

**MISSISSIPPI AUTHORITY FOR
EDUCATIONAL TELEVISION**

AUDITED FINANCIAL STATEMENTS

June 30, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Mississippi Authority for Educational Television
Jackson, Mississippi

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Mississippi Authority for Educational Television, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Mississippi Authority for Educational Television's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Mississippi Authority for Educational Television, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mississippi Authority for Educational Television's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mississippi Authority for Educational Television's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-11, budgetary comparison information on pages 47-48, schedule of MPB's share of the net pension liability, schedule of MPB's pension contributions, and notes to required supplementary information on pages 49-53, schedule of MPB's share of net OPEB liability, schedule of MPB's OPEB contributions, and notes to required supplementary information on pages 54-57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mississippi Authority for Educational Television's basic financial statements. The accompanying combining schedule of revenues and expenses as of June 30, 2024 on page 58 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of revenues and expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2025, on our consideration of the Mississippi Authority for Educational Television's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Mississippi Authority for Educational Television's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mississippi Authority for Educational Television's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Rea, Shaw, Giffin & Stuart".

REA, SHAW, GIFFIN & STUART, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS



MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION (AN INSTRUMENTALITY OF THE STATE OF MISSISSIPPI)

Introduction and Reporting Entity

The following discussion and analysis of Mississippi Authority for Educational Television d/b/a Mississippi Public Broadcasting (the Agency) and its component unit's financial performance provides an overview of the Agency and its component unit's financial activities for the year ended June 30, 2024. The intent of this discussion and analysis is to look at the Agency and its component unit's performance as a whole. Readers are encouraged to review the financial statements and the notes to the financial statements to enhance their understanding of the Agency's financial performance.

The Agency is an instrumentality of the State of Mississippi and is governed by a seven-member Board of Directors, four of whom are appointed by the Governor and ratified by the Legislature, in addition to the State Superintendent of Public Education (or his designee), the State Board for Community and Junior Colleges appointee and the Board of Trustees of the State Institutions of Higher Learning appointee.

The Agency's primary functions are to provide educational, instructional, professional growth, and public service programs and other related services for the students and citizens of Mississippi.

Financial Highlights

- Total net position for 2024 decreased by \$1,859,565 to \$2,985,476.
- The Agency's total General Fund expenditures are reflected in the Fund Financial Statements on page 17. Expenditures totaled \$14,254,662 in 2024, a \$1,068,309 increase in operating expenses from prior year.
- Appropriations and transfers from the State of Mississippi (the State) are the major source of financial support available to the Agency, followed by support from MPB Foundation. State funding was consistent from 2023 to 2024.

Overview of the Financial Statements

The Agency's financial statements present the Agency (the primary governmental public broadcasting entity) and its component unit, MPB Foundation (the Foundation) for 2023 and 2024. The Foundation raises funds for the Agency and provides grants to the Agency derived from fundraising efforts. It is legally separate from the Agency and is reported in a separate column in the government-wide financial statements. The Foundation's audited financial statements are issued under separate cover and are available upon request from the Foundation.

The financial statements of the Agency consist of the Statement of Net Position, the Statement of Activities, the Balance Sheet-Governmental Fund, and the Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Fund. These statements are prepared in conformity with Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments.

Our analysis of the total Agency begins on page 8. One of the most important questions asked about the Agency's finances is, "Is the Agency, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Agency as a whole and about its activities.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 12 through 14) provide information about the activities of the Agency as a whole and present a longer-term view of the Agency's finances. Fund Financial Statements begin on page 15 and explain how these services were financed in the short term, as well as what remains for future spending.

The Statement of Net Position presents information on all the Agency's non-fiduciary assets and liabilities, with the differences between the two reported as "net position." Over time, increases or decreases in the Agency's net position may serve as a useful indicator of whether its financial position is improving or deteriorating. Consideration must also be given to changes in the annual appropriation from the State, financial health of the Foundation for Public Broadcasting and the financial support ability of The Corporation for Public Broadcasting to fully assess the overall health of the Agency.

The Statement of Activities presents information showing how the Agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The Statement of Revenues, Expenditures and Changes in Fund Balance depicts the operating revenues and expenditures resulting in an Excess of Expenditures over Revenues, which is then combined with Other Financing Sources (Uses) to provide the total change in Fund Balance. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Reporting the Agency's Funds

Fund Financial Statements

Our analysis of the Agency's major fund begins on page 12. The Fund Financial Statements begin on page 15 and provide detailed information about the funds.

Governmental funds - The Agency's services are reported in a governmental fund, the General Fund, which focuses on how money flows into and out of the fund and the balance left at year-end that is available for spending. This fund is presented on the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The approach focuses on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at year end. The governmental fund statements provide a detailed view of the Agency's near-term financing requirements. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental fund in a reconciliation at the end of the Fund Financial Statements.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the Agency. Fiduciary funds are not reflected in the consolidated financial statements because resources of those funds are not available to support the Agency's own programs. These funds are reported using the accrual basis of accounting. The Agency is responsible for ensuring that the assets reported in these funds are used for their intended purpose, which is the cafeteria plan.

Reconciliation of Government-Wide and Fund Financial Statements

The financial statements include two schedules that reconcile the amounts reported on the fund financial statements with the government-wide financial statements. The following summarizes the major differences between the two statements:

Capital assets used in governmental activities are not reported on the fund financial statements.

Capital outlay spending results in capital assets on the government-wide financial statements, but is reported as expenditures on the fund financial statements.

Prepaid broadcast rights, deferred production, and accrued compensated absences are not reported in the fund financial statements.

Net pension liability, and related deferred inflows and outflows of resources, is not due and payable in the current period and, therefore, is not reported in the fund financial statements.

Net OPEB liability, and related deferred inflows and outflows of resources, is not due and payable in the current period and, therefore, is not reported in the fund financial statements.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the component unit financial statements.

Required Supplementary Information and Other Supplementary Information

In addition to the financial statements and accompanying notes, this report also presents budgetary comparison schedules, net pension liability schedules, and net OPEB liabilities schedules as required supplementary information. These schedules are provided as required by the Governmental Accounting Standards Board. Additionally, The Corporation for Public Broadcasting requires a schedule reconciling the TV and Radio operations to the operations as a whole. That schedule is included at page 58.

Financial Analysis of the Statements

The Agency's condensed financial statements represented below for fiscal year 2024 are for Governmental Activities only.

Net Position

Net position may serve over time as a useful indicator of the Agency's financial position. Liabilities exceeded assets by \$715,267 as of June 30, 2024.

Condensed Statement of Net Position

Current and other assets	\$ 9,996,881
Capital assets	<u>6,405,556</u>
Total assets	<u>\$ 16,402,437</u>
Deferred outflows	<u>\$ 3,744,181</u>
Current liabilities	\$ 778,264
Long-term liabilities	<u>15,784,012</u>
Total liabilities	<u>\$ 16,562,276</u>
Deferred inflows	<u>\$ 4,299,609</u>
Net position	
Net investment in capital assets	\$ 6,405,556
Restricted	165,677
Unrestricted	<u>(7,286,500)</u>
Total net position	<u>\$ (715,267)</u>

Condensed Changes in Net Position

The Agency's total revenues for the fiscal year ended June 30, 2024 were \$13,483,142. The total cost of all programs and services was \$15,753,378 for 2024.

Revenues

Program revenues:

Charges for services	\$ 403,805
Operating grants	2,254,422

General revenues:

State appropriations	8,799,418
Contributed state facilities use	500,732
Grants	500,000
Tower revenue	446,507
In-kind contributions	442,398
Other	<u>135,860</u>

Total revenues	<u>\$ 13,483,142</u>
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Expenses

Programming and production	\$ 5,055,045
Educational services	798,165
Broadcasting and technical services	4,922,018
Management and general	2,527,522
Pension expense	2,404,186
OPEB expense	<u>46,442</u>

Total expenses	<u>\$ 15,753,378</u>
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Change in net position	\$ (2,270,236)
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Net position - beginning	<u>1,554,969</u>
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Net position - ending	<u>\$ (715,267)</u>
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To aid in the understanding of the Statement of Activities on page 14, some additional explanation is provided. The Programming and Production activities make up a large portion of expenses (32% in FY 2024). This program area is responsible for development of services and content that is offered via a variety of mediums. It has three major departments: purchased and produced Television Programming, News and Public Affairs, and Radio Programming and Production. You will notice that expenses by program are listed first in the Statement of Activities and then reduced by program revenues to arrive at a net expense from operations. The portion that is financed through general revenues is listed separately and deducted from net expenses to reflect the total change in net position. The reason for this format is to highlight the portion of the activities by program that is self-financing through fees and grants.

THE AGENCY'S FUNDS

The following schedule presents a summary of General Fund revenues and expenditures for the fiscal year ended June 30, 2024.

Revenues and other financing sources (uses)

Transfers in:

State appropriations	\$ 8,799,418
Other state agencies	500,732
Charges for services	403,805
Corporation for Public Broadcasting grants	1,993,656
MPB Foundation grants	500,000
Interest revenue	135,494
In-kind contributions	442,398
Other revenue	<u>707,639</u>

Total revenues and other financing sources	<u>\$ 13,483,142</u>
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Expenditures

Current:

Programming and production	\$ 5,336,665
Educational services	842,631
Broadcasting and technical services	5,196,227
Management and general	2,668,333
Capital outlay	<u>210,806</u>

Total expenditures	<u>\$ 14,254,662</u>
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Excess of revenues and other financing sources over
expenditures

\$ (771,520)

CAPITAL ASSETS

As of June 30, 2024, the Agency's total capital assets were \$43,983,826, including land, buildings, furniture and equipment, and infrastructure at year-end. Total accumulated depreciation as of June 30, 2024 was \$37,578,270 and total depreciation expense for the year was \$443,131, resulting in total net capital assets of \$6,405,556. Capital assets at year-end are as follows:

Land	\$ 51,386
Building	1,706,520
Furniture and equipment	35,072,376
Infrastructure	7,153,544
Less accumulation depreciation	<u>(37,578,270)</u>
Capital assets, net	<u>\$ 6,405,556</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Agency, as a unit of State government, relies heavily upon State appropriations to fund its operating activities. State revenue directly affects the funding level of the Agency as a whole. State appropriations represented 65% of the Agency's 2024 total general fund revenues and other financing sources. State funding budget will decrease in 2025. The Agency continues to exercise prudent budgeting practices and seeks other alternative sources of revenue.

In FY 2024, the Agency continued to position itself to remain as the State's lifeline of communication for citizens during a disaster. In 2025, the Agency will continue to focus its attention on its role in the State's disaster plan along with strategic urgencies identified by the Board. The Board's focus remains on addressing the Agency's future funding from the State Legislature seeking new funding opportunities and identifying available funding resources for system upgrades.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT OFFICE

This financial report is designed to provide the State's citizens, taxpayers, customers, investors, and creditors with a general overview of the Agency's finances and to show the Agency's accountability for the funding it receives. It is also intended to help the reader better understand the changes in the financial statement format. Additional details may be requested by mail at the following address:

Mississippi Authority for Educational Television
Attention: Business Services Department
3825 Ridgewood Road, Suite 1023
Jackson, MS 39211

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION
FINANCIAL STATEMENTS

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

STATEMENT OF NET POSITION

June 30, 2024

	Primary Government Governmental Activities	Component Unit MPB Foundation	Totals
ASSETS			
Cash and cash equivalents	\$ 7,249,463	\$ 2,329,981	\$ 9,579,444
Unconditional promises to give receivable	-	113,161	113,161
Capital campaign receivable, net of allowance	-	8,000	8,000
Underwriting contracts receivable, net of allowance	-	26,945	26,945
Intergovernmental receivable	63,525	-	63,525
Other receivable	8,162	-	8,162
Prepaid broadcast rights and other assets	147,806	17,174	164,980
Beneficial interest in investments held by a community foundation	-	1,274,858	1,274,858
Lease receivables, net	2,426,867	-	2,426,867
Right-of-use operating lease assets, net	35,984	-	35,984
Subscription-based information technology agreement assets, net	65,074	-	65,074
Cash value of life insurance	-	8,511	8,511
Capital assets:			
Land and construction in-progress	51,386	-	51,386
Other capital assets, net of depreciation	6,354,170	24,451	6,378,621
Total assets	<u>\$ 16,402,437</u>	<u>\$ 3,803,081</u>	<u>\$ 20,205,518</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pensions	\$ 3,619,740	\$ -	\$ 3,619,740
Deferred outflows - OPEB	124,441	-	124,441
Total deferred outflows of resources	<u>\$ 3,744,181</u>	<u>\$ -</u>	<u>\$ 3,744,181</u>

The Notes to Financial Statements are an integral part of this statement.

	Primary Government Governmental Activities	Component Unit MPB Foundation	Totals
LIABILITIES			
Accounts payable	\$ 531,503	\$ 38,137	\$ 569,640
Intergovernmental payable	20	-	20
Other payable	58,057	-	58,057
Deferred revenue	-	33,893	33,893
Subscription liability:			
Current	56,934	-	56,934
Non-current	9,537	-	9,537
Accrued compensated absences:			
Current	40,000	30,308	70,308
Non-current	341,736	-	341,736
Operating lease liability:			
Current	10,867	-	10,867
Non-current	23,812	-	23,812
Net OPEB liability:			
Current	80,883	-	80,883
Non-current	318,135	-	318,135
Net pension liability	15,090,792	-	15,090,792
Total liabilities	<u>\$ 16,562,276</u>	<u>\$ 102,338</u>	<u>\$ 16,664,614</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pensions	\$ 1,635,798	\$ -	\$ 1,635,798
Deferred inflows - OPEB	186,145	-	186,145
Deferred inflows - lease revenue	2,477,666	-	2,477,666
Total deferred inflows of resources	<u>\$ 4,299,609</u>	<u>\$ -</u>	<u>\$ 4,299,609</u>
NET POSITION			
Net investment in capital assets	<u>\$ 6,405,556</u>	<u>\$ -</u>	<u>\$ 6,405,556</u>
Restricted for:			
Capital projects	\$ 165,677	\$ -	\$ 165,677
Specific activities	-	8,000	8,000
Total restricted	<u>\$ 165,677</u>	<u>\$ 8,000</u>	<u>\$ 173,677</u>
Unrestricted	<u>\$ (7,286,500)</u>	<u>\$ 3,692,743</u>	<u>\$ (3,593,757)</u>
Total net position	<u><u>\$ (715,267)</u></u>	<u><u>\$ 3,700,743</u></u>	<u><u>\$ 2,985,476</u></u>

The Notes to Financial Statements are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants	Primary Government	Component Unit MPB Foundation	Totals
Primary Government						
Governmental Activities:						
Programming and production	\$ 5,055,045	\$ 403,805	\$ 2,254,422	\$ (2,396,818)	\$ -	\$ (2,396,818)
Educational services	798,165	-	-	(798,165)	-	(798,165)
Broadcasting and technical services	4,922,018	-	-	(4,922,018)	-	(4,922,018)
Management and general	2,527,522	-	-	(2,527,522)	-	(2,527,522)
Pension expense	2,404,186	-	-	(2,404,186)	-	(2,404,186)
OPEB expense	46,442	-	-	(46,442)	-	(46,442)
Total primary government	<u>\$ 15,753,378</u>	<u>\$ 403,805</u>	<u>\$ 2,254,422</u>	<u>\$ (13,095,151)</u>	<u>\$ -</u>	<u>\$ (13,095,151)</u>
Component Unit						
MPB Foundation	<u>\$ 1,953,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,953,673)</u>	<u>\$ (1,953,673)</u>
GENERAL REVENUES						
State appropriations				\$ 8,799,418	\$ -	\$ 8,799,418
Contributed facilities use from a state agency				500,732	-	500,732
In-kind contributions				442,398	-	442,398
Grants and contributions not restricted				500,000	2,143,363	2,643,363
Tower revenue				446,507	-	446,507
Investment and other income				135,860	220,981	356,841
Total general revenues				<u>\$ 10,824,915</u>	<u>\$ 2,364,344</u>	<u>\$ 13,189,259</u>
Change in Net Position				\$ (2,270,236)	\$ 410,671	\$ (1,859,565)
Net Position - Beginning of year				<u>1,554,969</u>	<u>3,290,072</u>	<u>4,845,041</u>
Net Position - End of year				<u>\$ (715,267)</u>	<u>\$ 3,700,743</u>	<u>\$ 2,985,476</u>

The Notes to Financial Statements are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

BALANCE SHEET – GOVERNMENTAL FUND

June 30, 2024

ASSETS

ASSETS

Cash	\$ 7,249,463
Intergovernmental receivables	63,525
Other receivables	8,162
Lease receivable, net	2,426,867
Right-of-use operating lease assets, net	35,984
Subscription based technology agreement assets, net	<u>65,074</u>
Total assets	<u>\$ 9,849,075</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 531,503
Intergovernmental payables	20
Other payables	58,057
Operating lease liability	34,679
Deferred inflows of resources-lease revenue	2,477,666
Subscription liability	<u>66,471</u>
Total liabilities	<u>\$ 3,168,396</u>

FUND BALANCE

Restricted for capital projects	\$ 166,501
Unassigned	<u>6,514,178</u>
Total fund balances	<u>\$ 6,680,679</u>
Total liabilities and fund balances	<u>\$ 9,849,075</u>

The Notes to Financial Statements are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

BALANCE SHEET – GOVERNMENTAL FUND (continued)

June 30, 2024

RECONCILIATION TO THE STATEMENT OF NET POSITION

Fund balance - governmental fund	\$ 6,680,679
Amounts reported for governmental activities in the statement of net position are different because:	
Prepaid broadcast rights and other items are not financial resources; therefore, are not reported in the fund assets.	147,806
Capital assets used in governmental activities are not financial resources; therefore, are not reported in the fund as assets (net of accumulated depreciation).	6,405,556
Net pension liability is not due and payable in the current period; therefore, is not reported in the funds.	(15,090,792)
Deferred outflows and inflows of resources related to pensions are applicable to future periods; therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	3,619,740
Deferred inflows of resources related to pensions	(1,635,798)
Net OPEB liability is not due and payable in the current period, therefore; is not reported in the funds.	(399,018)
Deferred outflows and inflows of resources related to OPEB are applicable to future periods; therefore, are not reported in the funds:	
Deferred outflows of resources related to OPEB	124,441
Deferred inflows of resources related to OPEB	(186,145)
Accrued compensated absences are not due and payable in the current period; therefore, are not reported in the fund as liabilities.	<u>(381,736)</u>
Net position - governmental activities	<u>\$ (715,267)</u>

The Notes to Financial Statements are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND**

For the Year Ended June 30, 2024

Revenues

Charges for services:	
Other	\$ 403,805
Interest income	135,494
Miscellaneous:	
Corporation for Public Broadcasting grants	1,993,656
MPB Foundation grants	500,000
In-kind contributions	442,398
Other revenue	<u>707,639</u>
Total revenues	<u>\$ 4,182,992</u>

Expenditures

Current:	
Programming and production	\$ 5,336,665
Educational services	842,631
Broadcasting and technical services	5,196,227
Management and general	2,668,333
Capital outlay	<u>210,806</u>
Total expenditures	<u>\$ 14,254,662</u>

Excess of Expenditures Over Revenues	<u>\$ (10,071,670)</u>
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Other Financing Sources

Transfers from other state agencies:	
State General Fund appropriations	\$ 4,680,452
State Education Enhancement Fund appropriations	4,118,966
State Institutions of Higher Learning - contributed facilities use	<u>500,732</u>
Total other financing sources	<u>\$ 9,300,150</u>

Net Change in Fund Balance	\$ (771,520)
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Fund Balance, Beginning of year	<u>7,452,199</u>
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Fund Balance, End of year	<u><u>\$ 6,680,679</u></u>
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The Notes to Financial Statements are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND (continued)**
For the Year Ended June 30, 2024

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net change in fund balance - governmental fund \$ (771,520)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the costs of those assets which exceed the capitalization threshold are allocated over their estimated useful lives as depreciation expense:

Capital outlay expenditures capitalized	210,806
Depreciation expense	(443,131)

Governmental funds report broadcast rights and production costs as expenditures when incurred. However, in the statement of activities, these costs are expensed over the related broadcast periods. This is the amount of the difference between the costs incurred and the amount expensed.

(38,905)

Change in pension expense	(2,537,267)
Pension contributions subsequent to measurement date	720,994

Change in OPEB expense	117,449
OPEB contributions subsequent to measurement date	399,018

Governmental funds do not report the change in the accrued compensated absences liability as an expense because it does not require the use of current financial resources. This is the amount of the change in the liability.

72,320

Change in net position - governmental activities	<u><u>\$ (2,270,236)</u></u>
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The Notes to Financial Statements are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES –
FIDUCIARY FUND**

June 30, 2024

	Cafeteria Plan Agency Fund
ASSETS	
Cash	<u>\$ 24,781</u>
LIABILITIES	
Amounts held in custody for others	<u>\$ 24,781</u>

The Notes to Financial Statements are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

STATEMENT OF NET POSITION – MPB FOUNDATION

June 30, 2024

ASSETS

CURRENT ASSETS

Cash	\$ 2,329,981
Unconditional promises to give, net allowance for uncollectibles	113,161
Capital campaign receivable, net of allowance	8,000
Underwriting contracts receivable, net of allowance	26,945
Prepaid expenses	<u>17,174</u>
Total current assets	<u>\$ 2,495,261</u>

NON-CURRENT ASSETS

Beneficial interest in assets held by Community Foundation	\$ 1,274,858
Property and equipment, net	24,451
Cash value of life insurance	<u>8,511</u>
Total non-current assets	<u>\$ 1,307,820</u>
Total assets	<u><u>\$ 3,803,081</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 38,137
Accrued payroll and benefits	30,308
Deferred revenue	<u>33,893</u>
Total liabilities	<u>\$ 102,338</u>

NET ASSETS

Net assets without donor restrictions	\$ 3,692,743
Net assets with donor restrictions	<u>8,000</u>
Total net assets	<u>\$ 3,700,743</u>
Total liabilities and net assets	<u><u>\$ 3,803,081</u></u>

The Notes to Financial Statements are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

STATEMENT OF ACTIVITIES – MPB FOUNDATION

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 1,984,498	\$ -	\$ 1,984,498
Grant income	41,050	-	41,050
Underwriting income	115,972	-	115,972
Investment income, net	-	124,473	124,473
Interest income	96,508	-	96,508
Donated rent	750	-	750
Miscellaneous income	1,093	-	1,093
Net assets released from restrictions	<u>169,173</u>	<u>(169,173)</u>	<u>-</u>
Total support and revenue	<u>\$ 2,409,044</u>	<u>\$ (44,700)</u>	<u>\$ 2,364,344</u>
EXPENSES			
Program services/MPB	\$ 851,824	\$ -	\$ 851,824
Support services:			
Management and general	49,609	-	49,609
Fundraising	<u>1,052,240</u>	<u>-</u>	<u>1,052,240</u>
Total expenses	<u>\$ 1,953,673</u>	<u>\$ -</u>	<u>\$ 1,953,673</u>
Change in net assets	<u>\$ 455,371</u>	<u>\$ (44,700)</u>	<u>\$ 410,671</u>
Net assets, beginning	<u>\$ 3,237,372</u>	<u>\$ 52,700</u>	<u>\$ 3,290,072</u>
Net assets, ending	<u>\$ 3,692,743</u>	<u>\$ 8,000</u>	<u>\$ 3,700,743</u>

The Notes to Financial Statements are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

Note 1. Summary of Significant Accounting Policies

Financial Reporting Entity

The Mississippi Authority for Educational Television (MPB) is an agency of the State of Mississippi (the State) and was created by an act of the State Legislature to provide educational, instructional, and public service programs for the students and citizens of the State through educational broadcasting. MPB operates under the name Mississippi Public Broadcasting.

MPB is subject to the review and appropriation authority of the State Legislature. Rather than functioning as an autonomous entity, MPB is a part of the oversight unit of the State. The accompanying financial statements present the financial position and the changes in financial position of only that portion of the activities and funds of the State of Mississippi that is attributable to the transactions of MPB and its component unit.

Governmental Accounting Standards Board (GASB) Statement No. 61, "Determining Whether Certain Organizations Are Component Units," requires the inclusion of organizations for which the nature and significance of their relationship with MPB is such that their exclusion would cause MPB's financial statements to be misleading or incomplete. As a result, MPB's financial statements include a legally separate nonprofit entity as a component unit. MPB's component unit is MPB Foundation (the Foundation). The Foundation was established to raise funds for MPB and provide grants to MPB based on the results of its fundraising efforts. The discretely-presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from MPB. Transactions between MPB and the component unit have not been eliminated. The Foundation's audited financial statements are issued under separate cover and are available upon request from the Foundation.

MPB complies with accounting principles generally accepted in the United States of America (GAAP), which includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Presentation

Government-wide Financial Statements:

The statement of net position and statement of activities display information about MPB as a whole. They include all funds and the component unit of MPB except for the fiduciary fund. Program revenues include charges to the recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements:

Fund financial statements of MPB are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into two major categories: governmental and fiduciary.

The funds of MPB are described below:

- **Governmental Fund**

General Fund — The General Fund is the general operating fund of MPB. It is used to account for all financial resources except those required to be accounted for in another fund.

- **Fiduciary Fund**

Agency Fund — The Agency Fund is used to account for the contributions of employees to the MPB cafeteria plan. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of operations.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus:

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of changes in net position. All assets and liabilities (whether current or non-current) associated with activities are reported. Equity is classified as net position.

Note 1. Summary of Significant Accounting Policies (continued)

In the fund financial statements, the governmental fund uses the "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. The fund uses fund balance as the measure of available spendable financial resources at the end of the period.

The agency fund is not involved in the measurement of results of operations; therefore, measurement focus is not applicable to it.

Basis of Accounting:

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or an economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, the governmental fund is presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when measurable and available. "Measurable" means knowing or being able to reasonably estimate the amount. "Available" means collectible within the current period or 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

Appropriations/Allotment Balance

The appropriations/allotment balance is composed of the appropriated funds provided by the State Legislature. Section 64 of the Constitution of the State of Mississippi provides that "no bill passed...to make appropriations of money out of the State Treasury shall continue in force more than two months after the expiration of the fiscal year." Section 7-7-23, Miss. Code Ann. (1972), provides that purchase orders covering purchases of equipment, supplies, materials or services of whatever kind or nature for any department or agency to be paid for out of funds appropriated for any fiscal year are required to be executed by June 30, of the fiscal year. These purchase orders must be filed and received by the Department of Finance and Administration within five working days after June 30, and are considered obligations against the State. Appropriated funds are disbursed for these obligations until August 31, and any appropriations that remain undisbursed at August 31, lapse to the appropriating fund of the State of Mississippi to be used for appropriations in the following fiscal year.

Cash and Investments

MPB's general fund cash is held by the Mississippi Treasury Department. MPB deposits cash of the fiduciary type fund in financial institutions selected by the board of directors in accordance with state statutes.

Note 1. Summary of Significant Accounting Policies (continued)

The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation.

MPB may invest in interest-bearing time certificates of deposit or any bonds or other direct obligations of the United States of America, the State of Mississippi, or any county, municipality, or school district of Mississippi, provided certain provisions have been met.

Cash and cash equivalents include highly liquid investments with a maturity of three months or less when purchased unless the investments are held for long-term purposes.

Investments Held at Component Unit

Accounting Standards Codification (ASC) 820 defines fair value and establishes a framework for measuring fair value in U.S. generally accepted accounting principles and expands disclosures about fair value measurements. ASC 820 applies only to fair value measurements that are already required or permitted by other accounting standards and is expected to increase the consistency of those measurements. The definition of fair value focuses on the exit price, i.e., 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, not the entry price, i.e., the price that would be paid to acquire the asset or received to assume the liability at the measurement date. ASC 820 emphasizes fair value is a market based measurement; not an entity specific measurement. Therefore, the fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability.

In accordance with ASC 820, the Foundation groups its assets measured at fair value in three levels, based on the markets in which such assets are traded and the reliability of the assumptions used to determine fair value. This hierarchy requires the Foundation to maximize the use of observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

Each fair value measurement is placed into the proper level based on the lowest level of significant input. These levels are:

- Level 1 – inputs to the valuation methodology are based upon quoted prices for identical instruments traded in active markets. This level of the fair value hierarchy provides the most reliable evidence of fair value and is used to measure fair value whenever available.

Note 1. Summary of Significant Accounting Policies (continued)

- Level 2 – inputs to the valuation methodology are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 – inputs to the valuation methodology are generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset.

Beneficial interest in assets held at the Community Foundation for Mississippi and interest in charitable trust are assets carried at fair value. The Foundation has no liabilities carried at fair value at June 30, 2024.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Contributions and underwriting revenue are recognized when the donor makes a promise to give to MPB or its component unit that is, in substance, unconditional. The allowance method is used to determine the uncollectible portion of these unconditional promises to give.

In the fund financial statements, receivables accrued in the governmental fund include substantially all types since they are both measurable and available.

Prepaid Broadcast Rights, Production Costs, and Production Revenue

In the government-wide statements, amounts paid for program broadcast rights are expensed ratably over the broadcasting period. Costs incurred by MPB for production of special programs are expensed when the program is broadcast.

In the fund financial statements, payments for broadcast rights and production costs are recorded as expenditures when the costs are incurred.

Capital Assets

Government-Wide Statements:

In the government-wide financial statements, property and equipment is accounted for as capital assets. Capital assets are valued at historical cost, or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Maintenance and repair costs are expensed as incurred, and property and equipment of MPB is capitalized only if it exceeds thresholds established by the State as follows:

Note 1. Summary of Significant Accounting Policies (continued)

<u>Category</u>	<u>Threshold</u>
Land	\$ -
Land improvements	25,000
Buildings	50,000
Infrastructure	100,000
Furniture and equipment	5,000

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided using the straight-line method of depreciation over the assets estimated useful lives. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Infrastructure	20 years
Furniture and equipment	3-15 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Lease Revenue

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, MPB recognizes a lease receivable and a deferred inflow of resources for certain lease assets. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable that relate to future periods. Interest revenue is recognized on the lease receivable and an inflow of resources over the term of the lease.

Right-of-Use Operating Leases

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, MPB recognizes right-of-use lease assets in the government-wide financial statements. The lease liability is measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Note 1. Summary of Significant Accounting Policies (continued)

Subscription-Based Information Technology Arrangements

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, MPB recognizes a right-to-use subscription asset and a corresponding subscription liability. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the government's incremental borrowing rate. The government recognizes amortization of the discount on the subscription liability as an outflow of resources in subsequent financial reporting periods.

Cash Value of Life Insurance

The Foundation carries the value of life insurance policies at cash surrender value in the statements of financial position.

Unearned Revenue

MPB defers revenue recognition in connection with resources that have been received but not yet earned.

Accrued Compensated Absences

Section 25-3-97, Miss. Code Ann. (1972), authorizes payment for a maximum of 30 days accrued personal leave upon termination of employment. No payment is authorized for accrued major medical leave unless the employee presents medical evidence that his or her physical condition is such that he or she can no longer work in a capacity of state government. The liability for these compensated absences up to a maximum of 30 days of accrued personal leave per employee is recorded as a liability in the government-wide statements. In the fund financial statements, the governmental fund reports only the compensated absence liability payable from expendable available financial resources. Accumulated unpaid major medical leave is not accrued in the financial statements because it is not probable that the compensation will be paid.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. MPB has deferred outflows which are presented as a deferred outflow for pension and OPEB.

Note 1. Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. MPB has deferred inflows which are presented as a deferred inflow for pension, OPEB and leases.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 14 for further details.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Mississippi State and School Employees Life and Health Insurance Plan and additions to/deductions from OPEB's fiduciary net position have been determined on the same basis as they are reported by Mississippi State and School Employees Life and Health Insurance Plan. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 15 for further details.

Equity Classifications

Government-wide Statements: Equity is classified as net position in the government-wide financial statements and is displayed in three components:

- a. Net investment in capital assets — consists of capital assets, net of accumulated depreciation.
- b. Restricted — results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
- c. Unrestricted — consists of net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

MPB applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 1. Summary of Significant Accounting Policies (continued)

Fund Financial Statements: In accordance with GASB Statement No. 54, the governmental fund financial statements present fund balances based on the extent of the constraints on their use as follows:

- a. Non-spendable fund balance — consists of amounts that cannot be spent because they are either (1) not in spendable form or (2) are legally or contractually required to be maintained intact.
- b. Restricted fund balance — consists of amounts for which constraints have been placed on their use: (1) by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments, or (2) by law through constitutional provisions or enabling legislation.
- c. Committed fund balance — consists of amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors.
- d. Assigned fund balance — consists of amounts that are constrained by the Mississippi Authority for Educational Television's intent to use them for a specific purpose but that are neither restricted nor committed. Intent can be expressed by an official or body to which the board of directors has delegated the authority.
- e. Unassigned fund balance — consists of the residual fund balance for the General Fund.

MPB utilizes restricted fund balances first, followed by committed fund balances and then assigned fund balances.

Income Taxes for Component Unit

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is classified as a publicly supported organization and not a private foundation under the Internal Revenue Code. The Foundation has adopted the provisions of FASB ASC 740-10, Accounting for Uncertainty in Income Taxes. The Foundation's status as a 501(c)(3) not-for-profit has been determined to be valid. The Foundation files Federal Form 990.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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. Actual results could differ from those estimates.

Note 1. Summary of Significant Accounting Policies (continued)

Component Unit

MPB Foundation (the Foundation) was incorporated as a not-for-profit corporation in the State of Mississippi on August 26, 2016. The Foundation operates solely for the benefit and support of the Mississippi Authority for Educational Television, an agency of the State of Mississippi that provides educational broadcasting in Mississippi under the name Mississippi Public Broadcasting (MPB). The Foundation operates under an affiliation agreement that governs its relationship with MPB.

Recently Adopted Accounting Guidance

In July 2023, the Foundation adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)* which is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributions of nonfinancial assets as a separate line items in the statement of activities along with expanded disclosure requirements. The Foundation adopted ASU 2020-07 at July 1, 2023.

Subsequent Events

MPB's management has evaluated subsequent events for potential recognition and disclosure through January 7, 2025, the date the financial statements were available to be issued.

Note 2. Promises to Give

The Foundation's unconditional promises to give at June 30, 2024 are as follows:

Unconditional promises to give	\$ 132,699
Allowance for uncollectible amounts	<u>(19,538)</u>
Unconditional promises to give, net	<u>\$ 113,161</u>

Note 3. Capital Campaign Receivable

During 2019, the Foundation initiated a five-year capital fundraising campaign, Focus on the Future Campaign, for the purpose of enhancing education, workforce development and the economy of the state of Mississippi. Unconditional promises to give under the fundraising campaign are reported as capital campaign receivable. Capital campaign receivable at June 30, 2024 is \$8,000.

Note 4. Underwriting Contracts Receivable

The Foundation entered into underwriting contract for the use and benefit of Mississippi Authority for Public Television. Underwriting contracts receivable at June 30, 2024 is as follows:

Underwriting contracts receivable	\$ 31,700
Allowance for uncollectible amounts	<u>(4,755)</u>
Underwriting contracts receivable, net	<u>\$ 26,945</u>

Note 5. Beneficial Interest in Assets Held by Community Foundation

MPB Foundation entered into an investment agreement with the Community Foundation for Mississippi (CFM). The Foundation's agreement with CFM designates the Foundation as the beneficiary. Any distributions from the fund must be approved by CFM. The investment fund held by CFM is designated as an agency fund. The fund is not endowed; therefore funds are available for grant distribution with approval by CFM. This asset is reflected as unrestricted net assets. The fair market value of the fund, which consists of investments in mutual funds, was \$1,274,858 at June 30, 2024. These funds are categorized as a Level 1 fair value measurement. The following table represents a reconciliation of the activities of the beneficial interest in assets held by the Community Foundation of Mississippi as of June 30, 2024:

Fair market value, beginning of year	\$ 1,150,351
Investment income	70,972
Net unrealized gain	66,338
Administrative fees	<u>(12,803)</u>
Fair market value, end of year	<u>\$ 1,274,858</u>

Note 6. Assets Held at Fair Value

The following is a summary of MPB's assets held at fair value at June 30, 2024:

<u>Description</u>	<u>Total</u>	<u>Fair Value Measurement</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Beneficial interest in assets held at the Community Foundation for Mississippi	<u>\$ 1,274,858</u>	<u>\$ 1,274,858</u>	<u>\$ -</u>	<u>\$ -</u>

Note 6. Assets Held at Fair Value (continued)

The components of the Foundation's investment income as reported in the accompanying statement of activities are as follows for the year ended June 30, 2024:

Net realized gain from sale of securities	\$ 23,940
Net unrealized gain	66,338
Investment fees and other distributions	(12,803)
Interest, dividends, and other investment income	<u>46,998</u>
	<u>\$ 124,473</u>

Note 7. Leases

MPB leases unneeded space on its transmitter towers to various governmental and commercial entities. The total amount of inflows of resources related to lease revenue recognized during the year ended June 30, 2024 was \$446,507. Lease terms ranged between sixty months and three-hundred sixty months, and the discount rate was 2.72% for the year ended June 30, 2024. MPB's lease receivable, net, and related deferred inflows of resources-leases consists of the following at June 30, 2024:

Lease receivable	\$ 5,409,474
Less accumulated amortization	<u>(2,982,607)</u>
Total lease receivable, net	<u>\$ 2,426,867</u>
Deferred inflow of resources-leases	<u>\$ (2,477,666)</u>

At June 30, 2024, minimum lease revenues under these leases are due as follows:

Fiscal years ending June 30,	Principal	Interest
2025	\$ 272,620	\$ 63,659
2026	215,059	57,269
2027	163,786	52,209
2028	99,560	50,503
2029 and after	<u>1,726,641</u>	<u>687,134</u>
	<u>\$ 2,477,666</u>	<u>\$ 910,774</u>

Note 8. Right-of-Use Operating Leases

MPB leases certain equipment and land from various entities. Lease terms range between thirty-six months and seventy-two months, and the discount rate was 2.72% for the year ended June 30, 2024.

Note 8. Right-of-Use Operating Leases (continued)

MPB's right-of-use operating lease asset and related operating lease liability consists of the following at June 30, 2024:

Right-of-use operating assets	\$ 93,197
Leases accumulated amortization	<u>(57,213)</u>
Total right-of-use operating assets, net	<u>\$ 35,984</u>
Operating lease liability	<u>\$ 34,679</u>

At June 30, 2024, future minimum payments of operating leases are as follows:

Fiscal year ending June 30:	
2025	\$ 10,867
2026	9,470
2027	5,398
2028	2,285
2029 and after	<u>6,659</u>
	<u>\$ 34,679</u>

Note 9. Subscription-Based Information Technology Arrangements

MPB has subscription-based information technology arrangement subject to GASB 96, Subscription-Based Information Technology Arrangements (SBITAs). Subscription terms are greater than twelve months, and the discount rate is 2.72% for the year ended June 30, 2024. MPB's subscription-based information technology arrangement asset, net of accumulated amortization, and related subscription liability consists of the following at June 30, 2024:

SBITAs	\$ 112,401
Less accumulated amortization	<u>(47,327)</u>
Total SBITAs, net	<u>\$ 65,074</u>
Subscription liability	<u>\$ 66,471</u>

At June 30, 2024, future minimum payments of subscription liabilities are as follows:

Fiscal year ending June 30:	
2025	\$ 56,934
2026	<u>9,537</u>
	<u>\$ 66,471</u>

Note 10. Capital Assets

The primary government's capital asset activity for the year ended June 30, 2024, is as follows:

	Balance 6/30/2023	Additions	Dispositions	Balance 6/30/2024
Capital assets not being being depreciated:				
Land	\$ 51,386	\$ -	\$ -	\$ 51,386
Total not being depreciated	\$ 51,386	\$ -	\$ -	\$ 51,386
Other capital assets:				
Buildings	\$ 1,706,520	\$ -	\$ -	\$ 1,706,520
Furniture and equipment	35,297,768	487,868	(713,260)	35,072,376
Infrastructure	7,153,544	-	-	7,153,544
Total other capital assets	\$ 44,157,832	\$ 487,868	\$ (713,260)	\$ 43,932,440
Accumulated depreciation:				
Buildings	\$ (899,701)	\$ (24,418)	\$ -	\$ (924,119)
Furniture and equipment	(31,401,756)	(334,795)	697,313	(31,039,238)
Infrastructure	(5,530,995)	(83,918)	-	(5,614,913)
Total accumulated depreciation	\$ (37,832,452)	\$ (443,131)	\$ 697,313	\$ (37,578,270)
Other capital assets, net	\$ 6,325,380	\$ 44,737	\$ (15,947)	\$ 6,354,170
Capital assets, net	\$ 6,376,766	\$ 44,737	\$ (15,947)	\$ 6,405,556

MPB's depreciation expense for the year ended June 30, 2024, was as follows:

Programming and production	\$ 194,978
Educational services	31,019
Broadcasting and technical services	128,508
Management and general	88,626
Total depreciation expense	<u>\$ 443,131</u>

Note 10. Capital Assets (continued)

Certain capital assets of MPB were acquired with federal grant revenues and, as a result, the disposition of the capital assets is restricted under the terms of the federal grants.

The Foundation's capital asset activity for the year ended June 30, 2024, is as follows:

	Balance 6/30/2023	Additions	Disposals	Balance 6/30/2024
Furniture and equipment	\$ 49,918	\$ 25,625	\$ (34,959)	\$ 40,584
Accumulated depreciation	<u>(20,445)</u>	<u>(8,507)</u>	<u>12,819</u>	<u>(16,133)</u>
Capital assets, net	<u>\$ 29,473</u>	<u>\$ 17,118</u>	<u>\$ (22,140)</u>	<u>\$ 24,451</u>

Note 11. Accrued Compensated Absences

The following is a summary of changes in the accrued compensated absences liability for the year ended June 30, 2024:

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024	Amounts due within one year
Primary government	<u>\$ 414,056</u>	<u>\$ 261,875</u>	<u>\$ (294,195)</u>	<u>\$ 381,736</u>	<u>\$ 40,000</u>
Component unit	<u>\$ 21,930</u>	<u>\$ 8,378</u>	<u>\$ -</u>	<u>\$ 30,308</u>	<u>\$ 21,930</u>

There were no amounts left unpaid at year-end that normally would be liquidated with expendable available financial resources. Therefore, no current liability for compensated absences is reported in the fund financial statements.

Note 12. Deferred Revenue

At June 30, 2024, the Foundation recognized deferred revenue of \$33,893 which consists of \$5,000 related to an underwriting contract with a term ending in fiscal year 2025 and \$28,893 from a grant.

Note 13. Net Assets with Restrictions

The Foundation's net assets with restrictions at June 30, 2024 are as follows:

Capital campaign receivables	<u>\$ 8,000</u>
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Note 14. Pension Plan

Plan Description

MPB contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201, or by calling (601) 359-3589 or 1-800-444-PERS. It is also available at www.pers.ms.gov.

Benefits Provided

Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.00% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less.

Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.00% of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.00% compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Note 14. Pension Plan (continued)Contributions

PERS members are required to contribute 9.00% of their annual covered salary, and MPB is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2024, was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. MPB's contributions to PERS for the fiscal year ending June 30, 2024, was \$720,994, which equaled the required contributions for the year.

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

At June 30, 2024, MPB reported a liability of \$15,090,792 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. MPB's proportion of the net pension liability was based on a projection of MPB's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2024, MPB's proportion was 0.06%.

For the year ended June 30, 2024, MPB recognized pension expense of \$2,404,186. At June 30, 2024, MPB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 291,150	\$ -
Net difference between projected and actual earnings on pension plan investments	17,948	-
Changes of assumptions	2,589,648	1,617,338
Changes in proportion and differences between ER contributions and proportionate share of contributions	-	18,460
District contributions subsequent to the measurement date	720,994	-
Total	<u>\$ 3,619,740</u>	<u>\$ 1,635,798</u>

Note 14. Pension Plan (continued)

\$720,994 reported as deferred outflows of resources related to pensions resulting from MPB contributions subsequent to the measurement date, will be recognized as a reduction to the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ 276,256
2026	608,337
2027	373,868
2028	4,487
2029	-
	<u>\$ 1,262,948</u>

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	2.65% - 17.90%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of the female rates up to age 72 and 100% for ages above 76. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions are based on the experience investigation for the four-year period ending June 30, 2022.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of 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.

Note 14. Pension Plan (continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	27.00%	4.75%
International equity	22.00%	4.75%
Global equity	12.00%	4.95%
Debt securities	20.00%	1.75%
Real estate	10.00%	3.25%
Private equity	8.00%	6.00%
Cash equivalents	1.00%	0.25%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the current employer contribution rate. 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.

Sensitivity of MPB's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents MPB's proportionate share of the net pension liability of the cost-sharing plan, calculated using the discount rate of 7.00%, as well as what MPB's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
MPB's proportionate share of the net pension liability	<u>\$ 19,459,959</u>	<u>\$ 15,090,792</u>	<u>\$ 11,505,405</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Note 15. Other Postemployment Benefits (OPEB)

Plan Description

State law mandates that all state, public education, library, junior and community college and retiring employees be offered health and life benefit coverage through the State and School Employees' Life and Health Insurance Plan (the Plan). The Plan was established by Section 25-15-3 et seq., Mississippi Code Ann. (1972), which may be amended only by the State Legislature. The State and School Employees' Health Insurance Management Board (the Board) administers the Plan. The Board has the sole legal authority to promulgate rules and regulations governing the operations of the Plan within the confines of the law governing the Plan. The Plan is self-insured and is financed through premiums collected from employers, employees, retirees and COBRA participants.

The Plan provides for Other Postemployment Benefits (OPEB) as a multiple-employer defined benefit OPEB plan. A trust was created June 28, 2018 for the OPEB plan and, the Plan is considered a cost-sharing multiple-employer defined benefit OPEB plan. Benefits of the OPEB plan consist of an implicit rate subsidy, which is essentially the difference between claims cost and premiums received for retirees.

Benefits Provided

The Plan was formed by the State Legislature to provide group health and life benefits to full-time active and retired employees of the State, agencies, universities, community/junior colleges, public school districts and public libraries. In addition, the spouse and/or children of covered employees and retirees, as well as surviving spouses and COBRA participants, may be eligible for health insurance coverage under the Plan. Benefits of the OPEB Plan consist of an implicit rate subsidy, which is essentially the difference between the average cost of providing health care benefits to retirees under age 65 and the average cost of providing health care benefits to all participants when premiums paid by retirees are not age adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting life and health insurance premiums for the Plan. Per Section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance must pay the full cost of such insurance premium. If the Board determined actuarially that the premium paid by the participating retirees adversely affects the overall cost of the Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determined actuarially to cover the full cost of insurance.

Note 15. Other Postemployment Benefits (OPEB) (continued)

The Plan offers a Base option and a Select option for health benefits for non-Medicare participants. The Plan includes a separate coverage level for Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

Contributions

The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At June 30, 2024, MPB reported a liability of \$399,018 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for MPB's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2023, MPB's proportion was .007%. MPB's proportion was .007% as of the measurement date of June 30, 2022.

For the year ended June 30, 2024, MPB recognized OPEB expense of \$46,442. At June 30, 2024, MPB reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 65,407	\$ 112,653
Net difference between projected and actual investment earnings on OPEB Plan investments	25	-
Changes of assumptions	35,646	30,018
Changes in proportion and differences between ER contributions and proportionate share of contributions	<u>23,363</u>	<u>43,474</u>
Total	<u>\$ 124,441</u>	<u>\$ 186,145</u>

Note 15. Other Postemployment Benefits (OPEB) (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2025	\$ (23,481)
2026	(25,347)
2027	(16,796)
2028	(6,869)
2029	(12,574)
	<u>\$ (85,067)</u>

Actuarial assumptions - The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date	June 30, 2023
Measurement date	June 30, 2023
Experience study date	April 21, 2023
Actuarial assumptions	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40%
Salary increases	2.65% - 17.90%
Long-term expected rate of return	N/A
Discount rate	3.66%
Projected cash flows	N/A
Health care cost trends rates	6.50% decreasing to 4.50% by 2029

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of males up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of females rates up to age 72 and 100% for ages above 76. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

Note 15. Other Postemployment Benefits (OPEB) (continued)**Sensitivity of MPB's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following presents MPB's proportionate share of the net OPEB liability, as well as what MPB's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.66%)	Discount Rate (3.66%)	1% Increase (4.66%)
MPB's net OPEB liability	\$ 437,063	\$ 399,018	\$ 366,033

Sensitivity of MPB's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents MPB's proportionate share of the net OPEB liability, as well as what MPB's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare cost trend current rates 4.50%-6.50%	1% Increase
MPB's net OPEB liability	\$ 371,798	\$ 399,018	\$ 429,504

Detailed information about the OPEB plan's fiduciary net position for June 30, 2023, and going forward will be available in separately issued financial reports available on the Mississippi Department of Finance and Administration's website.

Note 16. Related Party Transactions**Transactions with Component Unit**

The primary government recognized grant revenue totaling \$500,000 from its component unit during the year ended June 30, 2024.

Contributed Facilities Use

MPB and its component unit occupy buildings owned by the Institutions of Higher Learning (a State agency). The value of the facilities used in excess of the \$124,800 rent charged to MPB is estimated at \$500,732 for the year ended June 30, 2024.

Note 16. Related Party Transactions (continued)Appropriations

MPB recognized appropriation transfers from the State's General Fund and Education Enhancement Fund totaling \$8,799,418 during the year ended June 30, 2024.

Expenses

MPB was charged fees by other agencies of the State of Mississippi for various services for the years ended June 30, 2024:

Institutions of Higher Learning (facility costs)	\$ 124,800
Finance and administration	445,494
Information Technology Services	<u>48,972</u>
Total support	<u>\$ 619,266</u>

Mississippi Ednet Institute, Inc.

MPB provides certain facilities and administrative services at \$2,000 per month to Mississippi Ednet Institute, Inc. (Ednet), which is a non-profit organization that provides educational programming through a statewide Educational Broadband Service system. MPB's executive director serves as the president and chief executive officer of Ednet, and one of MPB's board members is the chairperson of Ednet's eight-member board of directors.

Friends of ETV and PRM

Friends of ETV and PRM (Friends) was dissolved during the year ended June 30, 2007, and Friends' remaining funds were transferred to the Community Foundation of Mississippi in order to establish an endowment for the benefit of MPB. The Community Foundation of Mississippi owns and controls the endowment assets, determines the purpose and amount of endowment distributions, and can change the endowment's overall purpose or beneficiary. Therefore, the endowment is not reflected in these financial statements.

Note 17. Risk Management

The State of Mississippi has elected to retain most exposure to risk, including health and life benefits, tort liability, unemployment benefits and workers compensation benefits. MPB contributes to the State's internal service risk management fund based on actuarially determined assessments and premiums charged by the State.

Note 18. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, would constitute a liability of the applicable funds. MPB is neither aware of, nor expects, any significant disallowances.

Note 19. Concentrations

MPB Foundation maintains deposits in a financial institution and at times has deposits in excess of federal insurance limits. The Foundation does not believe it is subject to any unusual credit risk beyond the customary credit risk related to conducting its nonprofit activities.

Note 20. Risks and Uncertainties

The Foundation's beneficial interest in assets held by the community foundation invests in mutual funds and corporate stocks. These investments are exposed to interest rate, market, credit, and other risks depending upon the nature of the investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Foundation's beneficial interest which could materially affect the amounts reported in the financial statements.

MPB Foundation maintains deposits in a financial institution and at times has deposits in excess of federal insurance limits. The Foundation does not believe it is subject to any unusual credit risk beyond the customary credit risk related to conducting its nonprofit activities.

Note 21. Prior Period Adjustment

A prior period adjustment was made to record the cash value of life insurance as an asset in the Foundation's accompanying statement of net position. A debit of \$6,772 was recorded to cash value of life insurance with a corresponding credit to net assets without restrictions.

REQUIRED SUPPLEMENTARY INFORMATION

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts Budgetary Basis	Final Budget Over (Under)
FUNDING SOURCES				
State general fund	\$ 4,680,452	\$ 4,680,452	\$ 4,680,452	\$ -
State Education Enhancement Fund	4,118,966	4,118,966	4,118,966	-
Special funds	<u>4,697,847</u>	<u>4,754,122</u>	<u>4,863,033</u>	<u>108,911</u>
Total funding sources	<u>\$ 13,497,265</u>	<u>\$ 13,553,540</u>	<u>\$ 13,662,451</u>	<u>\$ 108,911</u>
EXPENDITURES				
Current				
Personal services:				
Salaries, wages and fringe benefits	\$ 6,294,318	\$ 6,294,318	\$ 5,654,055	\$ (640,263)
Travel and subsistence	95,000	95,000	68,598	(26,402)
Contractual services	4,161,095	4,161,095	5,445,195	1,284,100
Commodities	567,122	567,122	407,847	(159,275)
Capital outlay	914,695	914,695	651,828	(262,867)
Vehicles	200,000	200,000	-	(200,000)
Subsidies, loans, and grants	<u>-</u>	<u>-</u>	<u>394,351</u>	<u>394,351</u>
Total expenditures	<u>\$ 12,232,230</u>	<u>\$ 12,232,230</u>	<u>\$ 12,621,875</u>	<u>\$ 389,645</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,265,035</u>	<u>\$ 1,321,310</u>	<u>\$ 1,040,576</u>	<u>\$ (280,734)</u>

The Notes to the Required Supplementary Information are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

Budgetary Basis Reconciliation

An explanation of the differences between budgetary basis amounts and the amounts determined in accordance with accounting principles generally accepted in the United States of America (GAAP) follows:

Funding Sources - Budgetary Comparison Schedule	\$ 13,662,451
Differences:	
GAAP basis receivables at fiscal year end that are received in the two subsequent months are recorded as budgetary basis funding sources of the year for which the amounts were budgeted.	(680,041)
Non-cash contributions are not reflected as budgetary basis funding sources.	<u>500,732</u>
Revenues and Other Financing Sources - Statement of Revenues, Expenditures and Changes in Fund Balance	<u>\$ 13,483,142</u>
Expenditures - Budgetary Comparison Schedule	\$ 12,621,875
Differences:	
Budgetary basis expenditures include encumbrances at fiscal year end that were paid during two subsequent months, regardless of whether the goods or services were received prior to fiscal year end	1,132,055
Non-cash contributions are not reflected as budgetary basis expenditures.	<u>500,732</u>
Expenditures and Other Financing Uses - Statement of Revenues, Expenses and Changes in Fund Balance	<u>\$ 14,254,662</u>

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

SCHEDULES OF MPB'S SHARE OF THE NET PENSION LIABILITY

For the Years Ended June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
MPB's proportion of the net pension liability	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.06%	0.07%	0.07%	0.07%
MPB's proportion of the total net pension liability	\$ 28,833,053	\$ 30,824,852	\$ 29,998,220	\$ 28,311,739	\$ 27,479,145	\$ 26,637,697	\$ 27,728,859	\$ 29,104,102	\$ 27,447,917	\$ 25,910,702
MPB's proportion of the plan net position	<u>13,742,261</u>	<u>18,474,669</u>	<u>21,129,957</u>	<u>16,696,435</u>	<u>16,923,960</u>	<u>16,657,914</u>	<u>17,050,489</u>	<u>16,701,456</u>	<u>16,936,458</u>	<u>17,413,984</u>
MPB's proportionate share of the net pension liability	<u>\$ 15,090,792</u>	<u>\$ 12,350,183</u>	<u>\$ 8,868,263</u>	<u>\$ 11,615,304</u>	<u>\$ 10,555,185</u>	<u>\$ 9,979,783</u>	<u>\$ 10,678,370</u>	<u>\$ 12,402,646</u>	<u>\$ 10,511,459</u>	<u>\$ 8,496,718</u>
MPB's covered-employee payroll	<u>\$ 4,143,644</u>	<u>\$ 4,116,129</u>	<u>\$ 3,775,431</u>	<u>\$ 3,916,000</u>	<u>\$ 3,930,598</u>	<u>\$ 3,868,940</u>	<u>\$ 3,833,048</u>	<u>\$ 4,119,048</u>	<u>\$ 4,444,610</u>	<u>\$ 4,198,000</u>
MPB's proportionate share of the net pension liability (asset) as a % of its covered-employee payroll	364.19%	300.04%	234.89%	296.61%	268.54%	257.95%	278.59%	301.10%	236.50%	202.40%
Plan fiduciary net position as a % of the total pension liability	47.66%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.39%	61.70%	67.21%

The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in fiscal year end June 30, 2015, and, until a full 10-year trend is compiled, MPB has only presented information for the years in which information is available.

The Notes to the Required Supplementary Information are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

SCHEDULES OF MPB'S PENSION CONTRIBUTIONS

For the Years Ended June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 720,994	\$ 716,206	\$ 656,925	\$ 681,384	\$ 683,924	\$ 609,358	\$ 603,705	\$ 648,750	\$ 700,026	\$ 661,185
Contributions in relation to the contractually required contribution	<u>720,994</u>	<u>716,206</u>	<u>656,925</u>	<u>681,384</u>	<u>683,924</u>	<u>609,358</u>	<u>603,705</u>	<u>648,750</u>	<u>700,026</u>	<u>661,185</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MPB's covered-employee payroll	<u>\$ 4,143,644</u>	<u>\$ 4,116,129</u>	<u>\$ 3,775,431</u>	<u>\$ 3,916,000</u>	<u>\$ 3,930,598</u>	<u>\$ 3,868,940</u>	<u>\$ 3,833,048</u>	<u>\$ 4,119,048</u>	<u>\$ 4,444,610</u>	<u>\$ 4,198,000</u>
Contributions as a percentage of covered-employee payroll	17.40%	17.40%	17.40%	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%
Proportionate share percentage	0.060%	0.060%	0.060%	0.060%	0.060%	0.060%	0.064%	0.069%	0.068%	0.068%

The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in fiscal year end June 30, 2015, and, until a full 10-year trend is compiled, MPB has only presented information for the years in which information is available.

The Notes to the Required Supplementary Information are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

Pension Schedules

Changes of assumptions

2023

- The investment rate of return assumption was changed from 7.55% to 7.00%.
- The assumed load for administrative expenses was decreased from .28% to .26% of payroll.
- Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.
- The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.
- For married member the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.
- The assumed amount of unused sick leave at retirement was increased from .50 years to .55 years.
- The assumed average number of years of military service that participants will have at retirement was decreased from .25 years to .20 years.

2021

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retirement Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77; For females, 84% of female rates up to age 72, 100% for ages above 76; Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments: For males, 134% of male rates at all ages; for females, 121% of female rates at all ages; Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments: For males, 97% of male rates at all ages; for females, 110% of female rates at all ages; Projection scale MP-2020 will be used to project future improvement sin life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (continued)

For the Year Ended June 30, 2024

- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

2019

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119; For females rates from ages 18 to 65 scaled up to 102% for ages 75 to 119; Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments: For males, 137% of male rates at all ages; for females, 115% of female rates at all wages; Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2017

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.
- The wage inflation assumption was reduced from 3.75% to 3.25%.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

2016

- The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

2015

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (continued)

For the Year Ended June 30, 2024

- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

Changes in benefit provisions

2016

- Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

Methods and assumptions used in calculations of actuarially determined contributions

- The actuarially determined contributions rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2021 valuation for the June 30, 2023 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	26.7 years
Asset valuation method	5-year smoothed market
Price inflation	2.40%
Salary increases, including wage inflation	2.65% to 17.90%, including inflation
Investment rate of return	7.55%, net of pension plan investment expense, including inflation

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

SCHEDULE OF MPB'S SHARE OF THE NET OPEB LIABILITY

For the Years Ended June 30, 2024, 2023, 2022, 2021, 2020, and 2019

	2024	2023	2022	2021	2020	2019
MPB's % proportion of the total net OPEB liability	0.07%	0.07%	0.08%	0.07%	0.08%	0.08%
MPB's proportionate share of the total net OPEB liability	<u>\$ 399,018</u>	<u>\$ 341,330</u>	<u>\$ 488,796</u>	<u>\$ 583,381</u>	<u>\$ 654,439</u>	<u>\$ 582,338</u>
MPB's covered-employee payroll	<u>\$ 4,143,644</u>	<u>\$ 4,116,129</u>	<u>\$ 3,775,431</u>	<u>\$ 3,916,000</u>	<u>\$ 3,930,598</u>	<u>\$ 3,868,940</u>
MPB's proportionate share of the net OPEB liability (asset) as a % of its covered-employee payroll	9.63%	8.29%	12.95%	14.90%	16.65%	15.05%
Plan fiduciary net position as a percentage of the total pension liability	0%	0%	0%	0%	0%	0%

The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the year prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 75 was implemented in fiscal year end June 30, 2019, and until a full 10-year trend is compiled, MPB has only presented information for the years in which information is available.

The Notes to the Required Supplementary Information are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

SCHEDULE OF MPB'S OPEB CONTRIBUTIONS

For the Years Ended June 30, 2024, 2023, 2022, 2021, 2020, and 2019

	2024	2023	2022	2021	2020	2019
Contractually required contribution	\$ 17,496	\$ 46,555	\$ 28,153	\$ 23,265	\$ 26,632	\$ 25,148
Contributions in relation to the contractually required contribution	<u>17,496</u>	<u>46,555</u>	<u>28,153</u>	<u>23,265</u>	<u>26,632</u>	<u>25,148</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MPB's covered-employee payroll	<u>\$ 4,143,644</u>	<u>\$ 4,116,129</u>	<u>\$ 3,775,431</u>	<u>\$ 3,916,000</u>	<u>\$ 3,930,598</u>	<u>\$ 3,868,940</u>
Contributions as a percentage of covered-employee payroll	0.42%	1.13%	0.75%	0.59%	0.68%	0.65%

The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the year prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 75 was implemented in fiscal year end June 30, 2019, and until a full 10-year trend is compiled, MPB has only presented information for the years in which information is available.

The Notes to the Required Supplementary Information are an integral part of this statement.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

OPEB Schedules

Changes to benefit terms:

2023 - The schedule of monthly retiree contributions was increased as of January 1, 2024.

2022 - The schedule of monthly retiree contributions was increased as of January 1, 2023. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2023.

2021 - The schedule of monthly retiree contributions was increased as of January 1, 2022. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2022.

2020 – The schedule of monthly retiree contributions was increased as of January 1, 2021. The deductibles and coinsurance maximums were increased for the Select coverage, and the coinsurance maximums were increased for the Base coverage beginning January 1, 2021.

Changes in actuarial assumptions and methods:

2023 - The discount rate was changed from 3.37% from the prior measurement date to 3.66% from the current measurement date. Withdrawal rate, disability rates, service retirement rates, and salary merit rates were adjusted to reflect actual experience more closely.

2022 - The discount rate was changed from 2.13% for the prior measurement date to 3.37% to the current measurement date.

2021 - The discount rate was changes from 2.19% for the prior measurement Date to 2.13% to the current measurement date.

2020 - The discount rate was changed from 3.50% for the prior measurement date to 2.19% for the current measurement date.

2019 - The discount rate was changed from 3.89% for the prior measurement date to 3.50% for the current measurement date.

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (continued)

For the Year Ended June 30, 2024

Methods and assumptions used in calculations of actuarially determined contributions:

The actuarially determined contributions rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the schedule of employer contributions are calculated as of the most recent valuation date. The following actuarial methods and assumptions (from the June 30, 2022 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2023:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market value of assets
Price inflation	2.75%
Salary increases, including wage inflation	3.00% to 18.25%
Initial health care cost trend rates:	
Medicare supplement claims-Pre Medicare	7.00%
Ultimate health care cost trend rates:	
Medicare Supplement Claims-Pre-Medicare	4.50%
Year of ultimate trend rates:	
Medical Supplement Claims-Pre-Medicare	2029
Long-term investment rate of return, net of plan investment expense, including price inflation	3.37%

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION
SUPPLEMENTAL INFORMATION

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

COMBINING SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended June 30, 2024

MISSISSIPPI AUTHORITY FOR EDUCATIONAL TELEVISION

COMBINING SCHEDULE OF REVENUES AND EXPENSES

For the Year Ended June 30, 2024

	<u>TV</u>	<u>AM/FM</u>	<u>Total</u>
Revenues			
Charges for services:			
Other	\$ 258,134	\$ 145,671	\$ 403,805
Interest income	115,170	20,324	135,494
Miscellaneous:			
Corporation for Public Broadcasting grants	1,762,792	230,864	1,993,656
MPB Foundation grants	425,000	75,000	500,000
In-kind contributions	356,075	86,323	442,398
Other revenue	<u>548,654</u>	<u>158,985</u>	<u>707,639</u>
Total revenues	<u>\$ 3,465,825</u>	<u>\$ 717,167</u>	<u>\$ 4,182,992</u>
Expenditures			
Current:			
Programming and production	\$ 4,536,165	\$ 800,500	\$ 5,336,665
Educational services	748,207	94,424	842,631
Broadcasting and technical services	4,416,793	779,434	5,196,227
Management and general	2,197,409	470,924	2,668,333
Capital outlay	<u>179,185</u>	<u>31,621</u>	<u>210,806</u>
Total expenditures	<u>\$ 12,077,759</u>	<u>\$ 2,176,903</u>	<u>\$ 14,254,662</u>
Excess of Expenditures over revenues	<u>\$ (8,611,934)</u>	<u>\$ (1,459,736)</u>	<u>\$ (10,071,670)</u>
Other Financing Sources			
Transfers from other state agencies:			
State General Fund appropriations	\$ 3,978,384	\$ 702,068	\$ 4,680,452
State Education Enhancement Fund appropriations	3,501,121	617,845	4,118,966
State Institutions of Higher Learning - contributed facilities use	<u>425,622</u>	<u>75,110</u>	<u>500,732</u>
Total other financing sources	<u>\$ 7,905,127</u>	<u>\$ 1,395,023</u>	<u>\$ 9,300,150</u>
Net Change in Fund Balance	<u>\$ (706,807)</u>	<u>\$ (64,713)</u>	<u>\$ (771,520)</u>
Fund Balance, Beginning of year	<u>6,327,674</u>	<u>1,124,525</u>	<u>7,452,199</u>
Fund Balance, End of year	<u><u>\$ 5,620,867</u></u>	<u><u>\$ 1,059,812</u></u>	<u><u>\$ 6,680,679</u></u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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Mississippi Society
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Mississippi Authority for Educational Television
Jackson, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the Mississippi Authority for Educational Television (MPB) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Mississippi Authority for Educational Television's basic financial statements, and have issued our report thereon dated January 7, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Rea, Shaw, Giffin & Stuart". The script is cursive and fluid.

REA, SHAW, GIFFIN & STUART, LLP