

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

KGLT-FM
A Public Telecommunications Entity Operated by
the Board of Regents – Montana University System

June 30, 2015 and 2014

KGLT-FM
A Public Telecommunications Entity Operated by
the Board of Regents – Montana University System

June 30, 2015 and 2014

CONTENTS

MANAGEMENT’S DISCUSSION AND ANALYSIS	3
INDEPENDENT AUDITOR’S REPORT	10
FINANCIAL STATEMENTS	
Statements of Net Position	12
Statements of Revenues, Expenses and Changes in Net Position	14
Statements of Cash Flows	16
Notes to Financial Statements	18
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Status For Other Post Retirement Benefits For Health Insurance	37
Schedule of KGLT’s Proportionate Share of the Net Pension Liability for PERS	38
Schedule of KGLT’s Contribution to PERS	38
SUPPLEMENTARY INFORMATION	
Consolidating Reconciliation Schedule of Revenues to Schedule F of AFR	39

Management Discussion and Analysis Fiscal Year Ended June 30, 2015

KGLT-FM ("The Station"), created in 1968, is a forty-eight year old college radio station that is non-commercial, educational, has live announcers, and an open music format. Located on the campus of Montana State University, KGLT is licensed to the Board of Regents of the Montana University System. KGLT-FM has one transmitter located in Logan, Montana. Additionally, it has four translators that are located in Mammoth Hot Springs, Wyoming and Bozeman, Helena, and Livingston, Montana.

KGLT-FM's "tag" is "alternative public radio in Southwest Montana." Diverse live shows are played by 90 volunteer announcers who are trained in apprentice classes offered by the station three times per year. KGLT writes and produces approximately 2,000 public service announcements annually, supports local talent, has an open door policy to the public and is a Safe Zone for LGBTQIQ (lesbian, gay, bisexual, transgender, queer, intersex, questioning) community members.

KGLT supports local and visiting talent with on-air live performances. Local programming is created relevant to community needs. Those programs include Montana Medicine Show, now in its sixth year, fishing, skiing, and avalanche reports, and two community calendars to keep the listeners informed of community events. KGLT also airs national programming that includes This American Life, Studio 360, Mountain Stage, Radiolab, Star Date, and Chrysti the Wordsmith.

A related fund raising entity, Friends of KGLT ("Friends"), is a non-profit Montana corporation that provides financial support solely to KGLT. These statements include the activities of Friends as a discretely presented component unit. Additionally, the station is supported financially by the Associated Students of Montana State University (ASMSU), the Corporations for Public Broadcasting, foundations, area businesses, and listeners.

Financial Reporting Standards

KGLT-FM follows standards established by the Corporation for Public Broadcasting, which require use of Governmental Accounting Standards Board ("GASB") pronouncements. GASB pronouncements require that revenue received in exchange for services be classified as "operating," while gifts and other non-exchange transactions (i.e. grants, donations, and other support) revenues are classified as non-operating. While all revenue received is used for KGLT operations, the GASB definition of "operating" revenues results in very few revenues meeting the criteria of "operating." Due to this, institutions that rely heavily on contributions for support routinely report operating losses, because receipts of gifts, grants and contributions are classified as "non-operating."

Pursuant to GASB 35, the annual financial report consists of three basic financial statements:

1. the Statements of Net Position;
2. the Statements of Revenues, Expenses and Changes in Net Position; and
3. the Statements of Cash Flows

In 2015, pursuant to GASB 68, the station was required to include pension obligations directed from Montana University System. This change in standard has led to a significant change to the Statement of Net Position – in particular the net position of KGLT-FM.

The following discussion includes comparisons between 2013 and 2014, and 2014 and 2015, with emphasis on the latter year.

Use of Financial Statements

The statements are prepared using the accrual basis of accounting and represent a consolidation of all funds representing CPB grants, managed through the Montana State University Office of Sponsored Programs and ASMSU, of which KGLT- FM is one of 22 committees, as well as Friends' financial information. All KGLT funds are internally managed through the central accounting system of Montana State University.

- Assets and liabilities are measured at current value and capital assets at cost less depreciation.
- Depreciation of capital assets is treated as an operating expense.
- Assets and liabilities are treated as current (use or benefit within one year), or as noncurrent (use or benefit in more than one year) and are presented in the Statements of Net Position.
- Revenues and expenses are classified as "Operating" or "Non-operating." Operating revenues are the result of transactions involving exchanges of goods or services for substantially equal value, while non-operating revenues result from other transactions, such as grants, appropriations, and gifts. All expenses are considered operating. Therefore, the operating loss reported in the financial statements is substantial; however, KGLT supporters reading this report will see that available cash balances have increased in 2015 and were sufficient to cover operating expenses.

Financial Summary

Cash balances increased \$28,442, as earned revenues and contributions were sufficient to meet expenses. The Station's Net Position decreased \$135,970, as compared with 2014 due to the following:

- Increased operating expenses of \$18,261, 3.50% more than 2014, due to primarily to higher salary and benefits expenses.
- Additionally, there was a change in fund balance of \$157,599 due to the pension obligation changed due to GASB 68.

Detailed information is discussed below.

Statements of Net Position: The following is a summary of the Statements of Net Position without Friends information:

	As of June 30,		
	2015	2014	2013
ASSETS			
Total current assets	\$ 216,954	\$ 181,431	\$ 180,191
Capital assets, net	22,206	24,196	26,189
Other assets	15,000	15,000	15,000
Total assets	<u>254,160</u>	<u>220,627</u>	<u>221,380</u>
DEFERRED OUTFLOW OF RESOURCES -PENSIONS			
	12,300	-	-
Total assets and deferred outflow of resources	<u>\$ 266,460</u>	<u>\$ 220,627</u>	<u>\$ 221,380</u>
LIABILITIES			
Total current liabilities	\$ 177,565	\$ 166,342	\$ 148,846
Total noncurrent liabilities	213,964	77,228	71,039
Total liabilities	<u>391,529</u>	<u>243,570</u>	<u>219,885</u>
DEFERRED INFLOW OF RESOURCES - PENSIONS			
	33,844	-	-
NET POSITION			
Unrestricted	(181,119)	(47,139)	(24,694)
Net investment in capital assets	22,206	24,196	26,189
Total net position	<u>(158,913)</u>	<u>(22,943)</u>	<u>1,495</u>
Total liabilities, deferred inflow or resources and net position	<u>\$ 266,460</u>	<u>\$ 220,627</u>	<u>\$ 221,380</u>

During 2015, the following events occurred and had a significant impact on the statement of net position:

- Liabilities increased overall in the current year partly due to slight increases in insurance benefits, accrued compensated absences and unearned grant revenue; however, the most significant portion of increase is the inclusion of the Station's pension obligation.
- Both the deferred inflow and deferred outflow of resource is directed towards the inclusion of the pension obligations.
- Net position decreased due to the pension obligation.

Statements of Revenues, Expenses and Changes in Net Position

Revenues and expenses are categorized as either operating or non-operating. Following accrual accounting methods, current year's revenues and expenses are recognized when they are earned or incurred, regardless of when cash is received or paid.

The following provides a summary of the Statements of Revenues, Expenses and Changes in Net Position without Friends information:

	As of June 30,		
	2015	2014	2013
Operating revenues	\$ 117,341	\$ 97,437	\$ 90,400
Operating expenses	529,318	511,057	488,246
Operating income (loss)/net increase (decrease) in net position	(411,977)	(413,620)	(397,846)
Nonoperating revenues	433,606	389,183	380,221
Net position, beginning of year	(22,943)	(10,253)	9,706
Net position, restatement of beginning balance	(157,599)	11,747	9,414
Net position, end of year	\$ (158,913)	\$ (22,943)	\$ 1,495

Operating revenues include underwriting, which increased 20% in 2015 to \$113,618. In 2014, underwriting brought in \$94,517, an 8% increase over 2013's \$87,140. KGLT management is very pleased that underwriting revenue has increased, and the Station strives to continue the upward trend of additional underwriting from improved economic conditions.

Total operating expenses increased \$18,261, or 3.50% in 2015. The two primary increases attributed to this operating expense increase were salaries and benefits. Benefits increased by 3.70% in 2015 and had increased by roughly 6% in the year prior. Salaries rose by 7.30% in 2015 and roughly 6% in 2014. Pay increases are determined by the Montana University System and in some cases signed off on by the President of the University.

Non-operating revenues increased by \$44,423 over 2014. The results are discussed as follows.

In 2015, non-operating revenues included roughly \$170,000 from the annual fund drive, which in 2014 was roughly \$130,000. This indicates that there was a roughly 31% increase in fund drive revenue in 2015. In 2014, KGLT-FM reported a decrease of roughly 17% from 2013 fund drive revenue. The increase in Fund Drive collections is attributed to higher amounts pledged and a slight price raise for incentives to accommodate higher wholesale and postage. Additionally, in 2015, KGLT added a payroll deduction method of payment for university employees who wanted to pay their pledges in an installment method. These factors made for a better 2015 fund drive and are largely the reason for the increase in non-operating revenues.

Restricted Gifts rose from \$18,000 in 2014 to \$31,000 in 2015, a 72% increase. Friends of KGLT, Golden Pearl Foundation, Gilhousen Foundation, Center for Car Donations, and the MSUAF contributions account for the increase. Restricted Gifts in 2014 also came from the same foundations except MSUAF. Gilhousen Family Foundation twice supported Montana Medicine Show and Chrysti the Wordsmith in 2015 with a total of \$8,000.

Associated Students of Montana State University (ASMSU) provides yearly financial support to The Station for its Operations Budget. Each year The Station presents an operations budget to ASMSU,

as The Station is one of 22 ASMSU committees. ASMSU has a responsibility to support its committees and does so with financial support as well as with liaisons support in student government. In 2015, less than 50% of the requested amount, or \$17,200 of ASMSU funds were required by The Station. The amount of student support in 2015 was lower by roughly \$11,200 from 2014 due to the successes of underwriting and fund drive. The trend has been similar in recent years. In 2014, KGLT used 57% of authorized funds from ASMSU, and in 2013, less than 40% of authorized funds were used.

Statements of Cash Flows

The Statements of Cash Flows describes KGLT’s sources and uses of cash during the fiscal year. This statement helps assess The Station’s ability to meet commitments as they become due, their ability to generate future cash flows, and their need for external financing. GASB statements require the use of the direct method for presenting results of cash flows, which focuses on transactions that provided or used cash in the fiscal year. The following is a summary of the Statements of Cash Flows without Friends of KGLT information.

	For the years ended June 30,		
	2015	2014	2013
Cash provided by (used in):			
Operating activities	\$ (304,220)	\$ (302,762)	\$ (280,105)
Non-capital financing activities	332,633	315,604	288,127
Investing activities	29	17	31
Net increase in cash	28,442	12,859	8,053
Cash, beginning of year	168,992	156,133	148,080
Cash, end of year	\$ 197,434	\$ 168,992	\$ 156,133

During 2015, \$28,442 of cash was generated. This was due to foundation and donation support which exceeded operating cash flows. This was achieved despite a decrease in net position due in large part to the new GASB requirement to present pension obligations.

Discussion of Significant Pending Economic and Financial Issues:

Eighteen Channel Board for Air Studio to Accommodate Digital Library

The process of digitizing the 65,000-plus CD library is going into its third year, resulting in updating equipment to accommodate a music library that can be accessed by all 90 announcers, each of them able to create folders and subfolders of music to store at The Station. The reporting process for web streaming is very detailed. In addition to the playlists the announcers will type to send to the KGLT website as they play, time lengths and composers are also required when a station goes beyond 232,000 aggregate hours of stream listeners. It is our hope to add more streams, changing the way we report our streaming hours and costing the station more money, but having the ability to add more listener/donors.

Corporation for Public Broadcasting Transparency Requirements

Donors and other interested parties including foundations, potential underwriters and new listeners can go to the 'About' section at www.kglt.net and view The Station's financial reports, mission statement, read its open door policy and Management Discussion and Analysis. The General Manager has used the 'About' page as an efficient tool when working on funding the station. The CPB relationship with KGLT has given the University and others in contact with The Station a sense of "staying power", making more concrete that the 48 year old community radio station will be on the air for many more years, for generations more of listeners.

Monthly Payment options

Though revenues were flat year over year, it is the hope of The Station that the monthly payment option offered through the Montana State Alumni Foundation will lead to ongoing repeat donations without the stimulus of Fund Drive.

Estate Planning and Corporate Support

As The Station gains supporters, some of them anonymous with donations coming from community foundations, we will offer Planned Giving options. Additionally, we will pro-actively seek corporate sponsors for the annual fund drive. These two initiatives will be undertaken with the help of both Friends of KGLT and the Montana State Alumni Foundation.

Friends of KGLT

A more active Friends of KGLT in 2014 led to new board members and a refreshed focus of Friends of KGLT's to support The Station in 2015. The new board joined Pizza Compania, a local Italian eatery, to offer a fabulous Sunday brunch fundraiser that was well attended. Additionally, the board has at least seven new upcoming fundraisers in FY16 that hope to build on its mission to support KGLT.

Year End Giving

In 2015, a mailing was sent at year-end to lapsed donors from the current Fund Drive and the 2014 Fund Drive with largely positive results. The motto "If you don't ask you won't receive" holds true, and as we become a larger entity, and start to consider adding employees, the year-end giving request is very important.

Associated Students of Montana State University

The Station, is one of a handful of non-student run programs of ASMSU and has grown over 48 years to become one of the top stations in the Gallatin Valley. The focus of staff is to increase listenership, thereby increasing the station's success as a one of a kind community radio station. ASMSU and The Station are collaborating more, airing a calendar for ASMSU, and as always, creating public service announcements for many campus activities.

Compiling a Process Description of the Operations of KGLT

In discussions with the auditors, we are going to start to create a more comprehensive operations manual of each role within KGLT. This will hopefully yield areas of process improvement and provide any new employees with an understanding of roles and requirements of each job within the entity.

INDEPENDENT AUDITOR'S REPORT

Board of Regents – Montana University System KGLT Radio
Bozeman, Montana 59717

Report on the Financial Statements

We have audited the accompanying financial statements of KGLT (Station), a Public Telecommunications Entity operated by the Montana University System, and its discretely presented component unit (Friends of KGLT) as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise KGLT and Friends of KGLT's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of business-type activities and the discretely presented component unit of KGLT-FM as of June 30, 2015 and 2014, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note J to the financial statements a prior period adjustment has been made to the financial statements due to the implementation of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. The June 30, 2014 financial statements were not restated as it was impractical.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedule of funding status for other post retirement benefits for health insurance, and schedule of net pension liability be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise KGLT's basic financial statements. The supplemental information presented on pages 36 through 39 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information on pages 36 through 39 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Bozeman, Montana
January 13, 2016

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
STATEMENTS OF NET POSITION
June 30, 2015

ASSETS & DEFERRED OUTFLOWS OF RESOURCES			
	KGLT	Friends of KGLT	Total
CURRENT ASSETS			
Cash	\$ 197,434	\$ 7,944	\$ 205,378
Accounts receivable	3,757	-	3,757
Pledges receivable	13,731	-	13,731
Prepaid expenses	2,032	-	2,032
Total current assets	216,954	7,944	224,898
NONCURRENT ASSETS			
Capital assets, net	22,206	27,403	49,609
Other intangible assets	15,000	-	15,000
Total noncurrent assets	37,206	27,403	64,609
TOTAL ASSETS	254,160	35,347	289,507
DEFERRED OUTFLOWS OF RESOURCES - PENSIONS	12,300	-	12,300
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 266,460	\$ 35,347	\$ 301,807
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & NET POSITION			
CURRENT LIABILITIES			
Accounts payable	\$ 3,956	\$ -	\$ 3,956
Unearned grant revenue	138,243	-	138,243
Wages payable	19,860	-	19,860
Accrued compensated absences	15,506	-	15,506
Total current liabilities	177,565	-	177,565
NONCURRENT LIABILITIES			
Accrued compensated absences	14,316	-	14,316
Other post-employment benefits	68,663	-	68,663
Net pension liability	130,985	-	130,985
Total noncurrent liabilities	213,964	-	213,964
Total liabilities	391,529	-	391,529
DEFERRED INFLOWS OF RESOURCES - PENSIONS	33,844	-	33,844
NET POSITION			
Unrestricted	(181,119)	7,944	(173,175)
Net investment in capital assets	22,206	27,403	49,609
Total net position	(158,913)	35,347	(123,566)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 266,460	\$ 35,347	\$ 301,807

The accompanying notes are an integral part of these financial statements.

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
STATEMENTS OF NET POSITION
June 30, 2014

ASSETS			
	KGLT	Friends of KGLT	Total
CURRENT ASSETS			
Cash	\$ 168,992	\$ 10,653	\$ 179,645
Accounts receivable	5,129	-	5,129
Pledges receivable	3,812	-	3,812
Prepaid expenses	3,498	-	3,498
Total current assets	181,431	10,653	192,084
NONCURRENT ASSETS			
Capital assets	24,196	28,950	53,146
Other intangible assets	15,000	-	15,000
Total noncurrent assets	39,196	28,950	68,146
TOTAL ASSETS	\$ 220,627	\$ 39,603	\$ 260,230
LIABILITIES & NET POSITION			
CURRENT LIABILITIES			
Accounts payable	\$ 2,559	\$ -	\$ 2,559
Unearned grant revenue	128,716	-	128,716
Wages payable	20,727	-	20,727
Accrued compensated absences	14,340	-	14,340
Total current liabilities	166,342	-	166,342
NONCURRENT LIABILITIES			
Accrued compensated absences	13,238	-	13,238
Other post-employment benefits	63,990	-	63,990
Total noncurrent liabilities	77,228	-	77,228
Total liabilities	243,570	-	243,570
NET POSITION			
Unrestricted	(47,139)	10,653	(36,486)
Net investment in capital assets	24,196	28,950	53,146
Total net position	(22,943)	39,603	16,660
TOTAL LIABILITIES AND NET POSITION	\$ 220,627	\$ 39,603	\$ 260,230

The accompanying notes are an integral part of these financial statements.

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
June 30, 2015

	KGLT	Friends of KGLT	Total
OPERATING REVENUES			
Operating revenues	\$ 117,341	\$ -	\$ 117,341
OPERATING EXPENSES			
Broadcasting	113,764	-	113,764
Programming and production	127,065	-	127,065
Program information and promotion	21,471	-	21,471
Management and general	97,927	190	98,117
Fundraising and membership development	130,377	1,109	131,486
Solicitation and underwriting	33,644	-	33,644
Land, buildings and equipment	5,070	1,548	6,618
Contributions to affiliates	-	10,063	10,063
Total operating expenses	529,318	12,910	542,228
OPERATING LOSS	(411,977)	(12,910)	(424,887)
NONOPERATING REVENUES			
Contributions from fund drive	171,159	-	171,159
Other foundation grants	35,040	5,000	40,040
Grants from CPB	109,605	-	109,605
In-kind donations	49,458	-	49,458
Support from the Montana University System:			-
Montana State University	51,094	-	51,094
Associated Students of Montana State University	17,221	-	17,221
Investment income	29	-	29
Contributions-other	-	3,654	3,654
Total nonoperating revenues	433,606	8,654	442,260
CHANGE IN NET POSITION	21,629	(4,256)	17,373
NET POSITION, beginning of year as originally reported	(22,943)	39,603	16,660
NET POSITION, restatement of beginning balance - pensions	(157,599)	-	(157,599)
NET POSITION, end of year	\$(158,913)	\$ 35,347	\$(123,566)

The accompanying notes are an integral part of these financial statements.

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

June 30, 2014

	<u>KGLT</u>	<u>Friends of KGLT</u>	<u>Total</u>
OPERATING REVENUES			
Operating revenues	\$ 97,437	\$ -	\$ 97,437
OPERATING EXPENSES			
Broadcasting	105,468	-	105,468
Programming and production	123,527	-	123,527
Program information and promotion	19,846	-	19,846
Management and general	107,084	182	107,266
Fundraising and membership development	124,016	1,910	125,926
Solicitation and underwriting	29,598	-	29,598
Land, buildings and equipment	1,518	1,548	3,066
Contributions to affiliates	-	14,852	-
Total operating expenses	<u>511,057</u>	<u>18,492</u>	<u>514,697</u>
OPERATING INCOME (LOSS)	<u>(413,620)</u>	<u>(18,492)</u>	<u>(432,112)</u>
NONOPERATING REVENUES			
Contributions from fund drive	133,880	-	131,694
Other foundation grants	25,533	6,066	18,933
Grants from CPB	104,141	-	104,141
In-kind donations	49,598	-	49,598
Support from the Montana University System:			
Montana State University	47,554	-	47,554
Associated Students of Montana State University	28,460	-	28,460
Investment Income	17	-	17
Contributions-other	-	14,168	14,168
Total nonoperating revenues	<u>389,183</u>	<u>20,234</u>	<u>409,417</u>
CHANGE IN NET POSITION	(24,437)	1,742	(22,695)
NET POSITION, beginning of year	(10,253)	37,861	27,608
NET POSITION, prior period restatement	<u>11,747</u>	<u>-</u>	<u>11,747</u>
NET POSITION, end of year	<u>\$ (22,943)</u>	<u>\$ 39,603</u>	<u>\$ 16,660</u>

The accompanying notes are an integral part of these financial statements.

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
STATEMENTS OF CASH FLOWS
for the year ended June 30, 2015

	KGLT	Friends of KGLT	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Other operating revenues	\$ 118,712	\$ -	\$ 118,712
Compensation and benefits	(241,657)	-	(241,657)
Operating expenses	(181,275)	(11,362)	(192,637)
Net cash provided by (used in) operating activities	<u>(304,220)</u>	<u>(11,362)</u>	<u>(315,582)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
ASMSU support	17,221	-	17,221
Community service grants	154,172	-	154,172
Receipts from fund drive	161,240	-	161,240
Donations	-	8,652	8,652
Net cash provided by non-capital financing activities	<u>332,633</u>	<u>8,652</u>	<u>341,285</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	29	-	29
NET INCREASE (DECREASE) IN CASH	28,442	(2,710)	25,732
CASH, beginning of year	168,992	10,654	179,646
CASH, end of year	<u>\$ 197,434</u>	<u>\$ 7,944</u>	<u>\$ 205,378</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating loss	\$ (411,977)	\$ (12,910)	\$ (424,887)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Non-cash university support	51,094	-	51,094
In-kind operational expenses	49,458	-	49,458
Depreciation	1,990	1,548	3,538
Decrease in accounts receivable	1,372	-	1,372
Decrease in prepaid expenses	1,466	-	1,466
Decrease in accounts payable	1,397	-	1,397
Increase in wages payable	(867)	-	(867)
Increase in compensated absences	2,244	-	2,244
Increase in other post-employment benefits	4,673	-	4,673
Increase in deferred inflows	33,844	-	33,844
Net pension liability and related deferred inflows and outflows	(38,914)	-	(38,914)
Net cash flows provided by (used in) operating activities	<u>\$ (304,220)</u>	<u>\$ (11,362)</u>	<u>\$ (315,582)</u>

The accompanying notes are an integral part of these financial statements.

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
STATEMENTS OF CASH FLOWS
for the year ended June 30, 2014

	KGLT	Friends of KGLT	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Other operating revenues	\$ 99,702	\$ -	\$ 99,702
Compensation and benefits	(217,811)	-	(217,811)
Operating expenses	(184,653)	(16,944)	(201,597)
Net cash provided by (used in) operating activities	<u>(302,762)</u>	<u>(16,944)</u>	<u>(319,706)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
ASMSU support	28,460	-	28,460
Community service grants	125,475	-	125,475
Receipt from fund drive	161,669	-	161,669
Donations	-	20,234	20,234
Net cash provided by non-capital financing activities	<u>315,604</u>	<u>20,234</u>	<u>335,838</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	17	-	17
NET INCREASE (DECREASE) IN CASH	12,859	3,290	16,149
CASH, beginning of year	156,133	7,364	163,497
CASH, end of year	<u>\$ 168,992</u>	<u>\$ 10,654</u>	<u>\$ 179,646</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating loss	\$ (413,620)	\$ (18,492)	\$ (432,112)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities			
Non-cash university support	47,554	-	47,554
In-kind fund drive donations	49,598	-	49,598
Depreciation	1,992	1,548	3,540
Decrease in accounts receivable	2,265	-	2,265
Decrease in prepaid expenses	2,650	-	2,650
Increase in accounts payable	(3,965)	-	(3,965)
Decrease in wages payable	4,093	-	4,093
Increase in compensated absences	926	-	926
Increase in other post-employment benefits	5,745	-	5,745
Net cash flows provided by (used in) operating activities	<u>\$ (302,762)</u>	<u>\$ (16,944)</u>	<u>\$ (319,706)</u>

The accompanying notes are an integral part of these financial statements.

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Organization. KGLT-FM (the Station) is operated by the Montana University System, which is controlled by the Montana Board of Regents. The Station is a not-for-profit public radio station operating from the campus of Montana State University-Bozeman. Currently, KGLT serves the Bozeman area and parts of Montana which are within the KGLT reception area. The Station relies on grants, university support and public contributions.

The component unit described below is included in the Station's reporting entity because of the significance of the operational and financial relationship with the Station.

2. Component Unit. The Friends of KGLT (Friends) raises funds to provide financial and other support to the Station. The support provided includes fund raising and positive community relations. The administration of Friends is provided by a Board of Directors that consisted of ten and nine members for the years ended June 30, 2015 and 2014, respectively.

In accordance with GASB No. 39, the financial statements of Friends of KGLT are being presented in this financial report as a component unit, not as consolidated organization. As a result, transactions between the two entities are not eliminated. GASB Statement No. 34 requires that transactions between the two entities be recorded as external transactions. As a result, transfers of funds from Friends to the Station are recorded as an expense on the financial statements of Friends and as revenue on the financial statements of the Station.

3. Financial Statement Presentation. The Station's financial statements are presented in accordance with requirements of GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Government*, GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments: Omnibus – an amendment of GASB Statements No. 21 and No. 34*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. As the station does not have governmental fund types, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* is not applicable. Under GASB Statements No. 34, No. 35, No. 37, No. 38 and No. 63, the Station is required to present a statement of net position classified between current and noncurrent assets and liabilities, a statement of revenues, expenses and changes in net position, with separate presentation for operating and non-operating revenues and expenses, and a statement of cash flows using the direct method. The statements require the classification of net positions into three components – net investment in capital assets; restricted and unrestricted.
4. Basis of Accounting. For financial reporting purposes, the Station is considered a special program of the Associated Students of Montana State University (ASMSU) engaged only in business-type activities. Accordingly, the Station's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Continued

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

5. Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Accordingly, actual results could differ from those estimates.
6. Cash and Cash Equivalents. For purposes of the statements of cash flows, cash balances maintained in pooled funds with other University funds are considered cash equivalents. The University allocates cash balances to the Station from their funds invested in the Short Term Investment Pool (STIP) with the Montana Board of Investments. There are no cash equivalents as of June 30, 2015 and 2014.
7. Accounts Receivable. Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Customer account balances with invoices dated over 30 days are considered delinquent but are not subject to finance charges.

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end.

8. Capital Assets. Capital assets with a cost, or donated assets with an estimated fair market value on the date of receipt, of \$5,000 or more and an estimated useful life of more than one year are capitalized. Subsequent to July 1, 2010, intangible assets with a cost, or donated assets with an estimated fair market value on the date of receipt, of \$100,000 or more and an estimated useful life of more than one year are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 25 years for equipment. Depreciation is reported as a management and general expense in the statements of revenues, expenses, and changes in net assets.

9. Other Intangible Assets. The Station purchased a broadcasting license in 2010, which is being reported at cost. Pursuant to ASC 350, *Intangibles – Goodwill and Other*, intangible assets other than goodwill are reviewed for impairment whenever events or changes in circumstances indicate their carrying value may not be fully recoverable. If an impairment indicator exists, recoverability is assessed by comparing the carrying value to undiscounted cash flows expected for be generated by the assets. If impaired, the impairment recognized is the amount by which the carrying value exceeds its fair value, which is then charged as a non-operating charge to the statement of operations. No impairment indicators existed in fiscal years 2015 and 2014.

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

10. Compensated Absences. Employees' compensated absences are accrued when earned. The obligation and expenditure incurred during the year are recorded as accrued compensated absences in the statements of net assets and as a component of management and general in the statements of revenues, expenses and changes in net assets. As of December 31 of each year, employees can accumulate vacation leave up to twice the number of leave days earned annually and sick leave can be accumulated without limitation. Upon termination, the employee is paid the accumulated vacation leave and 25% of the accumulated sick leave. Amounts recorded as accrued compensated absences include employer benefits.
11. Other Post-Employment Benefits (OPEB). During the year ended June 30, 2008, the University adopted Governmental Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The University allows retirees to participate in the Montana University System's self-funded health insurance plan by paying an amount considered by the University to cover their full costs (as calculated using the pooled risk of retirees and active employees). An actuarial study determined that this blended rate structure results in an implicit rate subsidy to retirees, who are considered to be a higher-cost pool of participants. The State of Montana and its component units amortize the calculated OPEB liability resulting from this implicit rate subsidy over a period of 30 years. The state has not mandated funding of the liability. See note E.
12. Pensions. During the year ended June 30, 2015, the University adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required the University to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions. See note D for further information on pensions.
13. Net Position. The Station's net position is classified as follows:

Net investment in capital assets: This represents the Station's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt. The Station had no outstanding debt for the years ended June 30, 2015 and 2014, respectively.

Restricted position: This represents the component of net position that reports the constraints placed on the use of net position by either external parties or enabling legislation. The Station had no restricted position for the years ended June 30, 2015 and 2014, respectively.

Unrestricted position: The resulting difference between assets and liabilities and deferred inflows and outflows of resources that are not reported in net investment in capital assets and restricted position.

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

14. Classification of Activities. The station has classified their revenues as either operating or non-operating.

Operating revenues: Operating revenues result from exchange transactions. Operating revenues include underwriting of broadcast programs, apprenticeship classes and sales of merchandise.

Nonoperating revenues: Nonoperating revenue results from non-exchange transactions. Nonoperating transactions include (1) operating grants from Corporation for Public Broadcasting (CPB), (2) contributions from the annual fund drive, (3) in-kind contributions, (4) indirect support from the Montana University System, and (5) support from ASMSU.

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

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

Certain general provisions must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These general provisions pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists and licensee status with the Federal Communications Commission. The grants were reported on the accompanying financial statements as unrestricted operating revenues.

17. Donated Facilities, Materials and Services. Donated facilities from the ASMSU consist of office and studio space together with related occupancy costs and are recorded as revenue and expense at estimated fair rental values in the statements of revenues, expenses and changes in net assets. These expenses are recorded as indirect support. Montana State University pays pension contributions and other employee benefits from a benefit cost pool on behalf of some of the Station employees. These expenses are allocated to the Station as direct support. Donated personal services are recognized if the services received (1) create or enhance long-lived assets or (2) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No donated personal services were recorded for the years ended June 30, 2015 and 2014, respectively.

Continued

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

18. Pledges Receivable. Pledges receivable are monies received from the Station's annual fund drive. As required by ASC 958, the Station records pledges receivable at their fair value and discounts pledges to their net present value based on current market interest rates and the expected payment schedule set out by the donor. Subsequent changes to the discount on pledges are recognized as income either restricted or unrestricted as appropriate. At the current time there are no pledges receivable that are greater than one year and management believes all pledges receivables to be collectible.
19. Functional Allocation of Expenses. The cost of providing the various programs and other activities has been summarized on a functional basis in the statements of revenues, expenses and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
20. Advertising. Advertising costs are expensed as incurred and were \$6,774 and \$8,891 for the years ended June 30, 2015 and 2014, respectively.
21. Tax Status. As a state institution of higher education, the income of the Station is exempt from federal and state income tax under Internal Revenue Code Section 115. However, income generated from activities not related to the exempt purpose would be subject to income tax under Internal Revenue Code Section 511(a)(2)(B).

Friends is a not-for-profit corporation under Internal Revenue Code Section 501(c)(3) and is classified as other than a private foundation.

NOTE B – CAPITAL ASSETS

Following are the changes in capital assets for the year ended June 30, 2015.

	Balance 6/30/14	Additions	Transfers and Other Changes	Balance 6/30/15
Transmission equipment	\$ 39,577	\$ -	\$ -	\$ 39,577
Studio and broadcast equipment	63,905	-	-	63,905
Total capital assets	<u>103,482</u>	<u>-</u>	<u>-</u>	<u>103,482</u>
Less accumulated depreciation for:				
Transmission equipment	20,693	1,581	-	22,274
Studio and broadcast equipment	29,643	1,956	-	31,599
Total accumulated depreciation	<u>50,336</u>	<u>3,537</u>	<u>-</u>	<u>53,873</u>
Capital assets, net	<u>\$ 53,146</u>	<u>\$ (3,537)</u>	<u>\$ -</u>	<u>\$ 49,609</u>

Continued

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE B – CAPITAL ASSETS, continued

Following are the changes in capital assets for the year ended June 30, 2014.

	Balance 6/30/13	Additions	Transfers and Other Changes	Balance 6/30/14
Transmission equipment	\$ 39,577	\$ -	\$ -	\$ 39,577
Studio and broadcast equipment	63,905	-	-	63,905
Total capital assets	<u>103,482</u>	<u>-</u>	<u>-</u>	<u>103,482</u>
Less accumulated depreciation for:				
Transmission equipment	19,108	1,583	-	20,691
Studio and broadcast equipment	27,687	1,956	-	29,643
Total accumulated depreciation	<u>46,794</u>	<u>3,539</u>	<u>-</u>	<u>50,334</u>
Capital assets, net	<u>\$ 56,688</u>	<u>\$ (3,539)</u>	<u>\$ -</u>	<u>\$ 53,148</u>

NOTE C – OPERATING LEASE

During the fiscal year ended June 30, 2004, the Station entered into a tower site co-location lease agreement. The lessor provides space for the Station's antenna structures, transmitters and associated equipment and for a backup generator and propane tank. The current term of the lease is for a period of 10 years commencing on September 1, 2013 and ending on August 31, 2023. The Station has the option to renew this lease three times for a period of 10 years each. Monthly rent payments are currently \$1,107 with a 3% increase each January 1st.

The future minimum obligations under this operating lease are as follows for the years ending June 30:

2016	\$ 13,482
2017	13,886
2018	14,303
2019	14,732
2020	15,174
Thereafter	<u>55,852</u>
	<u>\$ 127,429</u>

Continued

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE D – PENSION PLANS

The Station’s employees are covered under the Montana Public Employees’ Retirement System (PERS) or the Optional Retirement Program (ORP). The PERS plan is a multiple-employer, cost-sharing defined benefit retirement plan. The ORP plan is a defined contribution retirement fund. Only faculty and staff with contracts under the authority of the Board of Regents may elect the ORP.

The amounts contributed to the plans during the year ended June 30, 2014 were equal to the require contributions for the year:

	2015		2014	
	PERS	ORP	PERS	ORP
Employer contributions	\$ 10,550	\$ 2,529	\$ 9,543	\$ 2,430

Following is the total of KGLT’s share of balances for defined benefit plans.

	PERS	Total
Net Pension Liability	\$ 130,985	\$ 130,985
Deferred Outflow of Resources	\$ 12,300	\$ 12,300
Deferred Inflow of Resources	\$ 33,844	\$ 33,844
Pension Expense (including state share paid on behalf of the University)	\$ 10,175	\$ 10,175

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

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE D – PENSION PLANS, continued

PERS

PERS Plan Description

The PERS-Defined Benefit Retirement Plan (DBRP), administered by the Montana Public Employee Retirement Administration (MPERA), is a multiple-employer, cost-sharing plan established July 1, 1945, and governed by Title 19, chapters 2 & 3, Montana Code Annotated (MCA). This plan covers the State, local governments, certain employees of the Montana University System, and school districts.

The PERS-DBRP provides retirement, disability, and death benefits to plan members and their beneficiaries. Benefits are established by state law and can only be amended by the Legislature. Benefits are based on eligibility, years of service, and highest average compensation. Member rights are vested after five years of service.

PERS Eligibility for Participation

All new members in covered positions (generally all University classified employees which excludes faculty and professional staff) are defaulted to the PERS-DBRP and have a 12-month window during which they may choose to remain in the PERS-DBRP or join the PERS-DCRP by filing an irrevocable election. Members may not be members of both the defined contribution and defined benefit retirement plans. All new members from the University also have a third option to join the Montana University System Retirement Program (MUS-RP). For members that choose to join the PERS-DCRP or the MUS-RP, a percentage of the employer contributions is used to pay down the liability of the PERS-DBRP. A new employee of the University who is already an active or inactive member of one of the PERS Plans may remain in the current retirement option or transfer to the MUS-RP. Written election to move to the MUS-RP must be done within 30 days of becoming eligible to participate, or employees default to their existing retirement plan.

PERS Summary of Benefits

Service retirement:

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

Hired on or after July 1, 2011: Age 65, 5 years of membership service;
Age 70, regardless of membership service.

Early retirement, actuarially reduced: Hired prior to July 1, 2011: Age 50, 5 years of membership service; or Any age, 25 years of membership service.

Hired on or after July 1, 2011: Age 55, 5 years of membership service.

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE D – PENSION PLANS, continued

PERS Monthly benefit formula

Members hired prior to July 1, 2011:

- Less than 25 years of membership service: 1.785% of HAC per year of service credit;
- 25 years of membership service or more: 2% of HAC per year of service credit.

Members hired on or after July 1, 2011:

- Less than 10 years of membership service: 1.5% of HAC per year of service credit;
- 10 years or more, but less than 30 years of membership service: 1.785% of HAC per year of service credit;
- 30 years or more of membership service: 2% of HAC per year of service credit.

Member's highest average compensation (HAC)

- Hired prior to July 1, 2011 - highest average compensation during any consecutive 36 months;
- Hired on or after July 1, 2011 - highest average compensation during any consecutive 60 months;
- Hired on or after July 1, 2013 - 110% annual cap on compensation considered as part of a member's highest average compensation.

PERS Guaranteed Annual Benefit Adjustment (GABA)

- 3% for members hired **prior to** July 1, 2007
- 1.5% for members hired **on or after** July 1, 2007 After the member has completed 12 full months of retirement, the member's benefit increases by the applicable percentage (provided below) each January, **inclusive** of other adjustments to the member's benefit.
- Between 0% and 1.5% for members hired on or after July 1, 2013, per the terms of House Bill 454 (2013), which was in litigation as of June 30, but settled in August 2015.

As of June 30, 2015, as a result of permanent injunction issued in the AMRPE vs State litigation, the GABA rate then in effect was used in the liability calculation.

PERS Net Pension Liability –

In accordance with Statement 68, PERS has a special funding situation in which the State of Montana is legally responsible for making contributions directly to PERS on behalf of the employers. Due to the existence of this special funding situation, local governments and school districts are required to report the portion of the State of Montana's proportionate share of the collective Net Pension Liability that is associated with the employer. This arrangement does not apply to the Station, so a state share of pension liability is not reported.

The State of Montana also has a funding arrangement that is not considered a special funding situation whereby the State General Fund provides contributions from the Coal Severance Tax and interest. All employers are required to report the portion of Coal Tax Severance Tax and interest attributable to the employer.

Continued

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE D – PENSION PLANS, continued

KGLT’s net pension liability related to PERS was as follows for the years ended June 30,

	2015	2014	Percent of Collective NPL at June 30, 2015
KGLT's Proportionate Share	\$ 130,985	\$ 167,146	0%

The NPL was measured as of June 30, 2014, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of June 30, 2014. The University’s proportion of the NPL was based on the University’s contributions received by PERS during the measurement period July 1, 2013, through June 30, 2014, relative to the total employer contributions received from all of PERS’ participating employers.

PERS Changes between the measurement date and the reporting date

There were no changes between the measurement date of the collective Net Pension Liability and the employer’s reporting date that are expected to have a significant effect on the employer’s proportionate share of the collective NPL. There were no changes in assumptions or other inputs that affected the measurement of the Total Pension Liability, and there have been no changes in benefit terms since the previous measurement date.

PERS Pension Expense for 2015 totaled \$10,175, which included \$6,635 for KGLT’s share, as well as \$3,540 for the State of Montana’s proportionate share associated with KGLT. KGLT also recognized non-operating revenue of \$3,540 for the support provided by the State of Montana for its proportionate share of the pension expense.

PERS Deferred Inflows and Outflows

KGLT recognized a beginning deferred outflow of resources as of July 1, 2014, for KGLT’s 2014 contributions of \$9,584.

Continued

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE D – PENSION PLANS, continued

At June 30, 2015, KGLT's share of deferred outflows of resources and deferred inflows of resources related to PERS was as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual investment earnings	\$ -	\$ 33,844
Changes in proportion differences between employer contributions and proportionate share of contributions	592	-
Contributions paid to PERS subsequent to the measurement date	11,708	-
Total	<u>\$ 12,300</u>	<u>\$ 33,844</u>

*Amounts reported as deferred outflows of resources related to pensions resulting from the employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense during the year ending June 30:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>NET AMOUNT TO BE Recognized as an increase or (decrease) to Pension Expense</u>
2016	\$ 197	\$ 8,461	\$	(8,264)
2017	\$ 197	\$ 8,461	\$	(8,264)
2018	\$ 197	\$ 8,461	\$	(8,264)
2019	\$ -	\$ 8,461	\$	(8,461)

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE D – PENSION PLANS, continued

PERS Overview of Contributions-

Rates are specified by state law for periodic employer and employee contributions. The State legislature has the authority to establish and amend contribution rates to the plan.

PERS Member contributions –

Plan members are required to contribute 7.90% of members' compensation. Contributions are deducted from each member's salary and remitted by participating employers.

The 7.90% member contribution rate is temporary and will be decreased to 6.9% on January 1 in the year following an actuarial valuation in which results that show the amortization period has dropped below 25 years and would remain below 25 years following the reduction of both the additional employer and additional member contribution rates.

PERS Employer contributions

- State and University employers are required to contribute 8.27% of members' compensation.
- Local government entities are required to contribute 8.17% of members' compensation.
- School district employers contributed 7.90% of members' compensation.
- Following the 2013 Legislative Session, PERS-employer contributions were temporarily increased. Effective July 1, 2013, employer contributions increased 1.0%. Beginning July 1, 2014, employer contributions will increase an additional 0.1% a year over 10 years, through 2024. The employer additional contributions including the 0.27% added in 2007 and 2009, terminates on January 1 following actuary valuation results that show the amortization period of the PERS-DBRP has dropped below 25 years and would remain below 25 years following the reductions of both the additional employer and member contributions rates.
- Effective July 1, 2013, the additional employer contributions for DCRP and MUS-RP is allocated to the defined benefit plan's Plan Choice Rate unfunded liability.
- Effective July 1, 2013, employers are required to make contributions on working retirees' compensation. Member contributions for working retirees are not required.

PERS Non Employer Contributions

Special Funding

- The State contributes 0.1% of members' compensation on behalf of local government entities.
- The State contributes 0.37% of members' compensation on behalf of school district entities.

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE D – PENSION PLANS, continued

Not Special Funding

- The State contributes from the Coal Tax Severance fund

PERS Stand-Alone Statements- The PERS financial information is reported in the Public Employees' Retirement Board's Comprehensive Annual Financial Report for the fiscal year ended. It is available from the PERB at 100 North Park, PO Box 200131, Helena, MT 59620-0131, 406-444-3154.

CAFR information including stand alone financial statements can be found at <http://mpera.mt.gov/annualReports.shtml>

The latest actuarial valuation and experience study can be found at <http://mpera.mt.gov/actuarialValuations.asp>

PERS Actuarial Assumptions-

The Total Pension Liability as of June 30, 2014, is based on the results of an actuarial valuation date of June 30, 2014. There were several significant assumptions and other inputs used to measure the Total Pension Liability. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of the last actuarial experience study, dated May 2010 for the six year period July 1, 2003 to June 30, 2009. Among those assumptions were the following:

General Wage Growth*	4.00%
*includes Inflation at	3.00%
Merit Increases	0% to 6%
Investment Return	7.75%
Postretirement Benefit Increases	
3% for members hired prior to July 1, 2007	
1.5% for members hired on or after July 1, 2007	

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

*At this time as a result of permanent injunction issued in the AMRPE vs State litigation, the GABA rate in effect is being used in the calculation. Clarification of the GABA rate for members hired on or after July 1, 2013 is pending.

Mortality assumptions among contributing members, terminated vested members, service retired members and beneficiaries based on RP 2000 Combined Employee and Annuitant Mortality Tables projected to 2015 with scale AA.

Mortality assumptions among Disabled Retirees are based on RP 2000 Combined Employee and Annuitant Mortality Tables with no projections. No future mortality improvement is assumed.

Continued

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE D – PENSION PLANS, continued

PERS Discount Rate

The discount rate used to measure the Total Pension Liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from participating plan members, employers, and non-employer contributing entities will be made based on the Board’s funding policy, which establishes the contractually required rates under Montana Code Annotated. The State contributes 0.1% of salaries for local governments and 0.37% for school districts. In addition, the State contributes coal severance tax and interest money from the general fund. The interest is contributed monthly and the severance tax is contributed quarterly. Based on those assumptions, the PERS fiduciary net position was projected to be adequate to make all the projected future benefit payments of current plan members through the year 2122. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. No municipal bond rate was incorporated in the discount rate.

PERS Target Allocations

Asset Class	Target Asset Allocation	Real Rate of Return Arithmetic Basis
Cash Equivalents	2.00%	-0.25%
Domestic Equity	36.00%	4.80%
Foreign Equity	18.00%	6.05%
Fixed Income	24.00%	1.68%
Private Equity	12.00%	8.50%
Real Estate	8.00%	4.50%
	100.00%	

The long-term expected return on pension plan assets is reviewed as part of the regular experience studies prepared for PERS. The most recent analysis, performed for the period covering fiscal years 2003 through 2009, is outlined in a report dated May 2010, which is located on the MPERA website. Several factors are considered in evaluating the long-term rate of return assumption including rates of return adopted by similar public sector systems, and by using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges were 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 then adding expected inflation. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates are presented as the arithmetic real rates of return for each major asset class included in the PERS target asset allocation as of June 30, 2014, is summarized in the above table.

Continued

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE D – PENSION PLANS, continued

PERS Sensitivity Analysis

Below is information regarding the net pension liability calculated using the current and two additional rates:

	1.0% Decrease (6.75%)	Current Discount Rate (7.75%)	1.0% Increase (8.75%)
KGLT's Proportionate Share	\$ 208,384	\$ 130,985	\$ 65,707

PERS Summary of Significant Accounting Policies- The Montana Public Employee Retirement Administration (MPERA) prepares its financial statements using the accrual basis of accounting. For the purposes of measuring the Net Pension Liability, deferred inflows of resources and deferred outflows of resources related to pensions, Pension Expense, information about the fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same accrual basis as they are reported by MPERA. For this purpose, member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Revenues are recognized in the accounting period they are earned and become measurable. Benefit payments and refunds are recognized in the accounting period when due and payable in accordance with the benefit terms. Expenses are recognized in the period incurred. Investments are reported at fair value. MPERA adheres to all applicable Governmental Accounting Standards Board (GASB) statements.

Monthly retirement benefits are determined by multiplying 1/56 by the number of years of service by the final average salary (average of three highest years), unless the employee has 25 or more years of service, in which case the multiplier is 1/50. The required contribution rates for active participants and employers are statutorily determined (MCA §19-3-315 and MCA §19-3-316). Members' rights become vested after 5 years of service. Additional information or a separate financial statement can be obtained from the State of Montana, Department of Administration, Public Employees' Retirement Administration, P.O. Box 200131, Helena, MT 59620-0131.

ORP

Optional Retirement Program (ORP)

ORP commenced in January of 1988, and is underwritten by the Teachers' Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF). The ORP is a defined contribution plan, established under authority of Title 19, Chapter 21, MCA. Benefits at retirement depend upon the amount of investment gains and losses and the employee's life expectancy at retirement. Under the ORP, each employee enters into an individual contract with TIAA-CREF (therefore, the employee assumes the investment risk for their investments). The University records employee/employer contributions, and remits monies to TIAA-CREF. Combined contributions cannot exceed 13% of the participants compensation (MCA §19-21-203). Individuals are immediately vested with contributions. Annual reports that include financial statements and required supplemental information on the plan are available from TIAA-CREF, 730 Third Avenue, New York, New York 10017-3206, Phone 1-800-842-2733.

Continued

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE E – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Other Post-Employment Benefits

Authorization. Montana State law requires state agencies to provide access to health insurance benefits to eligible retirees up to Medicare – eligible age (65) (§2-18-704(1)(a), MCA). The Board of Regents of the Montana University System (MUS), having broad authority to act in the best interests of the MUS, has directed the Office of the Commissioner of Higher Education (OCHE) to provide access to health insurance benefits beyond age 65. Eligible University retirees may participate in the health insurance plan, provided that they contribute to the cost of the plan.

Eligibility. Retirees who are eligible to receive retirement benefits from Teachers Retirement System (TRS) or the Public Employees Retirement System (PERS) at the time employment ceases may participate in the plan. Retirees who are in the Optional Retirement Plan (ORP) (through TIAA-CREF) or any other defined contribution plan associated with the MUS must have worked five or more years and be age 50, or have worked 25 years with the MUS to be eligible for retiree insurance benefits. The MUS's Interunit Benefits Committee, at the direction of the OCHE, sets the premiums for such participation. Until a retiree reaches age 65, individual retiree participation premiums range from \$600 - \$1,410 per month, depending on the level of deductible and other selected plan features. Upon reaching age 65 (Medicare eligibility), monthly participation premiums range from \$259 - \$951 for an individual retiree. Coverage is also extended to dependents and surviving dependents of the employee.

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

The Station's OPEB obligation is:

Year Ended June 30,	2015	2014	2013 (restated)
Annual Required Contribution	\$ 6,218	\$ 5,782	\$ 3,989
Interest on net OPEB Obligation	2,719	1,026	5,361
Amortization of net OPEB Obligation	<u>(2,132)</u>	<u>(532)</u>	<u>(604)</u>
Annual OPEB Cost	6,805	6,276	8,746
Contribution made	<u>(2,132)</u>	<u>(532)</u>	<u>(604)</u>
Increase to net OPEB Obligation	4,673	5,744	8,142
Net OPEB obligation - beginning of year	63,990	58,246	50,104
Net OPEB obligation - end of year	<u>\$ 68,663</u>	<u>\$ 63,990</u>	<u>\$ 58,246</u>

Continued

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE E – OTHER POST-EMPLOYMENT BENEFITS (OPEB), continued

Actuarial Methods and Assumptions. The projected unit credit funding method was used to determine the cost of the MUS System Employee Group Benefits Plan. This method's objective is to fund each participant's benefits under the plan as they accrue. The total benefit to which each participant is expected to become entitled at retirement is categorized into units, each associated with a year of past or future credited service. The actuarial assumptions included, in addition to marital status at retirement, mortality rates and retirement age:

Interest/Discount rate	4.25%
Projected payroll increases	2.50%
Participation	55% of future retirees are assumed to elect coverage at the time of retirement, 60% of future eligible spouses of future retirees are assumed to elect coverage

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Such events include assumptions about future employment, mortality rates, and healthcare cost trends. Amounts are subject to continual review and revision as actual results are compared with past expectations and new estimates are made about the future.

NOTE F - RELATED PARTY TRANSACTIONS

A volunteer disc jockey is a family member of a granting organization. During the years ended June 30, 2015 and 2014, Friends received grants from this granting organization in the amounts of \$4,500 and \$4,566, respectively.

NOTE G – IN-KIND DONATIONS AND INDIRECT SUPPORT

The following in-kind donations were recorded for the years ended June 30:

	2015	2014
Donated facilities and utilities	\$ 47,554	\$ 47,554
Pension contributions	3,540	-
In-kind services provided by program sponsors	4,080	11,880
Fund drive incentive donations	45,378	37,718
	\$ 100,552	\$ 97,152

Continued

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE H – UNEARNED REVENUE

Cash advances received through community service grants from the Corporation for Public Broadcasting are recorded as unearned revenue when received and revenues are recognized when expenditures of the grant funds are incurred.

NOTE I – CONCENTRATIONS AND CONTINGENCIES

The Station operates its programs with aid of funding primarily from (1) CPB CSG grants, (2) support from the Montana University System, (3) public contributions and (4) underwriting. A major reduction in the level of support from any of these funding sources could have a negative impact on the Station's ability to maintain its current programs.

The Station must use its CSGs within a two year grant period. Any unexpended funds must be returned to CPB. Although it is a possibility that the funds could not be spent within the grant period, the management of the Station deems the contingency remote.

NOTE J – BEGINNING NET POSITION RESTATEMENT

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, to improve accounting and financial reporting for pensions. This Statement is effective for fiscal years beginning after June 15, 2014. The Statement establishes among other things, standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense. This statement identifies for defined benefit plans the methods and assumptions that should be used to project benefit payments, to their actuarial present value and attribute the present value to periods of employee service. Additional note disclosure and required supplementary information about pensions are also required by the Statement. The July 1, 2014 balance of the net pension liability and related deferred outflows of resources and deferred inflows of resources is reported in the Statement of Revenues, Expenses and Changes in Net Position as a restatement to the 2015 Net Position, Beginning of year. The Public Employees Retirement System and Teachers' Retirement System were not able to provide sufficient information to restate the June 30, 2014 financial statements. The effect of the changes from the implementation of GASB 68 was to reduce KGLT's previously stated beginning net position of \$16,660 by \$157,599.

NOTE K – SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to June 30, 2015 to determine the need for any adjustments to and/or disclosure within the audited financial statements for the year ended June 30, 2015. This analysis has been performed through January 13, 2016, the date the financial statements were available to be issued. There were no material events that were required to be incorporated and disclosed in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015 and 2014

Schedule of Funding Status for Other Post Retirement Benefits for Health Insurance

The funded status of the plan as of the actuarial valuations dated July 1, 2009, 2011 and 2013 were as follows:

	2009	2011	2013
Actuarial accrued liability (AAL)	\$ 92,634,783	\$ 55,421,239	\$ 49,869,358
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 92,634,783</u>	<u>\$ 55,421,239</u>	<u>\$ 49,869,358</u>
Funded percentage (actuarial value of plan assets/AAL)	0.00%	0.00%	0.00%
Covered payroll (active plan member)	\$ 198,691,532	\$ 183,870,217	\$ 201,051,981
UAAL as a percentage of covered payroll	46.62%	30.14%	24.80%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Such events include assumptions about future employment, mortality rates, and healthcare cost trends. Actuarially determined amounts are subject to continual review and revision as actual results are compared with past expectations and new estimates are made about the future.

The actuarial assumptions included in the valuations, in addition to marital status at retirement, mortality rates and retirement age, were as follows:

<u>Actuarial Valuation Date</u>	<u>2009</u>	<u>2011</u>	<u>2013</u>
Interest/Discount rate	4.25%	4.25%	4.25%
Projected payroll increases	2.50%	2.50%	2.50%
Participant Percentage			
Future retirees assumed to elect coverage at retirement	55.00%	55.00%	55.00%
Future eligible spouses of future retirees assumed to elect coverage	60.00%	60.00%	60.00%

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015 and 2014

PERS Required Supplementary Information

Schedule of KGLT's Proportionate Share of the Net Pension Liability for PERS

Year	KGLT's Proportion of the NPL	KGLT's Share of the NPL	KGLT's Covered Employee Payroll	KGLT's share of the NPL as a % of Covered Employee Payroll	Plan Fiduciary Net Position as a % of Total Pension Liability
2015	0.00%	\$ 167,146	\$ 141,060	118.49%	79.90%

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

Schedule of KGLT's Contribution to PERS

Year	Contractually Required Contributions	Contributions Made*	Excess/(Deficiency)	KGLT's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	\$ 11,708	\$ 11,708	\$ -	\$ 141,060	8.30%

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

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

KGLT-FM
A Public Telecommunications Entity Operated by
The Board of Regents-Montana University System
SUPPLEMENTARY INFORMATION
June 30, 2015 and 2014

Consolidating Reconciliation Schedule of Revenues to Schedule F of AFR

	<u>KGLT</u>	<u>Friends of KGLT</u>	<u>Eliminations</u>	<u>Total</u>	<u>Schedule F</u>	<u>Difference</u>
OPERATING REVENUES						
Operating revenues	\$ 117,341	\$ -	\$ -	\$ 117,341	\$ 117,341	\$ -
OPERATING EXPENSES						
Broadcasting	113,764	-	-	113,764		
Programming and production	127,065	-	-	127,065		
Program information and promotion	21,471	-	-	21,471		
Management and general	97,927	190	-	98,117		
Fundraising and membership development	130,377	1,109	-	131,486		
Solicitation and underwriting	33,644	-	-	33,644		
Land, buildings and equipment	5,070	1,548	-	6,618		
Contributions to affiliates	-	10,063	(10,063)	-		
Total operating expenses	<u>529,318</u>	<u>12,910</u>	<u>(10,063)</u>	<u>532,165</u>		
OPERATING LOSS	<u>(411,977)</u>	<u>(12,910)</u>	<u>(10,063)</u>	<u>(414,824)</u>		
NONOPERATING REVENUES						
Contributions from fund drive	171,159	-	(5,063)	166,096		
Other foundation grants	35,040	5,000	(5,000)	35,040		
Grants from CPB	109,605	-	-	109,605		
In-kind donations	49,458	-	-	49,458		
Support from the Montana University System:						
Montana State University	51,094	-	-	51,094		
Associated Students of Montana State University	17,221	-	-	17,221		
Investment income	29	-	-	29		
Contributions-other	-	3,654	-	3,654		
Total nonoperating revenues	<u>433,606</u>	<u>8,654</u>	<u>(10,063)</u>	<u>432,197</u>	432,168	29
OTHER REVENUE						
Investment Interest				-	29	(29)
CHANGE IN NET POSITION	21,629	(4,256)	-	17,373		
NET POSITION, beginning of year as originally reported	(22,943)	39,603	-	16,660		
NET POSITION, restatement of beginning balance - pensions	<u>(157,599)</u>	-	-	<u>(157,599)</u>		
NET POSITION, end of year	<u>\$ (158,913)</u>	<u>\$ 35,347</u>	<u>\$ -</u>	<u>\$ (123,566)</u>		
					Schedule F Revenues, Line E	549,538
					Total Revenues Per Financial Statements	549,538
					Difference	<u>\$ -</u>
						<u>\$ -</u>