

**Nebraska Educational  
Telecommunications Commission**  
**An Instrumentality of the State of Nebraska**  
Independent Auditor's Report and Financial Statements

June 30, 2020 and 2019

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
June 30, 2020 and 2019**

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## Independent Auditor's Report

Commissioners  
Nebraska Educational Telecommunications Commission  
Lincoln, Nebraska

We have audited the accompanying financial statements of the Nebraska Educational Telecommunications Commission, an Instrumentality of the State of Nebraska, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Nebraska Educational Telecommunications Commission's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nebraska Educational Telecommunications Commission, as of June 30, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension information as listed in the table of contents 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.

### *Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Nebraska Educational Telecommunications Commission's basic financial statements. The combining information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining information 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 combining information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**BKD, LLP**

Lincoln, Nebraska  
November 16, 2020

# **Nebraska Educational Telecommunications Commission An Instrumentality of the State of Nebraska**

## **Management's Discussion and Analysis Years Ended June 30, 2020 and 2019**

### ***Introduction and Reporting Entity***

The following discussion and analysis is an overview of the financial position, activities, and cash flows of the Nebraska Educational Telecommunications Commission and its component units (the Commission) for the years ended June 30, 2020 and 2019. Management of the Commission has prepared the following discussion and it should be read in conjunction with the financial statements and related footnotes, which follow this section.

The Commission is an instrumentality operating under the jurisdiction of the State of Nebraska (the State). The Commission's primary functions are to promote and establish noncommercial educational telecommunications facilities within the State and to provide transmission facilities for noncommercial educational telecommunications programs throughout the State. The Commission's financial statements present the Commission (the primary government entity) and its component units. NET Foundation for Radio (Radio Foundation) and the Nebraska Educational Telecommunications Commission Facilities Corporation (the Corporation) are reported as part of the Commission as blended component units. The Radio Foundation is a citizen support organization which solicits funds to be used to support program production and broadcasting of public radio in Nebraska. The Corporation is a Nebraska not-for-profit corporation organized by the Commission for the purpose of issuing lease revenue bonds to acquire and then lease property to the Commission as part of the Digitization project and renovation and remodeling of the telecommunications facility as part of the Terry M. Carpenter Telecommunications Center Project.

### ***Overview of the Financial Statements***

The basic financial statements of the Commission consist of Balance Sheets, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows (direct method). The Commission prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). Net position of the Commission is classified in three components – net investment in capital assets; restricted; and unrestricted.

The Balance Sheet includes Assets, Deferred Outflows and Inflows of Resources, Liabilities and Net Position of the Commission as of June 30, 2020 and 2019. These statements are classified into Current and Non-Current Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources, with Net Position classified in the categories as noted above. The Statement of Revenues, Expenses and Changes in Net Position depict the operating revenues and expenses resulting in a Net Operating Loss, which is then combined with Nonoperating Revenues to report the Commission's overall Change in Net Position. The Statement of Cash Flows shows the sources and uses of cash from operations, cash flows from noncapital financing activities, cash flows from capital and related financing activities and cash flows from investing activities. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes are followed by the supplemental combining financial statements for the Television Fund and Radio Fund, which are presented for the purpose of additional analysis.

**Nebraska Educational  
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Management's Discussion and Analysis  
Years Ended June 30, 2020 and 2019**

***Financial Highlights***

The financial position of the Commission at June 30, 2020 remains very strong. Net Position totaled \$13,851,772 for the year ended June 30, 2020 (FY 2020) and \$12,320,821 for the year ended June 30, 2019 (FY 2019). The Commission's Net Position increased by \$1,530,951 in FY 2020. The Commission's Operating Revenues increased by \$98,751 and its Operating Expenses decreased by \$1,139,623 in FY 2020. Operating Revenues were \$3,944,509 in FY 2020, compared to \$3,845,758 in FY 2019. Operating Expenses were \$14,978,179 in FY 2020, compared to \$16,117,802 in FY2019. The Operating Loss for FY 2020 was \$11,033,670, including non-cash depreciation of \$1,618,485. The Operating Loss for FY 2019 was \$12,272,044, including non-cash depreciation of \$2,024,315. The Net Nonoperating Revenues were \$12,564,621 in FY 2020, compared to \$11,659,556 in FY 2019. The significant component of Net Nonoperating Revenues was: State appropriations – operations, which were \$10,598,763 in FY 2020 and \$11,049,707 in FY 2019.

The Commission's property and equipment, net of accumulated depreciation, totaled \$6,478,883 and \$6,806,255 at June 30, 2020 and 2019, respectively. Property and equipment additions totaled \$1,416,060 and \$1,883,691 in FY 2020 and 2019, respectively.

***Financial Analysis of the Statements***

The Commission's condensed financial statements are presented below for FY 2020, 2019 and 2018.

Current Assets consist primarily of cash and cash equivalents, investments and accounts and pledges receivable. Noncurrent Assets consist of property and equipment and the Commission's net pension asset at June 30, 2020. Property and equipment are presented net of accumulated depreciation of \$ 51,793,812 and \$51,516,827, at June 30, 2020 and 2019, respectively. Current Liabilities consist primarily of accounts payable and accrued expenses at June 30, 2020 and 2019. Noncurrent liabilities consist entirely of the Commission's net pension liability at June 30, 2019.

Operating Revenues consist primarily of membership contributions and community service grants. Operating Expenses consist primarily of broadcasting, programming and production, management and general, depreciation and grants expense. Nonoperating Revenues consist primarily of State appropriations for operations and other contributions for the year ended June 30, 2020.

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***Financial Analysis of the Statements - Continued***

The net cash flows from membership contributions, community service grants, other noncapital financing activities and state appropriations were used primarily for operating activities and purchases of property and equipment.

**Condensed Balance Sheets**

	<b>June 30,</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
Assets and Deferred Outflows of Resources			
Current assets	\$ 8,086,245	\$ 6,158,385	\$ 5,880,169
Net pension asset	572,364	-	722,049
Property and equipment, net	6,478,883	6,806,255	7,433,690
Total assets	<u>15,137,492</u>	<u>12,964,640</u>	<u>14,035,908</u>
Deferred outflows of resources	230,062	708,948	326,047
Total assets and deferred outflows of resources	<u><u>\$ 15,367,554</u></u>	<u><u>\$ 13,673,588</u></u>	<u><u>\$ 14,361,955</u></u>
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Current liabilities	\$ 1,006,925	\$ 832,961	\$ 864,364
Noncurrent liabilities	-	387,971	-
Total liabilities	<u>1,006,925</u>	<u>1,220,932</u>	<u>864,364</u>
Deferred inflows of resources	508,857	131,835	564,282
Net Position			
Net investment in capital assets	6,231,044	6,806,255	7,433,690
Restricted for endowment - nonexpendable	1,711,595	525,990	509,003
Restricted for endowment - expendable	69,139	127,485	140,127
Unrestricted	5,839,994	4,861,091	4,850,489
Total net position	<u>13,851,772</u>	<u>12,320,821</u>	<u>12,933,309</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 15,367,554</u></u>	<u><u>\$ 13,673,588</u></u>	<u><u>\$ 14,361,955</u></u>

**Nebraska Educational  
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**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	Years Ended June 30,		
	2020	2019	2018
Operating revenues	\$ 3,944,509	\$ 3,845,758	\$ 3,622,158
Operating expenses			
Broadcasting	(4,680,543)	(4,900,280)	(4,466,876)
Programming and production	(4,051,126)	(4,065,686)	(4,008,458)
Program information	(141,222)	(151,242)	(124,882)
Management and general	(2,368,755)	(2,343,639)	(2,238,420)
Depreciation	(1,618,485)	(2,024,315)	(2,358,776)
Fundraising and membership development	(476,538)	(555,904)	(494,154)
Grants expense	(1,641,510)	(1,782,064)	(1,623,470)
Net pension expense	-	(294,672)	(13,300)
Operating loss	(11,033,670)	(12,272,044)	(11,706,178)
State appropriations – operations	10,598,763	11,049,707	9,278,204
Other nonoperating revenues	1,965,858	609,849	961,898
Net nonoperating revenues	12,564,621	11,659,556	10,240,102
Income (loss) before capital items and other gains	1,530,951	(612,488)	(1,466,076)
State appropriations – capital improvements	-	-	21,951
Increase (decrease) in net position	1,530,951	(612,488)	(1,444,125)
Net position, beginning of year	12,320,821	12,933,309	14,377,434
Net position, end of year	\$ 13,851,772	\$ 12,320,821	\$ 12,933,309

**Nebraska Educational  
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Management's Discussion and Analysis  
Years Ended June 30, 2020 and 2019**

**Condensed Statements of Cash Flows**

	Years Ended June 30,		
	2020	2019	2018
Net cash flows used in operating activities	\$ (9,500,856)	\$ (9,551,930)	\$ (9,437,635)
Net cash flows provided by noncapital financing activities	12,366,658	11,659,006	9,782,161
Net cash flows used in capital and related financing activities	(1,168,221)	(1,883,691)	(396,175)
Net cash flows used in investing activities	<u>(1,411,509)</u>	<u>(610,668)</u>	<u>(150,882)</u>
Net increase (decrease) in cash and cash equivalents	286,072	(387,283)	(202,531)
Cash and cash equivalents, beginning of year	<u>317,465</u>	<u>704,748</u>	<u>907,279</u>
Cash and cash equivalents, end of year	<u>\$ 603,537</u>	<u>\$ 317,465</u>	<u>\$ 704,748</u>

***Other Significant Matters***

None

**Nebraska Educational  
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**Balance Sheets  
June 30, 2020 and 2019**

**Assets and Deferred Outflows of Resources**

	<b>2020</b>	<b>2019</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 425,226	\$ 202,109
Equity in pooled cash	178,311	115,356
Investments	5,962,792	4,475,725
Accounts and pledges receivable, net	1,227,929	1,153,542
Prepaid expenses and other current assets	264,070	204,153
Grants receivable	27,917	7,500
Total current assets	8,086,245	6,158,385
<b>Noncurrent Assets</b>		
Net pension asset	572,364	-
Property and equipment, net	6,478,883	6,806,255
Total noncurrent assets	7,051,247	6,806,255
<b>Deferred Outflows of Resources</b>		
Total assets and deferred outflows of resources	\$ 15,367,554	\$ 13,673,588

**Liabilities, Deferred Inflows of Resources and Net Position**

<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 970,775	\$ 738,162
Unearned revenues	36,150	94,799
Total current liabilities	1,006,925	832,961
<b>Noncurrent Liabilities</b>		
Net pension liability	-	387,971
<b>Deferred Inflows of Resources</b>		
Total liabilities, deferred inflows of resources and net position	508,857	131,835
<b>Net Position</b>		
Net investment in capital assets	6,231,044	6,806,255
Restricted for endowment - nonexpendable	1,711,595	525,990
Restricted for endowment - expendable	69,139	127,485
Unrestricted	5,839,994	4,861,091
Total net position	13,851,772	12,320,821
Total liabilities, deferred inflows of resources and net position	\$ 15,367,554	\$ 13,673,588

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Statements of Revenues, Expenses and Changes in Net Position  
Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Operating Revenues</b>		
Membership contributions	\$ 1,116,206	\$ 1,084,653
Community service grants	1,957,118	2,000,972
Program production grants	15,000	15,000
Program underwriting	359,519	303,342
Contributed support	392,239	441,791
Net pension revenue	<u>104,427</u>	<u>-</u>
Total operating revenues	<u>3,944,509</u>	<u>3,845,758</u>
<b>Operating Expenses</b>		
Broadcasting	4,680,543	4,900,280
Programming and production	4,051,126	4,065,686
Program information	141,222	151,242
Management and general	2,368,755	2,343,639
Depreciation	1,618,485	2,024,315
Fundraising and membership development	476,538	555,904
Grants	1,641,510	1,782,064
Net pension expense	<u>-</u>	<u>294,672</u>
Total operating expenses	<u>14,978,179</u>	<u>16,117,802</u>
<b>Operating Loss</b>	<u>(11,033,670)</u>	<u>(12,272,044)</u>
<b>Nonoperating Revenues</b>		
State appropriations – operations	10,598,763	11,049,707
Investment income	75,558	213,326
Other contributions	1,298,058	87,258
Other grants	288,456	3,289
Other	<u>303,786</u>	<u>305,976</u>
Net nonoperating revenues	<u>12,564,621</u>	<u>11,659,556</u>
<b>Increase (Decrease) in Net Position</b>	<u>1,530,951</u>	<u>(612,488)</u>
<b>Net Position, Beginning of Year</b>	<u>12,320,821</u>	<u>12,933,309</u>
<b>Net Position, End of Year</b>	<u>\$ 13,851,772</u>	<u>\$ 12,320,821</u>

**Nebraska Educational  
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**Statements of Cash Flows  
Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Operating Activities</b>		
Membership contributions	\$ 1,165,491	\$ 1,083,153
Community service grants	1,958,051	2,002,321
Program production grants	(5,417)	22,500
Program underwriting	298,670	317,138
Contributed support	392,239	441,791
Payments to vendors	(9,253,050)	(9,555,103)
Payments to employees	<u>(4,056,840)</u>	<u>(3,863,730)</u>
Net cash used in operating activities	<u>(9,500,856)</u>	<u>(9,551,930)</u>
<b>Noncapital Financing Activities</b>		
Other	1,906,725	606,816
State appropriations – operations	<u>10,459,933</u>	<u>11,052,190</u>
Net cash provided by noncapital financing activities	<u>12,366,658</u>	<u>11,659,006</u>
<b>Capital and Related Financing Activities</b>		
Property and equipment acquisitions	<u>(1,168,221)</u>	<u>(1,883,691)</u>
Net cash used in capital and related financing activities	<u>(1,168,221)</u>	<u>(1,883,691)</u>
<b>Investing Activities</b>		
Purchases of investments	(1,810,948)	(846,048)
Proceeds from sales of investments	237,475	36,021
Interest and other revenues received	<u>161,964</u>	<u>199,359</u>
Net cash used in investing activities	<u>(1,411,509)</u>	<u>(610,668)</u>
<b>Change in Cash and Cash Equivalents</b>	286,072	(387,283)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>317,465</u>	<u>704,748</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 603,537</u>	<u>\$ 317,465</u>

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**Statements of Cash Flows - Continued  
Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Reconciliation of Cash and Cash Equivalents to the Balance Sheets</b>		
Cash and cash equivalents	\$ 425,226	\$ 202,109
Equity in pooled cash	178,311	115,356
	<u>\$ 603,537</u>	<u>\$ 317,465</u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>		
Operating loss	\$ (11,033,670)	\$ (12,272,044)
Depreciation expense	1,618,485	2,024,315
Loss on disposal of assets	124,947	486,811
Changes in operating assets and liabilities		
Accounts receivable	48,018	26,867
Grants receivable	(20,417)	7,500
Prepaid expenses and other	(59,917)	(88,648)
Net pension asset	(572,364)	722,049
Deferred outflows of resources	478,886	(382,901)
Accounts payable and accrued expenses	(15,226)	(18,181)
Unearned revenue	(58,649)	(13,222)
Net pension liability	(387,971)	387,971
Deferred inflows of resources	377,022	(432,447)
<b>Net Cash Used in Operating Activities</b>	<u>\$ (9,500,856)</u>	<u>\$ (9,551,930)</u>
<b>Supplemental Cash Flows Information</b>		
Capital asset acquisitions included in accounts payable	\$ 247,839	\$ -

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Notes to Financial Statements  
June 30, 2020 and 2019**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies**

***Nature of Operations***

Nebraska Educational Telecommunications Commission (the “Commission”) is an instrumentality operating under the jurisdiction of the State of Nebraska (the “State”). The Commission is governed by a Board of Commissioners, some of whom are appointed by the Governor and ratified by the Legislature plus the president of the University of Nebraska and the State Commissioner of Education or their respective designee. The Commission’s primary functions are to promote and establish noncommercial educational telecommunications facilities within the State and to provide transmission facilities for noncommercial educational telecommunications programs throughout the State. The Commission is the licensee of eight Nebraska Educational Telecommunications Network television stations. The Commission also has the responsibility to establish and operate a statewide public radio network and is the licensee for the public radio stations.

***Basis of Accounting and Presentation***

The financial statements of the Commission have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in the preparation of the financial statements unless they relate to services provided and used internally. Operating revenues and expenses include exchange transactions and program-specific, government-mandated nonexchange transactions. Government-mandated nonexchange transactions that are not program specific (such as state appropriations), investment income and interest on capital asset-related debt are included in nonoperating revenues and expenses.

The Commission’s financial statements present the Commission (the primary government entity) and its component units. The component units are included in the Commission’s reporting entity because of the financial accountability criteria in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 34 and 14*. NET Foundation for Radio and Nebraska Educational Telecommunications Commission Facilities Corporation are reported as part of the Commission as blended component units.

**Nebraska Educational  
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**Notes to Financial Statements**

**June 30, 2020 and 2019**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies -  
Continued**

***Basis of Accounting and Presentation - Continued***

**NET Foundation for Radio** – NET Foundation for Radio (“Radio Foundation”), is a citizen support organization which solicits funds to be used to support program production and broadcasting of public radio in Nebraska. The Radio Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. The distribution of Radio Foundation funds is determined by the Board of Directors of the Radio Foundation of which the General Manager of the Commission is a member. Separate financial statements for the Radio Foundation can be obtained by contacting the Radio Foundation, 1800 North 33<sup>rd</sup> Street, Lincoln, Nebraska 68503 or (402) 472-3611.

**Nebraska Educational Telecommunications Commission (NETC) Facilities Corporation** – NETC Facilities Corporation (the Corporation) is a Nebraska not-for-profit corporation, organized on December 15, 1999, by the Commission for the purpose of issuing lease rental revenue bonds to acquire and then lease property to the Commission as part of the Digitization (DTV) project and to renovate and remodel the telecommunications facility as part of the Terry M. Carpenter Telecommunications Center Project. The Corporation is authorized only to act “by and on behalf of” the Commission, and the directors and officers of the Corporation represent current and past members of the Commission and its staff.

***Use of Estimates***

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

***Deposits and Equity in Pooled Cash***

The Commission considers all liquid investments which are readily convertible to known amounts of cash and have original maturities of three months or less to be cash equivalents. Cash equivalents consist of a money market account at a bank, a short-term trust account with a bank and equity in pooled cash held by the State.

The Commission participates in a cash management pool with the State. The Commission’s cash and cash equivalents are deposited in a pooled State fund managed by the Nebraska State Treasurer. The Commission’s interest in the pool is shown as equity in pooled cash on the balance sheets.

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**Notes to Financial Statements**

**June 30, 2020 and 2019**

**Note 1: Nature of Operations and Summary of Significant Accounting Policies -  
Continued**

***Investments and Investment Return***

Investments in equity securities having a readily determinable fair value are carried at fair value. Fair value of the equity in external investment pools is the same as the value of pool shares determined using the fair value of the pools' underlying investment portfolios. Other investments are valued at the lower of cost or fair value.

Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses on investments carried at fair value.

***Accounts and Pledges Receivable***

Accounts receivable consist primarily of state appropriations for which an expenditure has been made, but reimbursement has not been received. Accounts receivable also consist of amounts billed to underwriters plus unbilled amounts for outstanding underwriting contracts. The Commission analyzes collectability of underwriting and other receivables based upon a review of outstanding receivables, historical collection information and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the underwriter. There is no allowance related to appropriations receivable.

Pledges receivable consist of membership and contribution commitments outstanding, net of recorded discount and allowance. The Commission provides an allowance for pledges receivable based upon a review of outstanding pledges and historical collection information.

***Property and Equipment***

Property and equipment is recorded at cost at the date of acquisition, or fair value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The following estimated useful lives are being used by the Commission:

Buildings and building improvements	15 - 30 years
Towers and transmission equipment	15 - 20 years
Production equipment	3 - 10 years
Office furniture and equipment	3 - 5 years
Information systems	3 years
Information services	3 - 7 years

**Nebraska Educational  
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Notes to Financial Statements  
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**Note 1: Nature of Operations and Summary of Significant Accounting Policies -  
Continued**

***Property and Equipment - Continued***

The Commission evaluates its property and equipment for impairment in accordance with the provisions of Governmental Accounting Standards Board Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. When a significant, unexpected decline in the service utility of the asset is indicated, the asset is tested for impairment. Indicators of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological development or evidence of obsolescence, change in manner or duration of use and construction stoppage. The Commission generally uses the service units approach to test for impairment. Impairment is recorded in the year the significant, unexpected decline in the service utility of the asset is indicated. There was no impairment loss recorded during 2020 or 2019.

***Compensated Absences***

State policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits and are earned whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash, determined using the termination payment method. Sick leave benefits expected to be realized as paid time off are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet dates plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

***Net Position***

Net position of the Commission is classified into three components. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvements of assets. The restricted for endowment component of net position consists of noncapital assets that are required to be maintained in perpetuity as specified by donors (nonexpendable) and unspent earnings on those funds that are restricted for a specific purpose by the donor (expendable). The unrestricted component of net position is the remaining net position that does not meet the definition of net investment in capital assets or the restricted component of net position. The Commission first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

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**Note 1: Nature of Operations and Summary of Significant Accounting Policies -  
Continued**

***Revenue Recognition***

The Commission records revenue based on the following recognition policies:

Membership contributions are recognized as operating revenues in the period they are received or the commitment is received.

Program production grants are reported as unearned revenues for programs not yet broadcast until the specific program is broadcast. At such time, amounts are included as revenues and the expenditures are recorded. Production income is recorded as unrestricted revenues on an accrual basis.

Grants for other purposes are recorded as unearned revenue, upon receipt of funds, until an expenditure is incurred for which the grant was intended. The amounts are then included in revenues. Upon completion of the project, any remaining balance in other unearned revenues related to the project, if not required to be returned to the grantor, is recognized as revenues.

Revenue related to program underwriting for subsequent fiscal years is reflected as unearned revenues in the accompanying balance sheets. Revenue is recognized when the related program is aired.

Contributed support represents expenses paid on behalf of the Commission by others, and includes contributed professional services, donated materials or facilities and indirect administrative support.

State appropriations are recorded as revenue in the statements of revenues, expenses and changes in net position when an expenditure is recorded.

Non-permanent endowment contributions are recognized as nonoperating revenues in the period in which the promise is made or the funds are received, if no promise is made. Donor restricted permanent endowment contributions are recognized when received in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. As a matter of Radio Foundation Board policy, all income received from bequests and gifts are designated by the Radio Foundation board to act as an endowment unless otherwise restricted by the donor. The internally designated funds are classified as unrestricted on the accompanying balance sheets.

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**Note 2: Deposits, Investments and Investment Return**

***Deposits***

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Commission's deposits are required to be maintained as part of the State of Nebraska's pooled cash and investments.

***Investments***

The Commission's investments are required to be maintained as part of the State of Nebraska's pooled cash and investments. Neither the Corporation nor the Commission have formal investment policies. The Radio Foundation's investment policy allows for a variety of investment options, so long as they follow the investment philosophy outlined in the investment policy approved by the Board of Directors.

At June 30, 2020 and 2019, the Commission had the following investments:

<b>Type</b>	<b>Carrying Value</b>	
	<b>2020</b>	<b>2019</b>
Mutual funds	\$ 3,255,370	\$ 3,048,293
U.S. government agency securities	414,540	188,147
Money market funds	223,557	189,256
External investment pools	2,441,180	853,870
	<u>\$ 6,334,647</u>	<u>\$ 4,279,566</u>

All investments at June 30, 2020 and 2019 are redeemable in full immediately.

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Radio Foundation's investment policy states fixed income holdings shall emphasize intermediate maturity bonds. The policy prohibits holding bonds with a maturity exceeding 12 years.

**Credit Risk** - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Radio Foundation's investment policy limits its investments in bonds to Baa/BBB or better and specifies the average quality rating of the fixed income portion of the investment portfolio shall be greater than "A" rated. At June 30, 2020 and 2019, no ratings were available for the investments in money market funds, mutual funds and the external investment pools. The Radio Foundation's investments in U.S. government agency securities were rated AAA at June 30, 2020 and 2019.

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**Notes to Financial Statements**

**June 30, 2020 and 2019**

**Note 2: Deposits, Investments and Investment Return - Continued**

***Investments - Continued***

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk - The Radio Foundation limits the amount that may be invested in any one issuer. Except for U.S. Treasury and agency obligations, the fixed income portion of the portfolio shall not contain more than 10% of total market value from any given issuer. Limitations are also placed on the equity portion of the portfolio as follows:

- No single mutual equity fund shall exceed 15% of the portfolio's market value
- No single international equity fund shall exceed 10% of the portfolio's market value
- No single equity security shall exceed 10% of the portfolio's market value
- No single international equity security shall exceed 5% of the portfolio's market value

Foreign Currency Risk - This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Radio Foundation's exposure to foreign currency risk derives from its investment in international mutual funds. The Radio Foundation's investment policy permits it to hold up to 10% of total investments in foreign currency-denominated mutual funds or equity securities. At June 30, 2020 and 2019, the Foundation's investment in international mutual funds had a fair value of \$415,781 and \$442,919, respectively.

***Summary of Carrying Values***

The carrying values of deposits and investments shown above are included in the balance sheets at June 30, 2020 and 2019 as follows:

	<u>2020</u>	<u>2019</u>
Carrying value		
Deposits	\$ 231,682	\$ 513,624
Investments	<u>6,334,647</u>	<u>4,279,566</u>
	<u>\$ 6,566,329</u>	<u>\$ 4,793,190</u>
 Included in the following balance sheet captions		
Cash and cash equivalents	\$ 425,226	\$ 202,109
Equity in pooled cash	178,311	115,356
Investments	<u>5,962,792</u>	<u>4,475,725</u>
	<u>\$ 6,566,329</u>	<u>\$ 4,793,190</u>

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**Notes to Financial Statements**

**June 30, 2020 and 2019**

**Note 2: Deposits, Investments and Investment Return - Continued**

**Summary of Carrying Values - Continued**

Investment income for the years ended June 30, 2020 and 2019 consisted of:

	<b>2020</b>	<b>2019</b>
Interest and dividend income	\$ 174,731	\$ 200,680
Net realized and unrealized gains (losses) on investments reported at fair value	(99,173)	12,646
	\$ 75,558	\$ 213,326

**Note 3: Capital Assets**

Capital asset activity for the years ended June 30, 2020 and 2019 was:

	<b>2020</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Transfers</b>	<b>Ending Balance</b>
Land	\$ 130,557	\$ -	\$ -	\$ -	\$ -	\$ 130,557
Buildings	18,221,722	-	-	-	-	18,221,722
Towers and transmission equipment	30,203,886	977,452	1,143,679	-	-	30,037,659
Production equipment	8,071,776	130,084	322,768	230,918	-	8,110,010
Office furniture and equipment	7,977	-	-	-	-	7,977
Information systems	1,325,701	139,428	-	-	-	1,465,129
Information services	130,545	-	-	-	-	130,545
Construction in progress	230,918	169,096	-	(230,918)	-	169,096
Total	58,323,082	1,416,060	1,466,447	-	-	58,272,695
Less accumulated depreciation						
Buildings		17,550,491	236,424	-	-	17,786,915
Towers and transmission equipment		25,452,187	1,057,354	1,024,126	-	25,485,415
Production equipment		7,429,952	206,095	317,374	-	7,318,673
Office furniture and equipment		9,680	1,277	-	-	10,957
Information systems		897,905	-	-	-	897,905
Information services		176,612	117,335	-	-	293,947
Total		51,516,827	1,618,485	1,341,500	-	51,793,812
Property and equipment, net		\$ 6,806,255	\$ (202,425)	\$ 124,947	\$ -	\$ 6,478,883

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**Notes to Financial Statements**

**June 30, 2020 and 2019**

**Note 3: Capital Assets - Continued**

2019	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Land	\$ 130,557	\$ -	\$ -	\$ -	\$ 130,557
Buildings	18,172,882	61,555	12,715	-	18,221,722
Towers and transmission equipment	31,759,015	1,107,218	2,662,347	-	30,203,886
Production equipment	9,528,169	235,247	1,691,640	-	8,071,776
Office furniture and equipment	20,317	-	12,340	-	7,977
Information systems	1,214,845	248,753	137,897	-	1,325,701
Information services	135,007	-	4,462	-	130,545
Construction in progress	-	230,918	-	-	230,918
Total	<u>60,960,792</u>	<u>1,883,691</u>	<u>4,521,401</u>	<u>-</u>	<u>58,323,082</u>
Less accumulated depreciation					
Buildings	16,962,558	597,323	9,390	-	17,550,491
Towers and transmission equipment	26,654,470	1,090,375	2,292,658	-	25,452,187
Production equipment	8,829,473	208,894	1,608,415	-	7,429,952
Office furniture and equipment	20,559	237	11,116	-	9,680
Information systems	880,672	125,782	108,549	-	897,905
Information services	179,370	1,704	4,462	-	176,612
Total	<u>53,527,102</u>	<u>2,024,315</u>	<u>4,034,590</u>	<u>-</u>	<u>51,516,827</u>
Property and equipment, net	<u>\$ 7,433,690</u>	<u>\$ (140,624)</u>	<u>\$ 486,811</u>	<u>\$ -</u>	<u>\$ 6,806,255</u>

**Note 4: Pension Plan**

***Plan Description***

The Commission contributes to the State Employees' Retirement Plan, a single-employer plan administered by the Nebraska Public Employees Retirement System (NPERS). The plan covers substantially all full-time employees of the Commission. In accordance with the provisions of GASB Statement No. 68, the Commission accounts for and reports its participation in the single-employer plan as if it was a cost-sharing plan. Participation in the plan is required by all permanent, full-time employees. The plan began as a defined contribution plan in 1964 and a cash balance benefit was added in 2002. As of January 1, 2003, new plan members participate in the cash balance benefit. Existing plan members at that date were given the option to keep the existing defined contribution benefit or convert to the cash balance benefit.

The Nebraska Public Employees Retirement Board issues a publicly available financial report that includes financial statements and required supplementary information for the plan. The report may be obtained by writing to the plan at Public Employees Retirement Systems, P.O. Box 94816, Lincoln, Nebraska, 68509-4816, or by calling (402) 471-2053.

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**Note 4: Pension Plan - Continued**

***Contributions***

Contribution and benefit provisions are established by State law and may only be amended by the State Legislature. Per State statute, each member contributes 4.8% of their compensation. The Commission matches a member's contribution at a rate of 156% of the member's contribution. The employee's and employer's contributions are maintained in separate accounts. Costs under this plan are funded as they accrue. The Commission's portion of the total cost for contributions to this plan was \$238,004 and \$225,097 for the years ended June 30, 2020 and 2019, respectively.

***Benefits***

*Defined Contribution Option* – Upon reaching age 55, regardless of service, the retirement allowance is equal to the sum of the employee and employer accounts. Members have several forms of payment available, including withdrawals, deferrals, annuities, or a combination of these.

*Cash Balance Benefit* – Upon reaching age 55, regardless of service, the retirement allowance is equal to the accumulated employee and employer cash balance accounts, including interest credits, annuitized for payment in the normal form. The normal form of payment is a single life annuity with five-year certain, payable monthly. Members also have the option of converting their cash balance account to a monthly annuity with built-in cost-of-living adjustments of 2.5% annually. Also available are additional forms of payment allowed under the plan, which are actuarially equivalent to the normal form, including the option of a lump-sum or partial lump-sum.

***Pension Assets and Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2020 and 2019, the Commission reported an asset of \$572,364 and a liability of \$387,971, respectively, for its proportionate share of the collective net pension asset and net pension liability, respectively, for the State Employees' Retirement Plan. The net pension asset recorded as of June 30, 2020 was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The net pension liability recorded as of June 30, 2019 was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportionate share of the net pension asset and liability was based on the Commission's share of contributions to the pension plan relative to all employer contributions to the plan. At December 31, 2019 and 2018, the Commission's proportion was 0.47% and 0.51%, respectively.

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**June 30, 2020 and 2019**

**Note 4: Pension Plan - Continued**

***Pension Assets and Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued***

For the years ended June 30, 2020 and 2019, the Commission recognized pension expense of \$113,006 and \$527,877, respectively. At June 30, 2020 and 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>June 30, 2020</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 772	\$ 127,061
Changes of assumptions	103,836	-
Net difference between projected and actual earnings on pension plan investments	-	381,796
Commission contributions subsequent to the measurement date	125,454	-
Total	<u>\$ 230,062</u>	<u>\$ 508,857</u>
<b>June 30, 2019</b>		
Differences between expected and actual experience	\$ 1,394	\$ 131,835
Changes of assumptions	146,688	-
Net difference between projected and actual earnings on pension plan investments	424,547	-
Change in Commission's proportionate share	17,047	-
Commission contributions subsequent to the measurement date	119,272	-
Total	<u>\$ 708,948</u>	<u>\$ 131,835</u>

The deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as an increase in the net pension asset in the fiscal year ending June 30, 2021. 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 Ending June 30,**

2021	\$ (129,430)
2022	(114,447)
2023	14,978
2024	(171,976)
2025	(3,374)

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**Note 4: Pension Plan - Continued**

***Pension Assets and Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued***

**Actuarial assumptions** – The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50 to 4.93%, including wage inflation
Investment rate of return	7.50%, net of pension plan investment expense including price inflation

Pre-retirement mortality rates were based on the RP-2014 White Collar Table for Employees, projected generationally with MP-2015. Post-retirement mortality rates were based on the RP-2014 White Collar Table for Employees, set back two years, scaled and projected generationally from 2013 with a SOA projection scale tool using a 0.5% ultimate rate in 2035.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study, which covered the four-year period ending December 31, 2015. The experience study report is dated November 17, 2016.

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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return*</b>
U.S. Equity	29.00%	5.80% - 7.60%
Global Equity	15.00%	6.50%
Non-U.S. Equity	10.80%	6.80%
Emerging Markets	2.70%	10.60%
Fixed Income	30.00%	1.40% - 5.20%
Private Equity	5.00%	9.70%
Real Estate	7.50%	5.20%
Total	<u>100.00%</u>	

\*Arithmetic mean, net of investment expenses

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**June 30, 2020 and 2019**

**Note 4: Pension Plan - Continued**

***Pension Assets and Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued***

**Discount rate** – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate, and that contributions from employers and non-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 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. The projected future benefit payments for all current plan members were projected through 2119.

**Sensitivity of the Commission’s proportionate share of the net pension (asset) liability to changes in the discount rate** – The following presents the Commission’s proportionate share of the net pension (asset) liability calculated using the discount rate of 7.50%, as well as what the Commission’s proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate.

	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
Commission's proportionate share of the net pension (asset) liability	\$ 148,959	\$ (572,364)	\$ (1,178,524)

***Pension plan fiduciary net position***

Detailed information about the pension plan’s fiduciary net position is available in the separately issued NPERS State Employees’ Retirement Plan financial report.

**Note 5: Disclosures About Fair Value of Assets and Liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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**Note 5: Disclosures About Fair Value of Assets and Liabilities - Continued**

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The Commission's investments in money market mutual funds are carried at amortized cost, and thus are not included within the fair value hierarchy.

***Recurring Measurements***

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2020 and 2019:

June 30, 2020	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Mutual Funds			
Equity international	\$ 415,781	\$ 415,781	\$ -
Fixed income	1,157,934	1,157,934	-
Small cap	217,634	217,634	-
Mid cap	155,928	155,928	-
Large cap	1,308,093	1,308,093	-
U.S. government agency securities	414,540	414,540	-
External Investment Pools	2,441,180	-	2,441,180
	<u>\$ 6,111,090</u>	<u>\$ 3,669,910</u>	<u>\$ 2,441,180</u>

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**June 30, 2020 and 2019**

**Note 5: Disclosures About Fair Value of Assets and Liabilities - Continued**

***Recurring Measurements - Continued***

June 30, 2019	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Mutual Funds			
Equity international	\$ 442,919	\$ 442,919	\$ -
Fixed income	1,041,808	1,041,808	-
Small cap	198,267	198,267	-
Mid cap	102,499	102,499	-
Large cap	1,262,800	1,262,800	-
U.S. government agency securities	188,147	188,147	
External Investment Pools	853,870	-	853,870
	<u>\$ 4,090,310</u>	<u>\$ 3,236,440</u>	<u>\$ 853,870</u>

***Investments***

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

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**Note 6: Related Parties**

The following are entities related to the Commission (see Note 8 for contributed support from each entity):

***University of Nebraska Television Department (the Department)***

The Department (licensee - KUON-TV) is operated by the University of Nebraska–Lincoln and governed by the University of Nebraska’s Board of Regents.

For promotional purposes, the Commission and the Department are collectively referred to as the Nebraska Educational Telecommunications Network (the Network). The responsibilities of the Department and the Commission are specified in an agreement dated April 24, 2004. The Department serves as the primary production arm of the Network, while the Commission’s primary responsibility is transmission.

The Commission receives a Community Service Grant (CSG), a Distance Service Grant (DSG) and an Interconnection Grant each year for television production and programming. These grants are assigned to the Department annually. The CSG, DSG and Interconnection Grants for the fiscal years 2020 and 2019 totaling \$1,641,510 and \$1,782,064, respectively, are reflected in the financial statements as community service grants revenues and grants expense. The Commission also contracts with the Department for services that are paid from state appropriations. The amount expended for services provided by the Department for the fiscal years 2020 and 2019 was approximately \$1,822,000 and \$1,886,000, respectively, and is included as expense in the accompanying financial statements. As of June 30, 2020 and 2019, the Commission owed the Department approximately \$34,000 and \$43,000, respectively.

***State of Nebraska***

The State of Nebraska provides state funds to support the operations of the Commission. At June 30, 2020 and 2019, \$714,664 and \$683,044, respectively, of appropriations are recorded as receivable from the State for expenditures incurred but not yet reimbursed, and are included in accounts and pledges receivable as a current asset.

***NET Foundation for Radio (the Radio Foundation)***

The Radio Foundation reimbursed the Commission approximately \$340,000 and \$424,000 in fiscal years 2020 and 2019, respectively, for employee costs related to the Radio Foundation. As of June 30, 2020 and 2019, the Radio Foundation owed the Commission \$6,328 and \$15,607, respectively.

The Radio Foundation receives a CSG from the Corporation for Public Broadcasting (CPB) annually. The CSG of \$315,608 and \$218,908 for the fiscal years 2020 and 2019, respectively, is reflected in the accompanying statements of revenues, expenses and changes in net position as community service grants.

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**Note 6: Related Parties - Continued**

***Nebraska Educational Telecommunication Center (the Center)***

The Commission owns the Center and pays the University of Nebraska-Lincoln for certain utility costs. The Center is used primarily for administration, programming and production and broadcasting of the Network. The Commission provides space in the Center to the Department, including custodial and basic maintenance expenses at no cost to the Department.

**Note 7: Blended Component Units**

The Commission reports two blended component units. The Nebraska Educational Telecommunication Commission Facilities Corporation had no assets, liabilities, or net position at June 30, 2020 and 2019, and no activity during the years ended June 30, 2020 and 2019.

The NET Foundation for Radio's financial statements for the years ended June 30, 2020 and 2019 have been blended with the Commission's financial statements. All significant intercompany accounting transactions have been eliminated as required by generally accepted accounting principles. In addition, endowment receivables recognized by the Radio Foundation are not recorded by the Commission.

Condensed balance sheets for the Radio Foundation as of June 30, 2020 and 2019 and the related condensed statements of revenues, expenses and changes in net position and statements of cash flows for the years then ended are as follows:

**Condensed Balance Sheets**

	<b>June 30, 2020</b>		
	<b>Radio Foundation</b>	<b>Adjustments/ Eliminations</b>	<b>Total</b>
Assets and Deferred Outflows of Resources			
Current assets	\$ 6,662,387	\$ (7,668)	\$ 6,654,719
Receivable from Commission	31	(31)	-
Net pension asset	-	41,433	41,433
Other assets	37,885	(22,000)	15,885
Total assets	<u>6,700,303</u>	<u>11,734</u>	<u>6,712,037</u>
Deferred outflows of resources	<u>-</u>	<u>24,721</u>	<u>24,721</u>
Total assets and deferred outflows of resources	<u>\$ 6,700,303</u>	<u>\$ 36,455</u>	<u>\$ 6,736,758</u>

**Nebraska Educational  
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An Instrumentality of the State of Nebraska**

**Notes to Financial Statements**

**June 30, 2020 and 2019**

**Note 7: Blended Component Units - Continued**

**Condensed Balance Sheets - Continued**

	<b>June 30, 2020</b>		
	<b>Radio Foundation</b>	<b>Adjustments/ Eliminations</b>	<b>Total</b>
Liabilities, Deferred Inflows of Resources and Net Position Liabilities			
Payable to Commission	\$ 6,328	\$ (6,328)	\$ -
Other current liabilities	149,447	-	149,447
Total liabilities	<u>155,775</u>	<u>(6,328)</u>	<u>149,447</u>
Deferred inflows of resources	<u>-</u>	<u>42,417</u>	<u>42,417</u>
Net Position			
Restricted for endowment - nonexpendable	1,719,263	(7,668)	1,711,595
Restricted for endowment - expendable	69,139	-	69,139
Unrestricted	<u>4,756,126</u>	<u>8,034</u>	<u>4,764,160</u>
Total net position	<u>6,544,528</u>	<u>366</u>	<u>6,544,894</u>
Total liabilities and net position	<u>\$ 6,700,303</u>	<u>\$ 36,455</u>	<u>\$ 6,736,758</u>
	<b>June 30, 2019</b>		
	<b>Radio Foundation</b>	<b>Adjustments/ Eliminations</b>	<b>Total</b>
Assets and Deferred Outflows of Resources			
Current assets	\$ 6,260,841	\$ (1,270,288)	\$ 4,990,553
Receivable from Commission	103	(103)	-
Capital assets, net	1,277	-	1,277
Other assets	<u>38,275</u>	<u>(22,000)</u>	<u>16,275</u>
Total assets	<u>6,300,496</u>	<u>(1,292,391)</u>	<u>5,008,105</u>
Deferred outflows of resources	<u>-</u>	<u>66,361</u>	<u>66,361</u>
Total assets and deferred outflows of resources	<u>\$ 6,300,496</u>	<u>\$ (1,226,030)</u>	<u>\$ 5,074,466</u>

**Nebraska Educational  
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**Notes to Financial Statements**

**June 30, 2020 and 2019**

**Note 7: Blended Component Units - Continued**

**Condensed Balance Sheets - Continued**

	<b>June 30, 2019</b>		
	<b>Radio Foundation</b>	<b>Adjustments/ Eliminations</b>	<b>Total</b>
Liabilities, Deferred Inflows of Resources and Net Position Liabilities			
Payable to Commission	\$ 15,660	\$ (15,660)	\$ -
Other current liabilities	190,157	-	190,157
Net pension liability	-	37,197	37,197
Total liabilities	<u>205,817</u>	<u>21,537</u>	<u>227,354</u>
Deferred inflows of resources	<u>-</u>	<u>11,547</u>	<u>11,547</u>
Net Position			
Net investment in capital assets	1,277	-	1,277
Restricted for endowment - nonexpendable	1,796,278	(1,270,288)	525,990
Restricted for endowment - expendable	127,485	-	127,485
Unrestricted	<u>4,169,639</u>	<u>11,174</u>	<u>4,180,813</u>
Total net position	<u>6,094,679</u>	<u>(1,259,114)</u>	<u>4,835,565</u>
Total liabilities and net position	<u>\$ 6,300,496</u>	<u>\$ (1,226,030)</u>	<u>\$ 5,074,466</u>

**Nebraska Educational  
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**Notes to Financial Statements**

**June 30, 2020 and 2019**

**Note 7: Blended Component Units - Continued**

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<b>Year Ended June 30, 2020</b>		
	<b>Radio Foundation</b>	<b>Adjustments/ Eliminations</b>	<b>Total</b>
Operating revenues	\$ 1,806,333	\$ 6,120	\$ 1,812,453
Operating expenses			
Programming and production	1,029,283	9,260	1,038,543
Program information	58,670	-	58,670
Management and general	82,357	-	82,357
Depreciation	1,277	-	1,277
Fundraising and membership development	570,380	(93,842)	476,538
Total operating expenses	1,741,967	(84,582)	1,657,385
Operating income	64,366	90,702	155,068
Investment income	73,491	-	73,491
Other nonoperating revenues	295,148	1,168,778	1,463,926
Net nonoperating revenues	368,639	1,168,778	1,537,417
Income before capital grants and other gains	433,005	1,259,480	1,692,485
Additions to permanent endowments	16,844	-	16,844
Increase in net position	449,849	1,259,480	1,709,329
Net position, beginning of year	6,094,679	(1,259,114)	4,835,565
Net position, end of year	\$ 6,544,528	\$ 366	\$ 6,544,894

**Nebraska Educational  
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**Notes to Financial Statements**

**June 30, 2020 and 2019**

**Note 7: Blended Component Units - Continued**

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	Year Ended June 30, 2019		
	Radio Foundation	Adjustments/ Eliminations	Total
Operating revenues	\$ 1,621,903	\$ -	\$ 1,621,903
Operating expenses			
Programming and production	1,005,025	4,718	1,009,743
Program information	66,389	-	66,389
Management and general	80,827	28,107	108,934
Depreciation	1,704	-	1,704
Fundraising and membership development	555,904	-	555,904
Total operating expenses	1,709,849	32,825	1,742,674
Operating loss	(87,946)	(32,825)	(120,771)
Investment income	208,649	-	208,649
Other nonoperating revenues	117,306	29,712	147,018
Net nonoperating revenues	325,955	29,712	355,667
Income before capital grants and other gains	238,009	(3,113)	234,896
Additions to permanent endowments	16,994	-	16,994
Increase in net position	255,003	(3,113)	251,890
Net position, beginning of year	5,839,676	(1,256,001)	4,583,675
Net position, end of year	\$ 6,094,679	\$ (1,259,114)	\$ 4,835,565

**Nebraska Educational  
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Notes to Financial Statements  
June 30, 2020 and 2019**

**Note 7: Blended Component Units - Continued**

**Condensed Statements of Cash Flows**

	Year Ended June 30, 2020		
	Radio Foundation	Adjustments/ Eliminations	Total
Net cash flows provided by operating activities	\$ 602,984	\$ -	\$ 602,984
Net cash flows provided by noncapital financing activities	1,193,606	-	1,193,606
Net cash flows used in investing activities	(1,573,473)	-	(1,573,473)
Net increase in cash and cash equivalents	223,117	-	223,117
Cash and cash equivalents, beginning of year	202,109	-	202,109
Cash and cash equivalents, end of year	<u>\$ 425,226</u>	<u>\$ -</u>	<u>\$ 425,226</u>
	Year Ended June 30, 2019		
	Radio Foundation	Adjustments/ Eliminations	Total
Net cash flows provided by operating activities	\$ 471,098	\$ -	\$ 471,098
Net cash flows provided by noncapital financing activities	16,290	-	16,290
Net cash flows used in investing activities	(810,027)	-	(810,027)
Net decrease in cash and cash equivalents	(322,639)	-	(322,639)
Cash and cash equivalents, beginning of year	524,748	-	524,748
Cash and cash equivalents, end of year	<u>\$ 202,109</u>	<u>\$ -</u>	<u>\$ 202,109</u>

**Note 8: Contributed Support**

Contributed support represents expenses paid on behalf of the Commission by others outside the reporting entity, and includes contributed professional services, donated material or facilities and indirect administrative support. The amount of contributed services and equipment are reflected as revenues in the accompanying combined statements of revenues, expenses and changes in net position.

A summary of the contributed support received in 2020 and 2019 is as follows:

The University of Nebraska at Omaha (UNO) Television Department contributes support to the Commission by partially funding the operations of the KYNE station, studio and production facility. UNO's allocated costs for this support totaled \$382,584 and \$432,323 in 2020 and 2019, respectively.

**Nebraska Educational  
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An Instrumentality of the State of Nebraska  
Notes to Financial Statements  
June 30, 2020 and 2019**

**Note 8: Contributed Support - Continued**

Contributed support from the State consists of certain administrative and other expenses incurred by various state agencies on behalf of the Commission. These costs were \$9,655 and \$9,468 in 2020 and 2019, respectively.

**Note 9: Risk Management**

As an instrumentality of the State of Nebraska, the Commission falls under the risk management policies of the State. Through the Department of Administrative Services, Divisions of Risk Management and State Personnel, the State maintains insurance and self-insurance programs. Workers' compensation, health care, employee liability and general liability are generally self-insured with commercial insurance for losses in excess of self-insurance. The Commission also carries commercial insurance for errors and omissions coverage. Settled claims have not exceeded commercial insurance coverage levels in any of the past three years.

**Note 10: Significant Estimates and Concentrations**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

***Investments***

The Commission and Foundation invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such changes could materially affect the amounts reported in the accompanying balance sheets.

**Note 11: COVID-19**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen in the investment markets, resulting in significant volatility in the value of investments. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

## **Required Supplementary Information**

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Schedule of the Commission's Proportionate Share of the Net Pension  
(Asset)/Liability State Employees' Retirement Plan  
June 30, 2020\***

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Commission's proportion of the net pension (asset)/liability	0.47%	0.51%	0.54%	0.52%	0.55%	0.57%
Commission's proportionate share of the net pension (asset)/liability	\$ (572,364)	\$ 387,971	\$ (722,049)	\$ (237,280)	\$ (34,018)	\$ (599,790)
Commission's covered payroll	\$ 3,095,913	\$ 3,160,443	\$ 3,269,452	\$ 3,117,575	\$ 3,202,837	\$ 3,156,628
Commission's proportionate share of the net pension (asset)/liability as a percentage of its covered payroll	(18.5%)	12.3%	(22.1%)	(7.6%)	(1.10%)	(19.0%)
Plan fiduciary net position as a percentage of the total pension liability	107.23%	95.26%	108.92%	103.33%	100.47%	108.77%

\*The amounts presented for each fiscal year were determined as of the calendar year which occurred within the fiscal year.

Note: This schedule is required to present 10 years of information. However, information is not available and will be added as it becomes available.

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Schedule of Commission Contributions  
State Employees' Retirement Plan  
June 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 231,822	\$ 236,654	\$ 244,817	\$ 233,444	\$ 239,828	\$ 236,368
Contributions in relation to the contractually required contribution	<u>(231,822)</u>	<u>(236,654)</u>	<u>(244,817)</u>	<u>(233,444)</u>	<u>(239,828)</u>	<u>(236,368)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Commission's covered payroll	\$ 3,095,913	\$ 3,160,443	\$ 3,269,452	\$ 3,117,575	\$ 3,202,837	\$ 3,156,628
Contributions as a percentage of covered payroll	7.49%	7.49%	7.49%	7.49%	7.49%	7.49%

Note: This schedule is required to present 10 years of information. However, information is not available and will be added as it becomes available.

***Notes to Required Supplementary Information***

The following changes to benefits and funding terms were made by the Nebraska Legislature and reflected in the valuation performed as of December 31:

2019: The Board granted a dividend of 5.46% in 2018, which was first reflected in the January 1, 2019 valuation.

2018: The Board granted a dividend of 3.07% in 2017, which was first reflected in the January 1, 2018 valuation.

2016: The Board granted a dividend of 4.53% in 2015, which was first reflected in the December 31, 2015 valuation.

## **Supplementary Information**

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Combining Balance Sheet Schedule  
June 30, 2020**

	Television Fund	Radio Fund	Eliminations	Total
<b>Assets and Deferred Outflows of Resources</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ 425,226	\$ -	\$ 425,226
Equity in pooled cash	147,893	30,418	-	178,311
Investments	-	5,962,792	-	5,962,792
Accounts and pledges receivable, net	928,661	299,268	-	1,227,929
Prepaid expenses and other current assets	248,185	15,885	-	264,070
Grants receivable	20,417	7,500	-	27,917
Total current assets	<u>1,345,156</u>	<u>6,741,089</u>	<u>-</u>	<u>8,086,245</u>
<b>Noncurrent Assets</b>				
Net pension asset	497,999	74,365	-	572,364
Property and equipment, net	<u>6,044,674</u>	<u>434,209</u>	<u>-</u>	<u>6,478,883</u>
Total noncurrent assets	<u>6,542,673</u>	<u>508,574</u>	<u>-</u>	<u>7,051,247</u>
<b>Deferred Outflows of Resources</b>	<u>200,270</u>	<u>29,792</u>	<u>-</u>	<u>230,062</u>
Total assets and deferred outflows of resources	<u>\$ 8,088,099</u>	<u>\$ 7,279,455</u>	<u>\$ -</u>	<u>\$ 15,367,554</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 796,403	\$ 174,372	\$ -	\$ 970,775
Unearned revenues	<u>6,293</u>	<u>29,857</u>	<u>-</u>	<u>36,150</u>
Total current liabilities	<u>802,696</u>	<u>204,229</u>	<u>-</u>	<u>1,006,925</u>
<b>Deferred Inflows of Resources</b>	<u>443,147</u>	<u>65,710</u>	<u>-</u>	<u>508,857</u>
<b>Net Position</b>				
Net investment in capital assets	5,796,835	434,209	-	6,231,044
Restricted for endowment - nonexpendable	-	1,711,595	-	1,711,595
Restricted for endowment - expendable	-	69,139	-	69,139
Unrestricted	<u>1,045,421</u>	<u>4,794,573</u>	<u>-</u>	<u>5,839,994</u>
Total net position	<u>6,842,256</u>	<u>7,009,516</u>	<u>-</u>	<u>13,851,772</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 8,088,099</u>	<u>\$ 7,279,455</u>	<u>\$ -</u>	<u>\$ 15,367,554</u>

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Combining Balance Sheet Schedule  
June 30, 2019**

	<b>Television Fund</b>	<b>Radio Fund</b>	<b>Eliminations</b>	<b>Total</b>
<b>Assets and Deferred Outflows of Resources</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ -	\$ 202,109	\$ -	\$ 202,109
Equity in pooled cash	93,303	22,053	-	115,356
Investments	-	4,475,725	-	4,475,725
Accounts and pledges receivable, net	796,239	357,303	-	1,153,542
Prepaid expenses and other current assets	187,878	16,275	-	204,153
Grants receivable	-	7,500	-	7,500
Total current assets	<u>1,077,420</u>	<u>5,080,965</u>	<u>-</u>	<u>6,158,385</u>
<b>Noncurrent Assets</b>				
Property and equipment, net	<u>6,249,521</u>	<u>556,734</u>	<u>-</u>	<u>6,806,255</u>
<b>Deferred Outflows of Resources</b>	<u>617,243</u>	<u>91,705</u>	<u>-</u>	<u>708,948</u>
Total assets and deferred outflows of resources	<u>\$ 7,944,184</u>	<u>\$ 5,729,404</u>	<u>\$ -</u>	<u>\$ 13,673,588</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 584,810	\$ 153,352	\$ -	\$ 738,162
Unearned revenues	<u>7,960</u>	<u>86,839</u>	<u>-</u>	<u>94,799</u>
Total current liabilities	<u>592,770</u>	<u>240,191</u>	<u>-</u>	<u>832,961</u>
<b>Noncurrent Liabilities</b>				
Net pension liability	<u>343,184</u>	<u>44,787</u>	<u>-</u>	<u>387,971</u>
<b>Deferred Inflows of Resources</b>	<u>112,904</u>	<u>18,931</u>	<u>-</u>	<u>131,835</u>
<b>Net Position</b>				
Net investment in capital assets	6,249,521	556,734	-	6,806,255
Restricted for endowment - nonexpendable	-	525,990	-	525,990
Restricted for endowment - expendable	-	127,485	-	127,485
Unrestricted	<u>645,805</u>	<u>4,215,286</u>	<u>-</u>	<u>4,861,091</u>
Total net position	<u>6,895,326</u>	<u>5,425,495</u>	<u>-</u>	<u>12,320,821</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 7,944,184</u>	<u>\$ 5,729,404</u>	<u>\$ -</u>	<u>\$ 13,673,588</u>

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Combining Schedule of Revenues, Expenses and  
Changes in Net Position  
Year Ended June 30, 2020**

	<b>Television Fund</b>	<b>Radio Fund</b>	<b>Eliminations</b>	<b>Total</b>
<b>Operating Revenues</b>				
Membership contributions	\$ -	\$ 1,116,206	\$ -	\$ 1,116,206
Community service grants	1,641,510	315,608	-	1,957,118
Program production grants	-	15,000	-	15,000
Program underwriting	-	359,519	-	359,519
Contributed support	392,239	-	-	392,239
Net pension revenue	93,967	10,460	-	104,427
Total operating revenues	<u>2,127,716</u>	<u>1,816,793</u>	<u>-</u>	<u>3,944,509</u>
<b>Operating Expenses</b>				
Broadcasting	4,458,359	222,184	-	4,680,543
Programming and production	2,897,736	1,153,390	-	4,051,126
Program information	82,272	58,950	-	141,222
Management and general	2,189,900	196,404	(17,549)	2,368,755
Depreciation	1,480,582	137,903	-	1,618,485
Fundraising and membership development	-	476,538	-	476,538
Grants	1,641,510	-	-	1,641,510
Total operating expenses	<u>12,750,359</u>	<u>2,245,369</u>	<u>(17,549)</u>	<u>14,978,179</u>
<b>Operating Loss</b>	<u>(10,622,643)</u>	<u>(428,576)</u>	<u>17,549</u>	<u>(11,033,670)</u>
<b>Nonoperating Revenues (Expenses)</b>				
State appropriations – operations	10,157,977	440,786	-	10,598,763
Investment income	2,067	73,491	-	75,558
Other contributions	-	1,298,058	-	1,298,058
Other grants	173,004	133,001	(17,549)	288,456
Other	236,525	67,261	-	303,786
Net nonoperating revenues	<u>10,569,573</u>	<u>2,012,597</u>	<u>(17,549)</u>	<u>12,564,621</u>
<b>Increase (Decrease) in Net Position</b>	(53,070)	1,584,021	-	1,530,951
<b>Net Position, Beginning of Year</b>	<u>6,895,326</u>	<u>5,425,495</u>	<u>-</u>	<u>12,320,821</u>
<b>Net Position, End of Year</b>	<u>\$ 6,842,256</u>	<u>\$ 7,009,516</u>	<u>\$ -</u>	<u>\$ 13,851,772</u>

**Nebraska Educational  
Telecommunications Commission  
An Instrumentality of the State of Nebraska  
Combining Schedule of Revenues, Expenses and  
Changes in Net Position  
Year Ended June 30, 2019**

	Television Fund	Radio Fund	Eliminations	Total
<b>Operating Revenues</b>				
Membership contributions	\$ -	\$ 1,084,653	\$ -	\$ 1,084,653
Community service grants	1,782,064	218,908	-	2,000,972
Program production grants	-	15,000	-	15,000
Program underwriting	-	303,342	-	303,342
Contributed support	441,791	-	-	441,791
Total operating revenues	<u>2,223,855</u>	<u>1,621,903</u>	<u>-</u>	<u>3,845,758</u>
<b>Operating Expenses</b>				
Broadcasting	4,654,532	245,748	-	4,900,280
Programming and production	2,937,154	1,128,532	-	4,065,686
Program information	83,958	67,284	-	151,242
Management and general	2,191,700	179,488	(27,549)	2,343,639
Depreciation	1,845,779	178,536	-	2,024,315
Fundraising and membership development	-	555,904	-	555,904
Grants	1,782,064	-	-	1,782,064
Net pension expense	259,425	35,247	-	294,672
Total operating expenses	<u>13,754,612</u>	<u>2,390,739</u>	<u>(27,549)</u>	<u>16,117,802</u>
<b>Operating Loss</b>	<u>(11,530,757)</u>	<u>(768,836)</u>	<u>27,549</u>	<u>(12,272,044)</u>
<b>Nonoperating Revenues</b>				
State appropriations – operations	10,554,706	495,001	-	11,049,707
Investment income	4,677	208,649	-	213,326
Other contributions	-	87,258	-	87,258
Other grants	-	30,838	(27,549)	3,289
Other	232,512	73,464	-	305,976
Net nonoperating revenues	<u>10,791,895</u>	<u>895,210</u>	<u>(27,549)</u>	<u>11,659,556</u>
<b>Increase (Decrease) in Net Position</b>	(738,862)	126,374	-	(612,488)
<b>Net Position, Beginning of Year</b>	<u>7,634,188</u>	<u>5,299,121</u>	<u>-</u>	<u>12,933,309</u>
<b>Net Position, End of Year</b>	<u>\$ 6,895,326</u>	<u>\$ 5,425,495</u>	<u>\$ -</u>	<u>\$ 12,320,821</u>