

TEXAS TECH PUBLIC MEDIA
(A PUBLIC TELECOMMUNICATIONS ENTITY
LICENSED TO TEXAS TECH UNIVERSITY)
LUBBOCK, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
LUBBOCK, TEXAS

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**FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018**

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Independent Auditor's Report

Texas Tech University System Board of Regents
Lubbock, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Texas Tech Public Media, a public telecommunications entity licensed to Texas Tech University, as of and for the years ended August 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Texas Tech Public Media's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Texas Tech Public Media as of August 31, 2019 and 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

During the year ended August 31, 2018, Texas Tech Public Media adopted new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and required supplementary information as listed in the table of contents on pages 4 through 6 and pages 33 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Texas Tech Public Media's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

January 9, 2020

TEXAS TECH PUBLIC MEDIA MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The following discussion and analysis is an overview of the financial position and activities of Texas Tech Public Media for the years ended August 31, 2019 and 2018. Management of Texas Tech Public Media has prepared the following discussion, and it should be read with the financial statements and related footnotes which follow this section.

Texas Tech Public Media is a licensee of Texas Tech University (the University) and is governed by the University's Board of Regents. Texas Tech Public Media's primary functions are to establish and promote noncommercial educational telecommunications facilities in the South Plains area of Texas and Eastern New Mexico as well as the Concho Valley area of Texas. Texas Tech Public Media includes a television station and two radio stations.

Television

Texas Tech University is the licensee of the only public television station in Lubbock - KTTZ-TV. This station primarily broadcasts PBS programming, including at least 50 hours of children's programming each week. The signal reaches over 396,000 potential viewers in 158,360 television households in the South Plains area of Texas and Eastern New Mexico, and out of that number approximately 35,000 households watch each week. Contributing membership consists of approximately 1,200 households.

Subsequent to year end, Texas Tech University purchased KCOS-TV in El Paso and the operations were transferred to Texas Tech Public Media.

Radio

The original radio station - KTTZ-FM - was founded in 1988 and now broadcasts 24 hours daily, serving over 21,000 listeners per week with an approximate 60-mile coverage radius from Lubbock, Texas. In 2007, the station became the first HD radio station in the South Plains area and began streaming two additional music channels. This important upgrade has provided the station the opportunity to multicast by adding more stations to its existing frequency.

In July 2010, Texas Tech University purchased KUTX-FM in San Angelo from The University of Texas. The call letters were changed to KNCH-FM, and the operations were transferred to Texas Tech Public Media.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of Texas Tech Public Media consist of the Statements of Net Position, the Statements of Revenue, Expenses and Changes in Net Position, and the Statements of Cash Flows. These statements are prepared in accordance with Governmental Accounting Standards Board Statement (GASBS) No. 35, Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities.

GASB No. 35 requires the classification of net position into three categories - investment in capital assets, restricted, and unrestricted.

The Statements of Net Position include assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position of Texas Tech Public Media as of August 31, 2019 and 2018. These statements are classified into current and noncurrent assets, deferred inflows of resources, liabilities and deferred inflows of resources, with net position classified in the categories as noted above.

The Statements of Revenues, Expenses and Changes in Net Position depict the operating revenues and expenses resulting in net operating income, which is then combined with nonoperating revenues to provide the total change in net position. The Statements of Cash Flows show the sources and uses of cash from operations, cash flows from non-capital financing activities, cash flows from capital and related financing activities, and cash flows from investing activities. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

FINANCIAL HIGHLIGHTS

During the prior year, GASB No. 75 was implemented along with the recording of compensated absences which resulted in a prior period adjustment of (\$1,108,693) to beginning unrestricted net position in 2017. Total net position is \$434,888, \$1,229,690 and \$1,492,753 at August 31, 2019, 2018 and 2017, respectively. Net position decreased by (\$794,802) and (\$263,063) at August 31, 2019 and 2018, respectively. Operating revenues totaled \$2,615,976 for fiscal year 2019 compared to \$2,843,093 for fiscal year 2018 and \$2,646,237 for fiscal year 2017, an increase (decrease) of (\$227,117) and \$196,856 at August 31, 2019 and 2018, respectively. Operating expenses totaled \$3,414,403 for fiscal year 2019 compared to \$3,110,609 for fiscal year 2018 and \$3,290,592 for fiscal year 2017, an increase (decrease) of \$303,794 and (\$179,983) at August 31, 2019 and 2018, respectively. Non-operating revenue includes interest income.

Texas Tech Public Media's capital assets, net of accumulated depreciation, totaled \$878,392 and \$1,065,127 at August 31, 2019 and 2018, respectively. Capital asset additions totaled \$0 and \$46,170 in fiscal year 2019 and 2018, respectively.

Condensed Statement of Net Position

	2019	2018	2017
Current Assets	\$ 2,042,435	\$ 2,224,610	\$ 2,352,136
Capital Assets - Net	878,392	1,065,127	1,245,508
Total Assets	\$ 2,920,827	\$ 3,289,737	\$ 3,597,644
Deferred Outflows of Resources	\$ 184,423	\$ 184,423	\$ 234,556
Current Liabilities	\$ 366,815	\$ 321,521	\$ 357,929
Noncurrent Liabilities	3,878,568	1,571,385	1,872,507
Total Liabilities	\$ 4,245,383	\$ 1,892,906	\$ 2,230,436
Deferred Inflows for Resources	\$ 1,113,537	\$ 351,564	\$ 109,011
Investment in Capital Assets	\$ 878,392	\$ 1,065,127	\$ 1,245,508
Restricted Expendable	76,316	99,200	79,185
Unrestricted (Deficit)	(519,820)	65,363	168,060
Total Net Position	\$ 434,888	\$ 1,229,690	\$ 1,492,753

Current assets consist primarily of cash and accounts receivable. Capital assets are presented net of accumulated depreciation of \$5,582,674, \$5,539,894 and \$6,014,880 at August 31, 2019, 2018 and 2017, respectively. Current liabilities consist of accounts payable, payroll liabilities and unearned revenue.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2019	2018	2017
Operating Revenues	\$ 2,615,976	\$ 2,843,093	\$ 2,646,237
Operating Expenses	<u>3,414,403</u>	<u>3,110,609</u>	<u>3,290,592</u>
Operating Income (Loss)	\$ (798,427)	\$ (267,516)	\$ (644,355)
Nonoperating Revenue	<u>3,625</u>	<u>4,453</u>	<u>4,386</u>
Change in Net Position	\$ (794,802)	\$ (263,063)	\$ (639,969)
Net Position, Beginning of Year	1,229,690	1,492,753	3,241,415
Prior Period Adjustment	<u> </u>	<u> </u>	<u>(1,108,693)</u>
Net Position, End of Year	<u><u>\$ 434,888</u></u>	<u><u>\$ 1,229,690</u></u>	<u><u>\$ 1,492,753</u></u>

Operating revenues consist primarily of contributions, grants from the Corporation for Public Broadcasting, and donated support from Texas Tech University. Operating expenses consist primarily of programming and production and broadcasting expenses.

Condensed Statement of Cash Flows

	2019	2018	2017
Net Cash Flows From Operating Activities	\$ 48,489	\$ (425,687)	\$ (222,325)
Net Cash Flows From Capital and Related Financing Activities		(46,170)	(240,424)
Net Cash Flows From Financing Activities	<u>3,625</u>	<u>4,453</u>	<u>4,386</u>
Change in Cash and Cash Equivalents	\$ 52,114	\$ (467,404)	\$ (458,363)
Cash and Cash Equivalents, Beginning of Year	<u>1,689,239</u>	<u>2,156,643</u>	<u>2,615,006</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,741,353</u></u>	<u><u>\$ 1,689,239</u></u>	<u><u>\$ 2,156,643</u></u>

Request for Information

This financial report is designed to provide donors, members, investment managers, foundations, and taxpayers with a general overview of Texas Tech Public Media's finances and to account for the funding it receives. Additional details can be requested by mail at the following address:

General Manager
Texas Tech Public Media
P.O. Box 42161, Lubbock, TX 79409

TEXAS TECH PUBLIC MEDIA

Exhibit A

STATEMENTS OF NET POSITION
AUGUST 31, 2019 AND 2018

	August 31,	
	2019	2018
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,665,037	\$ 1,590,039
Restricted Cash	76,316	99,200
Accounts Receivable	196,197	158,577
Promises to Give, Net	39,480	41,709
Licensed Program Rights	5,781	274,832
Prepaid Items	59,624	60,253
Total Current Assets	\$ 2,042,435	\$ 2,224,610
Capital Assets, At Cost		
Building	\$ 589,603	\$ 589,603
Transmitter, Antenna, and Tower Equipment	1,092,747	1,092,747
Broadcasting and Production Equipment	4,714,613	4,858,568
Furniture and Fixtures	64,103	64,103
	\$ 6,461,066	\$ 6,605,021
Less: Accumulated Depreciation	(5,582,674)	(5,539,894)
Capital Assets, Net	\$ 878,392	\$ 1,065,127
Total Assets	\$ 2,920,827	\$ 3,289,737
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows - Pension	\$ 616,051	\$ 159,006
Deferred Outflows - OPEB	2,256,930	25,417
Total Deferred Outflows of Resources	\$ 2,872,981	\$ 184,423
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 9,600	\$ 12,277
Accrued Payroll	107,541	114,868
Accrued Compensated Absences	92,182	126,908
Licensed Program Liability	65,702	
Unearned Revenue	91,790	67,468
Total Current Liabilities	\$ 366,815	\$ 321,521
Noncurrent Liabilities		
Net Pension Liability	\$ 1,285,494	\$ 702,902
Net OPEB Liability	2,593,074	868,483
Total Noncurrent Liabilities	\$ 3,878,568	\$ 1,571,385
Total Liabilities	\$ 4,245,383	\$ 1,892,906
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Pension	\$ 109,851	\$ 159,538
Deferred Inflows - OPEB	1,003,686	192,026
Total Deferred Inflows of Resources	\$ 1,113,537	\$ 351,564
NET POSITION		
Investment in Capital Assets	\$ 878,392	\$ 1,065,127
Restricted Expendable	76,316	99,200
Unrestricted (Deficit)	(519,820)	65,363
Total Net Position	\$ 434,888	\$ 1,229,690

The accompanying notes are an integral part of this statement.

TEXAS TECH PUBLIC MEDIA

Exhibit B

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

	August 31,	
	2019	2018
OPERATING REVENUES		
Contributions	\$ 412,791	\$ 529,084
Grants from the Corporation for Public Broadcasting	944,552	923,837
Donated Support from Texas Tech University		
Direct Administrative Support	591,079	600,585
Indirect Administrative Support	254,742	272,670
Other Grants		30,342
Business Contributions and Underwriting	385,672	450,166
Miscellaneous Income	27,140	36,409
	<u>2,615,976</u>	<u>2,843,093</u>
Total Operating Revenues	\$	\$
OPERATING EXPENSES		
Program Services		
Programming and Production	\$ 1,564,061	\$ 1,443,967
Broadcasting	504,553	498,273
Program Information	163,356	171,189
	<u>2,231,970</u>	<u>2,113,429</u>
Supporting Services		
Management and General	\$ 825,351	\$ 728,771
Fundraising and Membership Development	314,337	242,764
Underwriting and Grant Solicitation	42,745	25,645
	<u>1,182,433</u>	<u>997,180</u>
Total Operating Expenses	\$	\$
OPERATING INCOME (LOSS)	\$ (798,427)	\$ (267,516)
NONOPERATING REVENUE		
Interest Income	\$ 3,625	\$ 4,453
Total Nonoperating Revenue	\$	\$
CHANGE IN NET POSITION	\$ (794,802)	\$ (263,063)
NET POSITION - BEGINNING OF YEAR	<u>1,229,690</u>	<u>1,492,753</u>
NET POSITION - END OF YEAR	<u>\$ 434,888</u>	<u>\$ 1,229,690</u>

The accompanying notes are an integral part of this statement.

TEXAS TECH PUBLIC MEDIA

Exhibit C

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

	August 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Contributors, Grants, and Underwrites	\$ 1,709,034	\$ 2,188,822
Other Receipts	27,140	36,408
Payments to Employees	(855,760)	(885,610)
Payments to Suppliers	(541,156)	(1,461,234)
Payments for Employee Benefits	(290,769)	(304,073)
Net Cash From Operating Activities	\$ 48,489	\$ (425,687)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES		
Acquisitions of Capital Assets	\$ 0	\$ (46,170)
Net Cash From Capital & Related Financing Activity	\$ 0	\$ (46,170)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	\$ 3,625	\$ 4,453
Net Cash From Investing Activities	\$ 3,625	\$ 4,453
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ 52,114	\$ (467,404)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,689,239	2,156,643
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,741,353</u>	<u>\$ 1,689,239</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities		
Operating Income (Loss)	\$ (798,427)	\$ (267,516)
Adjustments to Reconcile Income From Operations to Net Cash From Operating Activities:		
Depreciation	186,735	215,860
Loss on Disposal of Assets		10,691
Pension Expense	582,592	(155,831)
OPEB Expense	1,724,591	(145,291)
Net Change in:		
Accounts Receivable	(37,620)	(82,655)
Promises to Give	2,229	(6,170)
Prepaid Items	629	18,147
Licensed Program Rights	269,051	(269,200)
Deferred Outflows of Resources	(2,688,558)	50,133
Accounts Payable and Accrued Liabilities	(44,730)	29,236
Licensed Program Liabilities	65,702	(64,349)
Unearned Revenue	24,322	(1,295)
Deferred Inflows of Resources	761,973	242,553
Total Adjustments	<u>\$ 846,916</u>	<u>\$ (158,171)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 48,489</u>	<u>\$ (425,687)</u>

The accompanying notes are an integral part of this statement.

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ORGANIZATION

Organization

Texas Tech Public Media is a public telecommunications entity licensed through the Federal Communications Commission to Texas Tech University in Lubbock, Texas and provides public television and radio to the South Plains area of Texas and Eastern New Mexico as well as the Concho Valley area of Texas. Accordingly, Texas Tech Public Media's financial activity is incorporated into the financial statements of the University, which is included in the Comprehensive Annual Financial Report of the State of Texas. The University is a state-supported school, created by the Legislature of the State of Texas. As such, it is a subdivision of the State of Texas and is tax-exempt under Section 115 of the Internal Revenue Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Texas Tech Public Media's financial records are maintained in a manner consistent with guidelines set by the Corporation for Public Broadcasting (CPB). These guidelines are in accordance with accounting principles generally accepted in the United States of America, as applicable to governmental units as prescribed by the Governmental Accounting Standards Board (GASB).

The University adopted GASB Statement (GASBS) No. 35, Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities, as amended by GASBS No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus and GASBS No. 38, Certain Financial Statement Note Disclosures. Accordingly, Texas Tech Public Media has been required to comply with certain provisions of these statements that establish standards for external reporting for state and local governments and require that resources be classified for accounting and reporting purposes in the following four net position categories:

- Investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- Restricted:
 - Nonexpendable - Net position subject to externally imposed stipulations that Texas Tech Public Media maintains permanently. Texas Tech Public Media does not have any restricted nonexpendable net position.

Expendable - Net position whose use by Texas Tech Public Media is subject to externally imposed stipulations that can be fulfilled by actions of Texas Tech Public Media pursuant to those stipulations or that expire by the passage of time. Restricted net position was \$76,316 and \$99,200 as of August 31, 2019 and 2018, respectively.

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

- Unrestricted: Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of Texas Tech Public Media's management or may otherwise be limited by contractual agreements with outside parties.

Texas Tech Public Media uses enterprise fund accounting and financial reporting as a business activity. Activities are reported similar to those often found in the private sector using the flow of economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by Texas Tech Public Media are described below.

Revenue Recognition

Contributions and grants that are unrestricted are recorded as support when the cash is received. Contributions from local businesses and individuals to finance specific programs are recorded and reported on the statement of net position as unearned revenues until the programs are broadcasted. Pledges for future contributions are recorded in the period that the unconditional pledge is received. Texas Tech Public Media distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from activities performed in connection with Texas Tech Public Media's purpose as stated above. All revenues and expenses not meeting this definition are reported as nonoperating.

Grants received from the CPB are recorded as revenue when the funds are received. Contributions and grants restricted for specific uses are reported on the accompanying statement of net position as restricted net position until the funds are expended.

When both restricted and unrestricted resources are available for use, it is Texas Tech Public Media's policy to use restricted resources first, then unrestricted resources as they are needed.

Accounts Receivable

Accounts receivable consist of uncollected pledged contributions from local businesses and individuals to finance specific programs, as well as restricted grant funds and underwriting funds uncollected at year-end. All amounts considered uncollectible have been written off or allowed for.

Promises to Give

Gift receivables are accounted for at their estimated net realizable value. The estimated net realizable value consists of the present value of long-term pledges and a reduction for any allowance for uncollectible pledges. Pledges are due in less than one year and are used for the operations of Texas Tech Public Media.

Capital Assets

Capital asset is defined as an asset with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are carried at cost, or in the case of donated assets, at estimated acquisition value at date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. When property and equipment are retired or otherwise disposed of, the carrying value and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operations for the period. For capital assets acquired through federally funded grants, the respective federal agency retains liens on these assets for a period of ten years.

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

In-Kind Contributions

In-kind contributions are recorded as support and expense in the accompanying financial statements. In-kind contributions consist of various materials, property, and professional services donated for the benefit of Texas Tech Public Media. These donations are recorded at fair value. The CPB does not consider the personal services of volunteers in their determination of nonfederal financial support; therefore, these services are excluded from the financial statements.

Donated facilities and administrative support have been computed in accordance with guidelines established by the CPB and consist of the following for the years ended August 31, 2019 and 2018:

	August 31,	
	2019	2018
Direct Administrative Support	\$ 591,079	\$ 600,585
Institutional Support	226,001	244,672
Physical Plant Operations	14,357	13,614
Occupancy	14,384	14,384
	<u>\$ 845,821</u>	<u>\$ 873,255</u>

Cash and Cash Equivalents

Texas Tech Public Media's cash is held by the University in a pooled cash account that is managed by the University.

These amounts consist of all cash in local banks and are included on the Statement of Net Position as part of current unrestricted and current restricted cash. The carrying amount of deposits as of August 31, 2019 and 2018 was \$1,741,353 and \$1,689,239, respectively.

All of Texas Tech Public Media's deposits in excess of FDIC limits are fully collateralized. The collateral is held in the Texas Tech University System's name by the pledging institution's agent. Texas Tech Public Media also has no foreign currency risk on deposits.

For purposes of the Statement of Cash Flows, Texas Tech Public Media considers cash and cash equivalents and restricted cash to be cash and cash equivalents.

Licensed Program Rights and Liabilities

Texas Tech Public Media purchases certain programming rights for one year licensing periods. The costs of these rights are amortized to expense on a monthly basis over the remaining term of the licensing period.

Additionally, Texas Tech Public Media records a liability for amounts due for subscriptions of licensing periods that have not been paid.

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

The OPEB plan's fiduciary net position is determined using economic resources measurement focus and accrual basis of accounting, which is the same basis used by Employees Retirement System (ERS). Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the plan. Investments of the Other Employee Benefit Trust Fund are reported at fair value in accordance with GASB Statement No. 72. The fair value of investments is based on published market prices and quotations from major investment brokers at available current exchange rates. However, corporate bonds in general are valued based on currently available yields of comparable securities by issuers with similar credit ratings. More detailed information on the plan's investment valuation, investment policy, assets, and fiduciary net position may be obtained from ERS' fiscal 2018 CAFR.

For the fiscal year 2019 reporting, ERS had a change in accounting policy which significantly increased Texas Tech Public Media's proportionate share (employer allocation) of ERS net OPEB liability. Per ERS 2018 actuarial report, all contributions (active and retiree) by employers to the Group Benefits Program are available to pay claims of active and retired members. Allocation of the OPEB liability and related accounts should be based on the total contributions that are available to pay current and future claims of the OPEB Plan, as this reflects the relationship between contributions and collective net OPEB liability. The employer allocation percentage is based on both active and retiree employer contributions effective for the fiscal year 2019 reporting. For the fiscal 2018 reporting, the employer allocation percentage was based on retiree employer contributions only.

Use of Estimates

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

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

3. CORPORATION FOR PUBLIC BROADCASTING COMMUNITY SERVICE GRANTS

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant making organization responsible for funding more than 1,000 television and radio stations. The CPB distributes annual Community Service Grants (CSG) to qualifying public broadcasting entities. CSG are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services. 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). 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 recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSG awarded in prior years.

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

4. PROMISES TO GIVE

Unconditional promises to give as of August 31, 2019 and 2018 are as follows:

	August 31,	
	2019	2018
Promises to Give Expected to be Collected in		
Less than One Year	\$ 41,770	\$ 44,178
Less: Allowance for Uncollectible Promises to Give	(2,290)	(2,469)
	<u>\$ 39,480</u>	<u>\$ 41,709</u>

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TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

5. CAPITAL ASSETS

Capital asset activity for the years ended August 31, 2019 and 2018 is summarized below:

	Balance August 31, 2018	Additions and Transfers	Retirements	Balance August 31, 2019
Building	\$ 589,603	\$	\$	\$ 589,603
Transmitter, Antenna, and Tower Equipment	1,092,747			1,092,747
Broadcasting and Production Equipment	4,858,568		(143,955)	4,714,613
Furniture and Fixtures	64,103			64,103
Capital Assets, At Cost	\$ 6,605,021	\$ 0	\$ (143,955)	\$ 6,461,066
Accumulated Depreciation	(5,539,894)	(186,735)	143,955	(5,582,674)
Capital Assets, Net	<u>\$ 1,065,127</u>	<u>\$ (186,735)</u>	<u>\$ 0</u>	<u>\$ 878,392</u>

	Balance August 31, 2017	Additions and Transfers	Retirements	Balance August 31, 2018
Building	\$ 623,700	\$	\$ (34,097)	\$ 589,603
Transmitter, Antenna, and Tower Equipment	2,206,643	(698,617)	(415,279)	1,092,747
Broadcasting and Production Equipment	4,329,032	744,787	(215,251)	4,858,568
Furniture and Fixtures	101,013		(36,910)	64,103
Capital Assets, At Cost	\$ 7,260,388	\$ 46,170	\$ (701,537)	\$ 6,605,021
Accumulated Depreciation	(6,014,880)	(215,860)	690,846	(5,539,894)
Capital Assets, Net	<u>\$ 1,245,508</u>	<u>\$ (169,690)</u>	<u>\$ (10,691)</u>	<u>\$ 1,065,127</u>

Depreciation expense and loss was charged to the following expense accounts for the years ended August 31, 2019 and 2018:

	August 31, 2019	2018
Programming and Production	\$ 15,081	\$ 41,084
Broadcasting	152,088	157,277
Management and General	19,566	28,190
	<u>\$ 186,735</u>	<u>\$ 226,551</u>

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

Capital assets are being depreciated using the straight line method over the following useful lives:

Building	15 - 40 Years
Transmitter, Antenna, and Tower Equipment	7 - 20 Years
Broadcasting and Production Equipment	3 - 40 Years
Furniture and Fixtures	3 - 10 Years

6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The financial statements report separate sections for deferred outflows and inflows of resources. Deferred outflows represent an acquisition of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred inflows represent an acquisition of fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

As of August 31, 2019 and 2018, the Deferred Outflows on the Statement of Net Position consists of Texas Tech Public Media's proportionate share of TRS pension deferred outflows of \$616,051 and \$159,006, respectively (See Note 7), and Texas Tech Public Media's proportionate share of ERS OPEB outflows as of August 31, 2019 and 2018 of \$2,256,930 and \$25,417, respectively (See Note 8).

As of August 31, 2019 and 2018, the Deferred Inflows on the Statement of Net Position consists of Texas Tech Public Media's proportionate share of TRS pension deferred inflows of \$109,851 and \$159,538, respectively (See Note 7), and Texas Tech Public Media's proportionate share of ERS OPEB deferred inflows of \$1,003,686 and \$192,026, respectively (See Note 8).

7. DEFINED BENEFIT PENSION PLAN

Plan Description

Texas Tech Public Media participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the System.

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov>; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

The information provided in the Notes to the Financial Statements in the 2018 and 2017 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2018 and 2017.

Net Pension Liability	2018	2017
Total Pension Liability	\$ 209,611,628,793	\$ 179,336,534,819
Less: Plan Fiduciary Net Position	(154,568,901,833)	(147,361,922,120)
Net Pension Liability	\$ 55,042,726,960	\$ 31,974,612,699
Net Position as Percentage of Total Pension Liability	73.74%	82.17%

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with five years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with five years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the plan description above.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same.

	Contribution Rates	
	2018	2019
Members	7.70%	7.70%
Employers	6.80%	6.80%
Members Contributions	\$ 87,542	\$ 86,859
Employer Contributions	77,310	76,707

Contributors to the plan include members and employers. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

Actuarial Assumptions

Roll Forward – A change was made in the measurement date of the total pension liability for the 2018 measurement year. The actuarial valuation was performed as of August 31, 2017. Update procedures were used to roll forward the total pension liability to August 31, 2018. This is the first year using the roll forward procedures.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the TRS Board of Trustees based upon analysis and recommendations by the System's actuary. The TRS Board of Trustees has the sole authority to determine the actuarial assumptions used for the plan. The active mortality rates were based on 90 percent of the RP 2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables.

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

The following table discloses the assumptions that were applied to the measurement period:

	2019	2018
Valuation Date	August 31, 2017 rolled forward to August 31, 2018	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal
Asset Valuation Method	Market Value	Market Value
Single Discount Rate	6.907%	8.00%
Long-Term Expected Rate	7.25%	N/A
Municipal Bond Rate as of August 2018*	3.69%	N/A
Last Year Ending August 31 in the Projection		
Period (100 Years)	2116	2116
Inflation	2.30%	2.50%
Salary Increases, Including Inflation	3.05% to 9.05%	3.50% to 9.50%
Ad Hoc Post-Employment Benefit Changes	None	None

* - Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The actuarial methods and assumptions are primarily based on a study of actual experience for the three year period ending August 31, 2017 and adopted in July 2018.

Discount Rate

The discount rate used to measure the total pension liability as of August 31, 2018 and 2017 was 6.907% and 8.00%, respectively. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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NOTES TO FINANCIAL STATEMENTS

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2018 are summarized below:

Asset Class	Target Allocation*	Long-Term Expected Arithmetic Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	5.70%	1.04%
Non-U.S. Developed	13.00%	6.90%	0.90%
Emerging Markets	9.00%	8.95%	0.80%
Directional Hedge Funds	4.00%	3.53%	0.14%
Private Equity	13.00%	10.18%	1.32%
Stable Value			
U.S. Treasuries	11.00%	1.11%	0.12%
Absolute Return	0.00%	0.00%	0.00%
Hedge Funds (Stable Value)	4.00%	3.09%	0.12%
Cash	1.00%	-0.30%	0.00%
Real Return			
Global Inflation-Linked Bonds	3.00%	0.70%	0.02%
Real Assets	16.00%	5.21%	0.73%
Energy and Natural Resources	3.00%	7.48%	0.37%
Commodities	0.00%	0.00%	0.00%
Risk Parity			
Risk Parity	5.00%	3.70%	0.18%
Inflation Expectation			2.30%
Volatility Drag**			-0.79%
Total	<u>100.00%</u>		<u>7.25%</u>

* - Target Allocations are based on the FY 2016 policy model

** - The Expected Contribution to Long-Term Portfolio Returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2017 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return *
Global Equity			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11.0%	70.0%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	-20.0%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	90.0%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk Parity			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation	0.0%	0.0%	2.2%
Alpha	0.0%	0.0%	1.0%
Total	100.0%		8.7%

* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the 2019 Net Pension Liability.

	1% Decrease in Discount Rate (5.907%)	Discount Rate (6.907%)	1% Increase in Discount Rate (7.907%)
Texas Tech Public Media's Proportionate Share of the Net Pension Liability	\$ <u>1,940,119</u>	\$ <u>1,285,494</u>	\$ <u>755,536</u>

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2018 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Texas Tech Public Media's Proportionate Share of the Net Pension Liability	\$ 1,184,954	\$ 702,902	\$ 301,516

Pension Liabilities and Pension Expense

At August 31, 2019 and 2018, Texas Tech Public Media reported a liability of \$1,285,494 and \$702,902, respectively, for its proportionate share of the TRS's net pension liability.

The 2019 net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

The 2018 net pension liability was measured as of August 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2016 through August 31, 2017.

At August 31, 2018 the employer's proportion of the collective net pension liability was 0.002335% which is an increase of 0.000137% from its proportion measured as of August 31, 2017.

For the years ended August 31, 2019 and 2018, Texas Tech Public Media recognized pension expense of \$92,565 and \$70,751, respectively.

Changes since the Prior Actuarial Valuation

Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The Net Pension Liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants were updated based on the same experience study.

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

- The discount rate changed from 8.00% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.00% to 7.25%.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2019, Texas Tech Public Media reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Actuarial Experience	\$ 8,013	\$ 31,541
Changes in Actuarial Assumptions	463,483	14,484
Difference Between Projected and Actual Investment Earnings		24,391
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	67,849	39,435
Contributions Paid to TRS Subsequent to the Measurement Date	76,706	
Total	\$ 616,051	\$ 109,851

The net amounts of the employer's balances of deferred outflows and inflows of resources (not including the deferred contribution paid subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Pension (Benefit) Expense
2020	\$ 104,456
2021	53,127
2022	42,972
2023	91,290
2024	82,573
Thereafter	55,076
	\$ 429,494

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At August 31, 2018, Texas Tech Public Media reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Actuarial Experience	\$ 10,284	\$ 37,907
Changes in Actuarial Assumptions	32,018	18,330
Difference Between Projected and Actual Investment Earnings		51,226
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	39,394	52,075
Contributions Paid to TRS Subsequent to the Measurement Date	77,310	
Total	\$ 159,006	\$ 159,538

8. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description

Texas Tech Public Media participates in the State Retiree Health Plan (SRHP). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through the Employees Retirement System (ERS). It is established and administered in accordance with the Texas Insurance Code, Chapter 1551.

Pension Plan Fiduciary Net Position

Detail information about the ERS's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov>; by writing to ERS at 200 E. 18th Street, Austin, TX 78701; or by calling (877)275-4377.

Components of the net OPEB liability of the ERS plan as of August 31, 2018 and 2017 are as follows:

Net OPEB Liability	2018	2017
Total OPEB Liability	\$ 30,018,171,986	\$ 34,782,794,493
Less: Plan Fiduciary Net Position	(380,429,662)	(709,782,760)
Net OPEB Liability	\$ 29,637,742,324	\$ 34,073,011,733
Net Position as Percentage of Total OPEB Liability	1.27%	2.04%

Benefits Provided

The SRHP provides postemployment health care, life and dental insurance benefits to retirees. The benefit and contribution provisions of the SRHP are authorized by state law and may be amended by the Legislature. Retirees must meet certain age and service requirements and have at least 10 years of service at retirement to participate in the plan. Surviving spouses and dependents of retirees are also covered by the plan. The plan does not provide automatic cost of living adjustments (COLAs).

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

Contributions

During the measurement period of 2018 for fiscal 2019 reporting and the measurement period of 2017 for fiscal 2018 reporting, the amount of Texas Tech Public Media's contributions recognized by the plan were \$213,391 and \$23,879, respectively. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution.

The contribution requirements for the state and the members in the measurement period are presented in the table below:

Retiree Health and Basic Life Premium	2019	2018
Retiree Only	\$ 621.90	\$ 617.30
Retiree and Spouse	1,334.54	970.98
Retiree and Children	1,099.06	854.10
Retiree and Family	1,811.70	1,207.78

Actuarial Assumptions

The total OPEB liability is determined by an annual actuarial valuation. The table below presents the actuarial methods and assumptions used to measure the total OPEB liability as of the August 31, 2018 measurement date.

	2019
Actuarial Valuation Date	August 31, 2018
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll, Open
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Discount Rate*	3.96%
Inflation	2.50%
Salary Increase, Including Inflation	2.50% to 9.50%
Healthcare Cost and Trend Rate	7.30% for FY 2020, 7.40% for FY 2021, 7.00% for FY 2022, decrease 0.50% per year to an ultimate of 4.50% for FY 2027 and later years
Aggregate Payroll Growth	3.00%
Retirement Age	Experienced-based tables of rates that are specific to the class of employee

* - The source of the municipal bond rate is the Bond Buyer Index of general obligations bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

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NOTES TO FINANCIAL STATEMENTS

Mortality:	2019
State Agency Members:	
Service Retirees, Survivors and Other Inactive Members	2017 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2017
Disabled Retirees	RP-2014 Disabled Retiree Mortality with Ultimate MP Projection Scale projected from the year 2014
Active Members	RP-2014 Active Member Mortality tables with Ultimate MP Projection Scale from the year 2014
Higher Education Members:	
Service Retirees, Survivors and Other Inactive Members	Tables based on TRS experience with experience with Ultimate MP Projection Scale from the year 2018
Disabled Retirees	Tables based on TRS experience with Ultimate MP Projection Scale from year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active Members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014
Ad Hoc Post-Employment Benefit Changes	None

The table below presents the actuarial methods and assumptions used to measure the total OPEB liability as of the August 31, 2017 measurement date.

	2018
Actuarial Valuation Date	August 31, 2017
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll, Open
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Discount Rate*	3.51%
Inflation	2.50%
Salary Increase	
Including Inflation	2.50% to 9.50%
Healthcare Cost and Trend Rate	8.5% for FY2019, decreasing to 0.50% per year to 4.50% for FY2027 and later years
Aggregate Payroll Growth	3.00%
Retirement Age	Experienced-based tables of rates that are specific to the class of employee

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NOTES TO FINANCIAL STATEMENTS

Mortality:	2018
State Agency Members:	
Service Retirees, Survivors and Other Inactive Members	2017 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2017
Disabled Retirees	RP-2014 Disabled Retiree Mortality with Ultimate MP Projection Scale projected from the year 2014
Active Members	RP-2014 Active Member Mortality tables with Ultimate MP Projection Scale from the year 2014
Higher Education Members:	
Service Retirees, Survivors and Other Inactive Members	Tables based on TRS experience with full generational projection using Scale BB from Base Year 2014
Disabled Retirees	Tables based on TRS experience with full generational projection using Scale BB from Base Year 2014 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active Members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with full generational projection using Scale BB
Ad Hoc Post-Employment Benefit Changes	None

The many actuarial assumptions used in the valuation were primarily based on the result of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2011 to August 31, 2016 for state agency members and for the period September 1, 2010 to August 31, 2017 for higher education members. The mortality rates were based on the tables identified in the tables above.

Discount Rate

The discount rate that was used to measure the total OPEB liability is the municipal bond rate of 3.96% as of the end of the measurement year; as of the beginning of the measurement year, the discount rate was 3.51%. Projected cash flows into the plan are equal to projected benefit payments out of the plan. As the plan operates on a pay as you go basis and is not intended to accumulate assets, there is no long-term expected rate of return. ERS' board of trustees adopted an amendment to the investment policy in August 2017 to require that all funds in this plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments be at least 2.4%. The investment rate of return used to calculate the projected earnings on OPEB plan investments was 3.51%.

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NOTES TO FINANCIAL STATEMENTS

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.96%) in measuring the 2019 Net OPEB Liability.

	1% Decrease in Discount Rate (2.96%)	Discount Rate (3.96%)	1% Increase in Discount Rate (4.96%)
Texas Tech Public Media's Proportionate Share of the Net OPEB Liability	\$ <u>3,078,582</u>	\$ <u>2,593,074</u>	\$ <u>2,225,599</u>

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.51%) in measuring the 2018 Net OPEB Liability.

	1% Decrease in Discount Rate (2.51%)	Discount Rate (3.51%)	1% Increase in Discount Rate (4.51%)
Texas Tech Public Media's Proportionate Share of the Net OPEB Liability	\$ <u>1,036,716</u>	\$ <u>868,483</u>	\$ <u>738,173</u>

Healthcare Cost Trend Rates Sensitivity Analysis

The following presents the 2019 Net OPEB Liability of the plan using the assumed healthcare cost trend rate, as well as what the Net OPEB Liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Texas Tech Public Media's Proportionate Share of the Net OPEB Liability	\$ <u>2,195,998</u>	\$ <u>2,593,074</u>	\$ <u>3,105,302</u>

The following presents the 2018 Net OPEB Liability of the plan using the assumed healthcare cost trend rate, as well as what the Net OPEB Liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Texas Tech Public Media's Proportionate Share of the Net OPEB Liability	\$ <u>730,108</u>	\$ <u>868,483</u>	\$ <u>1,048,034</u>

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

OPEB Liabilities and OPEB Expense

At August 31, 2019, Texas Tech Public Media reported a liability of \$2,593,074 and \$868,483 for its proportionate share of the TRS's net OPEB liability measured at August 31, 2018 and August 31, 2017, respectively.

The Net OPEB Liability was measured as of August 31, 2018 for fiscal year 2019 reporting and as of August 31, 2017 for fiscal year 2018 reporting. The total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability at the August 31, 2018 and August 31, 2017 measurement dates was 0.008749% and 0.002549%, respectively. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers and non-employers contributing to the plan for the period September 1, 2017 through August 31, 2018 for fiscal year 2019 and for the period September 1, 2016 through August 31, 2017 for fiscal year 2018 reporting.

For the years ending August 31, 2019 and 2018, Texas Tech Public Media recognized OPEB expense of \$428,566 and \$46,478, respectively.

Changes Since the Prior Actuarial Valuation

The following assumptions and other inputs have been adopted since the prior valuation to reflect plan experience and trends as expected by ERS and the actuaries attesting to the results of the valuation:

- Demographic assumptions (including rates of retirement, disability, termination, mortality, and assumed salary increases) for higher education members have been updated to reflect assumptions recently adopted by the Trustees from TRS.
- Assumed expenses, assumed Per Capita Health Benefit Costs, assumed Health Benefit Costs, Retiree Contributions and expense trends have been updated to reflect recent experience and their effects on the short-term expectations.
- Percentage of current retirees and their spouses net yet eligible to participate in the HealthSelect Medicare Advantage plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence have been updated to reflect recent plan experience and expected trends.
- Percentage of future retirees assumed to be married and electing coverage for their spouse have been updated to reflect recent plan experience and expected trends.
- Discount rate assumption was increased from 3.51% to 3.96% to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rate AA/Aa (or equivalent) or higher in effect on the measurement date.

The only benefit revisions that have been adopted since the prior valuation for retirees and dependents for whom Medicare is not primary is an increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect plans.

TEXAS TECH PUBLIC MEDIA

NOTES TO FINANCIAL STATEMENTS

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2019, Texas Tech Public Media reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Actuarial Experience	\$	\$ 95,002
Changes in Actuarial Assumptions		908,684
Difference Between Projected and Actual Investment Earnings	1,228	
Changes in Proportion and Difference Between the Employer's Contributions and the Proportionate Share of Contributions	2,042,311	
Contributions Paid to ERS Subsequent to the Measurement Date	213,391	
Total	\$ 2,256,930	\$ 1,003,686

The net amounts of the employer's balances of deferred outflows and inflows of resources (not including the deferred contribution paid subsequent to the measurement date) related to OPEBs will be recognized in OPEB expense as follows:

Year Ended August 31	OPEB (Benefit) Expense
2020	\$ 188,714
2021	188,714
2022	188,714
2023	271,628
2024	202,083
	\$ 1,039,853

At August 31, 2018, Texas Tech Public Media reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Actuarial Experience	\$	\$ 10,437
Changes in Actuarial Assumptions		181,589
Difference Between Projected and Actual Investment Earnings	257	
Contributions Paid to ERS Subsequent to the Measurement Date	25,160	
Total	\$ 25,417	\$ 192,026

TEXAS TECH PUBLIC MEDIA
NOTES TO FINANCIAL STATEMENTS

9. RELATED PARTIES

Texas Tech Public Media is a public telecommunications entity licensed to Texas Tech University. As such, Texas Tech University is considered a related party. The radio station pays rent to the University for their facilities in the Plaza building. The University also pays for salaries and benefits, utilities, maintenance, education and general expenses and rent. The total of these expenses was \$601,047 and \$628,456 for the television station and \$244,774 and \$244,799 for the radio station for the years ended August 31, 2019 and 2018, respectively.

	TELEVISION		RADIO	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Salaries and Benefits	\$ 436,654	\$ 450,578	\$ 154,425	\$ 150,007
Education and General	138,957	153,014	87,044	91,658
Maintenance	11,052	10,480	3,305	3,134
Utilities	14,384	14,384		
	<u>\$ 601,047</u>	<u>\$ 628,456</u>	<u>\$ 244,774</u>	<u>\$ 244,799</u>

10. LITIGATION

There is no litigation pending against Texas Tech Public Media which would have a material effect on the financial statements.

11. SUBSEQUENT EVENTS

Texas Tech Public Media's management has evaluated subsequent events through January 9, 2020, the date which the financial statements were available for issue.

Subsequent to year end, Texas Tech Public Media agreed to purchase the assets and operate the noncommercial education television broadcast station KCOS, licensed to El Paso, Texas.

TEXAS TECH PUBLIC MEDIA
NOTES TO FINANCIAL STATEMENTS

12. RECONCILIATION OF FINANCIAL STATEMENTS TO CPB REPORT

TELEVISION

	<u>2019</u>	<u>2018</u>
Revenue and Interest Income per Audited Financial Statements	\$ 1,785,851	\$ 1,842,068
Indirect Administrative Support from Texas Tech University	<u>(164,393)</u>	<u>(177,878)</u>
Revenue per CPB Report, Schedule A, Line 22	<u>\$ 1,621,458</u>	<u>\$ 1,664,190</u>
Expenses per Audited Financial Statements	\$ 2,171,980	\$ 1,992,973
Cost of Capital Assets	<u>46,170</u>	<u>46,170</u>
Expenditures per CPB Report, Schedule E, Line 10	<u>\$ 2,171,980</u>	<u>\$ 2,039,143</u>

RADIO

	<u>2019</u>	<u>2018</u>
Revenue and Interest Income per Audited Financial Statements	\$ 833,750	\$ 1,005,478
Indirect Administrative Support from Texas Tech University	<u>(90,349)</u>	<u>(94,792)</u>
Revenue per CPB Report, Schedule A, Line 22	<u>\$ 743,401</u>	<u>\$ 910,686</u>
Expenses per Audited Financial Statements	\$ 1,242,423	\$ 1,117,636
Expenditures per CPB Report, Schedule E, Line 10	<u>\$ 1,242,423</u>	<u>\$ 1,117,636</u>

REQUIRED SUPPLEMENTARY INFORMATION

TEXAS TECH PUBLIC MEDIA

**SCHEDULES OF THE TEXAS TECH PUBLIC MEDIA'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEARS ENDED AUGUST 31**

	2019 Plan Year 2018	2018 Plan Year 2017	2017 Plan Year 2016	2016 Plan Year 2015	2015 Plan Year 2014
Texas Tech Public Media's Proportion of the Net Pension Liability	0.002335%	0.002198%	0.002273%	0.001914%	0.002322%
Texas Tech Public Media's Proportionate Share of Net Pension Liability	\$ <u>1,285,494</u>	\$ <u>702,902</u>	\$ <u>858,733</u>	\$ <u>676,620</u>	\$ <u>620,157</u>
Texas Tech Public Media's Covered Payroll	\$ 1,136,906	\$ 1,099,240	\$ 873,901	\$ 871,896	\$ 803,799
Texas Tech Public Media's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	113.07%	63.94%	98.26%	77.60%	77.15%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.74%	82.17%	78.00%	78.43%	83.25%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2018 for 2019, August 31, 2017 for 2018, August 31, 2016 for 2017, August 31, 2015 for 2016, and August 31, 2014 for 2015.

Note: In accordance with GASB 68, Paragraph 138, only five years of data are presented this reporting period. "The information for all periods for the ten year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

TEXAS TECH PUBLIC MEDIA

**SCHEDULES OF TEXAS TECH PUBLIC MEDIA'S CONTRIBUTIONS
FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEARS ENDED AUGUST 31**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 78,676	\$ 72,048	\$ 73,360	\$ 41,805	\$ 58,861
Contribution in Relation to the Contractually Required Contribution	<u>(78,676)</u>	<u>(72,048)</u>	<u>(73,360)</u>	<u>(41,805)</u>	<u>(58,861)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Texas Tech Public Media's Covered Payroll	\$ 1,128,040	\$ 1,136,906	\$ 1,099,240	\$ 873,901	\$ 871,896
Contributions as a Percentage of Covered Payroll	6.97%	6.34%	6.67%	4.78%	6.75%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of Texas Tech Public Media's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Note: In accordance with GASB 68, Paragraph 138, only five years of data are presented this reporting period. "The information for all periods for the ten year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

TEXAS TECH PUBLIC MEDIA

SCHEDULES OF THE TEXAS TECH PUBLIC MEDIA'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31

	2019 <u>Plan Year 2018</u>	2018 <u>Plan Year 2017</u>
Texas Tech Public Media's Proportion of the Net OPEB Liability	0.008749%	0.002549%
Texas Tech Public Media's Proportionate Share of Net OPEB Liability	\$ <u>2,593,074</u>	\$ <u>868,483</u>
Texas Tech Public Media's Covered Payroll	\$ 1,136,906	\$ 1,099,240
Texas Tech Public Media's Proportionate Share of Net OPEB Liability as a Percentage of its Covered Payroll	228.08%	79.01%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.27%	2.04%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule be determined as of the measurement date. Therefore the amounts reported for FY 2019 are for the measurement date August 31, 2018 and FY 2018 are for the measurement date August 31, 2017.

Note: This schedule shows only two years for which this information is available. Additional information will be added until ten years of data are available and reported.

TEXAS TECH PUBLIC MEDIA

**SCHEDULES OF TEXAS TECH PUBLIC MEDIA'S CONTRIBUTIONS
FOR OTHER POSTEMPLOYMENT BENEFITS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31**

	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 204,088	\$ 69,201
Contribution in Relation to the Contractually Required Contribution	<u>(28,314)</u>	<u>(23,889)</u>
Contribution Deficiency (Excess)	<u>\$ 175,774</u>	<u>\$ 45,312</u>
 Texas Tech Public Media's Covered Payroll	 \$ 1,128,040	 \$ 1,136,906
 Contributions as a Percentage of Covered Payroll	 18.09%	 6.09%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of Texas Tech Public Media's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Note: This schedule shows only two years for which this information is available. Additional information will be added until ten years of data are available and reported.

TEXAS TECH PUBLIC MEDIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

A. NOTES TO SCHEDULES FOR THE TRS PENSION

Changes of Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Changes of Assumptions

Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The Net Pension Liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants were updated based on the same experience study.
- The discount rate changed from 8.00% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.00% to 7.25%.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

B. NOTES TO SCHEDULES FOR THE ERS OPEB PLAN

Changes of Benefit Terms

The only benefit revisions that have been adopted since the prior valuation for retirees and dependents for whom Medicare is not primary is an increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect plans.

TEXAS TECH PUBLIC MEDIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of Assumptions

The following assumptions and other inputs have been adopted since the prior valuation to reflect plan experience and trends as expected by ERS and the actuaries attesting to the results of the valuation:

- Demographic assumptions (including rates of retirement, disability, termination, mortality, and assumed salary increases) for higher education members have been updated to reflect assumptions recently adopted by the Trustees from TRS.
- Assumed expenses, assumed Per Capita Health Benefit Costs, assumed Health Benefit Costs, Retiree Contributions and expense trends have been updated to reflect recent experience and their effects on the short-term expectations.
- Percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence have been updated to reflect recent plan experience and expected trends.
- Percentage of future retirees assumed to be married and electing coverage for their spouse have been updated to reflect recent plan experience and expected trends.
- Discount rate assumption was increased from 3.51% to 3.96% to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rate AA/Aa (or equivalent) or higher in effect on the measurement date.

SUPPLEMENTAL INFORMATION

TEXAS TECH PUBLIC MEDIA

COMBINING STATEMENTS OF NET POSITION
AUGUST 31, 2019 AND 2018

	Television		Radio		Total	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 1,139,007	\$ 841,123	\$ 526,030	\$ 748,916	\$ 1,665,037	\$ 1,590,039
Restricted Cash	69,896	41,319	6,420	57,881	76,316	99,200
Accounts Receivable	66,516	83,041	129,681	75,536	196,197	158,577
Promises to Give, net	29,105	29,475	10,375	12,234	39,480	41,709
Licensed Program Rights		269,340	5,781	5,492	5,781	274,832
Prepaid Items	45,439	46,692	14,185	13,561	59,624	60,253
Total Current Assets	\$ 1,349,963	\$ 1,310,990	\$ 692,472	\$ 913,620	\$ 2,042,435	\$ 2,224,610
Capital Assets, at cost						
Building	\$ 589,603	\$ 589,603	\$	\$	\$ 589,603	\$ 589,603
Transmitter, Antenna and Tower Equipment	555,826	555,826	536,921	536,921	1,092,747	1,092,747
Broadcasting and Production Equipment	4,579,897	4,723,852	134,716	134,716	4,714,613	4,858,568
Furniture and Fixtures	64,103	64,103			64,103	64,103
	\$ 5,789,429	\$ 5,933,384	\$ 671,637	\$ 671,637	\$ 6,461,066	\$ 6,605,021
Less: Accumulated Depreciation	(4,982,890)	(4,970,427)	(599,784)	(569,467)	(5,582,674)	(5,539,894)
Capital Assets, net	\$ 806,539	\$ 962,957	\$ 71,853	\$ 102,170	\$ 878,392	\$ 1,065,127
Total Assets	\$ 2,156,502	\$ 2,273,947	\$ 764,325	\$ 1,015,790	\$ 2,920,827	\$ 3,289,737
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows - Pension	\$ 365,852	\$ 110,833	\$ 250,199	\$ 48,173	\$ 616,051	\$ 159,006
Deferred Outflows - OPEB	1,327,526	14,293	929,404	11,124	2,256,930	25,417
Total Deferred Outflows of Resources	\$ 1,693,378	\$ 125,126	\$ 1,179,603	\$ 59,297	\$ 2,872,981	\$ 184,423
LIABILITIES						
Current Liabilities						
Accounts Payable and Accrued Liabilities	\$ 205	\$ 7,786	\$ 9,395	\$ 4,491	\$ 9,600	\$ 12,277
Accrued Payroll	55,060	68,750	52,481	46,118	107,541	114,868
Accrued Compensated Absences	50,529	72,334	41,653	54,574	92,182	126,908
Licensed Program Liability	65,702				65,702	0
Unearned Revenue	28,601	30,928	63,189	36,540	91,790	67,468
Total Current Liabilities	\$ 200,097	\$ 179,798	\$ 166,718	\$ 141,723	\$ 366,815	\$ 321,521
Noncurrent Liabilities						
Net Pension Liability	\$ 799,356	\$ 474,285	\$ 486,138	\$ 228,617	\$ 1,285,494	\$ 702,902
Net OPEB Liability	1,525,246	488,348	1,067,828	380,135	2,593,074	868,483
Total Noncurrent Liabilities	\$ 2,324,602	\$ 962,633	\$ 1,553,966	\$ 608,752	\$ 3,878,568	\$ 1,571,385
Total Liabilities	\$ 2,524,699	\$ 1,142,431	\$ 1,720,684	\$ 750,475	\$ 4,245,383	\$ 1,892,906
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows - Pension	\$ 72,373	\$ 100,097	\$ 37,478	\$ 59,441	\$ 109,851	\$ 159,538
Deferred Inflows - OPEB	590,368	107,976	413,318	84,050	1,003,686	192,026
Total Deferred Inflows of Resources	\$ 662,741	\$ 208,073	\$ 450,796	\$ 143,491	\$ 1,113,537	\$ 351,564
NET POSITION						
Investment in Capital Assets	\$ 806,539	\$ 962,957	\$ 71,853	\$ 102,170	\$ 878,392	\$ 1,065,127
Restricted Expendable	69,896	41,319	6,420	57,881	76,316	99,200
Unrestricted (Deficit)	(213,995)	44,293	(305,825)	21,070	(519,820)	65,363
Total Net Position	\$ 662,440	\$ 1,048,569	\$ (227,552)	\$ 181,121	\$ 434,888	\$ 1,229,690

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TEXAS TECH PUBLIC MEDIA

**COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018**

	Television		Radio		Total	
	2019	2018	2019	2018	2019	2018
OPERATING REVENUES						
Contributions	\$ 168,374	\$ 167,311	\$ 244,417	\$ 361,773	\$ 412,791	\$ 529,084
Grants from CPB	772,655	767,572	171,897	156,265	944,552	923,837
Donated Support from the University						
Direct Administrative Support	436,654	450,578	154,425	150,007	591,079	600,585
Indirect Administrative Support	164,393	177,878	90,349	94,792	254,742	272,670
Other Grants		10,000		20,342	0	30,342
Business Contributions and Underwriting	213,705	232,902	171,967	217,264	385,672	450,166
Miscellaneous Income	27,140	32,955		3,454	27,140	36,409
Total Operating Revenues	\$ 1,782,921	\$ 1,839,196	\$ 833,055	\$ 1,003,897	\$ 2,615,976	\$ 2,843,093
OPERATING EXPENSES						
Program Services						
Programming and Production	\$ 1,031,921	\$ 950,796	\$ 532,140	\$ 493,171	\$ 1,564,061	\$ 1,443,967
Broadcasting	361,306	401,075	143,247	97,198	504,553	498,273
Program Information	74,713	87,497	88,643	83,692	163,356	171,189
	<u>\$ 1,467,940</u>	<u>\$ 1,439,368</u>	<u>\$ 764,030</u>	<u>\$ 674,061</u>	<u>\$ 2,231,970</u>	<u>\$ 2,113,429</u>
Supporting Services						
Management and General	\$ 504,245	\$ 432,258	\$ 321,106	\$ 296,513	\$ 825,351	\$ 728,771
Fundraising & Membership Development	161,917	115,829	152,420	126,935	314,337	242,764
Underwriting and Grant Solicitation	37,878	5,518	4,867	20,127	42,745	25,645
	<u>\$ 704,040</u>	<u>\$ 553,605</u>	<u>\$ 478,393</u>	<u>\$ 443,575</u>	<u>\$ 1,182,433</u>	<u>\$ 997,180</u>
Total Operating Expenses	\$ 2,171,980	\$ 1,992,973	\$ 1,242,423	\$ 1,117,636	\$ 3,414,403	\$ 3,110,609
OPERATING INCOME (LOSS)	\$ (389,059)	\$ (153,777)	\$ (409,368)	\$ (113,739)	\$ (798,427)	\$ (267,516)
NONOPERATING REVENUE						
Interest Income	\$ 2,930	\$ 2,872	\$ 695	\$ 1,581	\$ 3,625	\$ 4,453
Total Nonoperating Revenue	\$ 2,930	\$ 2,872	\$ 695	\$ 1,581	\$ 3,625	\$ 4,453
CHANGE IN NET POSITION	\$ (386,129)	\$ (150,905)	\$ (408,673)	\$ (112,158)	\$ (794,802)	\$ (263,063)
NET POSITION, BEGINNING OF YEAR	1,048,569	1,199,474	181,121	293,279	1,229,690	1,492,753
NET POSITION (DEFICIT), END OF YEAR	\$ 662,440	\$ 1,048,569	\$ (227,552)	\$ 181,121	\$ 434,888	\$ 1,229,690

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TEXAS TECH PUBLIC MEDIA

**COMBINING STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018**

	Television		Radio		Total	
	2019	2018	2019	2018	2019	2018
CASH FLOWS - OPERATING ACTIVITIES						
Receipts From Contributors, Grants & Underwriters	\$ 1,165,075	\$ 1,457,700	\$ 543,959	\$ 731,122	\$ 1,709,034	\$ 2,188,822
Other Receipts	27,140	32,955		3,453	27,140	36,408
Payments to Employees	(451,946)	(450,165)	(403,814)	(435,445)	(855,760)	(885,610)
Payments to Suppliers	(262,696)	(1,211,712)	(278,460)	(249,522)	(541,156)	(1,461,234)
Payments for Employee Benefits	(154,042)	(165,091)	(136,727)	(138,982)	(290,769)	(304,073)
Net Cash From Operating Activities	\$ 323,531	\$ (336,313)	\$ (275,042)	\$ (89,374)	\$ 48,489	\$ (425,687)
CASH FLOWS - CAPITAL & RELATED FINANCING ACTIVITIES						
Acquisition of Capital Assets	\$ 0	\$ (46,170)	\$ 0	\$ 0	\$ 0	\$ (46,170)
Net Cash From Capital and Related Financing Activities	\$ 0	\$ (46,170)	\$ 0	\$ 0	\$ 0	\$ (46,170)
CASH FLOWS - INVESTING ACTIVITIES						
Interest Received	\$ 2,930	\$ 2,872	\$ 695	\$ 1,581	\$ 3,625	\$ 4,453
Net Cash From Investing Activities	\$ 2,930	\$ 2,872	\$ 695	\$ 1,581	\$ 3,625	\$ 4,453
NET CHANGE IN CASH & CASH EQUIVALENTS	\$ 326,461	\$ (379,611)	\$ (274,347)	\$ (87,793)	\$ 52,114	\$ (467,404)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>882,442</u>	<u>1,262,053</u>	<u>806,797</u>	<u>894,590</u>	<u>1,689,239</u>	<u>2,156,643</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,208,903</u>	<u>\$ 882,442</u>	<u>\$ 532,450</u>	<u>\$ 806,797</u>	<u>\$ 1,741,353</u>	<u>\$ 1,689,239</u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:						
Operating (Loss)	\$ (389,059)	\$ (153,777)	\$ (409,368)	\$ (113,739)	\$ (798,427)	\$ (267,516)
Adjustments to Reconcile Income from Operations to Net Cash From Operating Activities						
Depreciation	\$ 156,418	\$ 173,297	\$ 30,317	\$ 42,563	\$ 186,735	\$ 215,860
Loss on Disposal of Assets		8,494		2,197	0	10,691
Pension Expense	325,071	(88,410)	257,521	(67,421)	582,592	(155,831)
OPEB Expense	1,036,898	(81,697)	687,693	(63,594)	1,724,591	(145,291)
Net Change in:						
Account Receivable	16,525	(46,939)	(54,145)	(35,716)	(37,620)	(82,655)
Promises to Give	370	(4,153)	1,859	(2,017)	2,229	(6,170)
Prepaid Items	1,253	12,931	(624)	5,216	629	18,147
Licensed Program Rights	269,340	(269,340)	(289)	140	269,051	(269,200)
Deferred Outflows of Resources	(1,568,252)	28,570	(1,120,306)	21,563	(2,688,558)	50,133
Accounts Payable & Accrued Liabilities	(43,076)	12,889	(1,654)	16,347	(44,730)	29,236
Licensed Program Liabilities	65,702	(64,349)			65,702	(64,349)
Unearned Revenue	(2,327)	(471)	26,649	(824)	24,322	(1,295)
Deferred Inflows of Resources	454,668	136,642	307,305	105,911	761,973	242,553
Total Adjustments	\$ 712,590	\$ (182,536)	\$ 134,326	\$ 24,365	\$ 846,916	\$ (158,171)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 323,531</u>	<u>\$ (336,313)</u>	<u>\$ (275,042)</u>	<u>\$ (89,374)</u>	<u>\$ 48,489</u>	<u>\$ (425,687)</u>

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

January 9, 2020

To the Texas Tech University System Board of Regents
Texas Tech Public Media
Lubbock, Texas

We have audited the financial statements of Texas Tech Public Media for the year ended August 31, 2019, and have issued our report thereon dated January 9, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated August 29, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Texas Tech Public Media are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

We noted no transactions entered into by Texas Tech Public Media during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the rates used to calculate depreciation and the estimate of its proportionate share of the net pension liability and net OPEB liability. Management's estimate of the depreciation rate is a composite rate based on industry accepted guidelines and the rates are within those guidelines. We evaluated the key factors and assumptions used to develop the depreciation rate in determining that it is reasonable in relation to the financial statements taken as a whole. Management's estimate of their proportionate share for the pension and OPEB liabilities were based on various reports from Teacher Retirement System of Texas (TRS) and Employees Retirement System of Texas (ERS). The reports are based on the audited financial statements of the plans. We evaluated the key factors and assumptions used to develop the pension and OPEB liabilities and related amounts in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are disclosed in notes to the financial statements, which are related to Texas Tech Public Media's related party transactions and defined benefit pension plan and OPEB plan.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. All adjustments made as a part of this audit are attached to this letter.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 9, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Texas Tech Public Media's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Texas Tech Public Media's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis and information related to pension and other postemployment benefit (OPEB) liabilities, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Regents and management of Texas Tech Public Media and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Balinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Client: **82240 - Texas Tech Public Media**
Engagement: **2019 Texas Tech Public Media**
Period Ending: **8/31/2019**
Trial Balance: **017 - Radio - Working Trial Balance**
Workpaper: **017b - Radio - Adjusting Journal Entries**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To correct opening balances				
20.1210	Pledges Receivable		12,234.00	
20.1900	Pension Outflows		48,173.00	
20.1950	OPEB Outflows		11,124.00	
20.3000	Net Assets		735,286.00	
20.2250	Accrued Employee Compensated Absences			54,574.00
20.2800	Net Pension Liability			228,617.00
20.2850	Net OPEB Liability			380,135.00
20.2900	Pension Inflows			59,441.00
20.2950	OPEB Inflows			84,050.00
Total			806,817.00	806,817.00
Adjusting Journal Entries JE # 2				
To record change in pledges receivables				
20.4000	Contributions		1,859.00	
20.1210	Pledges Receivable			1,859.00
Total			1,859.00	1,859.00
Adjusting Journal Entries JE # 3				
To reclassify accrued payroll				
20.1000	Cash and Cash Equivalents		52,481.00	
20.2200	Accrued Payroll			52,481.00
Total			52,481.00	52,481.00
Adjusting Journal Entries JE # 4				
To adjust accrued leave as of 8/31/19				
20.2250	Accrued Employee Compensated Absences		12,921.00	
20.5000	Programming and Production			5,321.00
20.5100	Broadcasting			1,455.00
20.5200	Program Information			1,549.00
20.5300	Management and General			2,298.00
20.5400	Fund Raising and Membership Development			2,298.00
Total			12,921.00	12,921.00
Adjusting Journal Entries JE # 5				
To reclass expenses				
20.5100	Broadcasting		6,226.00	
20.5200	Program Information		4,920.00	
20.5300	Management and General		5,830.00	
20.1000	Cash and Cash Equivalents			12,500.00
20.5000	Programming and Production			4,476.00
Total			16,976.00	16,976.00
Adjusting Journal Entries JE # 6				
To record GASB 68 amounts				
20.1900	Pension Outflows		202,026.00	
20.2900	Pension Inflows		21,963.00	
20.5000	Programming and Production		14,104.00	
20.5100	Broadcasting		2,871.00	
20.5200	Program Information		3,299.00	
20.5300	Management and General		7,195.00	
20.5400	Fund Raising and Membership Development		6,063.00	
20.2800	Net Pension Liability			257,521.00
Total			257,521.00	257,521.00
Adjusting Journal Entries JE # 7				
To record GASB 75 amounts				
20.1950	OPEB Outflows		918,280.00	
20.5000	Programming and Production		41,508.00	
20.5100	Broadcasting		8,447.00	
20.5200	Program Information		9,708.00	
20.5300	Management and General		21,175.00	
20.5400	Fund Raising and Membership Development		17,843.00	
20.2850	Net OPEB Liability			687,693.00
20.2950	OPEB Inflows			329,268.00
Total			1,016,961.00	1,016,961.00
Adjusting Journal Entries JE # 8				
To reclassify radio prepaid programming rights				
20.1310	Licensed Program Rights		5,781.00	
20.1300	Prepaid Expenses			5,781.00
Total			5,781.00	5,781.00

Adjusting Journal Entries JE # 9

To write off uncollectible receivables (MediaSpot)

20.5600	Bad Debt Expense	2,014.00	
20.1200	Accounts Receivable		2,014.00
Total		2,014.00	2,014.00

Adjusting Journal Entries JE # 10

To record indirect admin support

20.5300	Management and General	90,349.00	
20.4250	TTU Support Indirect		90,349.00
Total		90,349.00	90,349.00

Adjusting Journal Entries JE # 11

To reclass all Foundation Grants to Foundation Contributions

20.4150	Grants - Other Local	154,342.00	
20.4400	Foundation Contributions		154,342.00
Total		154,342.00	154,342.00

Total Adjusting Journal Entries**2,418,022.00****Total All Journal Entries****2,418,022.00**

Client: **82240 - Texas Tech Public Media**
Engagement: **2019 Texas Tech Public Media**
Period Ending: **8/31/2019**
Trial Balance: **017 - TV - Working Trial Balance**
Workpaper: **017b - TV - Adjusting Journal Entries**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To correct opening balances				
10.1210	Pledges Receivable		29,475.00	
10.1900	Pension Outflows		110,833.00	
10.1950	OPEB Outflows		14,293.00	
10.3000	Net Assets		1,154,208.00	
10.2250	Accrued Employee Compensated Absences			72,334.00
10.2800	Net Pension Liability			474,285.00
10.2850	Net OPEB Liability			488,348.00
10.2900	Pension Inflows			100,097.00
10.2950	OPEB Inflows			107,976.00
10.5000	Programming and Production			65,769.00
Total			1,308,809.00	1,308,809.00
Adjusting Journal Entries JE # 2				
To record change in pledges receivable				
10.4000	Individual Contributions		370.00	
10.1210	Pledges Receivable			370.00
Total			370.00	370.00
Adjusting Journal Entries JE # 3				
To reclassify accrued payroll				
10.1000	Cash and Cash Equivalents		55,060.00	
10.2200	Accrued Payroll			55,060.00
Total			55,060.00	55,060.00
Adjusting Journal Entries JE # 4				
To adjust accrued leave as of 8/31/19				
10.2250	Accrued Employee Compensated Absences		21,805.00	
10.5000	Programming and Production			10,962.00
10.5100	Broadcasting			5,696.00
10.5200	Program Information			987.00
10.5300	Management and General			3,153.00
10.5400	Fund Raising and Membership Development			1,007.00
Total			21,805.00	21,805.00
Adjusting Journal Entries JE # 5				
To reclass expenses				
10.1000	Cash and Cash Equivalents		12,500.00	
10.5400	Fund Raising and Membership Development		10,811.00	
10.5200	Program Information			6,561.00
10.5300	Management and General			16,750.00
Total			23,311.00	23,311.00
Adjusting Journal Entries JE # 6				
To record GASB 68 amounts				
10.1900	Pension Outflows		255,019.00	
10.2900	Pension Inflows		27,724.00	
10.5000	Programming and Production		20,517.00	
10.5100	Broadcasting		5,433.00	
10.5200	Program Information		2,441.00	
10.5300	Management and General		8,953.00	
10.5400	Fund Raising and Membership Development		4,984.00	
10.2800	Net Pension Liability			325,071.00
Total			325,071.00	325,071.00
Adjusting Journal Entries JE # 7				
To record GASB 75 amounts				
10.1950	OPEB Outflows		1,313,233.00	
10.5000	Programming and Production		99,878.00	
10.5100	Broadcasting		26,449.00	
10.5200	Program Information		11,886.00	
10.5300	Management and General		43,582.00	
10.5400	Fund Raising and Membership Development		24,262.00	
10.2850	Net OPEB Liability			1,036,898.00
10.2950	OPEB Inflows			482,392.00
Total			1,519,290.00	1,519,290.00

Adjusting Journal Entries JE # 8

To correct TV prepaids

10.1300	Prepaid Expenses	17,653.00	
10.5000	Programming and Production		3,459.00
10.5100	Broadcasting		5,887.00
10.5400	Fund Raising and Membership Development		8,307.00
Total		17,653.00	17,653.00

Adjusting Journal Entries JE # 9

To write off uncollectible receivables (MediaSpot)

10.5600	Bad Debt	9,090.00	
10.1200	Accounts Receivable		9,090.00
Total		9,090.00	9,090.00

Adjusting Journal Entries JE # 10

To reclass endowment funds to restricted cash

10.1000	Cash and Cash Equivalents	10,594.00	
10.1200	Accounts Receivable		10,594.00
Total		10,594.00	10,594.00

Adjusting Journal Entries JE # 11

To record indirect admin support

10.5000	Programming and Production	16,439.00	
10.5300	Management and General	147,954.00	
10.4250	Donated indirect admin support (TTU)		164,393.00
Total		164,393.00	164,393.00

Adjusting Journal Entries JE # 12

To reclass all Foundation Grants to Foundation Contributions

10.4150	Grants - Other	37,700.00	
10.4400	Foundation contributions		37,700.00
Total		37,700.00	37,700.00

Adjusting Journal Entries JE # 13

To record two months of programming expense and related liability

10.5000	Programming and Production	65,702.00	
10.2310	Licensed Program Liability		65,702.00
Total		65,702.00	65,702.00

Adjusting Journal Entries JE # 14

To adjust TV deferred revenues

10.2100	Deferred Revenue and Support	3,504.00	
10.4300	Underwriting revenue		3,504.00
Total		3,504.00	3,504.00

Total Adjusting Journal Entries**3,562,352.00****Total All Journal Entries****3,562,352.00**