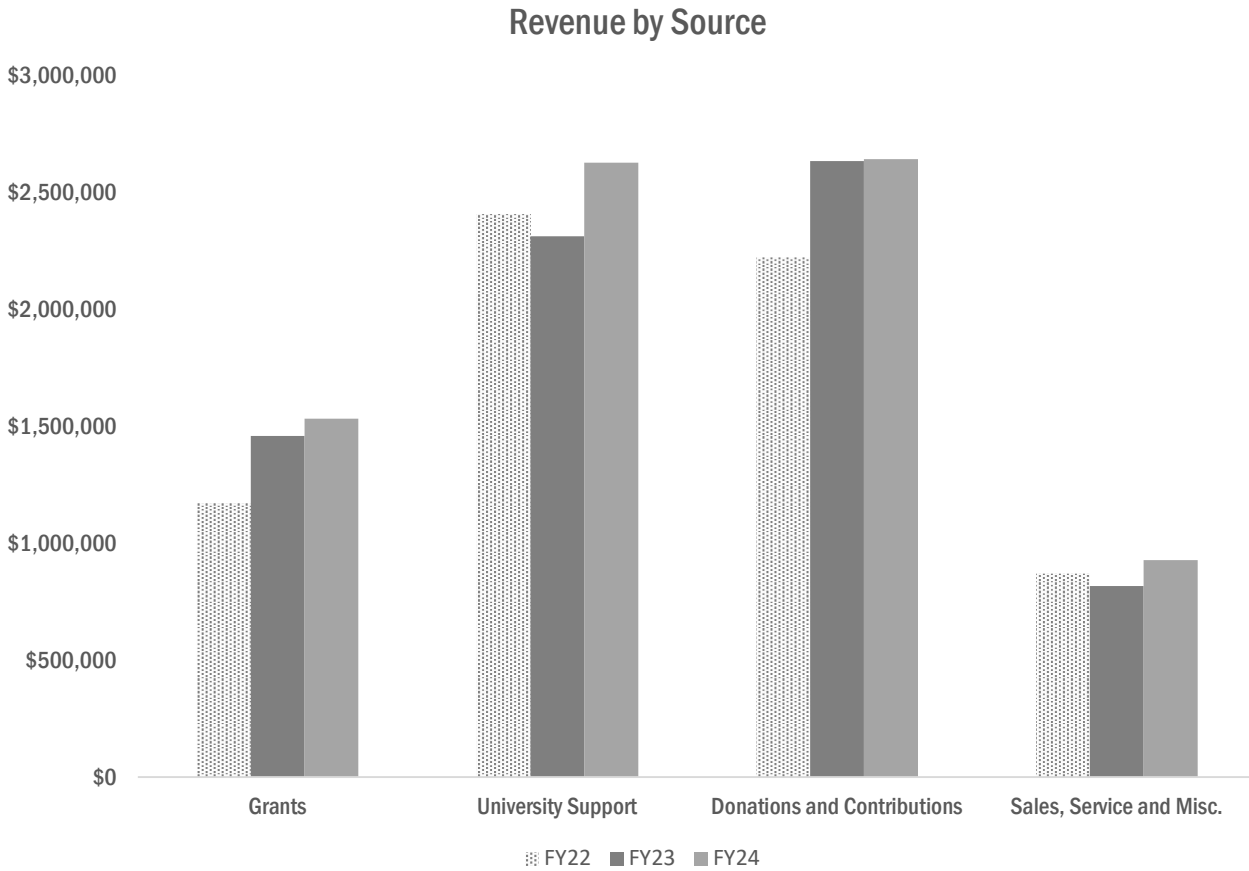
Events or developments which occurred during 2023 include:

- Operating revenues increased slightly by \$ 13,368, with the majority of the income due to revenue from contract productions.
- Operating expenses increased by \$ 546,463 or almost 9%. Nearly all employee positions at the station were filled, resulting in increased payroll expenses over prior years.
- Non-operating revenue increased in FY23 by \$ 297,244, or almost 5%. CPB grant revenues were up by \$274,477, or 25%.

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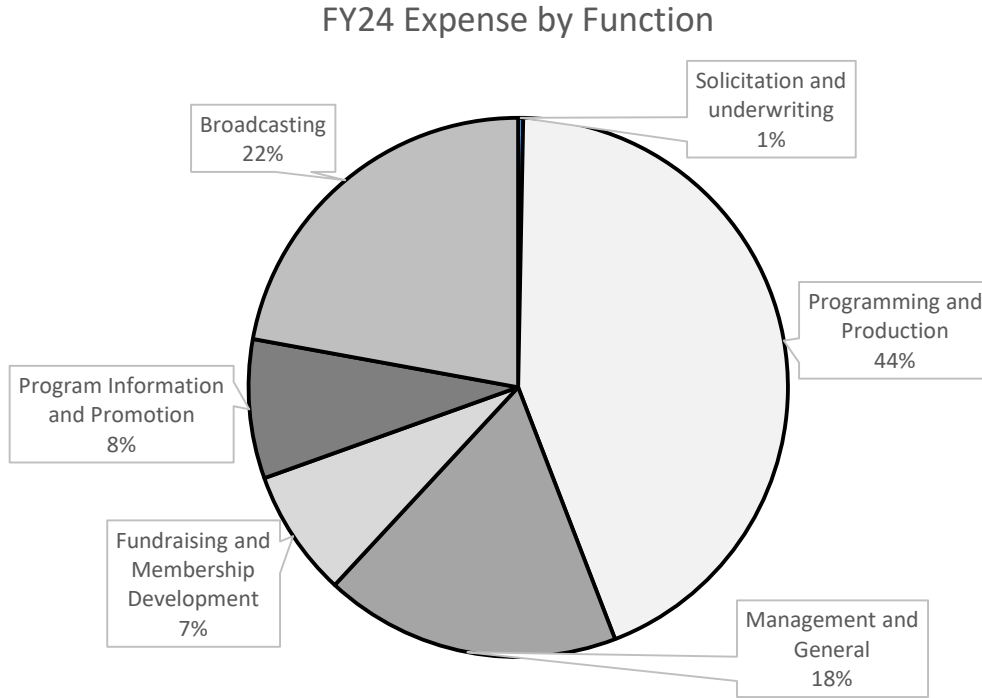
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This chart illustrates recognized revenues by source for FY 2024, 2023 and 2022.



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This chart illustrates expenses by function for FY 2024.



Statement of Cash Flows

The Statement of Cash Flows provides additional information about the Station’s financial results by reporting the major sources and uses of cash. This statement aids in assessing the Stations’ ability to a) meet obligations and commitments as they become due, b) generate future cash flows, and c) recognize the need for external financing.

A summary of the Statements of Cash Flows is as follows at June 30:

	2024	2023	2022
CASH PROVIDED BY (USED IN)			
Operating activities	\$ (5,532,377)	\$ (4,807,415)	\$ (4,477,559)
Noncapital financing activities	6,526,035	5,977,725	5,287,192
Capital and related financing activities	(535,758)	(583,699)	(178,883)
Investing activities	88,097	48,423	3,418
Net change in cash and cash equivalents	545,997	635,034	634,168
Cash and cash equivalents – beginning of year	5,185,005	4,549,971	3,915,803
Cash and cash equivalents – end of year	\$ 5,731,002	\$ 5,185,005	\$ 4,549,971

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Events or developments which occurred during 2024 include:

- In FY24, cash flows from noncapital financing activities totaled \$ 6,526,035. This total consists primarily of contributions from Friends of Montana PBS of \$ 2,722,574, state appropriations of \$ 1,698,669, and grants and contracts of \$ 1,833,554.
- Cash and cash equivalents at the end of FY24 were \$545,997 higher than in FY23 primarily due to increases in cash in state appropriations and grants and contracts.

Events or developments which occurred during 2023 include:

- Net Change in cash and cash equivalents totaled \$ 635,034 in FY23, which was only \$866 higher than FY22.
- Significant noncash expenses in operating activities include depreciation expense of \$ 259,148 and indirect university support of \$ 834,739.
- In FY23, cash flows from noncapital financing activities totals \$ 5,977,725. This total consists primarily of contributions from Friends of Montana PBS of \$ 2,724,912, state appropriations of \$1,477,671, and grants and contracts of \$1,573,140.

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ECONOMIC OUTLOOK

- The economic outlook for Montana PBS largely mirrors that of our communities, which are showing strong growth amid declining inflationary pressures.
- Montana PBS management continues to place an emphasis on philanthropic giving from annual membership and high-level donors. In the third full subscription year to the national Membership Services Bureau (MSB), the station continues to see positive revenue growth from annual giving, even as national public media revenues have been uneven. Management expects our station will continue to outperform the national average, due in part to a strong state economy and loyalty to local Montana PBS programs and services.
- Management has observed significant growth in major donor restricted revenues, specifically to the Building Possibilities campaign, and expects this effort will provide some momentum for operational revenues in the years ahead.
- Planned gifts and bequests have grown in the last year and management forecasts that this source of unrestricted revenues will become an increasingly important source for capital equipment replacement and upgrades.
- A fully staffed fundraising department, with seasoned team-members, will allow the station to maximize fundraising opportunities, and develop new initiatives in the year ahead.
- Net revenue from production services should remain stable or grow. New production positions were added for better staffing depth which should decrease business volatility caused by vacancies.
- Federal grant support for public media through CPB is generally positive with larger congressional appropriations in recent years. In FY25, management expects an increase in CPB grant funding, due in part to a larger federal appropriation, and the incentive, Non-Federal Support (NFFS) incentive portion, of the grant formula. Prior year success in growing Montana PBS's NFFS factor leverages a larger share of the national CPB grant pool.
- Anticipated growth in CPB funding will be more than offset by a significant increase in national PBS membership and programming expenses over the next two years, because of a major revision of the national dues model. The nearly 42% increase in PBS dues will place increased pressure on the Montana PBS operational budget.
- While the FY25 and FY26 CPB appropriations for public media were previously approved by Congress, there is some uncertainty for FY27 federal funding which will be set by a new congress.

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- In the wake of the multi-year capacity-building grant from the Otto Bremer Trust, for the hiring of additional journalists, Montana PBS is now drawing upon operational budgets to fund this initiative, while seeking new private and/or foundation funding. Several high-profile local programs are slated for release in the coming year which may aid traditional pledge drive fundraising, even as this source of revenue has experienced a significant downward trend locally and nationally.
- Infrastructure and equipment replacement for ATSC 3.0 (NextGen TV) broadcast technology is a budget challenge for the coming years. Pending federal grant applications should offset some of this capital funding need, as well as private grants, with infill from station reserves. A planned replacement of the network operations center automation system, and the acquisition of two eastern Montana broadcast licenses/facilities, will draw upon healthy station reserves.
- Elevated real estate costs in Montana communities remain high and present a risk for employee retention and recruitment. While the state and university is respond to these cost-of-living issues with wage increases, and provide partial funding, this trend will continue to impact the station budget in the coming year and beyond.
- The financial health of the stations is directly affected by the overall health of their university licensees. While student enrollment at the station's respective host universities has indirect effect on Montana PBS, state funding delivered through university budgets is an area of uncertainty. The 2025 Legislative Session will establish funding levels for FY26 and FY27.
- Management believes that our growing membership, and increased donations, demonstrate viewer reliance upon high quality news, information, educational and entertainment programs that cannot be found elsewhere. Viewer trust is Montana PBS's greatest asset. This relationship with our viewers has carried us through a tumultuous time of national and local community stress and we believe that when we stay true to our public service mission, our economic base will hold strong.

Montana PBS A Public Television Entity Operated by Montana University System

Statements of Net Position

June 30,	2024	2023
Assets and Deferred Outflows		
Current assets		
Cash and cash equivalents	\$ 5,731,002	\$ 5,185,005
Accounts receivable	52,366	208,246
Prepaid Expenses	82,349	96,292
Total Current Assets	5,865,717	5,489,543
Capital assets	2,511,843	2,516,200
Noncurrent assets		
Prepaid expenses	-	7,436
Total noncurrent assets	-	7,436
Total assets	8,377,560	8,013,179
Deferred outflows of resources - pension and OPEB	751,928	579,477
	\$ 9,129,488	\$ 8,592,656
Liabilities, Deferred Inflows and Net Position		
Current liabilities		
Accounts payable and accrued expenses	\$ 33,912	\$ 94,090
Accrued payroll	117,625	79,564
Unearned revenue	2,587,239	2,401,162
Current portion, compensated absences	154,557	129,749
Current portion, contract liability - subscription based agreement	108,240	108,240
Current portion, lease liability	10,397	11,348
Total current liabilities	3,011,970	2,824,153
Noncurrent liabilities		
Compensated absences, net of current portion	231,194	253,644
Contract liability - subscription based agreement net of current portion	306,688	414,928
Pension obligation	1,651,308	1,410,374
Total OPEB obligation - health benefits	217,146	130,748
Lease liability, net of current portion	30,201	29,503
Total noncurrent liabilities	2,436,537	2,239,197
Total liabilities	5,448,507	5,063,350
Deferred inflows of resources - pension and OPEB	517,342	523,841
Net Position		
Invested in capital assets, net of related debt	2,056,317	1,952,181
Unrestricted	1,107,322	1,053,284
Total net position	3,163,639	3,005,465
	\$ 9,129,488	\$ 8,592,656

See accompanying notes to financial statements.

Friends of MontanaPBS, Inc.
A Component Unit of Montana PBS/KUSM TV/KUFM TV
Statements of Financial Position

<i>June 30,</i>	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 426,950	\$ 1,074,050
Certificates of deposit	4,734,592	4,937,321
Pledges receivable, net of allowance	388,485	352,383
Premium inventory	22,090	18,396
Prepaid expenses	7,209	792
Total current assets	5,579,326	6,382,942
Investments	12,208,755	8,529,290
Total assets	\$ 17,788,081	\$ 14,912,232
Liabilities		
Current liabilities		
Grant payable - current	\$ -	\$ 150,000
Total current liabilities	-	150,000
Non-current liabilities		
Grant payable, non-current	-	-
Total liabilities	-	150,000
Net assets		
Without donor restrictions	2,651,612	2,248,977
With donor restrictions	15,136,469	12,513,255
Total net assets	17,788,081	14,762,232
Total liabilities and net assets	\$ 17,788,081	\$ 14,912,232

See accompanying notes to financial statements.

Montana PBS A Public Television Entity Operated by Montana University System

Statements of Revenues, Expenses, and Changes in Net Position

<i>For the Years Ended June 30,</i>	2024	2023
Operating revenues		
Sales and services	\$ 12,413	\$ 10,559
Contract production	600,896	574,728
Broadband lease	68,160	66,308
Total operating revenues	681,469	651,595
Operating expenses		
Broadcasting	1,695,228	1,611,175
Programming and production	3,358,939	3,327,661
Program information and promotion	639,063	420,623
Management and general	1,359,641	809,194
Fundraising and membership development	585,214	596,152
Solicitation and underwriting	23,564	17,100
Total operating expenses	7,661,649	6,781,905
Operating loss	(6,980,180)	(6,130,310)
Nonoperating revenues		
Grants from CPB	1,423,302	1,370,333
Grants from state agencies	80,250	88,597
State and local grants and contracts	3,500	(360)
Support from Montana University System		
Appropriations for operations	1,698,669	1,477,671
Donated and indirect	928,972	834,739
Contributions from Friends used for other operations	2,611,143	2,574,912
In-kind contributions	32,241	59,107
PBS royalties	788	1,116
Production underwriting	191,386	97,570
Program underwriting	49,053	61,732
Other contributions	26,000	266
Other revenue, net	4,953	5,477
Total nonoperating revenues	7,050,257	6,571,160
Other revenues, expenses, gains and losses		
Investment income, net	88,097	48,423
Total other revenues, expenses, gains and losses	88,097	48,423
Change in net position	158,174	489,273
Net position - beginning of year	3,005,465	2,516,192
Net position - end of year	\$ 3,163,639	\$ 3,005,465

See accompanying notes to financial statements.

Friends of MontanaPBS, Inc.
A Component Unit of Montana PBS/KUSM TV/KUFM TV
Statement of Activities

<i>Year Ended June 30, 2024</i>	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue and support			
Donations	\$ 668,299	\$ 3,075,695	\$ 3,743,994
Membership dues	1,563,745	-	1,563,745
Net investment income	828,221	310,085	1,138,306
Miscellaneous	31,003	-	31,003
Satisfaction of program restrictions	762,566	(762,566)	-
Total revenue and support	3,853,834	2,623,214	6,477,048
Expenses			
Program services - payments to affiliates			
KUSM television per contract	1,900,619	-	1,900,619
KUFM television per contract	475,155	-	475,155
KUSM television programming support	207,081	-	207,081
KUFM television programming support	18,750	-	18,750
Other program services			
Program guide costs	127,279	-	127,279
Total program services	2,728,884	-	2,728,884
Fundraising			
Credit card and bank fees	44,729	-	44,729
Pledge drive premiums and support	66,763	-	66,763
Postage and direct mail preparation	5,288	-	5,288
Promotion and promotional premiums	219,934	-	219,934
Special events	3,848	-	3,848
Total fundraising	340,562	-	340,562
Management and administrative			
Accounting and bookkeeping services	14,246	-	14,246
Insurance	2,750	-	2,750
Miscellaneous	20,753	-	20,753
Services	333,859	-	333,859
Travel and conferences	10,145	-	10,145
Total management and administration	381,753	-	381,753
Total operating expenses	3,451,199	-	3,451,199
Change in net assets	402,635	2,623,214	3,025,849
Net assets - beginning of year	2,248,977	12,513,255	14,762,232
Net assets - end of year	\$ 2,651,612	\$ 15,136,469	\$17,788,081

See accompanying notes to financial statements.

Friends of MontanaPBS, Inc.
A Component Unit of Montana PBS/KUSM TV/KUFM TV
Statement of Activities

<i>Year ended June 30, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue and support			
Donations	\$ 1,123,398	\$ 9,035,540	\$ 10,158,938
Membership dues	1,527,668	-	1,527,668
Net investment loss	400,753	-	400,753
Miscellaneous	26,775	-	26,775
Satisfaction of program restrictions	1,233,973	(1,233,973)	-
Total revenue and support	4,312,567	7,801,567	12,114,134
Expenses			
Program services - payments to affiliates			
KUSM television per contract	1,753,329	-	1,753,329
KUFM television per contract	438,331	-	438,331
KUSM television programming support	111,600	-	111,600
KUFM television programming support	72,500	-	72,500
KUSM advisory services	375,000	-	375,000
Other program services			
Program guide costs	111,032	-	111,032
Total program services	2,861,792	-	2,861,792
Fundraising			
Credit card and bank fees	40,384	-	40,384
Pledge drive premiums and support	84,365	-	84,365
Postage and direct mail preparation	3,774	-	3,774
Promotion and promotional premiums	260,583	-	260,583
Special events	3,335	-	3,335
Total fundraising	392,441	-	392,441
Management and administrative			
Accounting and bookkeeping services	12,342	-	12,342
Insurance	1,857	-	1,857
Miscellaneous	26,056	-	26,056
Services	337,528	-	337,528
Travel and conferences	6,560	-	6,560
Total management and administration	384,343	-	384,343
Total operating expenses	3,638,576	-	3,638,576
Change in net assets	673,991	7,801,567	8,475,558
Net assets - beginning of year	1,574,986	4,711,688	6,286,674
Net assets - end of year	\$ 2,248,977	\$ 12,513,255	\$ 14,762,232

See accompanying notes to financial statements.

Montana PBS A Public Television Entity Operated by Montana University System

Statements of Cash Flows

<i>For the Years Ended June 30,</i>	2024	2023
Cash flows from operating activities		
Sales and services of educational activities	\$ 586,436	\$ 807,933
Compensation and benefits	(3,869,992)	(3,586,708)
Other operating expenses	(2,248,821)	(2,028,640)
Net cash from operating activities	(5,532,377)	(4,807,415)
Cash flows from noncapital financing activities		
Contributions from Friends of Montana PBS	2,722,574	2,724,912
Production underwriting	197,694	133,411
State appropriations	1,698,669	1,477,671
Grants and contracts	1,833,554	1,573,140
Other receipts	73,544	68,591
Net cash from noncapital financing activities	6,526,035	5,977,725
Cash flows from capital and related financing activities		
Purchase of capital assets	(427,265)	(578,267)
Leased assets	(108,493)	(3,794)
Principal and interest paid on long-term debt	-	(1,638)
Net cash from capital and related financing activities	(535,758)	(583,699)
Cash flows from investing activities		
Investment income	88,097	48,423
Net change in cash and cash equivalents	545,997	635,034
Cash and cash equivalents - beginning of year	5,185,005	4,549,971
Cash and cash equivalents - end of year	\$ 5,731,002	\$ 5,185,005

See accompanying notes to financial statements.

Montana PBS A Public Television Entity Operated by Montana University System

Statements of Cash Flows (Continued)

<i>For the Years Ended June 30,</i>	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	\$ (6,980,180)	\$ (6,130,310)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	431,622	259,148
Non-cash operating expenses paid directly by the university	928,972	834,739
In-kind non-cash operating activities	32,241	59,107
Net pension liability and related deferred inflows and outflows	252,708	40,020
Total OPEB obligation - health benefits and related deferred inflows and outflows	(104,325)	(97,536)
(Increase) decrease in assets		
Accounts receivable related to operations	24,799	5,448
Prepaid expenses	21,379	(32,134)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(60,179)	64,909
Accrued payroll	38,061	(6,497)
Compensated absences	2,358	44,801
Deferred commercial underwriting revenue	(119,833)	150,890
Net cash flows from operating activities	\$ (5,532,377)	\$ (4,807,415)

See accompanying notes to financial statements.

Friends of Montana PBS, Inc.
A Component Unit of Montana PBS/ KUSM TV/ KUFM TV
Statements of Cash Flows

<i>For the Years Ended June 30,</i>	2024	2023
Cash flows from operating activities		
Receipts from donors	\$ 3,673,744	\$ 5,389,808
Receipts from membership dues	1,563,745	1,527,668
Payments on investments fees	(85,185)	(74,280)
Other cash receipts	31,003	26,775
Payments to vendors	(3,611,310)	(3,781,091)
Net cash from operating activities	1,571,997	3,088,880
Cash flows from investing activities		
Purchases of certificates of deposits	(5,999,923)	(7,444,000)
Redemptions of certificates of deposits	5,920,000	3,270,000
Purchases of investments	(2,379,174)	-
Proceeds from sale of investments	240,000	322,004
Net cash from investing activities	(2,219,097)	(3,851,996)
Net change in cash and cash equivalents	(647,100)	(763,116)
Cash and cash equivalents - beginning of year	1,074,050	1,837,166
Cash and cash equivalents - end of year	\$ 426,950	\$ 1,074,050
Reconciliation of operating income to net cash flows from operating activities		
Change in net assets	\$ 3,025,849	\$ 8,475,558
Adjustments to reconcile change in net assets to net change from operating activities:		
Dividends and interest income	(84,517)	(31,152)
Net gain on investments	(1,138,974)	(443,881)
Donated securities	(34,148)	(5,292,417)
Changes in operating assets and liabilities:		
Pledges receivable, net	(36,102)	523,287
Prepaid expenses	(6,417)	7,485
Premium inventory	(3,694)	-
Grants payable	(150,000)	(150,000)
Net cash flows from operating activities	\$ 1,571,997	\$ 3,088,880
Noncash investing and financing activities		
Donated stock, restricted for building expansion	\$ 34,148	\$ 5,292,417

See accompanying notes to financial statements.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Organization

Montana PBS (the Station) is an affiliation between KUSM TV and KUFM TV. The Station is operated by the Montana University System, which is governed by the Montana Board of Regents. KUSM TV is operated by Montana State University, Bozeman, Montana, and KUFM TV is operated by the University of Montana, Missoula, Montana. Additionally, KBGS TV, Billings, a third full-power station, KUGF TV, Great Falls, a fourth full-power station, KUKL TV, Kalispell, a fifth full-power station, and KUHM TV, Helena, a sixth full-power station are operated centrally from the Bozeman facility. The Stations are separate operational units of the Montana University System, which include the University of Montana (UM) and Montana State University (MSU). As component units of the State of Montana, the two universities are included separately in the financial statements of the State of Montana.

The Station services Montanans by acquiring, producing, and delivering high quality television programming, production and community outreach services. These non-commercial services provide state residents access to educational, informational and entertainment programming produced nationally and locally, and extend the impact of television viewing through community outreach efforts. The Stations rely on grants, university support and public contributions.

During the years ended June 30, 2024 and 2023, there were no inter-station transactions. If inter-station activity was to occur during the year, transactions between the combined entities would be eliminated from the financial statements.

The Friends of Montana PBS, Inc. ("Friends"), a not-for-profit Montana corporation, that advises and provides financial support, positive community relations, and related administrative services to Montana PBS, is included as a discretely presented component unit in the Station's reporting entity because of the significance of its operational and financial relationship with the stations.

The administration of Friends is provided by a Board of Directors consisting of 8 to 26 members. One member of the Board of Directors shall be the General Manager of KUSM and another shall be the General Manager of KUFM. One member shall be the President of Montana State University and one member shall be the President of the University of Montana or a person designated annually by the respective Presidents to serve in his/her behalf.

In accordance with GASB Statement No. 39, the financial statements of Friends of Montana PBS, Inc. are being presented in this financial report as a component unit, not consolidated with the financial statements of Montana Public TV. As a result, transactions between the two entities are not eliminated. GASB Statement No. 34 requires that transactions between the two entities be recorded as external transactions. As a result, transfers of funds from Friends to Montana Public TV are recorded as an expense on the financial statements of Friends and as revenue on the financial statements for Montana Public TV (see Note 10).

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Organization (Continued)

A copy of the audited financial statements of the component unit can be obtained by writing to Friends of Montana PBS, Inc. at P. O. Box 173340, Bozeman, MT 59717-3340.

Financial Statement Presentation

The Station's financial statements are presented in accordance with requirements of GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, GASB Statement No. 37, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments: Omnibus--an amendment of GASB Statements No. 21 and No. 34*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. Under GASB Statements No. 34, No. 35, No. 37, No. 38 and No. 63, the Station is required to present a statement of net position classified between current and noncurrent assets and liabilities, a statement of revenues, expenses and changes in net position, with separate presentation for operating and nonoperating revenues and expenses, and a statement of cash flows using the direct method. The statements require the classification of net position into three components--invested in capital assets, net of related debt; restricted and unrestricted.

Basis of Accounting

For financial reporting purposes, the Station is considered a special-purpose government engaged only in business-type activities. Accordingly, the Station's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash balances maintained in pooled funds with other University funds are considered cash equivalents. The universities allocate cash balances to Montana PBS from their funds invested in the Short Term Investment Pool (STIP) with the Montana Board of Investments. The universities consider STIP funds to be cash equivalents.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Customer account balances with invoices dated over 30 days are considered delinquent.

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Management has concluded that realized losses on balances outstanding at year-end will be immaterial and, accordingly, no allowance for uncollectible accounts is considered necessary.

Capital Assets

All acquisitions and improvements ranging from \$5,000 for equipment to \$500,000 for infrastructure, and with estimated useful lives of more than one year are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated lives of the assets.

Compensated Absences

Employees' compensated absences are accrued when earned. The obligation and expenditure incurred during the year are recorded as accrued compensated absences in the statement of net position, and as a component of compensation and benefit expense in the statement of revenues, expenses, and changes in net position. As of December 31 of each year, employees can accumulate vacation leave up to twice the number of leave days earned annually and sick leave can be accumulated without limitation. Upon termination, the employee is paid the accumulated vacation leave and 25% of the accumulated sick leave. Amounts recorded as compensated absences payable include employer benefits.

Other Post-Employment Benefits

The Stations have adopted Governmental Accounting Standards Board Statement Number 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The Stations allow retirees to participate in the Montana University System's self-funded health insurance plan by paying an amount considered by the Stations to cover their full costs (as calculated using the pooled risk of retirees and active employees). An actuarial study determined that this blended rate structure results in an implicit rate subsidy to retirees, who are considered to be a higher-cost pool of participants. The State of Montana and its component units amortize the calculated OPEB liability resulting from this implicit rate subsidy over a period of 20 years. The state has not mandated funding of the liability.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

Deferred Inflows and Deferred Outflows of resources are associated with pensions and other post-employment benefits. In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position

The Station's net position is classified as follows:

Invested in capital assets, net of related debt: This represents the Stations' total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted net position: The component of net position that reports the constraints placed on the use of net position by either external parties or enabling legislation. As of June 30, 2024, and 2023, the Stations have no restricted net position to report.

Unrestricted position: The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources that is not reported in *Invested in capital assets, net of related debt* and *restricted net position*.

It is the Station's policy to expend restricted resources first and to use unrestricted resources when the restricted resources have been depleted.

Classification of Activities

The Stations have classified their revenues as either operating or nonoperating according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, including (1) sales and services, (2) contract production revenue, and (3) lease revenues.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Activities (Continued)

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, state appropriations, production and program underwriting and federal and state grants that receive no direct benefit from the stations.

Program Underwriting

Revenue for program underwriting is recorded on a pro-rata basis for the period covered. Revenue related to subsequent years is reflected as unearned revenues in the accompanying statements of net position.

Grants

Revenue from grants and contracts is recorded as nonoperating revenue and is recognized to the extent of expenses incurred. When cumulative expenses incurred in accordance with the contract and grant provisions are in excess of cumulative receipts, the excess is accrued and reflected as grants receivable with a corresponding credit to revenue, to the extent that total revenue does not exceed the grant award or contract amount. When cumulative receipts are in excess of cumulative expenses, the excess is reflected as unearned revenue. As of June 30, 2024, and 2023, the Stations have recorded unearned revenue related to these grants and contracts in the amount of \$2,587,239 and \$2,401,162, respectively.

Community Service Grants

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public telecommunications entities. CSGs are used to augment the financial resources of public broadcasting stations and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated Section 396(k)(7), (1983) Supplement. In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of the recipients. Montana PBS uses these funds for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with Community Service Grants awarded in prior years.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Community Service Grants (Continued)

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

The grants were reported on the accompanying financial statements as unrestricted nonoperating funds.

Donated Facilities, Materials, and Services

Donated facilities from the Montana University System consist of office and studio space together with related occupancy costs and are recorded as revenue and expense at estimated fair rental values in the statements of revenues, expenses, and changes in net position. Administrative support from Montana University System consists of indirect costs incurred by the Universities on behalf of the Stations, determined by establishing cost pools, which are grouped into functional categories such as institutional support, and physical plant support, which are then allocated, based on the Stations' direct costs in accordance with guidelines established by the Corporation for Public Broadcasting (CPB). Donated materials are recorded at their fair value at the time of contribution. Donated personal services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Both the University of Montana and Montana State University pay pension contributions and other employee benefits from a benefit cost pool on behalf of some Station employees. These expenses are allocated to the Stations as direct support.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statements of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

As a state institution of higher education, the income of the Stations is exempt from federal and state income taxes however, income generated from activities unrelated to the exempt purpose is subject to income tax under Internal Revenue Code Section 511(a)(2)(B). There was no Unrelated Business Income Tax (UBIT) amount for the years ended June 30, 2024 and 2023. The Stations believe that income tax filing positions will be sustained upon examination and do not anticipate any adjustments that would result in a material adverse effect on the financial statements or cash flows. Accordingly, no reserves or related accruals for interest or penalties for uncertain income tax positions have been recorded as of June 30, 2024 and 2023.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented.

Subsequent Events

The Stations have evaluated events and transactions for potential recognition or disclosure in the financial statements through February 7, 2025, which is the date the financial statements were available to be issued.

Note 2: Cash and Cash Equivalents

Cash balances are maintained in pooled funds with other University funds. The Universities allocate interest earnings based on the amounts Montana PBS has invested in the Short Term Investment Pool (STIP) with the Montana Board of Investments (BOI). Amounts held in STIP may be withdrawn by the university system on demand, and as such are classified as cash equivalents, even though a portion of the pool's underlying investments may be considered noncurrent. Audited financial statements for the State of Montana's Board of Investments are available at 2401 Colonial Drive, 3rd Floor, Helena, Montana 59620.

Investments in the pool are reported at a Net Asset Value (NAV). The fair value of pooled investments is determined annually and is based on year-end market prices. The NAV at June 30, 2024 and 2023 is 1.000376 and 0.999467, respectively. Investments in STIP are carried at cost, but reported using the NAV. STIP income is automatically reinvested in additional units. The STIP is not rated by a national rating agency.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Because most of the Station's cash equivalents and certain investments are held in the State of Montana STIP, the state's policies regarding custodial risk are relevant. The security in STIP is held in name of the BOI or were registered in the nominee name for the BOI and held in possession of the BOI custodial bank. Per policy, the BOI's custodial institution must hold short-term and long-term credit rating by at least one Nationally Recognized Statistical Rating Organization with a minimum requirement of A1/P1 (short term) and A3/A-1 (long-term).

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 3: Capital and Lease Assets

Capital asset balances and activity for the year ended June 30, 2024, were as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets being depreciated:					
Studio and broadcast equipment	\$ 5,091,197	\$ 268,572	\$ (15,500)	\$ 451,747	\$ 5,796,016
Production equipment	1,963,921	87,288	-	-	2,051,209
Vehicles	82,103	65,467	-	-	147,570
Office machines	128,086	5,938	-	-	134,024
Transmission, antenna, & tower	3,698,896	-	-	-	3,698,896
Construction in Progress	451,747	-	-	(451,747)	-
Total capital assets being depreciated	11,415,950	427,265	(15,500)	-	11,827,715
Accumulated depreciation	(9,489,384)	(240,392)	12,487	-	(9,717,289)
Total capital assets being depreciated, net	\$ 1,926,566	\$ 186,873	\$ (3,013)	\$ 2,110,426	\$ 2,110,426

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 3: Capital and Lease Assets (Continued)

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Right of use assets - leased assets:					
Equipment	\$ 3,349	\$ -	\$ (3,349)	\$ -	-
Real estate	84,154	12,105	-	-	96,259
Total right of use assets being amortized	87,503	12,105	(3,349)	-	96,259
Accumulated amortization for right of use assets - leased assets:					
Equipment	(1,525)	(1,824)	3,349	-	-
Real estate	(20,179)	(18,095)	-	-	(38,274)
Total accumulated depreciation	(21,704)	(19,919)	3,349	-	(38,274)
Total right of use assets being amortized, net	65,799	(7,814)	-	-	57,985
Service based agreement asset	541,208	-	-	-	541,208
Accumulated amortization for service based agreement asset	(17,373)	(180,403)	-	-	(197,776)
Total service based agreement assets being amortized, net	523,835	(180,403)	-	-	343,432
Total capital assets, right of use assets, and service based agreement assets, net	\$ 2,516,200	\$ (1,344)	\$ (3,013)	\$ 2,511,843	\$ 2,511,843

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 3: Capital and Lease Assets (Continued)

Capital asset balances and activity for the year ended June 30, 2023, were as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets being depreciated:					
Studio and broadcast equipment	\$ 5,091,197	\$ -	\$ -	-	\$ 5,091,197
Production equipment	1,848,076	115,845	-	-	1,963,921
Vehicles	82,103	-	-	-	82,103
Office machines	117,411	10,675	-	-	128,086
Transmission, antenna, & tower	3,698,896	-	-	-	3,698,896
Construction in Progress	-	451,747	-	-	451,747
Total capital assets being depreciated	10,837,683	578,267	-	-	11,415,950
Accumulated depreciation	(9,228,376)	(261,008)	-	-	(9,489,384)
Total capital assets being depreciated, net	\$ 1,609,307	\$ 317,259	\$ -	\$ 1,926,566	\$ 1,926,566

**Montana PBS A Public Television Entity Operated by
Montana University System
Notes to Financial Statements**

Note 3: Capital and Lease Assets (Continued)

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Right of use assets - leased assets:					
Equipment	\$ 3,349	\$ -	\$ -	-	\$ 3,349
Real estate	84,154	-	-	-	84,154
Total right of use assets being amortized	87,503	-	-	-	87,503
Accumulated amortization for right of use assets - leased assets:					
Equipment	-	(1,525)	-	-	(1,525)
Real estate	(7,757)	(12,422)	-	-	(20,179)
Total accumulated depreciation	(7,757)	(13,947)	-	-	(21,704)
Total right of use assets being amortized, net	79,746	(13,947)	-	-	65,799
Service based agreement asset	-	541,208	-	-	541,208
Accumulated amortization for service based agreement asset	-	(17,373)	-	-	(17,373)
Total service based agreement assets being amortized, net	-	523,835	-	-	523,835
Total capital assets, right of use assets, and service based agreement assets, net	\$ 1,689,053	\$ 827,147	\$ -	\$ 2,516,200	\$ 2,516,200

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 4: Long Term Liabilities

The following is a summary of the changes in noncurrent liabilities for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due in One Year
Compensated absences	\$ 383,393	\$ 2,358	\$ -	\$ 385,751	\$ 154,557
Subscription based agreements	523,168	-	108,240	414,928	108,240
Leases	40,851	12,163	12,416	40,598	10,397
Net pension liability	1,410,374	240,934	-	1,651,308	-
Total OPEB - health benefits	130,748	86,398	-	217,146	-
Totals	\$ 2,488,534	\$ 341,853	\$ 120,656	\$ 2,709,731	\$ 273,194

The following is a summary of the changes in noncurrent liabilities for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due in One Year
Compensated absences	\$ 338,592	\$ 44,801	\$ -	\$ 383,393	\$ 129,749
Subscription based agreements	-	541,208	18,040	523,168	108,240
Leases	3,086	47,083	9,318	40,851	11,348
Net pension liability	1,210,906	199,468	-	1,410,374	-
Total OPEB - health benefits	264,449	-	133,701	130,748	-
Totals	\$ 1,817,033	\$ 832,560	\$ 161,059	\$ 2,488,534	\$ 249,337

Note 5: Leases

Changes in leases payable consisted of the following for the year ended June 30, 2024:

	Balance 7/1/2023	Additions	Reductions	Balance 06/30/24	Amounts due Within One Year
Xerox Copier	\$ 1,466	\$ -	\$ 1,466	\$ -	-
Bonneville Power	2,390	-	1,156	1,234	1,234
Montana Sky	36,995	-	7,376	29,619	6,784
Anderson Radio Broadcasting	-	12,163	2,418	9,745	2,379
Leases payable	\$ 40,851	\$ 12,163	\$ 12,416	\$ 40,598	\$ 10,397

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 5: Leases (Continued)

Station as Lessee

The terms and expiration dates of the Station's leases payable at June 30, 2024, follow:

Copier Lease - Lease agreement dated July 1, 2019 in the original principal amount of \$7,626 (from implementation date), due in monthly installments of \$149 through June 30, 2024.

Bonneville Power Lease - Lease agreement dated August 6, 2020 in the original principal amount of \$3,951 (from implementation date), due in monthly installments of \$103 through September 30, 2025.

Montana Sky Lease - Lease agreement dated April 17, 2023 in the original principal amount of \$41,421 (from implementation date), due in monthly installments of \$575 through April 17, 2028.

Anderson Radio Broadcasting - Lease agreement dated August 1, 2023 in the original principal amount of \$12,163, due in annual installments of \$2,500 through July 31, 2023

Future minimum lease payments are as follows:

	Leases		
	Principal	Interest	Total
2025	\$ 10,397	\$ 422	\$ 10,819
2026	9,912	306	8,245
2027	10,066	189	8,029
2028	10,223	70	5,207
Totals	\$ 40,598	\$ 987	\$ 41,585

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 6: Subscription Based Agreements

Changes in payable for subscription based agreements for the year ended June 30, 2024 and 2023, were as follows:

Governmental Activities	Balance 7/1/2023	Additions	Reductions	Balance 06/30/24	Amount due within one Year
GlobeCast America, Inc.	\$ 523,168	\$ -	\$ 108,240	\$ 414,928	\$ 108,240
Payable	\$ 523,168	\$ -	\$ 108,240	\$ 414,928	\$ 108,240
Future Minimum Payments	Principal	Interest	Total		
2025	\$ 108,240	\$ 4,320	\$ 112,560		
2026	108,240	4,320	112,560		
2027	108,240	4,320	112,560		
2028	90,208	3,592	93,800		
Totals	\$ 414,928	\$ 16,552	\$ 431,480		

The terms and expiration of the Station's subscription based agreements are as follows:

GlobeCast America, Inc. - Contract dated May 1, 2023 in the original principal amount of \$541,208 (from implementation date), due in monthly installments of \$9,380, including interest at 1.55% through April 30, 2028.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans

Following is the total of the Station's share of balances for material defined benefit plans as of and for the years ended June 30:

	2024		
	TRS	PERS	Total
Net Pension Liability	\$ 41,220	\$ 1,610,088	\$ 1,651,308
Deferred Outflows of Resources	122,773	308,366	431,139
Deferred Inflows of Resources	2,541	94,026	96,567
Pension Expense (including state share paid on behalf of the Station).	44,179	219,120	263,299

	2023		
	TRS	PERS	Total
Net Pension Liability	\$ 36,553	\$ 1,373,821	\$ 1,410,374
Deferred Outflows of Resources	98,620	177,937	276,557
Deferred Inflows of Resources	3,392	124,042	127,434
Pension Expense (including state share paid on behalf of the Station).	41,234	170,478	211,712

In accordance with Statement on Governmental Accounting Standard No. 68, Accounting and Financial Reporting for Pensions (Statement 68), employers are required to recognize and report certain amounts associated with their participation in retirement plans. Statement 68 became effective June 30, 2015 and includes requirements to record and report the Station's proportionate share of the collective Net Pension Liability, Pension Expense, Deferred Inflows and Deferred Outflows of resources associated with pensions. In accordance with Statement 68, the Station has a special funding situation in which the State of Montana is legally responsible for making contributions directly to TRS and PERS that are used to provide pension benefits to the retired members of each of the plans. Due to the existence of a special funding situation, the Station is also required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability (NPL) that is associated with the Station.

The Stations' employees are covered under the Montana Public Employees Retirement System (PERS), the Montana Teachers' Retirement System (TRS) or the Montana University System Retirement Program (MUS-RP). The PERS and TRS plans are defined benefit, multiple-employer, and cost sharing plans. Only faculty and staff with contracts under the authority of the Board of Regents may elect either the TRS or the MUS-RP.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

The amounts contributed to the plans during the year ended June 30, 2024 were equal to the required contributions for the year:

	Defined Benefit		Defined Contribution	
	PERS	TRS	MUS-RP	
KUSM TV	\$ 101,504	\$ 59,096	\$ 5,562	
KUFM TV	26,230	-	-	

Teachers' Retirement System of Montana

a. Summary of Significant Accounting Policies

The Teachers' Retirement System prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred inflows of resources and deferred outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Teachers' Retirement System (TRS) and additions to/deductions from TRS's fiduciary net position have been determined on the same accrual basis as they are reported by TRS. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. TRS adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

TRS' stand-alone financial statements, actuarial valuations and experience studies can be found online at <https://trs.mt.gov/TrsInfo/NewsAnnualReports>.

b. Plan Description

Teachers' Retirement System (TRS or the System) is a mandatory-participation multiple-employer cost-sharing defined-benefit public pension plan that provides retirement services to individuals employed as teachers, administrators, and in other professional and skilled positions employed in public education in Montana.

The TRS Board is the governing body of the System and the TRS staff administers the system in conformity with the laws set forth in Title 19, chapter 20 of the Montana Code Annotated, and administrative rules set forth in Title 2, chapter 44 of the Administrative Rules of Montana. Additional information pertaining to membership, benefit structure, and prior years' actuarial valuations, as well as links to applicable statutes and administrative rules, may be obtained by visiting the TRS web site at trs.mt.gov.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

c. Summary of Benefits

Through June 30, 2013, all members enrolled in TRS participated in a single-tiered plan ("Tier One"). Employees with a minimum of 25 years of service or who have reached age 60 with 5 years of service are eligible to receive an annual retirement benefit equal to creditable service years divided by 60 times the average final compensation. Final compensation is the average of the highest three consecutive years of earned compensation. Benefits fully vest after 5 years of creditable service. Vested employees may retire at or after age 50 and receive reduced retirement benefits. Beginning July 1, 2013, new members in TRS participate in a second benefit tier ("Tier Two"), which differs from Tier One as follows:

- Tier Two uses a 5-year average final compensation (as opposed to 3-year AFC in Tier One)
- Tier Two provides for unreduced service retirement benefits at age 60 with 5 years of creditable service or at age 55 with at least 30 years of creditable service (rather than at age 60 with 5 years of service or at any age with creditable service in 25 years in Tier One)
- Tier Two provides for early retirement benefits with 5 years of creditable service at age 55 (rather than age 50 in Tier One)
- Tier Two has a one percent higher normal employee contribution rate (though a temporary 1% supplemental employee contribution rate is also now currently in place for Tier One members), and
- Tier Two provides for an enhanced benefit calculation - $1.85\% \times \text{AFC} \times \text{years of creditable service}$ - for members retiring with at least 30 years of creditable service and at least 60 years of age (rather than $1.6667 \times \text{AFC} \times \text{years of creditable service}$).

A guaranteed annual benefit adjustment (GABA) is payable on January 1st of each calendar year for each retiree who has received at least 36 monthly retirement benefit payments prior to that date. The GABA is applicable to both Tier One and Tier Two members. The GABA for Tier One members is 1.5% of the benefit payable as of January 1st. For Tier Two members the GABA each year may vary from 0.5% to 1.5% based on the retirement system's funding status and the period required to amortize any unfunded accrued actuarial liability as determined in the prior actuarial valuation.

d. Overview of Contributions

The System receives a portion of the total required statutory contributions directly from the state for all employers. The employers are considered to be in a special funding situation as defined by GASB 68 and the state is treated as a non-employer contributing entity in TRS. The System receives 2.49% of reportable compensation from the state's general fund for school districts and other employers. The System also receives 0.11% of reportable compensation from the state's general fund for all TRS Employers including state agency and university system employers. Finally, the state is also required to contribute \$25 million in perpetuity payable July 1st of each year.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

The tables below show the legislated contribution rates for TRS members, districts and the state.

School District and Other Employers	Members	Employers	General Fund	Total Employee & Employer
Prior to July 1, 2007	7.15 %	7.47 %	- %	14.62 %
July 1, 2007 to June 30, 2009	7.15 %	7.47 %	- %	14.62 %
July 1, 2009 to June 30, 2013	7.15 %	7.47 %	- %	14.62 %
July 1, 2013 to June 30, 2014	8.15 %	8.47 %	- %	16.62 %
July 1, 2014 to June 30, 2015	8.15 %	8.57 %	- %	16.72 %
July 1, 2015 to June 30, 2016	8.15 %	8.67 %	- %	16.82 %
July 1, 2016 to June 30, 2017	8.15 %	8.77 %	- %	16.92 %
July 1, 2017 to June 30, 2018	8.15 %	8.87 %	- %	17.02 %
July 1, 2018 to June 30, 2019	8.15 %	8.97 %	- %	17.12 %
July 1, 2019 to June 30, 2020	8.15 %	9.07 %	- %	17.22 %
July 1, 2020 to June 30, 2021	8.15 %	9.17 %	- %	17.32 %
July 1, 2021 to June 30, 2022	8.15 %	9.27 %	- %	17.42 %
July 1, 2022 to June 30, 2023	8.15 %	9.37 %	- %	17.52 %
July 1, 2023 to June 30, 2024	8.15 %	9.47 %	- %	17.62 %

State and University Employers	Members	Employers	General Fund	Total Employee & Employer
Prior to July 1, 2007	7.15 %	7.47 %	- %	14.62 %
July 1, 2007 to June 30, 2009	7.15 %	9.47 %	- %	16.62 %
July 1, 2009 to June 30, 2013	7.15 %	9.85 %	- %	17.00 %
July 1, 2013 to June 30, 2014	8.15 %	10.85 %	- %	19.00 %
July 1, 2014 to June 30, 2015	8.15 %	10.95 %	- %	19.10 %
July 1, 2015 to June 30, 2016	8.15 %	11.05 %	- %	19.20 %
July 1, 2016 to June 30, 2017	8.15 %	11.15 %	- %	19.30 %
July 1, 2017 to June 30, 2018	8.15 %	11.25 %	- %	19.40 %
July 1, 2018 to June 30, 2019	8.15 %	11.35 %	- %	19.50 %
July 1, 2019 to June 30, 2020	8.15 %	11.45 %	- %	19.60 %
July 1, 2020 to June 30, 2021	8.15 %	11.55 %	- %	19.70 %
July 1, 2021 to June 30, 2022	8.15 %	11.65 %	- %	19.80 %
July 1, 2022 to June 30, 2023	8.15 %	11.75 %	- %	19.90 %
July 1, 2023 to June 30, 2024	8.15 %	11.85 %	- %	20.00 %

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

e. TRS Stand-Alone Statements

TRS' stand-alone financial statements, actuarial valuations and experience studies can be found online at <https://trs.mt.gov/TrsInfo/NewsAnnualReports>.

f. Actuarial Assumptions

The total pension liability as of June 30, 2023, is based on the results of an actuarial valuation date of July 1, 2023. There were several significant assumptions and other inputs used to measure the total pension liability. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the last actuarial experience study, dated May 3, 2018. Among those assumptions were the following:

- Total wage increases* 3.50% - 9.00% for University Members and 4.25%
for University Members
- Investment return 7.30%
- Price inflation 2.75%
- Postretirement Benefit Increases
 - Tier One Members: If the retiree has received benefits for the at least 3 years, the retirement allowance will be increased by 1.5% on January 1st.
 - Tier Two Members: The retirement allowance will be increased by an amount equal to or greater than .5%, but no more than 1.5% if the most recent actuarial valuation shows the System to be at least 90% funded and the provisions of the increase is not projected to cause the funded ratio to be less than 85%.
- Mortality among contributing members, service retired members, and beneficiaries
 - For Males and Females: RP-2000 Healthy Combined Mortality Table Projected to 2022 adjusted for partial credibility setback for two years.
- Mortality among disabled members
 - For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.
 - For Females: RP 2000 Disabled Mortality Table, set back two years, with mortality improvements projected by Scale BB to 2022.

*Total wage increases include 3.50% general wage increase assumption

g. Discount Rate

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board's funding policy, which establishes the contractually required rates under Montana Code Annotated. In addition to the contributions the state general fund will contribute \$25 million annually to the System payable July 1st of each year. Based on those assumptions, the System's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2123. 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. No municipal bond rate was incorporated in the discount rate.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

h. Target Allocations

Asset Class	Target Asset Allocation (a)	Long term Expected Portfolio Real Rate of Return (b)
Domestic Equity	30.00 %	5.90 %
International Equity	17.00 %	7.14 %
Private Equity	15.00 %	9.13 %
Real assets	5.00 %	4.03 %
Real estate	9.00 %	5.41 %
Core-Fixed Income	15.00 %	1.14 %
Non-Core Fixed Income	6.00 %	3.02 %
Cash	3.00 %	(0.33)%
	100.00 %	

The long-term expected rate of return on pension plan investments of 7.30% is reviewed as part of regular experience studies prepared for the System about every five years. The current long-term rate of return is based on analysis in the experience study report dated May 3, 2022, without consideration for the administrative expense analysis shown. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

i. Sensitivity Analysis

	1% Decrease 6.30%	Current Discount Rate	1% Increase 8.30%
KUSM's portion of net pension liability	58,231	41,220	26,997

In accordance with GASB 68 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the above table presents the net pension liability calculated using the discount rate of 7.30%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.30%) or 1.00% higher (8.30%) than the current rate.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

j. Net Pension Liability

In accordance with GASB Statement 68, Accounting and Financial Reporting for Pensions, employers are required to recognize and report certain amounts associated with their participation in the Montana Teachers' Retirement System (TRS or the System). Statement 68 became effective June 30, 2015 and includes requirements to record and report their proportionate share of the collective net pension liability. In accordance with Statement 68, the System has a special funding situation in which the state of Montana is legally responsible for making contributions directly to TRS that are used to provide pension benefits to the retired members of TRS. Due to the existence of a special funding situation, employers are also required to report the portion of the state of Montana's proportionate share of the collective net pension liability that is associated with the employer. The following table displays the amounts and the percentages of net pension liability for the fiscal years ended June 30, 2024 and June 30, 2023 (reporting dates).

	Net pension liability as of 6/30/2024	Net pension liability as of 6/30/2023	Percent of Collective NPL as of 6/30/2024	Percent of Collective NPL as of 6/30/2023	Change in Percent of Collective NPL
KUSM's proportionate share	\$ 41,220	\$ 36,553	0.0067 %	0.0615 %	(0.0548)%
State of Montana proportionate share associated with the Station	14,079	10,709	0.0081 %	0.0061 %	0.0020 %
Totals	\$ 55,299	\$ 47,262	0.0148 %	0.0676 %	(0.0528)%

At June 30, 2024, the Station recorded a liability of \$41,220 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. Therefore, no update procedures were used to roll forward the total pension liability to the measurement date. The Station's proportion of the net pension liability was based on the Station's contributions received by TRS during the measurement period July 1, 2022, through June 30, 2023, relative to the total employer contributions received from all of TRS' participating employers. At June 30, 2024, the Station's proportion was 0.0067 percent.

Changes in actuarial assumptions and other inputs: There have been no changes in actuarial assumptions since the previous measurement date:

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Change in proportionate share: There were no changes between the measurement date of the collective net pension liability and the reporting date. However, each employer may have unique circumstances that will impact the employer's proportionate share of the collective net pension liability.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

k. Pension Expense

	Pension Expense as of 6/30/2024
KUSM's proportionate share	\$ 44,179
State of Montana proportionate share associated with the Station	1,208
Total	\$ 45,387

At June 30, 2024, the Station recognized pension expense of \$45,387 for its proportionate share of the TRS' pension expense. The Station also recognized grant revenue of \$1,208 for the support provided by the State of Montana for its proportionate share of the pension expense that is associated with the Station.

l. Deferred Inflows and Outflows

At June 30, 2024, the Station reported its proportionate share of TRS' deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 811	\$ -
Changes in actuarial assumptions	622	2,541
Difference between projected and actual investment earnings	93	-
Changes in proportion and differences between actual and expected contributions	65,448	-
*Contributions paid to TRS subsequent to the measurement date - FY 2024 contributions	55,799	-
Total	\$ 122,773	\$ 2,541

*Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

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

Year ended June 30:	Amount of Deferred Outflows (Inflows) to be recognized as an increase or (decrease) to Pension Expense
2025	\$ 26,146
2026	17,053
2027	13,637
2028	7,597
2029	0
Thereafter	0

Montana Public Employee Retirement System

a. Summary of Significant Accounting Policies

MPERA prepared financial statements using the accrual basis of accounting. The same accrual basis was used by MPERA for the purposes of determining the net pension liability (NPL); deferred outflows of resources and deferred inflows of resources related to pensions; pension expense; the fiduciary net position; and, additions to or deductions from fiduciary net position. Member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period in which they are due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adhered to all accounting principles generally accepted by the United States of America. MPERA applied all applicable pronouncements of the Governmental Accounting Standards Board (GASB).

b. General Information about the Pension Plan

Plan Description: The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan provides retirement benefits to covered employees of the State, and local governments, and certain employees of the Montana University System, and school districts. Benefits are established by state law and can only be amended by the Legislature.

All new members are initially members of the PERS-DBRP and have a 12-month window during which they choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the *defined benefit* and *defined contribution* retirement plans. All new members from the universities also have a third option to join the university system's Montana University System Retirement Program (MUS-RP).

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

Benefits provided: The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are based on eligibility, years of service, and highest average compensation (HAC). Member rights are vested after five years of service.

Service retirement

- Hired prior to July 1, 2011:
 - Age 60, 5 years of membership service;
 - Age 65, regardless of membership service; or
 - Any age, 30 years of membership service.
- Hired on or after July 1, 2011:
 - Age 65, 5 years of membership service;
 - Age 70, regardless of membership service.

Early Retirement

- Hired prior to July 1, 2011:
 - Age 50, 5 years of membership service; or
 - Any age, 25 years of membership service.
- Hired on or after July 1, 2011:
 - Age 55, 5 years of membership service.

Second Retirement (requires returning to PERS-covered employer or PERS service):

- Retired before January 1, 2016 and accumulate less than 2 years additional service credit or retire on or after January 1, 2016 and accumulate less than 5 years additional service credit:
 - A refund of member's contributions plus return interest (currently 2.02% effective July 1, 2018).
 - No service credit for second employment;
 - Start the same benefit amount the month following termination; and
 - Guaranteed Annual Benefit Adjustment (GABA) starts again in the January immediately following the second retirement.
- Retired before January 1, 2016 and accumulate at least 2 years of additional service credit:
 - A recalculated retirement benefit based on provisions in effect after the initial retirement; and
 - GABA starts on the recalculated benefit in the January after receiving the new benefit for 12 months.
- Retired on or after January 1, 2016 and accumulate 5 or more years of service credit:
 - The same retirement as prior to the return to service;
 - A second retirement benefit as prior to the second period of service based on laws in effect upon the rehire date; and
 - GABA starts on both benefits in the January after receiving the original and the new benefit for 12 months.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

Member's highest average compensation (HAC)

- Hired prior to July 1, 2011 – highest average compensation during any consecutive 36 months;
- Hired on or after July 1, 2011 – highest average compensation during any consecutive 60 months.

Compensation Cap

- Hired on or after July 1, 2013 – 110% annual cap on compensation considered as a part of a member's highest average compensation.

Monthly benefit formula

- Members hired prior to July 1, 2011
 - Less than 25 years of membership service: 1.785% of HAC per year of service credit;
 - 25 years of membership service or more: 2% of HAC per year of service credit.
- Members hired on or after July 1, 2011
 - Less than 10 years of membership service: 1.5% of HAC per year of service credit;
 - 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
 - 30 years or more of membership service: 2% of HAC per year of service credit.

Guaranteed Annual Benefit Adjustment (GABA)

After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the members benefit.

- 3.0% for members hired prior to July 1, 2007
- 1.5% for members hired between July 1, 2007 and July 30, 2013
- Members hired on or after July 1, 2013
 - a. 1.5% each year PERS is funded at or above 90%;
 - b. 1.5% is reduced by 0.1% for each 2.0% PERS is funded below 90%; and
 - c. 0% whenever the amortization period for PERS is 40 years or more.

Contributions: The state Legislature has the authority to establish and amend contribution rates. Member and employer contribution rates are specified by Montana Statute and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers.

Special Funding: The state of Montana, as the non-employer contributing entity, paid to the Plan, additional contributions that qualify as *special funding*. Those employers who received *special funding* are all participating employers.

Not Special Funding: Per Montana law, state agencies and universities paid their own additional contributions. The employer paid contributions are *not* accounted for as special funding for state agencies and universities but are reported as employer contributions.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

Member and employer contribution rates are shown in the table below:

Fiscal Year	Member		States & Universities	Local Government		School Districts	
	Hired <7/1/11	Hired >7/1/11	Employer	Employer	State	Employer	State
2024	7.900 %	7.900 %	- %	9.170 %	0.100 %	8.800 %	0.370 %
2023	7.900 %	7.900 %	- %	8.970	0.100 %	8.700 %	0.370 %
2022	7.900 %	7.900 %	- %	8.870	0.100 %	8.600 %	0.370 %
2021	7.900 %	7.900 %	- %	8.770	0.100 %	8.500 %	0.370 %
2020	7.900 %	7.900 %	- %	8.670	0.100 %	8.400 %	0.370 %
2019	7.900 %	7.900 %	- %	8.570 %	0.100 %	8.300 %	0.370 %
2018	7.900 %	7.900 %	- %	8.470 %	0.100 %	8.200 %	0.370 %
2017	7.900 %	7.900 %	- %	8.370 %	0.100 %	8.100 %	0.370 %
2016	7.900 %	7.900 %	- %	8.270 %	0.100 %	8.000 %	0.370 %
2015	7.900 %	7.900 %	- %	8.170 %	0.100 %	7.900 %	0.370 %
2014	7.900 %	7.900 %	- %	7.170 %	- %	7.800 %	0.370 %
2012-2013	6.900 %	7.900 %	- %	7.070 %	0.100 %	6.800 %	0.370 %
2010-2011	6.900 %	- %	- %	7.070 %	0.100 %	6.800 %	0.370 %
2008-2009	6.900 %	- %	- %	6.935 %	0.100 %	6.800 %	0.235 %
2000-2007	6.900 %	- %	- %	6.800 %	0.100 %	6.800 %	0.100 %

1. Member contributions to the system of 7.9% are temporary and will be decreased to 6.9% on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rate.
2. Employer contribution to the system:
 - a. Effective July 1, 2014, following the 2013 Legislative Session, PERS-employer contributions increase an additional 0.1% a year and will continue over 10 years through 2024. The additional employer contributions including the 0.27% added in 2007 and 2009, will terminate on January 1 following actuary valuation results that show the amortization period has dropped below 25 years and would remain below the 25 years following the reduction of both the additional employer and additional member contribution rates.
 - b. Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.
 - c. The portion of employer contributions allocated to the PCR are included in the employers reporting. The PCR was paid off effective March 2016 and the contributions previously directed to the PCR are now directed to member accounts.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

3. Non-Employer Contributions:

a. Special Funding

- i. The State contributed 0.1% of members' compensation on behalf of local government entities.
- ii. The State contributed 0.37% of members' compensation on behalf of school district entities.
- iii. The State contributed a Statutory Appropriation from the General Fund of \$34,633,570.

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

GASB Statement 68 allows a measurement date of up to 12 months before the employer's fiscal year-end can be utilized to determine the Plan's total pension liability (TPL). The basis for the TPL as of June 30, 2023, was determined by taking the results of the June 30, 2022, actuarial valuation and applying standard roll forward procedures. The roll forward procedure uses a calculation that adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year. The roll forward procedure will include the effects of any assumption changes and legislative changes. The update procedures are in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board.

The TPL minus the fiduciary net position equals the net pension liability (NPL). The proportionate shares of the employer's and the state of Montana's NPL for June 30, 2023 and 2022, are displayed below. The employer's proportionate share equals the ratio of the employer's contributions to the sum of all employer and non-employer contributions during the measurement period. The state's proportionate share for a particular employer equals the ratio of the contributions for the particular employer to the total state contributions paid. The employer recorded a liability of \$1,610,087 and the employer's proportionate share was 0.806368 percent.

As of measurement date	Net pension liability as of 6/30/2023	Net pension liability as of 6/30/2022	Percent of Collective NPL 6/30/2023	Percent of Collective NPL 6/30/2022	Change in Percent of Collective NPL
KUSM's proportionate share	\$ 1,003,172	\$ 785,854	0.623055 %	0.011729 %	0.611326 %
State of Montana proportionate share associated with the Station	267,636	225,804	0.014973 %	0.011729 %	0.003244 %
Totals	\$ 1,270,808	\$ 1,011,658	0.638028 %	0.023458 %	0.614570 %

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

As of measurement date	Net pension liability as of 6/30/2023	Net pension liability as of 6/30/2022	Percent of Collective NPL 6/30/2023	Percent of Collective NPL 6/30/2022	Change in Percent of Collective NPL
KUFM's proportionate share	\$ 606,915	\$ 587,968	0.018371 %	0.018355 %	0.000016 %
State of Montana proportionate share associated with the Station	118,881	125,413	0.004871 %	0.005274 %	(0.000403)%
Totals	\$ 725,796	\$ 713,381	0.023242 %	0.023629 %	(0.000387)%

Changes in actuarial assumptions and methods: There have been no changes to the assumptions or other inputs that affected the measurement of the TPL since the previous measurement date.

Changes in benefit terms: There have been no changes in benefit terms since the previous measurement date.

Changes in proportionate share: There were no changes between the measurement date of the collective NPL and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective NPL.

Pension Expense: At June 30, 2023, the employer recognized \$148,008 for its proportionate share of the Plan's pension expense and recognized grant revenue of \$25,108 for the state of Montana proportionate share of the pension expense associated with the employer.

As of measurement date	Pension Expense as of 6/30/2023
KUSM Station's proportionate share	\$ 148,008
State of Montana proportionate share for the Station Station	25,108
Totals	\$ 173,116

As of measurement date	Pension Expense as of 6/30/2023
KUFM Station's proportionate share	\$ 37,221
State of Montana proportionate share for the Station Station	8,783
Totals	\$ 46,004

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

Recognition of Deferred Inflows and Outflows: At June 30, 2023, the employer reported its proportionate share of the Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

<i>KUSM</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. actual experience	\$ 39,959	\$ -
Projected investment earnings vs actual investment earnings	2,546	-
Changes in assumptions	-	33,785
Changes in proportion and differences between employer contributions and proportionate share of contributions	96,319	-
Station's contributions subsequent to the measurement date	78,378	-
Totals	\$ 217,202	\$ 33,785

<i>KUFM</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Expected vs. actual experience	\$ 70,458	\$ -
Projected investment earnings vs actual investment earnings	1,137	-
Changes in assumptions	-	60,241
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,123	-
Station's contributions subsequent to the measurement date	12,446	-
Totals	\$ 91,164	\$ 60,241

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

Other amounts reported as deferred outflows and inflows of resources related to pensions are recognized in the employer's pension expense as follows:

For the Measurement Year ended June 30: - KUSM	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) in pension expense
2024	\$ 25,761
2025	25,702
2026	59,325
2027	(5,749)

For the Measurement Year ended June 30: - KUFM	Recognition of Deferred Outflows and Deferred Inflows in future years as an increase or (decrease) in pension expense
2024	\$ 32,175
2025	(13,481)
2026	8,093
2027	(8,310)

Actuarial Assumptions: The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions.

Investment return (net of admin expense)	7.30%
General wage growth*	3.50%
*includes inflation at	2.75%
Merit increases	0% to 4.80%
Postretirement benefit increases	
1. Guaranteed Annual Benefit Adjustment (GABA) each January	
• After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, inclusive of all other adjustments to the member's benefit.	
• Members hired prior to July 1, 2007	3.0%
• Members hired between July 1, 2007 & June 30, 2013	1.5%
• Members hired on or after July 1, 2013	
• For each year PERS is funded at or above 90%	1.5%
• The 1.5% is reduced by 0.1% for each 2.0% PERS is funded below 90%	
• 0% whenever the amortization period for PERS is 40 years or more	0%

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

Mortality

- Active Participants
 - ◆ PUB-2010 General Amount Weighted Employer Mortality projected to 2021 for males and females. Projected generationally using MP-2021.

- Disabled Retirees
 - ◆ PUB-2010 General Amount Weighted Disabled Retiree Mortality table, projected to 2021, set forward one year for both males and females.

- Contingent Survivors
 - ◆ PUB-2010 General Amount Weighted Contingent Survivor Mortality projected to 2021 with ages set forward one year for males and females. Projected generationally using MP-2021.

- Healthy Retirees
 - ◆ PUB-2010 General Amount Weighted Healthy Retiree Mortality table projected to 2021, with ages set forward one year and adjusted 104% for males and 103% for females. Projected generationally using MP-2021.

The actuarial assumptions and methods utilized in the June 30, 2023 valuation, were developed in the five-year experience study for the period ending 2021. However, the current long-term rate of return is based on analysis in the experience study, without consideration for the administrative expenses analysis shown in the experience study.

Discount Rate: The discount rate used to measure the TPL was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities would be made based on the Board's funding policy, which established the contractually required rates under the Montana Code Annotated. The state contributed 0.10% of the salaries paid by local governments and 0.37% paid by school districts. In addition, the state contributed a statutory appropriation from the general fund. Based on those assumptions, the Plan's fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2127. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. A municipal bond rate was not incorporated in the discount rate.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

Target Allocations: The long-term expected rate of return on pension plan investments is reviewed as part of regular experience studies prepared for the Plan about every five years. The long-term rate of return as of June 30, 2023, is based on analysis in the experience study report dated May 2, 2022 without consideration for the administrative expense analysis shown in the experience study. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, are summarized in the following table.

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return Arithmetic Basis
Cash Equivalents	3.0 %	(0.33)%
Domestic Equity	30.0 %	5.90 %
International Equity	17.0 %	7.14 %
Private Investments	15.0 %	9.13 %
Real assets	5.0 %	4.03 %
Real estate	9.0 %	5.41 %
Core Fixed Income	15.0 %	1.14 %
Non-Core Fixed Income	6.0 %	3.02 %
Total	100.0 %	

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate: The following presents the employer's sensitivity of the NPL to the discount rate in the table below. A small change in the discount rate can create a significant change in the liability. The NPL was calculated using the discount rate of 7.30%, as well as what the NPL would be if it were calculated using a discount rate 1.00% lower or 1.00% higher than the current rate.

As of measurement date	1% Decrease (6.30%)	Current Discount Rate	1% Increase (8.30%)
Station's net pension liability - KUSM	\$ 1,449,078	\$ 1,003,172	\$ 639,096
Station's net pension liability - KUFM	\$ 876,689	\$ 606,915	\$ 380,602

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 7: Employee Benefit Pension Plans (Continued)

d. PERS Disclosure for the Defined Contribution Plan

The Station contributed to the state of Montana Public Employee Retirement System Defined Contribution Retirement Plan (PERS-DCRP) for employees that have elected the DCRP. The PERS-DCRP is administered by the PERB and is reported as a multiple-employer plan established July 1, 2002, and governed by Title 19, chapters 2 & 3, MCA.

All new PERS members are initially members of the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be participants of both the *defined benefit* and *defined contribution* retirement plans.

Member and employer contribution rates are specified by state law and are a percentage of the member's compensation. Contributions are deducted from each member's salary and remitted by participating employers. The state Legislature has the authority to establish and amend contribution rates.

Benefits are dependent upon eligibility and individual account balances. Participants are vested immediately in their own contributions and attributable income. Participants are vested after 5 years of membership service for the employer's contributions to individual accounts and the attributable income. Non-vested contributions are forfeited upon termination of employment per 19-3-2117(5), MCA. Such forfeitures are used to cover the administrative expenses of the PERS-DCRP.

At the plan level for the measurement period ended June 30, 2023, the PERS-DCRP employer did not recognize any net pension liability or pension expense for the *defined contribution* plan. Plan level non-vested forfeitures for the 348 employers that have participants in the PERS-DCRP totaled \$1,409,309.

Pension plan fiduciary net position: The stand-alone financial statements of the Montana Public Employees Retirement Board (PERB) *Annual Comprehensive Financial Report* (ACFR) and the GASB 68 Report disclose the Plan's fiduciary net position. The reports are available from the PERB at PO Box 200131, Helena MT 59620-0131, (406) 444-3154 or both are available on the MPERA website at <https://mpera.mt.gov/about/annualreports1/annualreports>.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 8: Other Postemployment Benefits

Other post-employment benefits (OPEB) are benefits, such as healthcare benefits, that are paid in the period after employment and that are provided separately from a pension plan. OPEB does not include termination benefits or termination payments for sick leave. Following is the total of the University's OPEB liabilities, deferred outflows and inflows of resources related to OPEB as allocated to the Station, and the OPEB expense as reported in accordance with GASB Statement No. 75, for the fiscal year ended June 30:

	2024	2023
Total OPEB Liability	\$ 217,146	\$ 130,748
Deferred OPEB Outflows of Resources	320,789	302,920
Deferred OPEB Inflows of Resources	420,775	396,407
OPEB expense	10,356	13,681

Plan Description— The Montana University System (MUS) Group Health Insurance plan is administered by the Office of the Commissioner of Higher Education. The MUS provides optional post-employment healthcare benefits in accordance with Section 2-18-704, MCA to the following employees and dependents who elect to continue coverage and pay administratively established contributions: (1) employees and dependents who retire under applicable retirement provisions and (2) surviving dependents of deceased employees. Participants must elect to start medical coverage within 60 days of leaving employment. Coverage is effective the first day of the month following termination of employment. Medical, dental, and vision benefits are available through this defined benefit plan. The MUS OPEB plan is not administered through a trust; as such, no plan assets are eligible to be used to offset the total OPEB liability. The MUS group health insurance program operates in accordance with state law requiring it to be actuarially sound (20-25-1310, MCA) and have sufficient reserves to liquidate unrevealed claims liability and other liabilities.

The MUS OPEB plan is reported as single employer plan. The MUS pays for post-employment healthcare benefits on a pay-as-you-go basis from general assets from the MUS group health insurance plan. Section 20-25-1310, MCA gives authority for establishing and amending the funding policy to the Board of Regents for the MUS group health insurance plan. The MUS allows retirees to participate, as a group, at a rate that does not cover all of the related costs when retirees separated from the active participants in the group health insurance plan. This results in the reporting of the total OPEB liability in the related financial statements and note disclosures.

Employer proportionate share of total OPEB liability and basis for allocation:

The total OPEB liability (TOL) was based on the actuarial valuation as of December 31, 2020, with a measurement date of March 31, 2023. The University's proportion of the TOL was based upon the total participants in the group health insurance plan. The actuary report presents a valuation of the TOL assigned to each participant in the group health insurance plan.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Proportionate share of collective total OPEB liability:

The Station's share of the total plan OPEB liability was as follows:

	2024	2023	Percent of Collective OPEB at June 30, 2024	Percent of Collective OPEB at June 30, 2023
State of Montana Proportionate Share associated with Montana PBS	\$ 217,146	\$ 130,748	-	-
Totals	\$ 217,146	\$ 130,748	- %	- %

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 96,631	\$ 180,809	\$ 98,137	\$ 153,653
Changes in actuarial assumptions or other inputs	323,364	355,308	277,497	323,863
Prior period amortization	(71,598)	(79,868)	(44,676)	(45,981)
FY24 amortization	(27,608)	(35,474)	(28,038)	(35,128)
Totals	\$ 320,789	\$ 420,775	\$ 302,920	\$ 396,407

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be fully recognized in expense during the years ending June 30, as follows:

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

	Net Amount to be Recognized as an Increase or (Decrease) to OPEB Expense
2025	\$ (9,999)
2026	(9,999)
2027	(9,999)
2028	(9,999)
2029	(9,999)
Thereafter	(49,991)
Total	\$ (99,986)

Actuarial Methods and Assumptions

The total OPEB liability (TOL) measured under GASB Statement No. 75 is based upon service cost and more standardized reporting assumptions than prior GASB Statements. As a pay-as-you-go public entity, GASB 75 requires a current municipal bond discount rate to establish an Actuarially Determined Contribution (ADC). The GASB 75 valuation is further required to show both historical and projected future net changes in TOL, as well as sensitivity to changes in key underlying assumptions. Actuarially determined amounts are subject to continual revisions being actual results are compared with past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Information as of the latest actuarial valuation for the MUS OPEB plan follows:

Average annual contribution:	Retiring/Surviving Spouse		Spouse	Actuarial assumptions:	
Before Medicare eligibility	\$	11,772	\$ 9,637	Discount rate	3.98%
After Medicare eligibility	\$	4,416	5,205		
Actuarial valuation date	December 31, 2020			Projected payroll increases	2.5
Actuarial measurement date (1)	March 31, 2023			Participation:	
Actuarial cost method	Entry age normal funding method			Future Retirees	40%
Amortization method	Level percent of pay			Future eligible spouses	70%
Remaining amortization period	20 years			Marital status at retirement	70%
	Not applicable since no assets meet the definition of plan assets under GASB				
Asset valuation method	75			-	

(1) Updated procedures were used to roll forward the total OPEB liability to the measurement date.

Mortality - Health: For TRS and MUS-RP, healthy mortality is assumed to follow the RP-2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP-2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years for males, set back two years for females, with mortality improvements projected by Scale BB to 2018. For all other groups, healthy mortality is assumed to follow the RP-2000 Combined Mortality Table with improvements projected by Scale BB to 2020, set back one year for males.

Mortality - Disabled: For TRS and MUS-RP, disabled mortality is assumed to follow the RP-2000 Disabled Mortality Table, set forward one year for males and set forward five years for females, with mortality improvements projected by Scale BB to 2018. For all other groups, disabled mortality is assumed to follow the RP-2000 Combined Mortality Table with no projections.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 8: Other Postemployment Benefits (Continued)

Changes in actuarial assumptions and methods since last measurement date: No changes to methodology since the prior valuation. Changes to assumptions included a decrease to the interest/discount rate based on the average of multiple 3/31/21 municipal bond rate sources.

Changes in benefit terms since last measurement date: Reduced carrier options to one.

Sensitivity of the TOL to changes in the healthcare cost trend rates:

The following presents the Total OBEP Liability if calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Assuming 1.0% Decrease (5.5%)	Current Rate (6.5%)	Assuming 1.0% Increase 7.5%
Station's Proportionate Share	\$ 174,138	\$ 217,146	\$ 275,679

Sensitivity of the TOL to changes in the discount rate: The following presents the Total OBEP Liability if calculated using the 20-year municipal bond rates that are 1-percentage-point lower or 1-percentage-point higher than the March 31, 2019 20-year municipal bond rate:

	Assuming 1.0% Decrease (2.98%)	Current Rate (3.98%)	Assuming 1.0% Increase (4.98%)
Station's Proportionate Share	\$ 272,339	\$ 217,146	\$ 175,547

Financial and plan information— The MUS Group Benefits Plan does not issue a stand-alone financial report but is subject to audit as part of the State of Montana's Basic Financial Statements, included in the Annual Comprehensive Financial Report (ACFR). A copy of the most recent ACFR can be obtained online at <http://afsd.mt.gov/CAFR/CAFR.asp> or by contacting the Montana Department of Administration, PO Box 200102, Helena, MT 59620-0102.

Montana PBS A Public Television Entity Operated by Montana University System

Notes to Financial Statements

Note 9: Commitments and Contingencies

The Stations operate their programs with the aid of funding primarily from the following sources:

1. CPB CSG grants.
2. Appropriations from the Montana University System.
3. Contributions from Friends of Montana PBS, Inc.

A major reduction in the level of support from any of these funding sources could have a negative impact on the Stations' ability to maintain its current programs.

Montana PBS must use its community service grants within two-year grant periods. Any unexpended funds must be returned to the Corporation for Public Broadcasting. Although it is a possibility that the funds could not be spent within the grant period, the management of Montana PBS deems the contingency remote.

The Stations face a number of risks of loss, including (a) damage to and loss of property and contents, (b) employee torts, and (c) Workers' Compensation. The Stations, as departments of the Montana University System, participate in the risk management programs of the Montana University System and the State of Montana.

Note 10: Related Party

During the years ended June 30, 2024 and 2023, the Stations received monetary support from Friends of Montana PBS, Inc. as disclosed in the statements.

Note 11: In-Kind Contributions

The following in-kind contributions were recorded in Montana PBS's financial statements for the years ended June 30, 2024 and 2023:

	2024	2023
University indirect administrative support and occupancy	\$ 928,972	\$ 834,739
In-kind services provided by program sponsors	32,241	59,107
Totals	\$ 961,213	\$ 893,846

Required Supplementary Information

Montana PBS A Public Television Entity Operated by the Montana University System

Required Supplementary Information

TRS Schedule of Montana PBS's Proportionate Share of the Net Pension Liability

Year	Montana PBS's Proportion of the NPL	Montana PBS's Share of the NPL	Montana PBS's Covered Payroll	Montana PBS's share of the NPL as a % of Covered Payroll	Plan Fiduciary Net Position as a % of Total Pension Liability
2015	0.00%	\$ 60,488	\$ 46,093	131.23%	70.36%
2016	0.00%	63,335	43,311	146.23%	69.30%
2017	0.00%	55,265	30,807	179.39%	66.69%
2018	0.00%	43,508	28,324	153.61%	70.09%
2019	0.00%	43,114	24,401	176.69%	69.09%
2020	0.00%	54,973	30,585	179.74%	68.64%
2021	0.00%	64,039	31,040	206.31%	64.95%
2022	0.00%	41,211	28,134	146.48%	75.54%
2023	0.00%	36,553	24,954	168.35%	70.61%
2024	0.00%	41,220	25,145	163.93%	71.75%

TRS Schedule of Montana PBS's Contribution

Year	Contractually Required Contributions	Contributions Made *	Excess/ (Deficiency)	Montana PBS's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 32,735	\$ 32,735	-	\$ 46,093	71.02%
2016	34,795	34,795	-	43,331	71.02%
2017	34,626	34,626	-	30,807	88.93%
2018	35,270	35,270	-	30,005	101.07%
2019	39,123	39,123	-	36,400	107.48%
2020	45,377	45,377	-	40,375	112.39%
2021	49,002	49,002	-	41,071	119.31%
2022	50,065	50,065	-	37,856	132.25%
2023	55,362	55,362	-	27,682	199.99%
2024	59,096	59,096	-	27,409	215.61%

*Includes contributions made as a percent of MUS-RP covered payroll as well as PERS covered payroll at statutory rates.

Montana PBS A Public Television Entity Operated by the Montana University System

Required Supplementary Information

PERS Schedule of Montana PBS's Proportionate Share of the Net Pension Liability

Year	Montana PBS's Proportion of the NPL	Montana PBS's Share of the NPL	Montana PBS's Covered Payroll	Montana PBS's share of the NPL as a % of Covered Payroll	Plan Fiduciary Net Position as a % of Total Pension Liability
2015	0.00%	\$ 664,657	\$ 585,872	113.45%	79.90%
2016	0.00%	777,599	639,347	121.62%	79.90%
2017	0.00%	1,121,041	1,121,041	100.00%	74.71%
2018	0.00%	1,374,454	1,374,454	100.00%	73.75%
2019	0.00%	1,207,388	1,207,388	100.00%	73.47%
2020	0.00%	1,192,997	1,192,997	100.00%	73.85%
2021	0.00%	1,564,926	1,564,926	100.00%	68.90%
2022	0.00%	1,169,695	1,169,695	100.00%	79.91%
2023	0.00%	1,410,374	1,355,477	137.10%	73.66%
2024	0.00%	1,610,088	1,211,686	132.88%	73.93%

PERS Schedule of Montana PBS's Contribution

Year	Contractually Required Contributions	Contributions Made *	Excess/ (Deficiency)	Montana PBS's Covered Payroll	Contributions as a % of Covered Payroll
2015	\$ 54,779	\$ 54,779	-	\$ 585,872	9.35%
2016	59,401	59,401	-	639,347	9.35%
2017	68,145	68,145	-	764,815	8.91%
2018	72,476	72,476	-	826,408	8.77%
2019	80,664	80,664	-	843,766	9.56%
2020	80,158	80,158	-	822,977	9.74%
2021	111,143	111,143	-	1,197,662	9.28%
2022	92,802	92,802	-	1,024,305	9.06%
2023	55,362	55,362	-	573,106	9.66%
2024	90,828	90,828	-	783,919	11.59%

*Includes contributions made as a percent of MUS-RP covered payroll as well as PERS covered payroll at statutory rates.

Montana PBS A Public Television Entity Operated by the Montana University System

Required Supplementary Information

Notes to Required Supplementary Information - Pensions:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and wage rates. Amounts determined regarding the plans are subject to continual revision as actual results are compared with past expectations.

TRS

The following actuarial methods and assumptions were used to determine actuarial contribution rates reported in the TRS schedules:

Actuarial Valuation Date	Actuarial Cost Method	Amortization Method	Remaining Amortization Period	Asset Valuation Method	Inflation	Salary Increase	Investment Rate of Return (Shown Net of Pension Plan Investment Expense, and Including Inflation)
July 1, 2014	Entry age	Level percentage of pay, open	28 years	4-year smoothed market	3.25%	4.00% - 8.51%	7.75%
July 1, 2015	Entry age	Level percentage of pay, open	26 years	4-year smoothed market	3.25%	4.00 - 8.51 %	7.75%
July 1, 2016	Entry age	Level percentage of pay, open	24 years	4-year smoothed market	3.25%	4.00 - 8.51 %	7.75%
July 1, 2017	Entry age	Level percentage of pay, open	22 years	4-year smoothed market	3.25%	4.00 - 8.51 %	7.75%
July 1, 2018	Entry age	Level percentage of pay, open	22 years	4-year smoothed market	3.25%	4.00 - 8.51%	7.75%
July 1, 2019	Entry age	Level percentage of pay, open	31 years	4-year smoothed market	2.50%	3.25 - 7.76%	7.50%
July 1, 2020	Entry age	Level percentage of pay, open	29 years	4-year smoothed market	2.50%	3.25%-7.76%	7.50%
July 1, 2021	Entry age	Level percentage of pay, open	29 years	4- year smoothed market	2.50%	3.25%-7.76%	7.50%
July 1, 2022	Entry age	Level percentage of pay, open	24 years	4- year smoothed market	2.50	3.25%-7.76%	7.50%

See Independent Accountant's Audit Report.

Montana PBS A Public Television Entity Operated by the Montana University System Required Supplementary Information

Changes that affect trend data

Changes of Benefit Terms:

The following changes to the plan provisions were made as identified:

The 2013 Montana Legislature passed HB 377 which provides additional revenue and created a two tier benefit structure. A Tier One Member is a person who first became a member before July 1, 2013 and has not withdrawn their member's account balance. A Tier Two Member is a person who first becomes a member on or after July 1, 2013 or after withdrawing their member's account balance, becomes a member again on or after July 1, 2013.

The second tier benefit structure for members hired on or after July 1, 2013 is summarized below.

- (1) **Final Average Compensation:** Average of earned compensation paid in five consecutive years of full-time service that yields the highest average
- (2) **Service Retirement:** Eligible to receive a service retirement benefit if the member has been credited with at least five full years of creditable service and has attained the age of 60; or has been credited with 30 or more years of full-time or part-time creditable service and has attained age 55
- (3) **Early Retirement:** Eligible to receive an early retirement allowance if a member is not eligible for service retirement but has at least five years of creditable service and attained age 55
- (4) **Professional Retirement Option:** If the member has been credited with 30 or more years of service and has attained the age of 60, they are eligible for an enhanced allowance equal to 1.85% of average final compensation times all service at retirement. Otherwise, the multiplier used to calculate the retirement allowance will be equal to 1.67%
- (5) **Annual Contribution:** 8.15% of member's earned compensation
- (6) **Supplemental Contribution Rate:** On or after July 1, 2023, the TRS Board may require a supplemental contribution up to 0.5% if the following three conditions are met:
 - a. The average funded ratio of the System based on the last three annual actuarial valuations is equal to or less than 80%; and
 - b. The period necessary to amortize all liabilities of the System based on the latest annual actuarial valuation is greater than 20 years; and
 - c. A State or employer contribution rate increase or a flat dollar contribution to the Retirement System Trust fund has been enacted that is equivalent to or greater than the supplemental contribution rate imposed by the TRS Board.
- (7) **Disability Retirement:** A member will not be eligible for a disability retirement if the member is or will be eligible for a service retirement on the date of termination
- (8) **Guaranteed Annual Benefit Adjustment (GABA):**
 - a. If the most recent actuarial valuation shows that Retirement System liabilities are at least 90% funded and the provision of the increase is not projected to cause the System's liabilities to be less than 85% funded, the GABA may increase from the 0.5% floor up to 1.5%, as set by the Board.

Montana PBS A Public Television Entity Operated by the Montana University System Required Supplementary Information

House Bill 377 increased revenue from the members, employers and the State as follows:

- Annual State contribution equal to \$25 million paid to System in monthly installments.
- One-time contribution payable to the Retirement System by the trustees of a school district maintaining a retirement fund. The one-time contribution to the Retirement System shall be the amount earmarked as an operating reserve in excess of 20% of the adopted retirement fund budget for the fiscal year 2013. The amount received was \$22 million in FY 2014.
- 1% supplemental employer contribution. This will increase the current employer rates:
 - School Districts contributions will increase from 7.47% to 8.47%
 - The Montana University System and State Agencies will increase from 9.85% to 10.85%.
 - The supplemental employer contribution will increase by 0.1% each fiscal year for fiscal year 2014 through fiscal year 2024. Fiscal years beginning after June 30, 2024 the total supplemental employer contribution will be equal to 2%.
- Members hired prior to July 1, 2013 (Tier 1) under HB 377 are required to contribute a supplemental contribution equal to an additional 1% of the member's earned compensation.
- Each employer is required to contribute 9.85% of total compensation paid to all re-employed TRS retirees employed in a TRS reportable position to the System.. This amount will increase by 1.00% for fiscal year 2014 and increase by 0.10% each fiscal year through 2024 until the total employer contribution is equal to 11.85% of re-employed retiree compensation.

Changes in actuarial assumptions and other inputs:

The following changes to the actuarial assumptions were adopted in 2022:

- The discount rate was increased from 7.06% to 7.30%.
- The investment rate of return assumption was increased from 7.06% to 7.30%.
- The inflation rate was increased from 2.40% to 2.75%.
- Updated all mortality tables to the PUB-2010 tables for teachers.
- Updated the rates of retirement and termination.
- Updated the salary scale merit rates

The following changes to the actuarial assumptions were adopted in 2021:

- The discount rate was lowered from 7.34% to 7.06%.
- The investment rate of return assumption was lowered from 7.34% to 7.06%.

The following changes to the actuarial assumptions were adopted in 2020:

- The discount rate was lowered from 7.50% to 7.34%.
- The investment rate of return assumption was lowered from 7.50% to 7.34%.
- The inflation rate was reduced from 2.50% to 2.40%

Montana PBS A Public Television Entity Operated by the Montana University System Required Supplementary Information

The following changes to the actuarial assumptions were adopted in 2019:

- The Guaranteed Annual Benefit Adjustment (GABA) for Tier Two members is a variable rate between 0.50% and 1.50% as determined by the Board. Since an increase in the amount of the GABA is not automatic and must be approved by the Board, the assumed increase was lowered from 1.50% to the current rate of 0.50% per annum.

The following changes to the actuarial assumptions were adopted in 2018:

- Assumed rate of inflation was reduced from 3.25% to 2.50%
- Payroll growth assumption was reduced from 4.00% to 3.25%
- Investment return assumption was reduced from 7.75% to 7.50%
- Wage growth assumption was reduced from 4.00% to 3.25%
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:

For Males and Females: RP-2000 Healthy Combined Mortality Table projected to 2022 adjusted for partial credibility setback for two years.

The tables include margins for mortality improvement which is expected to occur in the future.

Mortality among disabled members was updated to the following:

For Males: RP 2000 Disabled Mortality Table, set back three years, with mortality improvements projected by Scale BB to 2022.

For Females: RP 2000 Disabled Mortality Table, set forward two years, with mortality improvements projected by Scale BB to 2022:

- Retirement rates were updated
- Termination rates were updated
- Rates of salary increases were updated

The following changes to the actuarial assumptions were adopted in 2016:

- The normal cost method has been updated to align the calculation of the projected compensation and the total present value of plan benefits so that the normal cost rate reflects the most appropriate allocation of plan costs over future compensation.

Montana PBS A Public Television Entity Operated by the Montana University System Required Supplementary Information

The following changes to the actuarial assumptions were adopted in 2015:

- Correctly reflect the proportion of members that are assumed to take a refund of contributions upon termination and appropriately reflect the three year COLA deferral period for Tier 2 Members.
- The 0.63% load applied to the projected retirement benefits of the university members “to account for larger than average annual compensation increases observed in the years immediately preceding retirement” is not applied to benefits expected to be paid to university members on account of death, disability and termination (prior to retirement eligibility).
- The actuarial valuation was updated to reflect the assumed rate of retirement for university members at age 60 is 8.50% as stated in the actuarial valuation report.
- The actuarial valuation was updated to reflect the fact that vested terminations are only covered by the \$500 death benefit for the one year following their termination and, once again when the terminated member commences their deferred retirement annuity (they are not covered during the deferral period). Additionally, only the portion of the terminated members that are assumed to “retain membership in the System” are covered by the \$500 death benefit after termination.

The following changes to the actuarial assumptions were adopted in 2014:

- Assumed rate of inflation was reduced from 3.50% to 3.25%
- Payroll Growth Assumption was reduced from 4.50% to 4.00%
- Assumed real wage growth was reduced from 1.00% to 0.75%
- Investment return assumption was changed from net of investment and administrative expenses to net of investment expenses only.
- Mortality among contributing members, service retired members, and beneficiaries was updated to the following:

For Males: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back four years, with mortality improvements projected by Scale BB to 2018.

For Females: RP 2000 Healthy Annuitant Mortality Table for ages 50 and above and the RP 2000 Combined Healthy Annuitant Mortality Table for ages below 50, set back two years, with mortality improvements projected by Scale BB to 2018.

Mortality among disabled members was updated to the following:

For Males: RP 2000 Disabled Mortality Table for Males, set forward one year, with mortality improvements projected by Scale BB to 2018.

For Females: RP 2000 Disabled Mortality Table for Females, set forward five years, with mortality improvements projected by Scale BB to 2018.

See Independent Accountant's Audit Report.

Montana PBS A Public Television Entity Operated by the Montana University System Required Supplementary Information

PERS

The following actuarial methods and assumptions were used to determine actuarial contribution rates reported in the PERS schedules:

Actuarial Valuation Date	Actuarial Cost Method	Amortization Method	Remaining Amortization Period	Asset Valuation Method	Inflation	Salary Increase	Investment Rate of Return (Shown Net of Pension Plan Investment Expense, and Including Inflation)	Other
July 1, 2013, rolled forward to 2014	Entry age	Level percentage of pay, open	29.3 years	4-year smoothed market	3.00 %	General Wage Growth - 4.00% Merit - 0% - 6%	7.75 %	0.27% administrative expenses as a % of payroll GABA- 3.0% or 1.5% for hires after July 1, 2007
July 1, 2014, rolled forward to 2015	Entry age	Level percentage of pay, open	30 years	4-year smoothed market	3.00 %	General Wage Growth - 4.00% (including inflation at 3.00%) Merit - 0% - 6%	7.75 %	0.27% administrative expenses as a % of payroll GABA- 3.0% or 1.5% for hires after July 1, 2007
July 1, 2015, rolled forward to 2016	Entry age	Level percentage of pay, open	27.2 years	4-year smoothed market	3.00 %	General Wage Growth - 4.00% Merit - 0% - 6%	7.75 %	0.27% administrative expenses as a % of payroll GABA- 3.0% or 1.5% for hires after July 1, 2007 and before July 1, 2013; for members hired after July 1, 2013: 1.5% for each ear PERS is funded at or above 90%; 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and, 0% whenever the amortization period for PERS is 40 years or more
July 1, 2016, rolled forward to 2017	Entry age	Level percentage of pay, open	26 years	4-year smoothed market	2.75 %	General Wage Growth - 3.50% Merit - 0% - 4.8%	7.65 %	See above

Montana PBS A Public Television Entity Operated by the Montana University System Required Supplementary Information

July 1, 2017, rolled forward to 2018	Entry age	Level percentage of pay, open	30 years	4-year smoothed market	2.75 %	General Wage Growth - 3.50% Merit - 0% - 4.8%	7.65 %	0.26% administrative expense as a % of payroll. GABA- 3.0% or 1.5% for hires after July 1, 2007 and before July 1, 2013; for members hired after July 1, 2013: 1.5% for each ear PERS is funded at or above 90%; 1.5% is reduced by 0.1% for each 2% PERS is funded below 90%; and, 0% whenever the amortization period for PERS is 40 years or more.
July 1, 2018, rolled forward to 2019	Entry age	Level percentage of pay, open	30 years	4-year smoothed market	2.75 %	General Wage Growth - 3.50% Merit - 0% - 6.3%	7.65 %	See above
July 1, 2019 rolled forward to 2020	Entry age	Level percentage of pay, open	30 years	4-year smoothed market	2.75 %	General Wage Growth - 3.50% Merit - 0% - 8.47%	7.65 %	See above
July 1, 2020, rolled forward to 2021	Entry age	Level percentage of pay, open	30 years	4-year smoothed market	2.75 %	General Wage Growth - 3.50% Merit - 0%-8.47%	7.65 %	See above
July 1, 2021, rolled forward to 2022	Entry age	Level percentage of pay, open	30 years	4-year smoothed market	2.75 %	General Wage Growth: 3.50% Merit: 0%-8.47%	7.65 %	0.29% administrative expense as a % of payroll.

See Independent Accountant's Audit Report.

Montana PBS A Public Television Entity Operated by the Montana University System Required Supplementary Information

2017 Legislative Changes:

General Revisions - House Bill 101, effective July 1, 2017

Working Retiree Limitations - for PERS

If a PERS retiree returns as an independent contractor to what would otherwise be PERS-covered employment, general contractor overhead costs are excluded from PERS working retiree limitations.

Refunds

- 1) Terminating members eligible to retire may, in lieu of receiving a monthly retirement benefit, refund their accumulated contributions in a lump sum.
- 2) Terminating members with accumulated contributions between \$200 and \$1,000 who wish to rollover their refund must do so within 90 days of termination of service.
- 3) Trusts, estates, and charitable organizations listed as beneficiaries are entitled to receive only a lump-sum payment.

Interest credited to member accounts

Effective July 1, 2017, the interest rate credited to member accounts increased from 0.25% to 0.77%.

Lump-sum payouts

Effective July 1, 2017, lump-sum payouts in all systems are limited to the member's accumulated contributions rate rather than the present value of the member's benefit.

Disabled PERS Defined Contribution (DC) Members

PERS members hired after July 1, 2011 have a normal retirement age of 65. PERS DC members hired after July 1, 2011 who became disabled were previously only eligible for a disability benefit until age 65. Effective July 1, 2017, these individuals will be eligible for a disability benefit until they reach 70, thus ensuring the same 5-year time period available to PERS DC disabled members hired prior to July 1, 2011 who have a normal retirement age of 60 and are eligible for a disability benefit until age 65.

Montana PBS A Public Television Entity Operated by the Montana University System

Required Supplementary Information

Other Post-Employment Benefits:

The MUS OPEB plan has not established a trust to accumulate employer contributions; as such, net assets are not considered irrevocable, legally required to be used to provide OPEB to plan members, or protected from creditors.

Schedule of the Station's Proportionate Share of the total OPEB Liability

Measurement Year	Montana PBS's Proportion of the OPEB Liability		Plan Fiduciary Net Position as a % of Total OPEB Liability			
2018	0.00 %	\$ 186,048	0.00 %			
2019	0.00 %	256,326	0.00 %			
2020	0.00 %	177,834	0.00 %			
2021	0.00 %	372,187	0.00 %			
2022	0.00 %	264,449	0.00 %			
2023	0.00 %	130,748	0.00 %			
2024	0.00 %	217,146	0.00 %			
Total OPEB liability			2024	2023	2022	2021
Service cost	\$ 1,803	\$ 14,093	\$ 23,504	10,729		
Interest on total OPEB liability	12,307	9,717	8,197	5,325		
Changes in assumptions	72,288	(157,509)	(154,348)	178,391		
Benefit payments	0	-	14,907	(92)		
Net change in total OPEB liability	86,398	(133,699)	(107,740)	194,353		
Total OPEB liability, beginning of year	130,748	264,447	372,187	177,834		
Total OPEB liability, end of year	\$ 217,146	\$ 130,748	\$ 264,447	372,095		
Covered payroll	\$ 2,048,547	\$ 2,377,848	\$ 2,494,783	2,845,466		
Total liability as a percentage of covered payroll	0.11 %	0.05 %	0.11 %	0.13 %		

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available

Montana PBS A Public Television Entity Operated by the Montana University System Required Supplementary Information

Note to Required Supplementary Information— OPEB

Other Post - Employment Benefits (OPEB) Trend Data

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Changes to the plan that affect trends will be reported as they occur in the future.

See Independent Accountant's Audit Report.

Supplementary Information

Montana PBS A Public Television Entity Operated by Montana University System

Combined Schedule of Functional Expenses

<i>Years Ended June 30,</i>	Broadcasting	Programming and Production	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Solicitation and Underwriting	2024 Total Expenses	2023 Total Expenses
Salaries and benefits	\$ 904,776	\$ 1,438,841	\$ 457,533	\$ 2,801,150	\$ 811,344	\$ 436,371	\$ 18,947	\$ 4,067,812	\$ 3,578,788
Services	38,663	182,647	1,616	222,926	21,557	4,515	-	248,998	235,176
Supplies	153,100	173,021	16,244	342,365	30,417	8,379	-	381,161	300,777
Communications	19,487	56,035	7,279	82,801	27,597	18,401	-	128,799	115,920
Travel	23,205	87,551	5,088	115,844	12,064	5,426	-	133,334	133,928
Rent	136,074	21,766	400	158,240	5,536	-	-	163,776	157,790
Repair and maintenance	27,615	61,574	303	89,492	3,596	-	-	93,088	63,190
Professional services	3,997	14,929	36,151	55,077	2,929	-	-	58,006	18,577
Public broadcasting duties	-	916,312	-	916,312	-	-	-	916,312	916,801
Indirect costs	193,969	321,979	111,460	627,408	192,055	106,483	4,617	930,563	834,740
Other	17,758	56,620	2,989	77,367	16,137	5,639	-	99,143	143,507
Depreciation and amortization	176,584	27,664	-	204,248	236,409	-	-	440,657	282,711
Totals	\$ 1,695,228	\$ 3,358,939	\$ 639,063	\$ 5,693,230	\$ 1,359,641	\$ 585,214	\$ 23,564	\$ 7,661,649	\$ 6,781,905

See Independent Auditor's Report.

**Montana PBS A Public Television Entity Operated by
Montana University System**
Combining Schedule of Net Position

<i>June 30, 2024</i>	KUSM	KUFM	Total
Current assets			
Cash and cash equivalents	\$ 5,420,536	\$ 310,466	\$ 5,731,002
Accounts receivable	51,164	1,202	52,366
Prepaid Expenses	82,349	-	82,349
Total current assets	5,554,049	311,668	5,865,717
Capital assets			
Studio and broadcast equipment	4,583,798	1,212,218	5,796,016
Production equipment	2,051,209	-	2,051,209
Vehicles	147,570	-	147,570
Office machines	134,024	-	134,024
Transmission, antenna, tower	3,280,825	418,071	3,698,896
Right-of-use assets lease	57,478	38,781	96,259
Subscription based agreements, net	541,208	-	541,208
Accumulated depreciation	(8,095,018)	(1,622,271)	(9,717,289)
Accumulated amortization	(212,782)	(23,268)	(236,050)
Total capital assets	2,488,312	23,531	2,511,843
Total assets	8,042,361	335,199	8,377,560
Deferred outflows of resources - pension and OPEB	586,543	165,385	751,928
	\$ 8,628,904	\$ 500,584	\$ 9,129,488

See Independent Auditor's Report.

**Montana PBS A Public Television Entity Operated by
Montana University System**
Combining Schedule of Net Position

<i>June 30, 2024</i>	KUSM	KUFM	Total
Liabilities and deferred inflows and net position			
Current liabilities			
Accounts payable and accrued expenses	\$ 27,653	\$ 6,259	\$ 33,912
Accrued payroll	117,625	-	117,625
Unearned revenue	2,527,021	60,218	2,587,239
Contract Liability - subscription based agreements, current portion	108,240	-	108,240
Current portion, compensated absences	100,469	54,088	154,557
Current portion, lease liability	10,397	-	10,397
Total current liabilities	2,891,405	120,565	3,011,970
Noncurrent liabilities			
Compensated absences, net of current portion	177,686	53,508	231,194
Contract liability - subscription based agreements net of current portion	306,688	-	306,688
Pension obligation	1,044,392	606,916	1,651,308
Total OPEB obligation - health benefits	170,769	46,377	217,146
ROU lease liability, net of current portion	30,201	-	30,201
Total noncurrent liabilities	1,729,736	706,801	2,436,537
Total liabilities	4,621,141	827,366	5,448,507
Deferred inflows of resources - pension and OPEB	359,620	157,722	517,342
Net Position			
Invested in capital assets, net of related debt	2,032,786	23,531	2,056,317
Unrestricted	1,615,357	(508,035)	1,107,322
Total net position	3,648,143	(484,504)	3,163,639
	\$ 8,628,904	\$ 500,584	\$ 9,129,488

See Independent Auditor's Report.

Montana PBS A Public Television Entity Operated by Montana University System

Combining Schedule of Revenues, Expenses, and Changes in Net Position

<i>For the Year Ended June 30, 2024</i>	KUSM	KUFM	Total
Operating revenues			
Sales and services	\$ 8,155	\$ 4,258	\$ 12,413
Contract production	600,896	-	600,896
Broadband lease	68,160	-	68,160
Total operating revenues	677,211	4,258	681,469
Operating expenses			
Broadcasting	1,391,434	303,794	1,695,228
Programming and production	2,516,289	842,650	3,358,939
Program information and promotion	639,063	-	639,063
Management and general	1,194,278	165,363	1,359,641
Fundraising and membership development	585,214	-	585,214
Solicitation and underwriting	23,564	-	23,564
Total Operating Expenses	6,349,842	1,311,807	7,661,649
Operating income (loss)	(5,672,631)	(1,307,549)	(6,980,180)
Nonoperating revenue			
Grants from CPB	1,423,302	-	1,423,302
Grants from state agencies	80,250	-	80,250
State and local grants and contracts	-	3,500	3,500
Support from Montana University System			
Appropriations for operations	1,280,896	417,773	1,698,669
Donated and indirect	781,377	147,595	928,972
Contributions from Friends used for other operations	2,124,096	487,047	2,611,143
In-kind contributions	32,241	-	32,241
PBS royalties	788	-	788
Production underwriting	172,636	18,750	191,386
Program underwriting	49,053	-	49,053
Other contributions	26,000	-	26,000
Other revenue	1,888	3,065	4,953
Total nonoperating revenues	5,972,527	1,077,730	7,050,257
Other revenues, expenses, gains and losses			
Investment income	88,044	53	88,097
Total other revenues, expenses, gains and losses	88,044	53	88,097
Net change in position	387,940	(229,766)	158,174
Net position - beginning of year	3,260,203	(254,738)	3,005,465
Net position - end of year	\$ 3,648,143	\$ (484,504)	\$ 3,163,639

See Independent Auditor's Report.

Montana PBS A Public Television Entity Operated by Montana University System

Combining Schedule of Cash Flows

<i>For the Year Ended June 30, 2024</i>	KUSM	KUFM	Total
Cash flows from operating activities			
Sales and services of educational activities	\$ 537,178	\$ 49,258	\$ 586,436
Compensation and benefits	(3,110,707)	(759,285)	(3,869,992)
Other operating expenses	(1,957,652)	(291,169)	(2,248,821)
Net cash from operating activities	(4,531,181)	(1,001,196)	(5,532,377)
Cash flows from noncapital financing activities			
Contributions from Friends of Montana PBS	2,235,527	487,047	2,722,574
Production underwriting	197,694	-	197,694
State appropriations	1,280,896	417,773	1,698,669
Grants and contracts	1,830,054	3,500	1,833,554
Other receipts	51,729	21,815	73,544
Net cash from noncapital financing activities	5,595,900	930,135	6,526,035
Cash flows from capital and related financing activities			
Purchase of capital assets	(427,265)	-	(427,265)
Leased assets	(108,493)	-	(108,493)
Net cash from capital and related financing activities	(535,758)	-	(535,758)
Cash flows from investing activities			
Investment income	88,044	53	88,097
Net change in cash and cash equivalents	617,005	(71,008)	545,997
Cash and cash equivalents - beginning of year	4,803,531	381,474	5,185,005
Cash and cash equivalents - end of year	\$ 5,420,536	310,466	5,731,002

See Independent Auditor's Report.

Montana PBS A Public Television Entity Operated by Montana University System

Combining Schedule of Cash Flows Continued

<i>For the Year Ended June 30, 2024</i>	KUSM	KUFM	Total
Reconciliation of operating loss to net cash flows from operating activities			
Operating Loss	\$ (5,672,631)	\$ (1,307,549)	(6,980,180)
Adjustments to reconcile change in net position to net cash from operating activities			
Depreciation and amortization	420,138	11,484	431,622
Non-cash operating expenses paid directly by the University	781,377	147,595	928,972
In-kind non-cash operating expenses	32,241	-	32,241
Net pension liability and related deferred inflows and outflows	233,758	18,950	252,708
Total OPEB obligation - health benefits and related deferred inflows and outflows	(175,057)	70,732	(104,325)
(Increase) decrease in assets			
Accounts receivable related to operations	15,709	9,090	24,799
Prepaid expenses	21,379	-	21,379
Increase (decrease) in liabilities			
Accounts payable and accrued expenses	(67,017)	6,838	(60,179)
Accrued payroll	38,061	-	38,061
Compensated absences	(3,397)	5,755	2,358
Deferred commercial underwriting revenue	(155,742)	35,909	(119,833)
Totals	\$ (4,531,181)	\$ (1,001,196)	\$ (5,532,377)

See Independent Auditor's Report.

Montana PBS A Public Television Entity Operated by Montana University System

Reconciliation Schedules

<i>For the Years Ended June 30,</i>	KUSM	KUFM	Friends of Montana PBS	2024 Total	2023 Total
Support and revenues					
Total support and revenues per statement of revenues, expenses, and changes in net position					
Operating Revenues	\$ 677,211	\$ 4,258	\$ -	\$ 681,469	\$ 651,595
Nonoperating revenues	5,972,527	1,077,730	6,477,048	13,527,305	18,685,294
Other Revenues	88,044	53	-	88,097	48,423
<hr/>					
Subtotal per CPB report Schedule F	6,737,782	1,082,041	6,477,048	14,296,871	19,385,312
<hr/>					
Less					
Public broadcasting support	1,451,190	-	-	1,451,190	1,383,950
Friends revenue presented discretely	-	-	2,375,774	2,375,774	2,376,760
Capital funds exclusion	53,700	-	1,503,807	1,557,507	8,990,200
Miscellaneous other items	1,517,379	-	1,431,568	2,948,947	1,184,057
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Subtotal	3,022,269	-	5,311,149	8,333,418	13,934,967
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Non-federal financial support per CPB report summary, Schedule A line 28	3,715,513	1,082,041	1,165,899	5,963,453	5,450,345
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Expenses					
Total expenses per statement of revenues, expenses, and changes in net position					
	6,349,842	1,311,807	3,451,199	11,112,848	10,421,481
<hr/>					
Less contributions from Friends of Montana PBS to Montana PBS/KUSM TV/KUFM TV	-	-	2,601,605	2,601,605	2,376,760
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Operating expenses per CPB Report Summary, Schedule E, Line 8	\$ 6,349,842	\$ 1,311,807	\$ 849,594	\$ 8,511,243	\$ 8,044,721

See Independent Auditor's Report.

Montana PBS A Public Television Entity Operated by Montana University System

Consolidating Schedule of Revenues and Expenses

<i>For the Year Ended June 30, 2024</i>	KUSM	KUFM	Friends of Montana PBS	Eliminations	Total	Schedule F AFR	Difference
Operating revenues							
Sales and services	\$ 8,155	\$ 4,258	\$ -	\$ -	\$ 12,413		
Contract production	600,896	-	-	-	600,896		
Broadband lease	68,160	-	-	-	68,160		
Total Operating Revenues	677,211	4,258	-	-	681,469	681,469	-
Operating expenses							
Broadcasting	1,391,434	303,794	-	-	1,695,228		
Programming and production	2,516,289	842,650	127,279	-	3,486,218		
Program information and promotion	639,063	-	-	-	639,063		
Management and general	1,194,278	165,363	381,753	-	1,741,394		
Fundraising and membership development	585,214	-	340,562	-	925,776		
Solicitation and underwriting	23,564	-	-	-	23,564		
Friends of Montana PBS payments to stations	-	-	2,375,774	(2,375,774)	-		
Friends of Montana PBS other expenses	-	-	225,831	(225,831)	-		
Total operating expenses	6,349,842	1,311,807	3,451,199	(2,601,605)	8,511,243		
Operating income (loss)	\$ (5,672,631)	\$ (1,307,549)	\$ (3,451,199)	\$ 2,601,605	\$ (7,829,774)		

See Independent Auditor's Report.

Montana PBS A Public Television Entity Operated by Montana University System

Consolidating Schedule of Revenues and Expenses (Continued)

<i>For the Year Ended June 30, 2024</i>	KUSM	KUFM	Friends of Montana PBS	Eliminations	Total	Schedule F AFR	Difference
Nonoperating revenues							
Grants from CPB	\$ 1,423,302	\$ -	\$ -	-	\$ 1,423,302		
Grants from state agencies	80,250	-	-	-	80,250		
Federal grants and contracts	-	-	-	-	-		
State and local grants and contracts	-	3,500	-	-	3,500		
Support from Montana University System	-	-	-	-	-		
Appropriations for operations	1,280,896	417,773	-	-	1,698,669		
Donated and indirect	781,377	147,595	-	-	928,972		
Contributions from Friends used for other operations	2,124,096	487,047	-	-	2,611,143		
In-kind contributions	32,241	-	-	-	32,241		
PBS royalties	788	-	-	-	788		
Production underwriting	172,636	18,750	-	-	191,386		
Program underwriting	49,053	-	-	-	49,053		
Other contributions	26,000	-	-	-	26,000		
Other revenue	1,888	3,065	-	-	4,953		
Friends of Montana PBS revenue excluding loss	-	-	6,477,048	(2,601,605)	3,875,443		
Friends of Montana PBS revenue loss	-	-	-	-	-		
Total nonoperating revenues	5,972,527	1,077,730	6,477,048	(2,601,605)	10,925,700	10,925,700	-
Other revenues, expenses, gains and losses							
Investment income	88,044	53	-	-	88,097		
Total other revenues, expenses, gains and losses	88,044	53	-	-	88,097	88,097	-
Net change in net position	387,940	(229,766)	3,025,849	-	-	-	3,184,023
Net position - beginning of year	3,260,203	(254,738)	14,762,232	-	-	-	17,767,697
Net position - end of year	\$ 3,648,143	\$ (484,504)	\$ 17,788,081	\$ -	\$ -	\$ -	\$ 20,951,720

See Independent Auditor's Report.