

KSLU-FM RADIO
A Public Telecommunications Entity

Financial Statements

June 30, 2025 and 2024

(With Independent Auditor's Report Thereon)

KSLU-FM RADIO
A Public Telecommunications Entity

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Independent Auditor's Report

**To the Board of Trustees
Southeastern Louisiana University
Hammond, Louisiana**

Opinions

We have audited the accompanying financial statements of the business-type activities of KSLU-FM Radio, a public telecommunications entity (the Station) and department of Southeastern Louisiana University (the University), a university contained within the University of Louisiana System (the System), a component unit of the State of Louisiana, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Station, as of June 30, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Station and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

As discussed in Note 1, the financial statements of the Station are intended to present the financial position, the changes in financial position, and, cash flows of only that portion of the business-type activities of the System that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of the System, as of June 30, 2025 and 2024, the changes in its financial position, or, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Station's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Management has omitted the Schedule of Employer's Proportionate Share of Net Pension Liability, Schedule of Employer's Contributions, Notes to Required Supplementary Information - Schedule of Employer's Proportionate Share of Net Pension Liability and Schedule of Employer's Contribution, Schedule of Employer's Proportionate Share of Total Collective OPEB Liability, and Notes to Required Supplementary Information - Schedule of Employer's Proportionate Share of Total Collective OPEB Liability that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Station's basic financial statements. The schedule of compensation, benefits, and other payments to general manager and the statement of functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit 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 basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2025, on our consideration of the Station's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Station's internal control over financial reporting or on compliance. That report is an integral part of an audit

performed in accordance with *Government Auditing Standards* in considering the Station's internal control over financial reporting and compliance.

Griffin & Furman, LLC

December 1, 2025

Covington, Louisiana

KSLU-FM RADIO
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Management's Discussion and Analysis

As of and For the Years Ended June 30, 2025 and 2024

The Management's Discussion and Analysis of KSLU-FM Radio's (the Station) financial performance presents a narrative overview and analysis of the Station's financial activities for the year ended June 30, 2025. This document focuses on the current year's activities, resulting changes and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the Station's financial statements, which begin on page 8.

Financial Highlights:

- The Station's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at June 30, 2025 by \$246,832
- Operating revenue increased by \$699 or 0.47%.
- Operating expenses increased by \$39,110 or 7.75%.
- Non-operating revenues (expenses) decreased by \$42,444 or 9.93%.
- Net position decreased by \$10,261 or 3.99%.

Overview of the Financial Statements:

The minimum requirements for the Station established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information, if applicable. The financial statements also include notes that explain some of the information in the financial statements and provide more detail data.

Basic Financial Statements:

The basic financial statements present information for the Station as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows.

The Statements of Net Position presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the Station is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position presents information showing how the Station's position changed as a result of current year operations. Regardless of when cash is affected, all changes in fund net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statements of Cash Flows presents information showing how the Station's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

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Management's Discussion and Analysis

As of and For the Years Ended June 30, 2025 and 2024

Financial Analysis of the Entity:

Condensed statements of net position as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Total current assets	\$ 741,062	757,974	(16,912)
Lease asset, net	111,871	149,154	(37,283)
Property and equipment, net	<u>106,329</u>	<u>50,065</u>	<u>56,264</u>
Total assets	959,262	957,193	2,069
Deferred outflows of resources	<u>75,593</u>	<u>100,525</u>	<u>(24,932)</u>
Total assets and deferred outflows of resources	<u>1,034,855</u>	<u>1,057,718</u>	<u>(22,863)</u>
Total current liabilities	159,638	165,324	(5,686)
Total non-current liabilities	<u>582,770</u>	<u>570,559</u>	<u>12,211</u>
Total liabilities	742,408	735,883	6,525
Deferred inflows of resources	<u>45,615</u>	<u>64,742</u>	<u>(19,127)</u>
Total liabilities and deferred inflows of resources	<u>788,023</u>	<u>800,625</u>	<u>(12,602)</u>
Net position:			
Invested in capital assets	106,329	50,065	56,264
Restricted	192,191	192,191	-
Unrestricted	<u>(51,688)</u>	<u>14,837</u>	<u>(66,525)</u>
Total net position	<u>\$ 246,832</u>	<u>257,093</u>	<u>(10,261)</u>

Restricted net position represents those assets that are not available for spending as a result of grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Condensed statements of revenues and expenses for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Operating revenues:			
Grant income	\$ 135,247	130,654	4,593
Other operating revenue	<u>13,570</u>	<u>17,464</u>	<u>(3,894)</u>
Total operating revenues	<u>148,817</u>	<u>148,118</u>	<u>699</u>
Operating expenses:			
Programs / production	220,609	217,640	2,969
Broadcast	252,504	213,921	38,583
Management and general	<u>70,961</u>	<u>73,403</u>	<u>(2,442)</u>
Total operating expenses	<u>544,074</u>	<u>504,964</u>	<u>39,110</u>
Operating loss	(395,257)	(356,846)	38,411

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Management's Discussion and Analysis

As of and For the Years Ended June 30, 2025 and 2024

Nonoperating revenues	<u>384,996</u>	<u>427,440</u>	<u>(42,444)</u>
Increase (decrease) in net position	<u>\$ (10,261)</u>	<u>70,594</u>	<u>(80,855)</u>

Change in net position of the Station decreased by \$80,855, or 114.54% from June 30, 2024 to June 30, 2025.

Capital Asset Administration:

At June 30, 2025, the Station had \$348,294 invested in capital assets (net of accumulated depreciation of \$241,965), which included equipment with a net book value of \$106,329.

The Station leases land to locate its radio tower. In connection with this lease, the Station originally recorded a lease asset and lease liability of \$159,815. The lease asset was amortized during the year resulting in a net asset of \$111,871 at June 30, 2025. Payments on the lease reduced the lease liability to \$116,094 at June 30, 2025.

Economic Factors and Next Year's Operations:

The Station's management considered the following factors and indicators when planning next year's operations:

- Industry factors
- Cost of living adjustments for salaries and other expenses

Contacting the Station's Management:

This financial report is designed to provide our supporters, benefactors, listeners, and creditors with a general overview of KSLU-FM Radio's finances and to show the Station's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Damon Sunde, General Manager of KSLU-FM Radio, Southeastern Louisiana University Athletics, SLU 10309, Hammond, Louisiana 70402.

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Statements of Net Position

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<u>Assets and Deferred Outflows of Resources</u>		
Assets:		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 532,864	552,195
Cash and cash equivalents - restricted	192,191	192,191
Due from Southeastern Louisiana University Foundation	16,007	13,588
Total current assets	741,062	757,974
Capital assets:		
Lease asset, net	111,871	149,154
Property and equipment, net	106,329	50,065
Total capital assets	218,200	199,219
Total assets	959,262	957,193
Deferred outflows of resources:		
Pension related	30,614	64,627
Other post-employment benefits related	44,979	35,898
Total deferred outflows of resources	75,593	100,525
Total assets and deferred outflows of resources	\$ 1,034,855	1,057,718
<u>Liabilities, Deferred Inflows of Resources, and Net Position</u>		
Liabilities:		
Current liabilities:		
Deferred revenue	\$ 121,773	124,983
Lease liability	33,245	29,332
Other post-employment benefits liability	4,620	11,009
Total current liabilities	159,638	165,324
Non-current liabilities:		
Lease liability	82,849	122,197
Net pension liability	191,946	245,002
Other post-employment benefits liability	307,975	203,360
Total non-current liabilities	582,770	570,559
Total liabilities	742,408	735,883
Deferred inflows of resources:		
Pension related	5,138	15,969
Other post-employment benefits related	40,477	48,773
Total deferred inflows of resources	45,615	64,742
Net position:		
Net investment in capital assets	106,329	50,065
Restricted	192,191	192,191
Unrestricted	(51,688)	14,837
Total net position	246,832	257,093
Total liabilities, deferred inflows of resources, and net position	\$ 1,034,855	1,057,718

See accompanying notes to the financial statements.

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Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Grant income	\$ 135,247	130,654
Other operating revenues	13,570	17,464
Total operating revenues	<u>148,817</u>	<u>148,118</u>
Operating expenses:		
Program services:		
Programs / production	220,609	217,640
Broadcast	252,504	213,921
Support services:		
Management and general	70,961	73,403
Total operating expenses	<u>544,074</u>	<u>504,964</u>
Operating loss	<u>(395,257)</u>	<u>(356,846)</u>
Non-operating revenues (expenses):		
Other income - pension	-	1,288
Interest expense	(2,816)	(1,702)
University financial support	272,815	304,535
University non-financial support	114,997	123,319
Total non-operating revenues (expenses)	<u>384,996</u>	<u>427,440</u>
Increase (decrease) in net position	(10,261)	70,594
Net position - beginning of year	<u>257,093</u>	<u>186,499</u>
Net position - end of year	<u>\$ 246,832</u>	<u>257,093</u>

See accompanying notes to the financial statements.

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Statements of Cash Flows

For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Grants	\$ 132,037	92,954
Other receipts	11,151	15,322
Payments for employee compensation and benefits	(188,872)	(147,647)
Payments for supplies and services	(130,808)	(214,885)
Net cash used by operating activities	<u>(176,492)</u>	<u>(254,256)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(77,403)	(26,748)
Net cash used by investing activities	<u>(77,403)</u>	<u>(26,748)</u>
Cash flows from financing activities:		
University financial support	272,815	304,535
Payments for lease asset	(38,251)	(15,900)
Net cash provided by financing activities	<u>234,564</u>	<u>288,635</u>
Net increase (decrease) in cash and cash equivalents	(19,331)	7,631
Cash and cash equivalents, beginning of year	<u>744,386</u>	<u>736,755</u>
Cash and cash equivalents, end of year	<u>\$ 725,055</u>	<u>744,386</u>
Cash and cash equivalents - unrestricted	\$ 532,864	552,195
Cash and cash equivalents - restricted	<u>192,191</u>	<u>192,191</u>
	<u>\$ 725,055</u>	<u>744,386</u>
Reconciliation of operating loss to cash used by operating activities:		
Operating loss	\$ (395,257)	(356,846)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	21,140	11,539
Amortization	37,283	16,573
Pension benefit	(29,874)	(6,556)
Other post-employment benefit	69,839	(2,443)
University non-financial support	114,997	123,319
(Increases) decreases in assets:		
Due from Southeastern Louisiana University Foundation	(2,419)	(2,142)
Increases (decreases) in liabilities:		
Payroll liabilities	11,009	-
Deferred revenue	(3,210)	(37,700)
Net cash used by operating activities	<u>\$ (176,492)</u>	<u>(254,256)</u>

See accompanying notes to the financial statements.

KSLU-FM RADIO
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Notes to the Financial Statements

June 30, 2025 and 2024

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

KSLU-FM Radio (the Station) is a public telecommunications entity and department of Southeastern Louisiana University (the University) in Hammond, Louisiana. The University is contained within the University of Louisiana System (the System), a component unit of the State of Louisiana. The Station's purpose is to provide public radio programming and broadcasting in Hammond, Louisiana and the surrounding area. The Station is funded in part by direct state appropriations through the University, in-kind support from the University, and self-assessed student fees through the University. The Station is also funded through grants provided by the Corporation for Public Broadcasting (CPB) as well as private sector underwriting sources. The Station presently has two full time employees.

(b) Reporting Entity

The accompanying financial statements of the Station contain sub-account information of the System. As such, the accompanying financial statements present information only as to the transactions of the Station as authorized by Louisiana statutes and administrative regulations. Annually, the System issues both comprehensive and general-purpose financial statements, which include the activity contained in the accompanying financial statements.

(c) Basis of Presentation

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles and reporting standards.

The Station is considered a proprietary fund and is presented as a business-type activity. Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent), are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

(d) Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes all highly-liquid investments (including restricted assets) with maturity of three months or less when purchased.

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Notes to the Financial Statements

June 30, 2025 and 2024

(e) Classification of Revenues and Expenses

The Station has classified its revenues and expenses as either operating or non-operating according to the following criteria:

Operating Revenues - Operating revenues include activities that have the characteristics of exchange transactions, such as most federal, state, and local grants; contracts; and federal appropriations. Operating revenues consist mainly of program underwriting income, contributions, and grants.

Non-Operating Revenues - Non-operating revenues include other activities, such as University support and investment income.

Operating Expenses - Operating expenses are those that are essential to the primary operations of the Station.

Non-operating Expenses – All other expenses are reported as non-operating expenses.

(f) Contributions

Unconditional contributions are recorded as revenue when received.

Donated facilities from the University consist of studio and office space together with related occupancy costs and are recorded in revenue and expense at either fair market value or the direct cost with allocations based on the Station's respective usage.

(g) Due from Southeastern Louisiana University Foundation

The Southeastern Louisiana University Foundation (the Foundation) collects contributions on behalf of the Station which are used to pay expenses on behalf of the Station. These revenues and expenses are recognized in the financial statements. The excess of cumulative contributions received by the Foundation over expenses paid by the Foundation is reflected as Due from Southeastern Louisiana University Foundation in the financial statements.

(h) Accounts Receivable

Accounts receivable are stated net of an allowance for doubtful accounts. The station has assessed all receivables at June 30, 2025 and 2024, and all amounts are considered collectable; therefore, no allowance for doubtful accounts was recorded at June 30, 2025 and 2024.

(i) Capital Assets

The Station capitalizes property and equipment over \$100. Land, major renovations or major repairs, and equipment are stated at cost at the date of acquisition or renovation, or, if donated, at fair value at the date of donation. Minor renovations or repairs are charged to operations as repairs and maintenance as incurred. Depreciation is provided on the straight-line basis over the estimated useful life of the asset, which is 3 to 10 years for furniture and fixtures.

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Notes to the Financial Statements

June 30, 2025 and 2024

(j) Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Station's policy to use unrestricted resources first, and then restricted resources as they are needed.

(k) Deferred Revenue

Deferred revenues represent certain expenditure-based grant funds received for which the expenditure of funds has not occurred. The grants funds are required to be returned to the grantor if not expended within a specified time period. As the grant funds are expended, the related grant revenue is recognized.

(l) Pensions

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Retirement System of Louisiana (TRSL), and additions to/deductions from TRSLs' fiduciary net position have been determined on the same basis as they are reported by TRSL. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(m) Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net positions of the Office of Group Benefits (OGB), and additions to/deductions from the system's fiduciary net position have been determined on the same basis as they are reported by OGB. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

(n) Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

In the statement of net position, deferred outflows of resources and deferred inflows of resources are reported for amounts related to the Station's pension plan and other post-employment benefit plan that will be amortized as a component of pension and other post-employment benefit expense in future years.

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Notes to the Financial Statements

June 30, 2025 and 2024

(o) Net Position

In the Statement of Net Position, the difference between the Station's assets and liabilities is recorded as net position. The components of net position are as follows:

Net Investment in Capital Assets - This represents the Station's total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations related to acquisition, construction, or improvement of those capital assets, if any.

Restricted Net Position - Restricted net position consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - Unrestricted net position represents resources used for transactions relating to the general operations of the Station and may be used at the discretion of the Station's management and board to meet current expenses and for any purpose.

(p) Risk Management

The Station is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The University's insurance coverage insures the Station against these types of losses.

(q) Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

(r) Concentration of Risk

For the fiscal years ended June 30, 2025 and 2024, 97% of the Station's revenues came from two sources - the Corporation for Public Broadcasting and the University.

(s) New Accounting Pronouncements

In June 2022, the GASB issued Statement No. 101, *Compensated Absences* effective for fiscal years beginning after December 15, 2023. The objective of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for reporting on outstanding compensated absences. The implementation of this standard did not require any changes to the Station's financial reporting requirements.

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Notes to the Financial Statements

June 30, 2025 and 2024

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*, effective for fiscal years beginning after June 15, 2024, which the Board implemented in fiscal year ending June 30, 2025. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The implementation of this standard did not require any changes to the Station's financial reporting requirements.

(2) Cash and Cash Equivalents

At June 30, 2025 and 2024, cash consisted of demand deposits totaling \$725,055 and 744,386, respectively. These deposits are part of pooled cash held and controlled by the University and are secured from risk by the University through a custodial agreement.

Custodial credit risk is the risk that in the event of a bank failure, the Station's deposits may not be recovered. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

(3) Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	<u>Increases</u>	<u>Decreases</u>	Balance June 30, 2025
Capital assets being depreciated:				
Equipment	288,062	77,404	(28,477)	336,989
Furniture and office equipment	\$ 12,182	-	(877)	11,305
Total capital assets being depreciated	300,244	77,404	(29,354)	348,294
Less accumulated depreciation	(250,179)	(21,140)	29,354	(241,965)
Total capital assets being depreciated, net	50,065	56,264	-	106,329
Total capital assets, net	\$ 50,065	56,264	-	106,329

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Capital assets and depreciation activity as of and for the year ended June 30, 2024 is as follows:

	<u>Balance</u> <u>July 1,</u> <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30,</u> <u>2024</u>
Capital assets being depreciated:				
Equipment	447,647	26,748	(186,333)	288,062
Furniture and office equipment	\$ 32,003	-	(19,821)	12,182
Total capital assets being depreciated	479,650	26,748	(206,154)	300,244
Less accumulated depreciation	(444,794)	(11,539)	206,154	(250,179)
 Total capital assets being depreciated, net	 34,856	 15,209	 -	 50,065
Total capital assets, net	\$ 34,856	15,209	-	50,065

Depreciation expense for the year ended June 30, 2025 and 2024 was \$21,140 and \$11,539, respectively.

(4) Leases

In January 2024, the Station entered into a 5-year lease as a lessee for the use of a radio tower. An initial lease liability was recorded in the amount of \$159,815. As of June 30, 2025 and 2024, the value of this lease liability is \$116,094 and \$151,529 respectively. The Station is required to make monthly principal and interest payments of \$2,816 with a 3% recurring escalation per year, beginning on the first anniversary of the term commencement date. The lease has an interest rate of 2.13%. The value of the right-to-use asset as of June 30, 2025 and 2024 is \$111,871 and 149,154, which includes accumulated amortization of \$31,963 and \$16,573, respectively.

The future principal payments on the lease as of June 30, 2025, were as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amount</u>
2026	\$ 31,072
2027	32,747
2028	34,489
2029	<u>17,786</u>
	<u>\$ 116,094</u>

The future principal payments on the lease as of June 30, 2024, were as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amount</u>
2025	\$ 29,332
2026	30,941

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2027		32,613
2028		35,752
2029		<u>22,891</u>
		<u>\$ 151,529</u>

(5) Grant Income

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant making organization responsible for funding more than 1,000 television and radio stations. Annually, CPB distributes funds in the form of Community Service Grants (CSGs) to qualifying public telecommunication entities.

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. In addition, the grants may be used to sustain activities begun with CSGs awarded in prior years.

CSGs are divided into unrestricted and restricted amounts. Unrestricted amounts are used to augment the financial resources of public broadcasting stations and thereby, to enhance the quality of programming and expand the scope of public broadcasting services. Unrestricted amounts must fall into one of seven categories and CPB prohibits unrestricted funds from being spent on full-time or full-time equivalent employees used to satisfy the grantee's staffing requirements. Restricted amounts are required to be used for the production, acquisition, promotion, and distribution of national programming. National programming has been defined as a program placed in the national marketplace of public radio programming. Public broadcasting uses these funds for purposes relating primarily to production and acquisition of programming.

Both the unrestricted and restricted amounts of the CSG's are reported on the accompanying financial statements as deferred revenue until expended or returned to CPB. Certain guidelines must be satisfied in connection with application for and use of the grants to maintain eligibility and compliance requirements. These guidelines pertain to the use of grant funds, record keeping, audits, financial reporting, and licensee status with the Federal Communications Commission.

Grants received and expended during the year ended June 30, 2025 were as follows:

<u>Grant Description</u>	<u>Grant Amount</u>	<u>Returned 2024-2025</u>	<u>Expended 2024-2025</u>	<u>Ending Balance</u>
CSG Restricted (2022-2024)	\$ 4,605	(1,050)	(3,555)	-
CSG Unrestricted (2022-2024)	\$ 26,334	(810)	(25,524)	-
CSG Restricted (2023-2025)	\$ 31,168	-	(26,804)	4,364
CSG Unrestricted (2023-2025)	\$ 62,876	-	(58,943)	3,933
CSG Restricted (2024-2026)	\$ 37,251	-	-	37,251
CSG Unrestricted (2024-2026)	\$ 96,646	-	(20,421)	76,225

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Grants received and expended during the year ended June 30, 2024 were as follows:

<u>Grant Description</u>	<u>Grant Amount</u>	<u>Returned 2022-2023</u>	<u>Expended 2023-2024</u>	<u>Ending Balance</u>
CSG Restricted (2021-2023)	\$ 17,193	(7,038)	(10,155)	-
CSG Unrestricted (2021-2023)	\$ 33,362	(18,426)	(14,936)	-
CSG Restricted (2022-2024)	\$ 29,399	-	(24,794)	4,605
CSG Unrestricted (2022-2024)	\$ 82,728	-	(56,394)	26,334
CSG Restricted (2023-2025)	\$ 31,168	-	-	31,168
CSG Unrestricted (2023-2025)	\$ 87,251	-	(24,375)	62,876

(6) State Appropriations

During the year ended June 30, 2025 and 2024, the Station received and expended State appropriations of \$167,533 and \$192,054, respectively. These amounts are included in University financial support in the Statements of Revenues, Expenses, and Changes in Net Position.

(7) Retirement System

Teacher's Retirement System of Louisiana

Plan Description

Certain employees of the Board are provided with pensions through a cost-sharing multiple- employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Chapter 2 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

Retirement Benefits

Most members are eligible to receive retirement benefits (1) at the age of 60 with five years of service, (2) at the age of 55 with at least 25 years of service, or (3) at any age with at least 30 years of service. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2011, or the highest 60 consecutive months of employment for members employed after that date.

For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the benefit factor and by the years of creditable service. For Regular Plan and Lunch Plan B members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For all other members, final average compensation is defined as the highest average 36-month period.

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A retiring member is entitled to receive the maximum monthly benefit payable until the member's death. However in lieu of the maximum monthly benefit, the member may elect to receive a reduced monthly benefit (based on a named beneficiary's age). In addition, all options (except Option 1) are allowed a lump sum that cannot exceed 36 months of the members' maximum monthly benefit amount.

Effective July 1, 2009, members may make an irrevocable election at retirement to receive an actuarially reduced monthly benefit which increases 2.5% annually, beginning on the first retirement anniversary date, but not before age 55 or before the retiree would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed three years. A member has a 60-day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three-year maximum participation period. During participation, benefits otherwise payable are fixed and deposited in an individual DROP account.

Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

Disability Retirement Benefits

Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011 and who have five or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

Survivor Benefits

A surviving spouse with minor children of an active member with five years of creditable service (two years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible.

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Each minor child (maximum of two) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to two eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 years of creditable service (two years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service.

Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Optional Retirement Plan (ORP)

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub-plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2025 and 2024 are as follows:

<u>TRSL Sub Plan</u>	<u>2025 Employer Contributions</u>	<u>2024 Employer Contributions</u>
K-12 Regular Plan, Lunch Plans A & B	24.1%	24.1%
Higher Ed Regular Plan	20.9%	23.3%

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year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:

June 30, 2026	\$ (911)
June 30, 2027	\$ 23,166
June 30, 2028	\$ 2,148
June 30, 2029	\$ (9,821)

Actuarial Assumptions

The total pension liability for TRSL in the June 30, 2024 and 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation Date	June 30, 2024 and 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	Five years
Investment Rate of Return	7.25% per annum, net of investment expenses *
Inflation Rate	2.40% per annum
Mortality	Active members- Pub2010T-Below Median Employee (amount weighted) tables for males and females, adjusted by 0.965 for males and by 0.942 for females.
	Non-disabled retiree/inactive members – Pub2010 Below Median Retiree (amount weighted) tables for males and females, adjusted by 1.173 for males and 1.258 for females.
	Disability retiree mortality – Pub2010T-Disability (amount weighted) tables for males and females, adjusted by factors of 1.043 for males and by 1.092 for females.
	Contingent survivor mortality – Pub 2010T-Below Median – Contingent Survivor (amount weighted) tables for males and females, adjusted by factors of 1.079 for males and .919 for females.

These base tables are adjusted from 2010 to 2019 (base year, representing the mid-point of the experience study) with continued future mortality improvement projected using the MP-2021 improvement table on a fully generational basis.

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Termination, Disability, and Retirement

Termination, disability, and retirement assumptions were projected based on a five-year (2018-2022) experience study of the System's members.

Salary Increases

Salary increases were projected between 2.41%-4.85% varies depending on duration of service.

Cost of Living Adjustments

None

*The investment rate of return used in the actuarial valuation for funding purposes was 7.6%, recognizing an additional 35 basis points gain sharing. Per Act 94 of 2016, noninvestment-related administrative expenses are directly funded with employer contributions as a percentage of projected payroll.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses, 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 and an adjustment for the effect of rebalancing/diversification. The resulting long-term geometric nominal expected rates of return are 8.68% and 8.72% for 2024 and 2023. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 and 2023 as summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	22.5%	4.45%	22.5%	4.55%
International equity	11.5%	4.29%	11.5%	5.01%
Domestic fixed income	8.0%	2.79%	8.0%	2.20%
International fixed income	6.0%	1.66%	6.0%	(0.29%)
Private equity	37.0%	8.24%	37.0%	8.24%
Other private assets	15.0%	4.51%	15.0%	4.32%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually-required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Station’s proportionate share of the Net Pension Liability using the discount rate of 7.25%, as well as what the Station’s proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

		<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
June 30, 2025	\$	278,173	191,946	119,452
June 30, 2024	\$	347,054	245,052	159,144

Pension Plan Fiduciary Net Position

Detailed information about TRSL fiduciary net position is available in the separately issued financial reports referenced above.

Payables to the Pension Plan

At June 30, 2025 and 2024, the Station had no payable to TRSL for the June 2025 and 2024 employee and employer legally required contributions.

(8) Other Post-Employment Benefits

Plan Description: The Board’s employees may participate in the State of Louisiana’s Other Post-Employment Benefit Plan (OPEB Plan) which is administered by the Office of Group Benefits (OGB). The State OGB Plan provides medical and life insurance benefits to eligible active employees, retirees, and their beneficiaries. The postemployment benefits plan is a multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provides the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report of the State OPEB Plan; however, it is included in the State of Louisiana's Annual Comprehensive Financial Report (ACFR). You may obtain a copy of the ACFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75. Effective July 1, 2008, an OPEB trust fund was statutorily established; however, this plan is not administered as a trust and no plan assets have been accumulated as of June 30, 2025. The plan is funded on a “pay-as-you-go basis” under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

Medical Benefits: Retirees under the age of 65 can elect coverage under the following plans:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access

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Retirees age 65 and over can elect coverage under the following plans:

- BCBS Pelican HRA
- BCBS Magnolia Local/Local Plus
- BCBS Magnolia Open Access
- People's Medicare Advantage HMO
- BCBS Medicare Advantage HMO (varies by region)
- Humana Medicare Advantage HMO (varies by region)
- Via Benefits HRA

Monthly Contributions: Retirees with continuous OGB medical coverage starting before January 1, 2002 pay approximately 25% of the cost of coverage in retirement. Employees with an OGB medical participation start (or re-start) date after December 31, 2001 pay a percentage of the total retiree contribution rate based on the following schedule:

<u>OGB Participation</u>	<u>Employer Contribution Percentage</u>	<u>Employee Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Monthly rates effective January 1, 2025 are as follows:

<u>Medical Plan</u>	<u>Pre-Medicare Member</u>			<u>Medicare Member</u>			
	<u>Active Single</u>	<u>Member Only</u>	<u>Pre-65 Spouse</u>	<u>Medicare Member Spouse</u>	<u>Pre-65 Spouse</u>	<u>Medicare Spouse</u>	
People's MA HMO	\$ N/A	N/A	N/A	N/A	175	N/A	175
BCBS Pelican HRA	\$ 581	1,013	828	218	351	947	280
BCBS Mag. Local Plus	\$ 930	1,735	1,329	363	574	1,524	455
BCBS Magnolia OA	\$ 966	1,798	1,377	362	585	1,576	466
BCBS MA HMO Reg. 1	\$ N/A	N/A	N/A	N/A	204	N/A	204
BCBS MA HMO Reg. 2	\$ N/A	N/A	N/A	N/A	232	N/A	232
BCBS MA HMO Reg. 3-4	\$ N/A	N/A	N/A	N/A	208	N/A	208
BCBS MA HMO Reg. 5-8	\$ N/A	N/A	N/A	N/A	259	N/A	259
BCBS MA HMO Reg. 9	\$ N/A	N/A	N/A	N/A	244	N/A	244
Humana MA HMO Reg. 1	\$ N/A	N/A	N/A	N/A	83	N/A	83
Humana MA HMO Reg. 2	\$ N/A	N/A	N/A	N/A	229	N/A	229
Humana MA HMO Reg. 3	\$ N/A	N/A	N/A	N/A	193	N/A	193
Humana MA HMO Reg. 4	\$ N/A	N/A	N/A	N/A	194	N/A	194
Humana MA HMO Reg. 5	\$ N/A	N/A	N/A	N/A	190	N/A	190
Humana MA HMO Reg. 6	\$ N/A	N/A	N/A	N/A	242	N/A	242
Humana MA HMO Reg. 7	\$ N/A	N/A	N/A	N/A	252	N/A	252
Humana MA HMO Reg. 8	\$ N/A	N/A	N/A	N/A	252	N/A	252
Humana MA HMO Reg. 9	\$ N/A	N/A	N/A	N/A	227	N/A	227

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Monthly rates effective January 1, 2024 are as follows:

<u>Medical Plan</u>	<u>Pre-Medicare Member</u>				<u>Medicare Member</u>		
	<u>Active Single</u>	<u>Member Only</u>	<u>Pre-65 Spouse</u>	<u>Medicare Spouse</u>	<u>Member Only</u>	<u>Pre-65 Spouse</u>	<u>Medicare Spouse</u>
People's MA HMO	\$ N/A	N/A	N/A	N/A	160	N/A	160
BCBS Pelican HRA	\$ 545	1,013	776	204	330	888	263
BCBS Mag. Local Plus	\$ 872	1,627	1,246	340	538	1,429	427
BCBS Magnolia OA	\$ 906	1,686	1,291	340	548	1,478	437
BCBS MA HMO Reg. 1	\$ N/A	N/A	N/A	N/A	174	N/A	174
BCBS MA HMO Reg. 2	\$ N/A	N/A	N/A	N/A	217	N/A	217
BCBS MA HMO Reg. 3-4	\$ N/A	N/A	N/A	N/A	197	N/A	197
BCBS MA HMO Reg. 5-8	\$ N/A	N/A	N/A	N/A	227	N/A	227
BCBS MA HMO Reg. 9	\$ N/A	N/A	N/A	N/A	212	N/A	212
Humana MA HMO Reg. 1	\$ N/A	N/A	N/A	N/A	34	N/A	34
Humana MA HMO Reg. 2	\$ N/A	N/A	N/A	N/A	178	N/A	178
Humana MA HMO Reg. 3	\$ N/A	N/A	N/A	N/A	145	N/A	145
Humana MA HMO Reg. 4	\$ N/A	N/A	N/A	N/A	158	N/A	158
Humana MA HMO Reg. 5	\$ N/A	N/A	N/A	N/A	158	N/A	158
Humana MA HMO Reg. 6	\$ N/A	N/A	N/A	N/A	208	N/A	208
Humana MA HMO Reg. 7	\$ N/A	N/A	N/A	N/A	224	N/A	224
Humana MA HMO Reg. 8	\$ N/A	N/A	N/A	N/A	214	N/A	214
Humana MA HMO Reg. 9	\$ N/A	N/A	N/A	N/A	204	N/A	204

For purposes of the OPEB valuation, the above amounts were trended back six months to the valuation date.

Life Insurance Benefits: OGB provides eligible retirees the following life insurance plans:

	<u>Basic</u>	<u>Supplemental Maximum</u>
Under age 65	\$ 5,000	50,000
Ages 65 to 70	4,000	38,000
After age 70	3,000	25,000

In force life insurance amounts are reduced to 75% of the initial value at age 65 and 50% of the original amount at age 70. Spouse life insurance amounts of \$1,000, \$2,000, or \$4,000 are available. Retiree pays 50% of the Prudential Company of America premium. Retiree pays 100% of the Prudential Company of America premium for spousal coverage.

Total Collective OPEB Liability and Changes in Total Collective OPEB Liability:

At June 30, 2025 and 2024, the Board reported a liability of \$312,595 and 214,369 for its proportionate share of the total collective OPEB liability. The total collective OPEB liability was measured as of July 1, 2024 and 2023 and was determined by an actuarial valuation as of that date.

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The Board's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB actuarial accrued liability for all participating entities included in the State of Louisiana reporting entity. At July 1, 2024 and 2023, the Board's proportion was 0.17%.

Actuarial Assumptions:

Valuation Date: July 1, 2024 and 2023.

Measurement Date: July 1, 2024 and 2023.

Actuarial Cost Method: Entry Age Normal, level percent of pay. Service Costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.

Discount Rate: The discount rate used as of July 1, 2024 is 3.93% based on the Bond Buyer 20 Index rate as of June 30, 2024. The discount rate used as of July 1, 2023 is 4.13% based on the June 30, 2023 S&P 20-year municipal bond index rate

Inflation Rate: 2.40% as of July 2024 and 2023, respectively.

Salary Increases: The rates of salary increases are consistent with the assumption used in the June 30, 2024 and 2023 Louisiana State Employees' Retirement System Actuarial Valuation.

Healthcare Cost Trend Rates: The combined effect of price inflation and utilization on gross eligible medical and prescription drug charges is according to the table below. The initial trend rate was developed using our National Health Care Trend Survey. The survey gathers information on trend expectations for the coming year from various insurers and PBMs. These trends are broken out by drug and medical, as well as type of coverage (e.g. PPO, HMO, POS). We selected plans that most closely match the State of Louisiana's benefits to set the initial trend. The ultimate trend is developed based on a building block approach which considers CPI, GDP, and Technology growth. The healthcare cost trend rates applicable to medical and prescription drug benefits at July 1, 2024 are as follows:

<u>Year</u>	<u>Medical and Drug Pre-65</u>	<u>Medical and Drug Post-65</u>
2024-2025	8.50%	7.50%
2025-2026	8.25%	7.00%
2026-2027	8.00%	6.50%
2027-2028	7.75%	6.30%
2028-2029	7.50%	6.10%
2029-2030	7.00%	6.00%
2030-2031	6.50%	5.75%
2031-2032	6.00%	5.50%
2032-2033	5.50%	5.25%
2033-2034	5.00%	5.00%

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Notes to the Financial Statements

June 30, 2025 and 2024

Thereafter	4.50%	4.50%
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The healthcare cost trend rates applicable to medical and prescription drug benefits at July 1, 2023 are as follows:

<u>Year</u>	<u>Medical and Drug Pre-65</u>	<u>Medical and Drug Post-65</u>
2023-2024	7.00%	6.50%
2024-2025	7.00%	6.50%
2025-2026	6.75%	6.25%
2026-2027	6.50%	6.00%
2027-2028	6.25%	5.75%
2028-2029	6.00%	5.50%
2029-2030	5.75%	5.25%
2030-2031	5.50%	5.00%
2031-2032	5.25%	4.75%
2032-2033	5.00%	4.50%
2033-2034	4.75%	4.50%
Thereafter	4.50%	4.50%

The retiree contribution trend is the same as the medical and drug trend.

Healthcare Claim Cost: Per capita costs for the self-insured plans administered by BCBS were based on medical and prescription drug claims and enrollment for retired participants for the period January 1, 2023 through December 31, 2024 at July 1, 2024. The claims experience was trended to the valuation date. Per capita costs for the self-insured plans administered by BCBS were based on medical and prescription drug claims and enrollment for retired participants for the period January 1, 2022 through December 31, 2023 at July 1, 2023.

Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2025 and 2024 premiums adjusted to the valuation date using the Medicare trend reflecting IRA assumption on the prior page.

Per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the Via Benefits HRA plan, which provides a flat monthly subsidy. Details regarding the Age Morbidity Curve are found under Age-related Morbidity assumptions below.

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Notes to the Financial Statements

June 30, 2025 and 2024

The table below indicates the assumed 2024 per capita costs normalized to male retiree age 65:

<u>Plan</u>	<u>Without Medicare Retirement Date</u>	<u>With Medicare Before 3/1/15</u>	<u>Without Medicare Retirement Date</u>	<u>With Medicare After 3/1/15</u>
People's MA HMO	N/A	1,646	N/A	1,646
BCBS MA HMO	N/A	2,277	N/A	2,277
Humana MA HMO	N/A	1,665	N/A	1,665
Via Benefits HRA	N/A	2,400	N/A	2,400
BCBS Pelican HRA	15,446	3,356	15,446	3,356
BCBS Magnolia Local/Local Plus	22,146	4,166	21,623	4,095
BCBS Magnolia Open Access	22,963	3,809	22,642	3,745

The table below indicates the assumed 2023 per capita costs normalized to male retiree age 65:

<u>Plan</u>	<u>Without Medicare Retirement Date</u>	<u>With Medicare Before 3/1/15</u>	<u>Without Medicare Retirement Date</u>	<u>With Medicare After 3/1/15</u>
Medical Home HMO	23,492	5,558	23,506	5,561
People's MA HMO	N/A	1,554	N/A	1,554
BCBS MA HMO	N/A	2,040	N/A	2,040
Humana MA HMO	N/A	1,243	N/A	1,243
Via Benefits HRA	N/A	2,400	N/A	2,400
BCBS Pelican HRA	15,643	3,030	15,643	3,030
BCBS Magnolia Local/Local Plus	21,406	3,856	20,687	3,758
BCBS Magnolia Open Access	21,808	3,478	20,993	3,404

Administrative Expenses: Included in medical claim is a 10% load for life insurance. The 10% load is consistent with industry standards and covers insurer administrative costs, premium taxes, as well as insurer margin and profit (where applicable).

Age Related Morbidity: Per capita costs are adjusted to reflect expected cost differences due to age and gender. Age morbidity factors for pre-Medicare morbidity were developed from "Health Care Costs—From Birth to Death" sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (May 2013). Table 4 from Mr. Yamamoto's study formed the basis of Medicare morbidity factors that are gender-distinct and assumed a cost allocation of 60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare. While such retirees were included in the study, their specific experience is not applicable for a valuation of an employer retiree medical plan where participants had group active coverage before retirement.

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Notes to the Financial Statements

June 30, 2025 and 2024

<u>Age</u>	<u>Male Factor</u>	<u>Female Factor</u>
50	0.4612	0.5736
55	0.6085	0.6667
60	0.7829	0.7791
65	1.0000	0.9438
70	1.1873	1.1094
75	1.2752	1.2009
80	1.3381	1.2697
85	1.3479	1.3171
90	1.3235	1.3303
95	1.3047	1.2765
100	1.2878	1.1701

Basis for Demographic Assumptions: The actuary relied upon the assumptions used in the June 30, 2023 Louisiana State Employees' Retirement System (LASERS) pension valuation for the mortality, retirement, termination, disability, and salary scale assumptions.

The assumptions used in the June 30, 2024 and 2023 LASERS pension valuation were revised as of the June 30, 2014 valuation based on an experience study for the period July 1, 2018 through June 30, 2023.

Mortality: For General active lives: the PubG-2010 Employee Table, adjusted by 1.055 for males and 1.034 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For General healthy retiree lives: the PubG-2010 Retiree Table, adjusted by 1.215 for males and 1.277 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For General disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 0.936 for males and 1.065 for females, not projected with mortality improvement.

For Public Safety active lives: the PubS-2010 Below Median Employee Table, adjusted by 1.050 for males and 0.974 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For Public Safety healthy retiree lives: the PubS-2010 Below Median Retiree Table, adjusted by 1.049 for males and 1.020 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

For Public Safety disabled retiree lives: the RP-2000 Disabled Retiree Mortality Table, adjusted by 0.978 for males and 1.002 for females, not projected with mortality improvement.

For survivors: the PubG-2010 Contingent Survivor Table, adjusted by 1.264 for males and 1.326 for females, projected from 2020 on a fully generational basis by Mortality Improvement Scale MP-2021.

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Notes to the Financial Statements

June 30, 2025 and 2024

Rates of Retirement: The rates of retirement are consistent with the assumptions used in the June 30, 2024 and 2023 pension valuations. The retirement rates for LASERS include DROP rates. Sample rates are shown below.

<u>Age</u>	Regular Members				
	Years of Service				
	<u><10</u>	<u>10-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>
55	0%	12%	12%	60%	48%
60	17%	35%	35%	28%	28%
62	14%	17%	17%	17%	17%
65	18%	18%	18%	18%	18%
70	16%	19%	19%	19%	19%
72	16%	19%	19%	19%	19%
75+	100%	100%	100%	100%	100%

Disability Rates: Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group.

<u>Age</u>	<u>Rate</u>
40	0.070%
45	0.110%
50	0.150%
55	0.250%
60	0.000%

Termination Rates: Consistent with the pension valuation assumptions. Rates at sample ages are shown below by group.

<u>Age</u>	<u><1</u>	<u>1</u>	<u>2-3</u>	<u>4-6</u>	<u>7-9</u>	<u>10+</u>
20	50.0%	33.3%	22.5%	20.0%	13.0%	5.3%
30	30.0%	22.0%	18.0%	13.0%	7.3%	5.3%
40	25.0%	18.5%	14.0%	10.5%	7.3%	4.3%
45	25.0%	18.5%	12.0%	10.5%	7.3%	4.3%
50	25.0%	18.5%	12.0%	10.5%	6.5%	4.3%
55	25.0%	15.5%	12.0%	8.5%	6.5%	4.3%
60	25.0%	15.5%	12.0%	8.5%	6.5%	4.3%

Participation Rate - Medical: Active employees who do not have current medical coverage are assumed not to participate in the medical plan as retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below. This assumption is based on a review of plan experience from July 1, 2021 through June 30, 2024.

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Notes to the Financial Statements

June 30, 2025 and 2024

<u>Years of Service</u>	<u>Participation %</u>
<10	33%
10 - 14	60%
15 - 19	80%
20+	88%

Participation Rate - Life Insurance: 36% of future retirees are assumed to participate in the life insurance. This assumption is based on a review of plan experience from July 1, 2021 through June 30, 2024. Future retirees are assumed to elect a total of \$45,000 in basic life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

Plan Election Percentage: Current retirees are assumed to remain in their current plan. At July, 1 2024, future retirees are assumed to elect coverage based on the coverage elections of recent retirees, as follows:

<u>Medical Plan</u>	<u>Pre-Medicare %</u>	<u>Medicare %</u>
BCBS Pelican HRA	13%	6%
BCBS Magnolia L/LP	80%	73%
BCBS Magnolia OA	7%	15%
People's MA HMO	N/A	1%
BCBS MA HMO	N/A	3%
Humana MA HMO	N/A	1%
Via Benefits HRA	N/A	1%

Plan Election Percentage: Current retirees are assumed to remain in their current plan. At July 1, 2023, future retirees are assumed to elect coverage based on the coverage elections of recent retirees, as follows:

<u>Medical Plan</u>	<u>Pre-Medicare %</u>	<u>Medicare %</u>
BCBS Pelican HRA	10%	6%
BCBS Magnolia L/LP	83%	73%
BCBS Magnolia OA	7%	15%
People's MA HMO	N/A	1%
BCBS MA HMO	N/A	3%
Humana MA HMO	N/A	1%
Via Benefits HRA	N/A	1%

This assumption has been updated since the prior valuation based on a review of the past three years of experience.

Dependents: Actual data was used for spouses of current retirees. Of those future retirees electing coverage at retirement, 35% are assumed to be married at time of retirement and elect to cover their spouse in the same medical arrangement that they have elected. 35% of future retirees are also assumed to elect life insurance benefit for their spouses.

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Notes to the Financial Statements

June 30, 2025 and 2024

For future retirees, male retirees are assumed to be three years older than their spouses and female retirees are assumed to be two years younger than their spouses.

No divorce or remarriage after widowhood was reflected.

These assumptions are based on a review of plan experience from July 1, 2021 through June 30, 2024.

Medicare Eligibility: 99% of future retirees are assumed to be eligible for Medicare at age 65. Retirees under age 65 at July 1, 2017 are assumed to become eligible for Medicare at age 65 at varying rates based on how soon they turn age 65, as follows:

<u>Turns Age 65 by</u>	<u>Medicare Eligibility %</u>
7/1/2024	93%
7/1/2025	94%
7/1/2026	95%
7/1/2027	96%
7/1/2028	97%
7/1/2029	98%
After 7/1/2030	99%

Retirees over age 65 are valued according to their reported Medicare status, which is assumed to never change. All current spouses are assumed to be Medicare eligible at age 65. Medicare eligibility assumptions for future spouses are consistent with the assumptions for future retirees. These assumptions are based on a review of experience from July 1, 2021 through June 30, 2024.

DROPS: Current DROPS are valued using actual DROP end dates, where available. Otherwise, the DROP period was assumed to be three years from the DROP start dates. This assumption is consistent with the plan provisions of the DROP program in LASERS.

60% of retirements in the first year of normal retirement eligibility are assumed to be DROPS. 50% of DROPS are assumed to return to active employment at the end of the DROP period.

The following changes in actuarial assumptions have been made since the prior measurement date:

- The discount rate has decreased from 4.13% to 3.93%.
- Baseline per capita costs (PCCs) were updated to reflect 2024 claims and enrollment.
- Medical plan election percentages were updated based on the coverage elections of recent retirees.
- The mortality, retirement, termination, disability, and salary increase rates for the LASERS group were updated.
- The healthcare cost trend was updated.

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Notes to the Financial Statements

June 30, 2025 and 2024

Required Supplementary Information

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Discount Rate: The following presents the proportionate share of the total collective OPEB liability of the Board, as well as what the Board's proportionate share of the total collective OPEB liability would be if it were calculated using a discount rate one percentage lower and one percentage higher than the current discount rate.

	1% Decrease <u>(2.93%)</u>	Current Discount Rate <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
July 1, 2024	\$ <u>365,293</u>	<u>312,595</u>	<u>270,592</u>
July 1, 2023	\$ <u>249,556</u>	<u>214,369</u>	<u>186,256</u>

Sensitivity of the Proportionate Share of the Total Collective OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the proportionate share of the total collective OPEB Liability of the Board, as well as what the Board's proportionate share of the total collective OPEB liability would be if it were calculated using healthcare cost trend rates one percentage lower and one percentage higher than the current healthcare cost trend rates.

	1% Decrease <u>(7.50%)</u>	Current Healthcare Cost Trend Rate <u>(8.50%)</u>	1% Increase <u>(9.50%)</u>
July 1, 2024	\$ <u>268,845</u>	<u>312,595</u>	<u>368,290</u>
July 1, 2023	\$ <u>185,333</u>	<u>214,369</u>	<u>251,118</u>

KSLU-FM RADIO
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Notes to the Financial Statements

June 30, 2025 and 2024

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2025 and 2024, the Station recognized an OPEB benefit of \$12,766 and \$2,443, respectively. The Station reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2024		June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,357	-	4,326	-
Changes in assumptions	23,252	(35,895)	13,514	(44,833)
Changes in proportionate share of collective OPEB expense	11,750	-	7,049	(501)
Difference in proportionate share of employer payments and actual payments	-	(4,582)	-	(3,439)
Employers contributions subsequent to measurement date	4,620	-	11,009	-
	\$ 44,979	(40,477)	35,898	(48,773)

\$4,620 reported as deferred outflows of resources related to OPEB resulting from Station contributions subsequent to the measurement date will be recognized as a reduction of the OPEB in the year ended June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended:

June 30, 2026	\$ (9,360)
June 30, 2027	\$ (1,698)
June 30, 2028	\$ 7,904
June 30, 2029	\$ 3,036

(9) Evaluation of Subsequent Events

The Station has evaluated subsequent events through December 1, 2025, the date which the financial statements were available to be issued.

Subsequent to the end of the fiscal year, on August 1, 2025, the Corporation for Public Broadcasting (CPB) was officially dissolved by federal action. The Station has historically received a significant portion of its operating revenues from CPB grants and allocations. For the fiscal year ended June 30, 2025, CPB funding represented approximately 25% of total revenues.

KSLU-FM RADIO
A Public Telecommunications Entity

Notes to the Financial Statements

June 30, 2025 and 2024

As a result of CPB's dissolution, the Station will no longer receive this source of funding in future periods. Management is currently evaluating the financial and operational impacts of this development, including identifying alternative funding sources and considering potential adjustments to programming and service levels. The ultimate effect on the Station's financial position, results of operations, and cash flows cannot be reasonably estimated at this time.

KSLU-FM RADIO
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Schedule of Compensation, Benefits, and Other Payments to General Manager

For the Year Ended June 30, 2025

General Manager: Damon Sunde

Salary	\$ 61,740
Benefits - insurance (health and dental)	13,390
Taxes	911
Retirement	<u>13,962</u>
Total compensation, benefits, and other payments	<u><u>\$ 90,003</u></u>

KSLU-FM RADIO
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Statement of Functional Expenses

For the Year Ended June 30, 2025
(With Comparison Totals for 2024)

	Program Services		Support Services		2025 Total	2024 Total
	Programs/ Production	Broadcast	Management and General			
Salaries and benefits	\$ 135,921	104,773	42,476		283,170	248,769
Occupancy	1,665	1,567	53		3,285	3,285
Dues and subscriptions	26,385	-	-		26,385	35,435
Xerox copies	-	-	318		318	597
Repairs and maintenance	-	-	2,459		2,459	4,006
Advertising	-	-	7,426		7,426	1,784
Professional services	-	40,954	-		40,954	41,860
Office supplies	-	-	10,979		10,979	12,640
Depreciation	-	19,741	1,399		21,140	11,539
Telephone	-	120	2,388		2,508	2,508
Institutional support	50,200	47,229	1,584		99,013	109,056
Physical plant	6,438	6,096	165		12,699	10,978
Student work study	-	61	-		61	2,827
Amortization	-	31,963	-		31,963	16,573
Miscellaneous	-	-	1,714		1,714	3,107
Total functional expenses	\$ 220,609	252,504	70,961		544,074	504,964



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American Society of Certified Public Accountants
Society of Louisiana CPAs

**Independent Auditor's Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees
Southeastern Louisiana University
Hammond, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of KSLU-FM Radio, a public telecommunications entity (the Station) and department of Southeastern Louisiana University (the University), a university contained within the University of Louisiana System (the System), a component unit of the State of Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements, and have issued our report thereon dated November 17, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Station's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Station's internal control. Accordingly, we do not express an opinion on the effectiveness of the Station's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Station's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Station's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Griffin & Furman, LLC

December 1, 2025

Covington, Louisiana

KSLU-FM RADIO
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Schedule of Findings and Management's Corrective Action Plan

June 30, 2025

Summary of Audit Results:

- 1. Type of Report Issued - Unmodified**
- 2. Internal Control Over Financial Reporting,**
 - a. Significant Deficiencies - No**
 - b. Material Weaknesses - No**
- 3. Compliance and Other Matters - No**
- 4. Management Letter - No**

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Status of Prior Year Findings

June 30, 2025

Not Applicable.