KMUW-FM Radio
(A public telecommunications entity operated by Wichita State University, a component unit of the State of Kansas)

Financial Statements and Independent Auditor’s Report

June 30, 2019 and 2018
KMUW-FM Radio
(A public telecommunications entity operated by Wichita State University, a component unit of the State of Kansas)

Financial Statements and Independent Auditor’s Report

June 30, 2019 and 2018
<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Auditor’s Report</td>
<td>1</td>
</tr>
<tr>
<td>Management’s Discussion and Analysis</td>
<td>3</td>
</tr>
<tr>
<td>Financial Statements</td>
<td></td>
</tr>
<tr>
<td>Statements of Net Position</td>
<td>15</td>
</tr>
<tr>
<td>Statements of Revenues, Expenses and Changes in Net Position</td>
<td>16</td>
</tr>
<tr>
<td>Statements of Cash Flows</td>
<td>17</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>18</td>
</tr>
<tr>
<td>Other Supplementary Information</td>
<td></td>
</tr>
<tr>
<td>Schedules of Functional Expenses</td>
<td>27</td>
</tr>
</tbody>
</table>
Independent Auditor’s Report

Wichita State University Management
KMUW-FM Radio
(A public telecommunications entity operated
by Wichita State University, a component
unit of the State of Kansas)

We have audited the accompanying financial statements of KMUW-FM Radio (a public telecommunications entity operated by Wichita State University, a component unit of the State of Kansas), which comprise the statements of net position as of June 30, 2019 and 2018, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Corporation for Public Broadcasting principles of accounting and financial reporting for public telecommunications entities and 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 opinions on these financial statements based on our audits. We conducted our audits 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 opinions.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KMUW-FM Radio as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended in conformity with Corporation for Public Broadcasting principles of accounting and financial reporting for public telecommunications entities and accounting principles generally accepted in the United States of America.
Other Matters

Emphasis of Matter
As discussed in Note A, the financial statements present only KMUW-FM Radio, a department of Wichita State University, and do not purport to, and do not present fairly the financial position of the Wichita State University, as of June 30, 2019 and 2018, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3 through 14 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 audits 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 Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 27 and 28, are presented for purposes of additional analysis and are not a required part of the financial statements. The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

January 8, 2020
Wichita, Kansas
INTRODUCTION

This report, Management’s Discussion and Analysis, provides an overview of the financial position and results of activities of KMUW-FM Radio (hereinafter “KMUW” or “the station”) for the year ended June 30, 2019, with comparative information for the year ended June 30, 2018. It has been prepared by management and is required supplemental information to the financial statements that follow. The objective of this report is to help readers of the financial statements better understand KMUW’s financial position and operating activities for the year ended June 30, 2019.

Wichita State University follows Governmental Accounting Standards Board (GASB) Statement No. 35, Basic Financial Statements - and Management’s Discussion and Analysis - for Public Colleges and Universities. This statement established standards for the preparation of public college and university financial statements. As a department of Wichita State University, KMUW also follows GASB Statement No. 35.

KMUW is one of more than 950 listener-supported, noncommercial radio stations, operated by over 400 separate licensees in the United States generally described as “public radio.” Licensed to Wichita State University, KMUW operates at 100,000 watts at 89.1 FM with a schedule of programming rich in news, information, music, arts and ideas. KMUW’s mission is to serve as a trusted source of local, national and world news, providing its audience with a broad discussion of ideas and a distinctive blend of diverse music and entertainment, while operating as a significant public service of Wichita State University.

Wichita State University is a comprehensive public institution of higher education with approximately 15,000 students and 600 faculty members. The university offers 60 undergraduate degree programs in more than 200 areas of study in six undergraduate colleges, and its graduate school offers an extensive program including more than 50 master's degrees and several doctoral degrees. The university is an agency of the State of Kansas and is governed by the Kansas Board of Regents. The State of Kansas issues its own financial statements, which include the financial activities of the state’s university system.

USING THE FINANCIAL STATEMENTS

KMUW’s financial report includes three financial statements: the Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows. Each of these financial statements, along with highlights related to each, will be discussed in the sections that follow.
STATEMENTS OF NET POSITION

The Statements of Net Position present KMUW’s financial position as of June 30, 2019 and 2018. The difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is net position, an indicator of financial condition. As of June 30, 2019, the station’s net position was $1,314,807.

SUMMARY STATEMENTS OF NET POSITION

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 266,727</td>
<td>$ 264,709</td>
</tr>
<tr>
<td>Capital assets, net of depreciation</td>
<td>741,423</td>
<td>836,841</td>
</tr>
<tr>
<td>Other assets</td>
<td>487,196</td>
<td>464,235</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,495,346</td>
<td>1,565,785</td>
</tr>
<tr>
<td>Liabilities</td>
<td>180,539</td>
<td>148,324</td>
</tr>
<tr>
<td>Net position</td>
<td>$ 1,314,807</td>
<td>$ 1,417,461</td>
</tr>
</tbody>
</table>

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statements of Revenues, Expenses and Changes in Net Position serve as “income statements” and present the results of KMUW’s financial activity for the years ending June 30, 2019 and 2018. GASB principles require the categorization of revenues and expenses as either operating or nonoperating with university support falling in the nonoperating category. Since university support comprises a significant part of the station’s revenues each year, the reader of the financial statements should focus on the change in net position rather than the operating loss. The summary that follows illustrates this point.
### SUMMARY STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memberships, underwriting and gifts</td>
<td>$1,565,129</td>
<td>$1,425,735</td>
</tr>
<tr>
<td>Grants</td>
<td>329,148</td>
<td>254,233</td>
</tr>
<tr>
<td>Other</td>
<td>322,265</td>
<td>227,524</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>2,216,542</strong></td>
<td><strong>1,907,492</strong></td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>1,714,709</td>
<td>1,738,320</td>
</tr>
<tr>
<td>Supporting services</td>
<td>1,414,323</td>
<td>1,360,913</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>3,129,032</strong></td>
<td><strong>3,099,233</strong></td>
</tr>
<tr>
<td>Operating loss</td>
<td>(912,490)</td>
<td>(1,191,741)</td>
</tr>
<tr>
<td>Support from Wichita State University</td>
<td>806,614</td>
<td>799,463</td>
</tr>
<tr>
<td>Investment earnings (loss)</td>
<td>3,222</td>
<td>7,024</td>
</tr>
<tr>
<td><strong>Change in net position</strong></td>
<td><strong>(102,654)</strong></td>
<td><strong>(385,254)</strong></td>
</tr>
</tbody>
</table>

More information about financial matters follows in the Economic Environment section.

### STATEMENTS OF CASH FLOWS

The Statements of Cash Flows provide additional information about KMUW's financial results by reporting the major sources and uses of cash. GASB principles promulgate four major sources of cash flows: cash flows from operating activities, cash flows from noncapital financing activities, cash flows from capital and related financing activities, and cash flows from investing activities. Cash inflows from state appropriations are critical to funding station operations, but, as noted previously, GASB principles require they be reported as nonoperating cash flows.

### SUMMARY STATEMENTS OF CASH FLOWS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows used in operating activities</td>
<td>$ (399,777)</td>
<td>$ (613,425)</td>
</tr>
<tr>
<td>Cash flows from noncapital financing activities - appropriations</td>
<td>396,719</td>
<td>361,256</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>5,076</td>
<td>5,259</td>
</tr>
<tr>
<td><strong>Net change in cash and cash equivalents</strong></td>
<td><strong>$ 2,018</strong></td>
<td><strong>$ (246,910)</strong></td>
</tr>
</tbody>
</table>

The indirect administrative support reported as nonoperating revenue on the Statements of Revenues, Expenses and Changes in Net Position is an estimate of the value of facilities and services KMUW received during each year from Wichita State University. This value is determined in accordance with CPB guidelines. Its absence from the Statements of Cash Flows highlights the fact that this is noncash support.
CAPITAL ASSETS

Wichita State University and KMUW invested in a new broadcast facility in the Old Town area of downtown Wichita, with station personnel and operations moving April 25, 2016. There were no additional investments in capital assets in FY 2019 or FY 2018.

ECONOMIC ENVIRONMENT

Summary
Fiscal Year (FY) 2019 positioned KMUW for a leveling of revenues and expenses for the first time since the new facility and staff reorganizations of the past five years. It has been an exciting time to see the relocation and reorganization result in high-profile recognition in the community, state and nation based on the quality of journalism and civic engagement. These alignments position KMUW for a strong 2020 election year. KMUW is embarking on more community conversations and collaborative new coverage than ever. In FY 2019, a great deal of resources focused on preparing for the planned growth through professional development, project-specific training and pilot programs and internship expansion while keeping on track with a level budget. Traditionally, Presidential election years are a boost for public radio listening and support. There is no reason to expect this to be different in 2020, although the benefits will be split over FY 2020 and FY 2021. Meanwhile, KMUW closes FY 2019 with 4,013 unique member donors, up more than 18% in five years. KMUW listenership, tracked by Neilson Ratings, is at an all-time high of 86,600 listeners in a given four-week period, up from 76,600 three years ago (the first year that Neilson began using this metric), or a 13% listenership increase.

Listener and Corporate Support
Both of the station’s primary revenue streams went up in FY 2019. Member donations and their company’s matching went over $1 million for the first time, a 6% increase over FY 2018. Corporate and nonprofit underwriting reached $563,396, an 18% increase over FY 2018. Both of these areas exceeded expectations.

Planned Giving
The newly formed Planned Giving program has grown to include a total of 27 legacy gifts with a minimum expectancy of $1,290,000. This has more than doubled in one year. This revenue stream is designed to be a savings mechanism and is not intended for annual operating costs.

Grant Initiatives
KMUW secured six new grants from non-CPB and KPBC sources in FY 2019. Grant revenue from new sources totaled $42,700 for the year and the station will continue to pursue new grant opportunities.

Community Service and Outreach
FY 2019 saw the start of a much more focused outreach program. Professional staff speak to community groups and classrooms regularly. We have begun on-air promotion of conversations that are open to the public, such as library talks with our book reviewer. As part of this organizational effort, we also began tracking staff community volunteer work in the community and on campus, resulting in a list of more than 50 boards and organizations represented among our passionate KMUW staff.
Diversity of Voices in Programming
The diversity and popularity of KMUW’s arts and music programming continues to reach more and more listeners as the KMUW-produced show Global Village adds more stations each year and reaches more than 400 stations worldwide.

KMUW’s Podcast Program is growing quickly and five of our podcasts are now carried on the NPR national news website. KMUW also led production of a new statewide podcast, a part of the Kansas News Service, a cooperative of public radio stations in the state, called My Fellow Kansans, which discussed issues in the 2018 Gubernatorial election. The 2019 season of My Fellow Kansans has proven to be even more engaging about issues facing rural Kansas. While focusing on diverse voices in the community and being a resource for the area, KMUW hosted a debate with a local TV station on the election.

The diversity of voices continues to increase through KMUW’s commentator segments. This effort to include multiple perspectives from Wichita helps make listeners feel more connected to the community while making KMUW even more relatable and enjoyable. Our commentaries include topics by the following hosts, who are primarily community volunteers:

<table>
<thead>
<tr>
<th>Commentator</th>
<th>Segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jedd Beaudoin</td>
<td>A Musical Life &amp; Cultural Shorts</td>
</tr>
<tr>
<td>Josh Cary &amp; Tom Jackson</td>
<td>Cooking with Fire (also extended podcast)</td>
</tr>
<tr>
<td>Curt Clonts</td>
<td>An Artist’s Perspective</td>
</tr>
<tr>
<td>Richard Crowson</td>
<td>Politics Editorials</td>
</tr>
<tr>
<td>Ken Ciboski</td>
<td>Local Politics Editorials</td>
</tr>
<tr>
<td>Lael Ewy</td>
<td>On Words</td>
</tr>
<tr>
<td>Mark Foley</td>
<td>Musical Space (also extended podcast)</td>
</tr>
<tr>
<td>Beth Golay</td>
<td>Marginalia (also extended podcast)</td>
</tr>
<tr>
<td>Robin Henry</td>
<td>Past &amp; Present</td>
</tr>
<tr>
<td>Samuel McConnell</td>
<td>Your Move</td>
</tr>
<tr>
<td>Sandra Moore Coleman</td>
<td>On Stage</td>
</tr>
<tr>
<td>Fletcher Powell</td>
<td>Indie Film &amp; Movie Reviews (also podcast)</td>
</tr>
<tr>
<td>Jay Price</td>
<td>Past &amp; Present</td>
</tr>
<tr>
<td>Suzanne Tobias</td>
<td>Book Reviews</td>
</tr>
<tr>
<td>Robert E. Weems, Jr.</td>
<td>Past &amp; Present</td>
</tr>
<tr>
<td>“You’re Saying it Wrong”</td>
<td>Nationally distributed podcast</td>
</tr>
</tbody>
</table>

News and Production Recognition

Kansas Association of Broadcasters

- Large Market Radio: Station of the Year (six years running)
- 1st place
  - Hard News Feature, “Pipe Dreams: Effort to Keep Famous Wurlitzer in Wichita Amid Century II’s Uncertain Future” (Deborah Shaar)
  - Spot News, “Wichita to get New Baseball Team, Stadium” (Nadya Faulx)
  - Special Program, “Hope for the Future: The Dockum Sit-In, Sixty Years On” (Carla Eckels)
Kansas Association of Broadcasters (continued)

- **2nd place**
  - Sports Feature, “Are Video Games a Sport? Hoping to Attract Fans and Students, Colleges Say Yes” (Stephan Bisaha)
  - Personality Aircheck, Carla Eckels for *Soulsations*

- **Honorable Mention**
  - Complete Newscast (Jonathon Huber)
  - Sports Feature, “Players, City Eye Major Changes for Wichita’s Struggling Golf System” (Nadya Faulx)
  - News Feature, “Whispers of the Dead: Remembering the Great War, Harry Knowles and a Country’s Coming of Age” (Tom Shine)
  - Spot News, “Westar Responds to Concerns About Electric Poles in Northeast Wichita” (Carla Eckels)
  - Editorial/Commentary: “What Are the City’s Budget Priorities” (Curt Clonts and Beth Golay)
  - Station Website: kmuw.org

Radio Television Digital News Association Edward R. Murrow Award

- KMUW’s *Morning Edition* host Jonathan Huber won in the category of Best Newscast for his host delivery.

- Reporter Brian Grimmett, who covers energy and environment for KMUW and the Kansas News Service, won for Hard News for his explanatory piece on energy demand charges and what it could mean for utility customers' bills.

- The Kansas News Service’s original podcast *My Fellow Kansans* won for best News Documentary for its episode on the Summer of Mercy. The podcast, hosted by Jim McLean of the Kansas News Service, looked at the 2018 governor’s race in the context of Kansas’ free-state beginnings and its hard turn to the political right. KMUW's Beth Golay, Nadya Faulx and Jordan Kirtley contributed to the project.

Public Radio News Directors, Inc.

- **1st place award, Newscast:** Jonathan Huber

- **2nd place award, Podcast:** *My Fellow Kansans*, Summer of Mercy episode
Event Summary
We chose events throughout the year that balance service and fundraising to make more room for events that will raise money for KMUW. Events are becoming a significant income source and should result in increased revenue as the annual gala enters its third year. The 2019 gala netted almost twice as much as its inaugural year, or almost $40,000.

KMUW studio and conference room use is a small new source of income managed by the Engagement Outreach Department. In addition, a newly implemented fee for the monthly book club attendees and Girl Scout badge training programs can assist in raising both awareness and support of KMUW.

Fiscal Year 2019 Event Rundown

   Young listeners gathered at KMUW to discuss Self Care and listen to relevant stories on the subject.

2. July 18, 2018 – Literary Feast, *A Place for Us* by Fatima Farheen Mirza
   Listeners engaged in a conversation about immigration, acceptance and belonging for a more open worldview.

3. July 20, 2018 – Leadership Circle Reception
   KMUW donors learned more about the station and its service to the community.

   Event attendees learned about different programs for their children/grandchildren to set them up for success.

5. July 26, 2018 – Street Team Meetup
   KMUW’s outreach team met to network and learn about KMUW mission and upcoming projects.

6. August 1, 2018 – Generation Listen Trivia Night
   Young people played trivia games and learned about KMUW’s service to the community.

7. August 10, 2018 – Sustainer Art Reveal at KMUW and Lotus Leaf Café
   Special donors were recognized with an event to kick off the fall season and the new community art featured by KMUW in the upcoming pledge drive. This creates a feeling of inclusiveness and investment in KMUW.

8. August 15, 2018 – Media Circus at Abode Venue
   KMUW’s first gala fundraising event was sold out and filled the Abode Venue to capacity while earning thousands of dollars for the station and giving people a unique experience with Bill Kurtis and amazing food and fun!

9. August 21, 2018 – Engage ICT, Community Roles in Education
   Event attendees learned about ways different organizations in the community fit together to educate our youth.
10. August 22, 2018 – Literary Feast, *The Last Cruise* by Kate Christensen
   Attendees discussed book that incited visceral emotional reactions and learned
to talk through their feelings.

11. August 30, 2018 – You’re Saying it Wrong Podcast Launch
   Listeners got a sneak peek of the award-winning podcast KMUW producers had
created to educate people about linguistics and modern language in a fun and
accessible way.

12. August 31, 2018 – Final Friday Open House
   The public came into KMUW’s space to appreciate local artwork and learn about
the community service the station provides.

13. September 8, 2018 – KMUW Pickelball Tourney
   Residents got the chance to learn and play pickelball with KMUW personalities
and deepen their engagement with KMUW.

14. September 11, 2018 – Engage ICT, Learning Beyond the Degree
   Attendees discovered many ways to keep their minds active in adult life, and
enrich their lives on a daily basis.

15. September 17, 2018 – My Fellow Kansans Podcast Launch Party
   Listeners got a sneak peek of a new podcast that focused on the race for the
Governor’s seat.

16. September 19, 2018 – Literary Feast, *Fruit of the Drunken Tree* by Ingrid
   Rojas Contreras
   Attendees had a lively discussion, deepened engagement with KMUW and
learned about its public service.

17. October 5, 2018 – Generation Listen Podcast Party
   Young people gathered at KMUW for an evening of spooky fun and culture.

18. October 6, 2018 – Old Town Concert 1
   The public gathered in Old Town Square for an evening of live music and
engagement with KMUW.

19. October 13, 2018 – Old Town Concert 2
   The public gathered in Old Town Square for an evening of live music and
engagement with KMUW.

20. October 16, 2018 – Engage ICT, Political Philosophy
   Attendees learned about fake news, political philosophies and how to have
productive conversations at this impactful event.

21. October 17, 2018 – Literary Feast, *Station Eleven* by Emily St. John Mandel
   Attendees enjoyed a passionate conversation about this award-winning book,
while deepening their relationship with both KMUW and the Wichita Public
Library.
22. October 20, 2018 – Old Town Concert 3
   The public gathered in Old Town Square for an evening of live music and
   engagement with KMUW.

   Young Girl Scouts learned about audio production, interviewing, and sound
   design at this special event.

24. November 6, 2018 – Election Night Watch Party
   Young people gathered to learn about civic engagement and KMUW’s reporting
   while the results came in.

25. November 13, 2018 – Engage ICT, #Activism
   Attendees learned about ways to make a difference in their community at this
   public service event.

26. November 21, 2018 – Literary Feast, Where the Crawdads Sing by Delia
   Owens
   Listeners gathered for a delightful conversation and a meal, deepening their
   relationships with KMUW.

27. December 5, 2018 – Tower Society Holiday Reception
   People who have put KMUW in their will were recognized and treated to a
   holiday meal.

28. December 7, 2018 – Staff Holiday Party
   KMUW staff were given a chance to let their hair down and celebrate their many
   achievements of 2018.

29. December 11, 2018 – Engage ICT, The Fate of Century II
   Attendees packed the venue to discuss what will happen to Century II – it was
   standing room only!

   Event attendees learned about slavery and freedom in this historical novel.

31. December 29, 2018 – 5Keg Brewery Crawl
   KMUW listeners met one another and celebrated the end of the holiday season
   with this thrifty event.

   Attendees learned about the details, roadblocks and possibilities for Medicaid
   expansion in Kansas.

33. January 16, 2019 – Literary Feast, My Sister the Serial Killer by Oyinkan
   Braithwaite
   Event goers experienced a worldview opening conversation about this short
   work of fiction.

34. February 12, 2019 – Engage ICT, Education Funding
   Attendees learned more about the legislative session, and the impacts of having
   a lack of funds for education in Kansas, during this important discussion.
35. February 15, 2019 – Sustainer Art Reveal Spring  
Special donors were recognized with an event to kick off the spring season and the new community art featured by KMUW in the upcoming pledge drive. This creates a feeling of inclusiveness and investment in KMUW.

36. February 20, 2019 – Literary Feast, The Heartbeat of Wounded Knee by David Treuer  
Attendees had a great meal and a heart-wrenching discussion of the historical atrocities faced by Native Americans over the course of United States history.

37. March 12, 2019 – Engage ICT, Reaching Your Reps  
Event attendees learned actionable ways to make their voices hear, as well as tips for giving a good message. At the end of the evening, KMUW provided postcards for them to send a note to their chosen elected official.

38. March 20, 2019 – Literary Feast, Black Leopard, Red Wolf by Marlon James  
Attendees had an immersive discussion about a new, celebrated author’s epic fantasy set in ancient Africa.

39. April 2, 2019 – Hubbub Soft Launch at WBC  
To conclude work on a micro grant KMUW received, a web platform to connect and engage the community was launched for a group of young movers in Wichita.

40. April 17, 2019 – Literary Feast, Lost Children Archive by Valeria Luiselli  
Event goers got a glimpse of what it might be like for immigrants to cross the border in the United States illegally, and the bittersweet ramifications of those actions.

41. April 25, 2019 – KMUW Birthday Party for Underwriters and Cornerstone at WBC  
Special donors and corporate supporters were shown the remarkable history of KMUW as well as the potential for the station, which is now positioned to impact and build the community in a unique and powerful way.

42. April 26, 2019 – 70th Birthday Bash at KMUW  
The public was invited into KMUW to celebrate the history of the station and all that is planned for the future.

43. May 2, 2019 – Signature Segment Soft Launch Reception  
As KMUW gears up to launch its own news show, station friends gathered to give feedback in a casual focus group.

44. May 14, 2019 – Engage ICT, Climate Change & Economics of Environmentalism  
Event attendees learned about how money affects climate change and climate change affects money.

45. May 15, 2019 – Literary Feast, Normal People by Sally Rooney  
Attendees engaged in a heartfelt discussion of this emotional new novel and learned about upcoming KMUW events, news and programs.
46. May 18, 2019 – Girl Scouts Day
Young Girl Scouts learned about audio production, interviewing and sound design at this special event. This program has become so popular that KMUW has been asked to offer it twice a year, to two groups each time.

47. May 31, 2019 – Fill Your Mug and 10 Year Anniversary of Soulsations
KMUW celebrated ten years of Carla Eckel’s Soulsations show, and more than three hundred people gathered at The Brickyard to join in, with cake, ice cream, live music and an array of station engagement tools.

Attendees learned practical methods to reduce their waste and environmental impact at home and at work.

Event goers enjoyed a meal and a conversation about Stalin's daughter in this historical novel.

50. June 29, 2019 – Media Circus
KMUW’s second fundraising gala was bigger and much more lucrative than it’s first – earning more than double the money to support programming and drawing in a larger crowd to a much larger venue, with some very special guests, both local media stars and NPR national talent!

Closing Statement
FY 2020 brings new focus to both new and old revenue streams, along with national attention to KMUW and WSU. As the station diversifies its revenue streams, we learn that much of the untapped potential remains in our traditional fundraising areas of member donors and company sponsorships continue to be a reliable source of general income. The focus for targeting special projects revenue will be through grants and events.

In FY 2020, KMUW will focus on transitioning more one-time donors to sustaining monthly donors, with a goal of surpassing 50% of all membership revenue coming automatically and predictably throughout the year. There is also a plan to transition those sustaining donors from using credit cards to using bank accounts to save approximately $10,000 in fees per year. KMUW has also enrolled in an acquisition mailing program that allows the purchase of names and addresses for residents who have not previously donated, but are likely listeners.

KMUW’s underwriting team will be adding digital inventory to its sponsorship packages. These may appear in our electronic newsletters or as prerecorded messages when listeners use the web stream or phone app to “listen live.” This is another great way KMUW and WSU can be heard in the community partnering with outstanding organizations.

It is reasonable to expect that FY 2020 will close nearly $200,000 in the black, continuing to secure the path of growth in KMUW cash reserves. These numbers remain at the mercy of outside influences, including an impending NPR dues increase, CPB funding decrease, state mandated pay increases and WSU Foundation service fees. These alone are an additional $75,000 burden on the station’s independent fundraising efforts.
Several non-cost related projects will draw positive attention to KMUW and WSU. These include the station’s internship program in cooperation with the university’s Elliot School of Communication. This program is growing and will serve six News Lab journalism students in FY 2020. We will also now add student interns in Marketing and Engagement, resulting in four Elliot School Interns on board at all times. This has laid the foundation for the newly developed Korva Coleman Diversity in Journalism Internship to be unveiled in FY 2020. The Coleman Internship national search will be specifically for a person of color interested in working at NPR or an NPR station. As the first of its kind, it has resulted in KMUW serving as a national model for other such programs in the public radio industry. Cooperation with WSU Housing and Dining Services is helping to make this opportunity possible.

National recognition also comes to KMUW and WSU through the 1A Across America project. KMUW is one of only six stations in the country selected to host town halls about the election to broadcast on 400 NPR stations. This is accompanied by a $10,000 grant. KMUW has also just been selected to lead a statewide project to archive Kansas Public Broadcasting materials online and in the Library of Congress. This two-year project award will be distributed in FY 2020 for approximately $408,000.

CONTACTING THE STATION’S FINANCIAL MANAGEMENT

KMUW-FM Radio
121 N. Mead
Suite 200
Wichita, KS 67202
316-978-6789
The accompanying notes are an integral part of these financial statements.
KMUW-FM Radio  
(A public telecommunications entity operated by Wichita State University, a component unit of the State of Kansas)  

STATMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
For the years ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memberships and underwriting</td>
<td>$1,361,590</td>
<td>$1,131,524</td>
</tr>
<tr>
<td>Major gifts and bequests</td>
<td>203,539</td>
<td>294,211</td>
</tr>
<tr>
<td>CPB community service grants</td>
<td>193,637</td>
<td>196,444</td>
</tr>
<tr>
<td>CPB - other grants</td>
<td>41,599</td>
<td>29,055</td>
</tr>
<tr>
<td>KPBC operating grants</td>
<td>51,212</td>
<td>28,734</td>
</tr>
<tr>
<td>Other grants</td>
<td>7,647</td>
<td>14,122</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>2,216,542</td>
<td>1,907,492</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programming and production</td>
<td>1,106,442</td>
<td>1,136,094</td>
</tr>
<tr>
<td>Broadcasting and engineering</td>
<td>299,498</td>
<td>315,796</td>
</tr>
<tr>
<td>Program information and promotion</td>
<td>308,769</td>
<td>286,430</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>733,376</td>
<td>726,016</td>
</tr>
<tr>
<td>Fundraising and membership development</td>
<td>451,552</td>
<td>401,289</td>
</tr>
<tr>
<td>Underwriting and grant solicitation</td>
<td>229,395</td>
<td>233,608</td>
</tr>
<tr>
<td>Total expenses</td>
<td>3,129,032</td>
<td>3,099,233</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(912,490)</td>
<td>(1,191,741)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nonoperating revenues</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support from Wichita State University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations - station operations</td>
<td>396,719</td>
<td>361,256</td>
</tr>
<tr>
<td>Indirect administrative support</td>
<td>375,967</td>
<td>405,023</td>
</tr>
<tr>
<td>Utilities</td>
<td>33,928</td>
<td>33,184</td>
</tr>
<tr>
<td>Investment earnings (loss)</td>
<td>3,222</td>
<td>7,024</td>
</tr>
<tr>
<td>Total nonoperating revenues</td>
<td>809,836</td>
<td>806,487</td>
</tr>
<tr>
<td>Change in net position</td>
<td>(102,654)</td>
<td>(385,254)</td>
</tr>
<tr>
<td>Net position at beginning of year</td>
<td>1,417,461</td>
<td>1,802,715</td>
</tr>
<tr>
<td>Net position at end of year</td>
<td>$1,314,807</td>
<td>$1,417,461</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
### KMUW-FM Radio

(A public telecommunications entity operated by Wichita State University, a component unit of the State of Kansas)

#### STATEMENTS OF CASH FLOWS

For the years ended June 30,

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memberships, underwriting and gifts</td>
<td>$1,348,008</td>
<td>$1,461,799</td>
</tr>
<tr>
<td>Grants</td>
<td>711,849</td>
<td>244,490</td>
</tr>
<tr>
<td>Other</td>
<td>87,749</td>
<td>40,561</td>
</tr>
<tr>
<td>Payments to employees for services</td>
<td>(1,590,270)</td>
<td>(1,449,295)</td>
</tr>
<tr>
<td>Payments to suppliers for goods and services</td>
<td>(957,113)</td>
<td>(910,980)</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>(399,777)</td>
<td>(613,425)</td>
</tr>
<tr>
<td><strong>Cash flows from noncapital financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations</td>
<td>396,719</td>
<td>361,256</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment earnings (loss)</td>
<td>3,222</td>
<td>7,024</td>
</tr>
<tr>
<td>Change in pooled investments</td>
<td>1,854</td>
<td>(1,765)</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>5,076</td>
<td>5,259</td>
</tr>
<tr>
<td><strong>Net change in cash and cash equivalents</strong></td>
<td>2,018</td>
<td>(246,910)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of year</strong></td>
<td>264,709</td>
<td>511,619</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>$266,727</td>
<td>$264,709</td>
</tr>
</tbody>
</table>

#### Reconciliation of operating loss to net cash used in operating activities

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$ (912,490)</td>
<td>$(1,191,741)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used in operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect administrative support and utilities provided by Wichita State University</td>
<td>409,895</td>
<td>438,207</td>
</tr>
<tr>
<td>Depreciation</td>
<td>95,418</td>
<td>102,157</td>
</tr>
<tr>
<td>Changes in assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(26,129)</td>
<td>23,607</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>1,314</td>
<td>(3,901)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>35,590</td>
<td>14,085</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(3,375)</td>
<td>4,161</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>$ (399,777)</td>
<td>$(613,425)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

1. **Reporting entity**

**KMUW-FM Radio** (KMUW) is operated by Wichita State University (the University), with Wichita Radio Reading Service (WRRS), a subcarrier channel broadcasting to visually impaired listeners. The University is a component unit of the State of Kansas, is governed by the Kansas Board of Regents, and is included in the State’s financial statements as part of the university system component unit.

KMUW operates as one of many departments within the University. Corporation for Public Broadcasting (CPB) grantees are required to prepare financial statements that discretely display the financial position and activities of the public broadcasting entity, not those of a parent institution or governmental unit, and independent auditors must audit and opine on those separately issued statements. This requirement applies to all public broadcasting entities, regardless of whether other accounting standards require the parent institution or governmental unit to include the public broadcasting entity in its separately issued, institution-wide or government-wide financial statements.

2. **Measurement focus and basis of accounting**

KMUW prepares its financial statements as a business-type activity in conformity with applicable pronouncements of Governmental Accounting Standards Board (GASB). Accordingly, KMUW's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

KMUW has implemented GASB Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
3. **Use of estimates**

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

4. **Cash and cash equivalents**

Cash and cash equivalents consist of pooled cash accounts on deposit with both the University and the Wichita State University Foundation (Foundation). KMUW considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

5. **Investments**

Investments consist of pooled investments held at the Foundation and are carried at fair value. Realized and unrealized gains and losses are reflected in the statements of revenues, expenses and changes in net position.

Investment earnings (losses) consist of interest and dividend income and the net change for the year in the fair value of investments carried at fair value.

6. **Receivables**

Receivables consist of pledges, unpaid program underwriting, and contributions and grants receivable. Unpaid pledges at year-end are reduced by 10 percent in anticipation of some pledges not being fulfilled. Pledge reductions were $23,927 and $22,045 for the years ended June 30, 2019 and 2018, respectively. Program underwriting, contributions and grants receivable at June 30, 2019 and 2018 are considered to be fully collectible. Past due accounts determined not to be collectible by management are charged off to expense.

7. **Capital assets**

Capital assets with a value equal or greater than $5,000 are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of contributed assets. Other equipment valued at less than $5,000 is reported as expense in the year of purchase or donation. Equipment is depreciated over its estimated useful life of 5 to 8 years, building improvements are depreciated over 40 years and leasehold improvements are depreciated over the shorter of the asset life or term of the lease. Expenditures for repairs and maintenance which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred.
NOTE A - SUMMARY OF ACCOUNTING POLICIES - continued

8. **Net position**

Net position of KMUW is classified in three components:

- Investment in capital assets consists of equipment net of accumulated depreciation and reduced by related debt, if any.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. KMUW did not have any restricted net position at June 30, 2019 and 2018.
- Unrestricted net position is the remaining net position that does not meet the definition of invested in capital assets or restricted.

9. **Operating revenues and expenses**

KMUW’s statement of revenues, expenses and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from transactions associated with the management, scheduling, and broadcasting of radio programs, the station’s principal activity. Wichita State University support is reported as nonoperating revenues. Operating expenses are all expenses incurred in the management, scheduling, and broadcasting of radio programs.

10. **Major gifts and bequests**

CPB defines major gifts and bequests as any individual donor, including estates and trusts, who contributes an amount, in aggregate, equal to or greater than $1,000 in the reporting year. KMUW had 88 and 114 major individual donors for the years ended June 30, 2019 and 2018, respectively.

11. **Grant revenue recognition**

Receipts from CPB community service grants and KPBC (Kansas Public Broadcasting Council) operating grants, which are generally for unrestricted purposes, are recognized as revenue when received. Receipts from all other grants are recognized as revenue when the restricted reimbursable expenditures are incurred. Grants authorized but not received are reported as a receivable if the revenue recognition criterion has been met.

12. **Deferred revenue**

Deferred revenue represents grants and contract awards for which KMUW has not met all of the applicable eligibility requirements, and receipts for underwriting of future programming.

13. **In-kind contributed support**

The estimated fair value of donated materials and supplies is recorded as revenue and expense in the period when the items are received.
NOTE A - SUMMARY OF ACCOUNTING POLICIES - continued

14. **Functional allocation of expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenues, expenses and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited using methods estimated to be reasonable by management.

15. **Indirect administrative support**

KMUW occupies, without charge, certain premises located in and owned by the State of Kansas. The station’s separate financial statements reflect, as nonoperating revenue and operating expense of an equal amount, indirect administrative support provided by the University. In addition to contributed facilities, such support includes direct and indirect expenses incurred by the University in support of station operations. The value of contributed facilities and administrative support is determined in accordance with CPB guidelines, which approximates fair value, and is reported and recognized in the period when the premises are used. Indirect administrative support was valued at $375,967 and $405,023 for the years ended June 30, 2019 and 2018, respectively.

16. **Risk management**

Wichita State University (and KMUW) is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters and employee health and accident benefits. The University, as a state educational institution of Kansas, is subject to the State of Kansas self-insurance program with regard to comprehensive general liability and personal injury insurance. The University is covered by the State’s umbrella insurance policies for automobile liability and the Board of Regents building, contents and business interruption insurance policy. The State of Kansas does not insure state-owned automobiles for bodily injury and property damages. Also, as a state educational institution, the University is self-insured relative to worker’s compensation, medical and unemployment insurance.

17. **Income taxes**

KMUW is exempt from federal income taxes under Wichita State University’s exemption as a governmental instrumentality under Section 115 of the Internal Revenue Code on income related to its exempt purpose.

18. **Financial statement presentation**

Certain items in prior year financial statements have been reclassified to conform to the 2019 presentation.
NOTE A - SUMMARY OF ACCOUNTING POLICIES - continued

19.  New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued Statement No.87, Leases, that will supersede the current lease requirements. The Statement requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as financing. Currently, leases are classified as either capital or operating, with only capital lease obligations recognized on the statement of financial position. Lessor accounting under the new standard will remain similar to lessor accounting under current GAAP. The reporting of lease-related expenses in the statements of activities and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Station’s year ending June 30, 2021, and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The effect of applying the new lease guidance on the financial statements has not yet been determined.

NOTE B - OWNERSHIP, CONTROL AND MANAGEMENT

KMUW is managed and controlled by Wichita State University. All land and structures pertinent to the operation of the station are owned by the State of Kansas and have not been reflected as assets in the accompanying statements, except for facility improvements specific to station operations.

NOTE C - DEPOSITS AND INVESTMENTS

Deposits

Cash and cash equivalents included balances on deposit with the University and with the Foundation, related parties, as follows as of June 30, 2019 and 2018:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>University</td>
<td>$ 123,999</td>
<td>$ 161,167</td>
</tr>
<tr>
<td>Foundation</td>
<td>142,728</td>
<td>103,542</td>
</tr>
<tr>
<td>Total balances on deposit</td>
<td>$ 266,727</td>
<td>$ 264,709</td>
</tr>
</tbody>
</table>

Custodial credit risk is the risk that in the event of a failure of a custodian, KMUW’s deposits may not be returned to it. At June 30, 2019 and 2018, $142,728 and $103,542, respectively, of KMUW's deposit balances were exposed to custodial credit risk. To minimize custodial risk, KMUW considers the financial strength of its depository relationships.
NOTE C - DEPOSITS AND INVESTMENTS - continued

Investments

KMUW may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities and in bank repurchase agreements. It may also invest to a limited extent in corporate bonds and equity securities. KMUW’s investments have been included in a pooled investment account owned and managed by the Foundation.

At June 30, KMUW had the following investments:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pooled investments (managed by the Foundation)</td>
<td>$95,897</td>
<td>$97,751</td>
</tr>
</tbody>
</table>

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Foundation investment policy followed by the KMUW includes ongoing assessment of the composition of fixed income investments to total investments.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. KMUW requires investments to be maintained in accordance with the Foundation investment policy.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, KMUW will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Pooled investments managed by the Foundation are held by the investments’ counterparty, not in the name of KMUW.

NOTE D - FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. KMUW uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, KMUW measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available. There were no assets measured utilizing level 3 inputs as of June 30, 2019 and 2018.
NOTE D - FAIR VALUE MEASUREMENTS - continued

Fair values of assets measured on a recurring basis are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Fair Value Measurements at Reporting Date Using:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quoted Prices in Significant Other Significant</td>
</tr>
<tr>
<td></td>
<td>Active Markets for Identical Assets Observables</td>
</tr>
<tr>
<td></td>
<td>(Level 1) (Level 2) (Level 3)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Fair Value</th>
<th>(Level 1)</th>
<th>(Level 2)</th>
<th>(Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2019</td>
<td>$ 95,897</td>
<td>$ -</td>
<td>$ 95,897</td>
<td>$ -</td>
</tr>
<tr>
<td>Pooled investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 30, 2018</td>
<td>$ 97,751</td>
<td>$ -</td>
<td>$ 97,751</td>
<td>$ -</td>
</tr>
<tr>
<td>Pooled investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

NOTE E - ECONOMIC DEPENDENCY

As disclosed in Note A, KMUW is operated by Wichita State University from which the station receives substantial financial support. KMUW also receives substantial financial support from its members and contributors. Should a significant reduction in support from either source occur, KMUW operations would be adversely effected.

NOTE F - PENSION PLAN

Wichita State University maintains a qualified deferred compensation plan under section 403(b) of the Internal Revenue Code. The plan is a defined contribution plan. Under the plan, employees are required to defer 5.5% of their compensation after one year of service and the station contributes an additional 8.5%. KMUW’s contributions to this plan totaled $84,628 and $84,927 for the years ended June 30, 2019 and 2018.
NOTE G - CAPITAL ASSETS

Capital assets consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2018</th>
<th>Additions</th>
<th>Deletions</th>
<th>June 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcasting equipment</td>
<td>$991,824</td>
<td>$-</td>
<td>$-</td>
<td>$991,824</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>778,766</td>
<td>-</td>
<td>-</td>
<td>778,766</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(933,749)</td>
<td>(95,418)</td>
<td>-</td>
<td>(1,029,167)</td>
</tr>
<tr>
<td>Net capital assets</td>
<td>$836,841</td>
<td>(95,418)</td>
<td>-</td>
<td>$741,423</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2017</th>
<th>Additions</th>
<th>Deletions</th>
<th>June 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcasting equipment</td>
<td>$1,137,443</td>
<td>$-</td>
<td>$(145,619)</td>
<td>$991,824</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>778,766</td>
<td>-</td>
<td>-</td>
<td>778,766</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(977,211)</td>
<td>(102,157)</td>
<td>145,619</td>
<td>(933,749)</td>
</tr>
<tr>
<td>Net capital assets</td>
<td>$938,998</td>
<td>(102,157)</td>
<td>-</td>
<td>$836,841</td>
</tr>
</tbody>
</table>

NOTE H - OPERATING LEASES

The University leases space occupied by KMUW as its primary broadcast facility. The lease is for a five-year period commencing July 1, 2015, with a renewal option for an additional five year period. The lease calls for fixed rent payable in monthly installments of $5,000 per month plus additional rent for certain operating costs and parking fees. Total rent paid for the years ended June 30, 2019 and 2018, including additional rent, amounted to $85,648 and $91,628, respectively.

Future minimum lease payments by the University for space occupied by KMUW are as follows as of June 30, 2019:

<table>
<thead>
<tr>
<th>Year ended June 30, 2020</th>
<th>$ 60,000</th>
</tr>
</thead>
</table>
NOTE I - RELATED PARTY TRANSACTIONS

Certain assets related to endowed funds were transferred to the Foundation for management in accordance with a management services agreement. Cash and certain investments were combined with Foundation accounts. The amount of assets included in the statements of net position, consisting of deposits and pooled investments, with the Foundation totaled $238,625 and $201,293 at June 30, 2019 and 2018, respectively.

The University provided indirect administrative support, as referenced in Note A, appropriations, and utilities in support of station operations. For the year ended June 30, 2019, total appropriations and utilities were $396,719 and $33,928, respectively. For the year ended June 30, 2018, total appropriations and utilities were $361,256 and $33,184, respectively.

NOTE J – SUBSEQUENT EVENTS

Management of KMUW has evaluated subsequent events through January 8, 2020, the date the financial statements were available to be issued.
Other Supplementary Information
KMUW-FM Radio
(A public telecommunications entity operated by Wichita State University, a component unit of the State of Kansas)

SCHEDULE OF FUNCTIONAL EXPENSES

For the year ended June 30, 2019

<table>
<thead>
<tr>
<th></th>
<th>Program services</th>
<th>Supporting services</th>
<th>Total program services</th>
<th>Total supporting services</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Programming and production</td>
<td>Broadcasting and engineering</td>
<td>Program information and promotion</td>
<td>Management and general</td>
<td>Fundraising and membership development</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>$ 653,847</td>
<td>$ 125,633</td>
<td>$ 210,174</td>
<td>$ 989,654</td>
<td>$ 291,345</td>
</tr>
<tr>
<td>Programming provider fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Public Radio</td>
<td>265,995</td>
<td>10,781</td>
<td>-</td>
<td>276,776</td>
<td>-</td>
</tr>
<tr>
<td>American Public Media</td>
<td>81,656</td>
<td>-</td>
<td>-</td>
<td>81,656</td>
<td>-</td>
</tr>
<tr>
<td>Public Radio International</td>
<td>6,082</td>
<td>-</td>
<td>-</td>
<td>6,082</td>
<td>-</td>
</tr>
<tr>
<td>Public Radio Exchange</td>
<td>13,387</td>
<td>-</td>
<td>-</td>
<td>13,387</td>
<td>-</td>
</tr>
<tr>
<td>New York Public Radio</td>
<td>14,159</td>
<td>-</td>
<td>-</td>
<td>14,159</td>
<td>-</td>
</tr>
<tr>
<td>Indirect administrative support</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>375,967</td>
<td>-</td>
</tr>
<tr>
<td>Corporate support consultant</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>95,418</td>
<td>-</td>
<td>95,418</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>71,316</td>
<td>67,666</td>
<td>98,595</td>
<td>237,577</td>
<td>66,064</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,106,442</td>
<td>$ 299,498</td>
<td>$ 308,769</td>
<td>$ 1,714,709</td>
<td>$ 733,376</td>
</tr>
</tbody>
</table>
**KMUW-FM Radio**  
(A public telecommunications entity operated by Wichita State University, a component unit of the State of Kansas)

**SCHEDULE OF FUNCTIONAL EXPENSES**

For the year ended June 30, 2018

<table>
<thead>
<tr>
<th></th>
<th>Program services</th>
<th>Supporting services</th>
<th>Total</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Programming and production</td>
<td>Broadcasting and engineering</td>
<td>Program information and promotion</td>
<td>Total program services</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>$ 628,662</td>
<td>$ 100,814</td>
<td>$ 230,952</td>
<td>$ 960,428</td>
</tr>
<tr>
<td>Programming provider fees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Public Radio</td>
<td>274,757</td>
<td>10,407</td>
<td>-</td>
<td>285,164</td>
</tr>
<tr>
<td>American Public Media</td>
<td>79,131</td>
<td>-</td>
<td>-</td>
<td>79,131</td>
</tr>
<tr>
<td>Public Radio International</td>
<td>17,910</td>
<td>-</td>
<td>-</td>
<td>17,910</td>
</tr>
<tr>
<td>Public Radio Exchange</td>
<td>10,909</td>
<td>-</td>
<td>-</td>
<td>10,909</td>
</tr>
<tr>
<td>New York Public Radio</td>
<td>7,760</td>
<td>-</td>
<td>-</td>
<td>7,760</td>
</tr>
<tr>
<td>Indirect administrative support</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>405,023</td>
</tr>
<tr>
<td>Corporate support consultant</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>102,157</td>
<td>-</td>
<td>102,157</td>
</tr>
<tr>
<td>Other</td>
<td>116,965</td>
<td>102,418</td>
<td>55,478</td>
<td>274,861</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,136,094</td>
<td>$ 315,796</td>
<td>$ 286,430</td>
<td>$ 1,738,320</td>
</tr>
</tbody>
</table>