



**KWSO RADIO**

A public broadcasting entity operated by the  
Confederated Tribes of the Warm Springs Reservation of Oregon

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2014 AND 2013

WITH

INDEPENDENT AUDITOR'S REPORT



**KWSO Radio**  
Years Ended December 31, 2014 and 2013  
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## INDEPENDENT AUDITOR'S REPORT

To the Tribal Council  
Confederated Tribes of Warm Springs

We have audited the accompanying financial statements of the governmental activities and major fund of KWSO Radio (KWSO), a noncommercial educational radio station operated by The Confederated Tribes of the Warm Springs Reservation of Oregon (Tribe), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of KWSO Radio as of December 31, 2014 and 2013, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note A-1, the financial statements of KWSO are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities and the general fund of the Tribe that is attributable to the transactions of KWSO. They do not purport to, and do not, present fairly the financial position of the Tribe as of December 31, 2014 and 2013 and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise KWSO's basic financial statements. The Combining Schedules of Revenues, Expenditures and Changes in Fund Balances on pages 17-18 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Isler CPA



June 30, 2015

**KWSO RADIO**  
A Public Broadcasting Entity Operated by the  
Confederated Tribes of the Warm Springs Reservation of Oregon

Management's Discussion and Analysis  
Year ended December 31, 2014

**Introduction**

KWSO Radio (KWSO) is owned and operated by the Confederated Tribes of Warm Springs Oregon. The radio station functions as a Tribal department. The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of KWSO for the year ended December 31, 2014. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The financial statements include the Statement of Net Position and Governmental Fund Balance Sheet; the Statement of Revenues, Expenditures and Changes in Fund Balance; and the Statement of Activities.

The Statement of Net Position and Statement of Activities are designed to provide readers with a broad overview of KWSO's finances, in a manner similar to a private-sector business. The Statement of Net Position includes all of KWSO's assets and liabilities, with the difference between the two reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of KWSO is improving or deteriorating.

The Statement of Activities presents information showing how KWSO's net position changed during the most recent 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.

The Governmental Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating KWSO's near-term financing requirements. Because of this narrower focus, it is useful to compare the information presented in these statements with similar information in the Statement of Net Position and Statement of Activities. Both the Governmental Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison.

**Financial Highlights**

Substantially all of KWSO's current assets and liabilities reflect grants receipts which have not yet been expended. Cash and unearned grant revenue correspond to those amounts.

Net Position is summarized as follows:

	<u>2014</u>	<u>2013</u>	Increase (Decrease)	<u>2012</u>
Cash	\$ 160,417	\$ 181,823	\$ (21,406)	\$ 159,354
Capital assets	450,342	492,218	(41,876)	535,741
Total assets	<u>610,759</u>	<u>674,041</u>	<u>(63,282)</u>	<u>695,095</u>
Unearned grant revenue	160,417	181,823	(21,406)	159,354
Compensated absences	11,709	12,321	(612)	11,249
Total liabilities	<u>172,126</u>	<u>194,144</u>	<u>(22,018)</u>	<u>170,603</u>
Net position:				
Invested in capital assets	450,342	492,218	(41,876)	535,741
Unrestricted	(11,709)	(12,321)	612	(11,249)
Total net position	<u>\$ 438,633</u>	<u>\$ 479,897</u>	<u>\$ (41,264)</u>	<u>\$ 524,492</u>

The two primary funding sources of KWSO are the CPB grants and Tribal transfers. For non-grant expenditures, the Tribe transfers funding as the cash flows are needed. Therefore, the only change in net position results from converting from modified accrual basis to full accrual.

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Management's Discussion and Analysis  
Year ended December 31, 2014

Change in Net Position				
	2014	2013	Increase (Decrease)	2012
Revenues:				
Program revenues:				
Charges for services	\$ 112,329	\$ 70,046	\$ 42,283	\$ 37,531
Contributions and in-kind support	85,453	87,155	(1,702)	96,126
General revenues:				
Spilyay rent	6,000	6,000	-	6,000
Donations	135	-	135	-
Grants not restricted to specific programs	200,975	157,961	43,014	170,309
Total revenues	404,892	321,162	83,730	309,966
Expenses:				
Programming and production	235,936	234,061	1,875	272,055
Broadcasting and engineering	44,804	24,845	19,959	24,845
Program information and promotion	1,313	741	572	2,985
Management and general	110,780	98,173	12,607	100,590
In-kind management and general	85,453	85,356	97	96,126
Fundraising	-	997	(997)	-
Unallocated depreciation expense	18,678	18,678	-	18,678
Total expenses	496,964	462,851	34,113	515,279
Decrease in net position before transfers	(92,072)	(141,689)	49,617	(205,313)
Transfer in from general fund	50,808	97,094	(46,286)	161,067
Decrease in net position	(41,264)	(44,595)	3,331	(44,246)
Net position - beginning	479,897	524,492	(44,595)	568,738
Net position - ending	\$ 438,633	\$ 479,897	\$ (41,264)	\$ 524,492

KWSO maintained the same level of programming in 2014 as was offered in 2013, with reduced staffing but increased efficiency. The Warm Springs Tribes' financial support was reduced significantly, which created the need to find new ways to generate revenue.

One of the station's revenue streams comes from tower leases. A lease amendment was executed with one co-locator that increased monthly payments. There may be future opportunities to lease more space in the next couple of years with space becoming available on the tower. This revenue is used directly in support of KWSO operations. It is, however, not allowable as Non Federal Financial Support for the CPB CSG.

The afternoon News Director position was eliminated and a new Multimedia Journalist position was created, funded half by KWSO and half by our Tribal newspaper, the Spilyay Tymoo. This position was responsible for the re-launch of [www.kwsso.org](http://www.kwsso.org) and the creation of methodical efforts to organize our social media sites to share information and to drive users to the website. KWSO and the Spilyay Tymoo are coordinating to efficiently offer information and education in both analog and multi-digital ways to connect with more people.

A capacity grant was obtained from a statewide foundation to support a Development Director. The position will be filled in 2015. Work will focus on: creating an annual development plan; increasing revenue from Underwriting & Membership programs; grant writing to support the work of KWSO and to fund collaborative community projects.



**KWSO RADIO**  
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Management's Discussion and Analysis  
Year ended December 31, 2014

**Capital Assets**

There were no capital purchases in 2014. Decreases below result from depreciation of the existing assets.

**Capital Assets (Net of depreciation)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Broadcasting and engineering equipment	\$ -	\$ 23,198	\$ 48,042
Media Center building	450,342	469,020	487,699
	<u>\$ 450,342</u>	<u>\$ 492,218</u>	<u>\$ 535,741</u>

Additional information on KWSO's capital assets can be found in Note B.

**Requests for Information**

This financial report is designed to provide a general overview of KWSO's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Confederated Tribes of the Warm Springs Reservation of Oregon, P.O. Box C, Warm Springs, OR 97761.



## BASIC FINANCIAL STATEMENTS



**KWSO Radio**  
Statement of Net Position and Governmental Fund Balance Sheet  
December 31, 2014

	Governmental Fund Balance Sheet	Adjustments	Statement of Net Position
<b>Assets:</b>			
Cash	\$ 160,417	\$ -	\$ 160,417
Capital assets, net of accumulated depreciation	-	450,342	450,342
Total assets	\$ 160,417	450,342	610,759
 <b>Liabilities:</b>			
Unearned grant revenue	160,417	-	160,417
Compensated absences	-	11,709	11,709
Total liabilities	160,417	11,709	172,126
 <b>Fund balance/Net position:</b>			
Fund balances			
Unreserved, unrestricted	-	-	-
Total liabilities and fund balance	\$ 160,417		
 Net position:			
Invested in capital assets		450,342	450,342
Unrestricted		(11,709)	(11,709)
Total net position		\$ 438,633	\$ 438,633

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

**KWSO Radio**  
Statement of Net Position and Governmental Fund Balance Sheet  
December 31, 2013

	Governmental Fund Balance Sheet	Adjustments	Statement of Net Position
<b>Assets:</b>			
Cash	\$ 181,823	\$ -	\$ 181,823
Capital assets, net of accumulated depreciation	-	492,218	492,218
Total assets	\$ 181,823	492,218	674,041
<b>Liabilities:</b>			
Unearned grant revenue	\$ 181,823	-	181,823
Compensated absences	-	12,321	12,321
Total liabilities	181,823	12,321	194,144
<b>Fund balance/Net position:</b>			
Fund balances			
Unreserved, unrestricted	-	-	-
Total liabilities and fund balance	\$ 181,823		
Net position:			
Invested in capital assets		492,218	492,218
Unrestricted		(12,321)	(12,321)
Total net position		\$ 479,897	\$ 479,897

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

**KWSO Radio**  
Statement of Activities  
Year Ended December 31, 2014

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net Revenue (Expenses) and Changes in Net Position</u>
Functions:				
Programming and production	\$ 235,936	\$ 81,855	\$ -	\$ (154,081)
Broadcasting and engineering	44,804	24,474		(20,330)
Program information and promotion	1,313	-	-	(1,313)
Management and general	110,780	6,000	-	(104,780)
In-kind management and general	85,453	-	85,453	-
Unallocated - Media Center building: Depreciation expense	<u>18,678</u>	<u>-</u>	<u>-</u>	<u>(18,678)</u>
<b>Total</b>	<u><b>\$ 496,964</b></u>	<u><b>\$ 112,329</b></u>	<u><b>\$ 85,453</b></u>	<u><b>(299,182)</b></u>
General revenues:				
Community Service Grants from Corporation for Public Broadcasting				200,975
Donations				135
Spilyay rents				6,000
Transfer in from Tribe				<u>50,808</u>
Total general revenues and transfers				<u>257,918</u>
Change in net position				(41,264)
Net position, beginning of year				<u>479,897</u>
Net position, end of year				<u><u>\$ 438,633</u></u>

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

**KWSO Radio**  
Statement of Activities  
Year Ended December 31, 2013

	<u>Program Revenues</u>			<u>Net Expenses and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Functions:				
Programming and production	\$ 234,061	\$ 37,855	\$ -	\$ (196,206)
Broadcasting and engineering	24,845	26,191	-	1,346
Program information and promotion	741	-	-	(741)
Management and general	98,173	6,000	-	(92,173)
In-kind management and general	85,356	-	85,356	-
Fundraising	997	-	1,799	802
Unallocated - Media Center building:				
Depreciation expense	<u>18,678</u>	<u>-</u>	<u>-</u>	<u>(18,678)</u>
<b>Total</b>	<u><u>\$ 462,851</u></u>	<u><u>\$ 70,046</u></u>	<u><u>\$ 87,155</u></u>	<u><u>(305,650)</u></u>
General revenues:				
Community Service Grants from Corporation for Public Broadcasting				157,961
Spilyay rents				6,000
Transfer in from Tribe				<u>97,094</u>
Total general revenues and transfers				<u>261,055</u>
Change in net position				(44,595)
Net position, beginning of year				<u>524,492</u>
Net position, end of year				<u><u>\$ 479,897</u></u>

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



**KWSO Radio**  
 Statements of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Grants	\$ 200,975	\$ 157,961
In-kind facilities and administrative services from Tribe	85,453	85,356
Underwriting	79,200	36,020
Tower leases	24,474	26,191
Spilyay rent	6,000	6,000
Tower management	6,000	6,000
Production revenue	2,375	1,400
Auction revenue	135	1,799
Memberships	280	435
	<u>404,892</u>	<u>321,162</u>
Expenditures:		
Program services:		
Programming and production	236,548	233,103
Broadcasting and engineering	21,607	-
Program information and promotion	1,313	741
	<u>259,468</u>	<u>233,844</u>
Support services:		
Management and general	110,779	98,059
Fundraising	-	997
In-kind management and general	85,453	85,356
	<u>196,232</u>	<u>184,412</u>
Total support services	<u>196,232</u>	<u>184,412</u>
Total expenditures	<u>455,700</u>	<u>418,256</u>
Excess of expenditures over revenues	(50,808)	(97,094)
Other financing sources:		
Transfer in from Tribe's general fund	50,808	97,094
Net change in fund balance	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>

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

**KWSO Radio**

Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances to the Statement of Activities  
Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Net change in fund balance	\$ -	\$ -
Amounts reported on the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Less current year depreciation expense	(41,875)	(43,523)
Changes in compensated absences are reported in the statement of activities but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
	<u>612</u>	<u>(1,072)</u>
Change in net position of governmental activities	<u>\$ (41,263)</u>	<u>\$ (44,595)</u>

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

## **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **1. Organization and Nature of Activities**

KWSO Radio (KWSO) is licensed and operated by the Confederated Tribes of the Warm Springs Reservation of Oregon (Tribe). All amounts contained in this report are included in the audited financial statements of the Tribe.

Grant activities are accounted for as a program within the Tribe's special revenue fund, while non-grant activities are accounted for as a program within the Tribe's general fund. All activities have been combined in the accompanying financial statements. Accounting, administrative services, and facilities provided by the Tribe are reported as in-kind contributions and expenditures. All expenditures in excess of revenues are paid by the Tribe and reported as transfers in to KWSO. KWSO reports only current liabilities relating to grant expenditures, as all other liabilities are expected to be paid by the Tribe and are therefore included in the transfer in from the Tribe.

### **2. Measurement Focus, Basis of Accounting and Basis of Presentation**

The financial statements of KWSO have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The statement of net position and statement of activities are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund statements (balance sheet and statement of revenues, expenditures, and changes in fund balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 90 days.

### **3. Use of Estimates**

Management uses estimates and assumptions in preparing the financial statements. The estimates and assumptions affect the reported amount 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.

### **4. Capital Assets**

KWSO follows the Tribe's policy in defining capital assets as those with an initial, individual cost of \$5,000 or more and an estimated useful life extending beyond a single reporting period. Such assets are recorded at cost or, in the case of donated property, at its estimated fair value at date of receipt. KWSO uses the straight-line method to calculate depreciation over an estimated useful life of 5 years for equipment and 30 years for the Media Center building.

### **5. Compensated Absences**

Employees of KWSO are employees of the Tribe. It is the Tribe's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Tribe does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the statement of net position and statement of activities. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

## **NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

### **6. Net Position**

In the statement of net position, net position includes the following:

*Invested in capital assets* – this is the component of net position that reports capital assets less accumulated depreciation.

*Restricted* – The component of net position that reports the constraints placed on the use of net position by either external parties and/or enabling legislation. KWSO has no restricted net position.

*Unrestricted* – The difference between the assets and liabilities that is not reported in *Invested in capital assets*, and *Restricted* net position.

### **7. Program Revenues and General Revenues**

In the statement of activities, KWSO reports as program revenues, all revenues that derive directly from the program activities themselves, including charges for services in exchange transactions, as well as operating and capital grants that are restricted for particular uses or for capital purposes. Other grants and contributions that are not thus restricted – including Community Service Grants from the Corporation for Public Broadcasting – are reported as general revenues.

### **8. Corporation for Public Broadcasting Community Service Grants**

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grantmaking organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 369(k)(7). Each grant must be expended within two years of the initial grant authorization.

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

The CSG receipts are reported as unearned revenues until satisfaction of the time and purpose restrictions.

### **9. Expense Allocation**

Expenses by function have been allocated among program and supporting service classifications on the basis of time records and on estimates made by KWSO management.

### **10. Budgetary Information**

KWSO is a program within the Tribe's general and special revenue funds. Appropriations are not made at the program level and budgetary comparisons are not presented in the financial statements.

## NOTE B - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Broadcasting and engineering equipment	\$ 314,453	\$ -	\$ -	\$ 314,453
Media Center building	560,344	-	-	560,344
Total capital assets being depreciated	<u>874,797</u>	<u>-</u>	<u>-</u>	<u>874,797</u>
Less accumulated depreciation:				
Broadcasting and engineering equipment	(291,255)	(23,198)	-	(314,453)
Media Center building	(91,324)	(18,678)	-	(110,002)
Total accumulated depreciation	<u>(382,579)</u>	<u>(41,876)</u>	<u>-</u>	<u>(424,455)</u>
Capital assets, net	<u>\$ 492,218</u>	<u>\$ (41,876)</u>	<u>\$ -</u>	<u>\$ 450,342</u>

Capital asset activity for the year ended December 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Broadcasting and engineering equipment	\$ 314,453	\$ -	\$ -	\$ 314,453
Media Center building	560,344	-	-	560,344
Total capital assets being depreciated	<u>874,797</u>	<u>-</u>	<u>-</u>	<u>874,797</u>
Less accumulated depreciation:				
Broadcasting and engineering equipment	(266,410)	(24,845)	-	(291,255)
Media Center building	(72,646)	(18,678)	-	(91,324)
Total accumulated depreciation	<u>(339,056)</u>	<u>(43,523)</u>	<u>-</u>	<u>(382,579)</u>
Capital assets, net	<u>\$ 535,741</u>	<u>\$ (43,523)</u>	<u>\$ -</u>	<u>\$ 492,218</u>

## NOTE C – TOWER LEASES

KWSO leases excess capacity on its transmitter under two long-term agreements expiring in 2020 and 2021. Revenue from the two leases was \$24,474 in 2014 and \$26,191 in 2013 and is indexed to the CPI.

## NOTE D - EMPLOYEE PENSION PLAN

Eligible employees participate in a defined contribution retirement plan maintained by the Tribe. All employees age 18 and over are eligible to participate in the plan after completing one year of service. The authority to establish or amend the Employees Pension Plan rests solely with the Tribal Council. Tribal Council determines the annual discretionary contribution to the plan, which was 5% in 2014 and 2013. The plan administrator is the Pension Committee, appointed by Tribal Council. Discretionary employer contributions are allocated to employees who have at least 1,000 hours of service during the plan year. Employees may defer up to 100% of compensation during the plan year as limited by IRS regulation. The employer matches 100% of employee contributions, up to 4% of each eligible participant's compensation. Vesting of employer matching contributions occurs immediately; vesting of nonelective discretionary contributions occurs fully after the participant completes three years of service. Pension contributions by KWSO for 2014 and 2013 were \$12,195 and \$12,229, respectively.

## NOTE E - GRANTS

KWSO receives a Community Service Grant from the Corporation for Public Broadcasting annually. KWSO also receives other CPB grants. Grant funds received and expended during the most recent fiscal years were as follows:

Spending period	Community Service Grants				Fiscal Stabilization
	10/1/2010 - 9/30/2012	10/1/2012 - 9/30/2014	10/1/2013 - 9/30/2015	10/1/2014 9/30/2016	
Total Award	\$ 182,608	\$ 177,350	\$ 184,143	\$ 167,758	\$ 15,129
Grant payments received:					
2010	\$ 75,582	\$ -	-	-	\$ 15,129
2011	107,026	-	-	-	-
2012	-	129,587	-	-	-
2013	-	47,763	132,666	-	-
2014	-	-	51,477	128,092	-
Total payments received	\$ 182,608	\$ 177,350	\$ 184,143	\$ 128,092	\$ 15,129
Grant expenditures:					
2010	\$ -	\$ -	\$ -	\$ -	\$ 11,598
2011	157,038	-	-	-	-
2012	25,498	3,243	-	-	-
2013	-	128,553	-	-	-
2014	72	45,554	155,349	-	-
Total grant expenditures	\$ 182,608	\$ 177,350	\$ 155,349	\$ -	\$ 11,598
Unearned revenue	\$ -	\$ -	\$ 28,794	\$ 128,092	\$ 3,531

## NOTE F - RISK MANAGEMENT

KWSO is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. Settlement amounts have not exceeded coverage for the current year or the three prior years.

KWSO participates in the Tribe's limited risk management programs for workers' compensation, group benefits, state unemployment and employment practices. Premiums are assessed based on KWSO's payroll costs. The Tribe retains all risk.

## NOTE G – TRANSACTIONS WITH OTHER TRIBAL DEPARTMENTS AND ENTERPRISES

### 1. Media Center

The Spilyay Tymoo, the Tribe's biweekly newspaper, shares approximately 17% of the building space. The Spilyay pays KWSO monthly rent of \$500 for its share of the building and related costs.

### 2. Tower management

KWSO manages the Tribe's tower assets on behalf of Warm Springs Telecommunications Company, a component unit of the Tribe. KWSO received \$6,000 in 2014 and 2013 for these services.

**NOTE G – TRANSACTIONS WITH OTHER TRIBAL DEPARTMENTS AND ENTERPRISES (continued)**

**3. No-cost services**

KWSO receives various services from the Tribe at no cost, including: water, sewer and sanitation services; accounting and payroll services, and; police and fire protection. The Tribe also pays all insurance costs for KWSO. These services are reported as a contribution of in-kind management and general in the Statement of Activities. The value of these services, based on the Tribe's negotiated indirect cost rate, was \$85,453 for 2014 (\$85,356 for 2013).





COMBINING SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES



**KWSO Radio**  
Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
Year ended December 31, 2014

	Non-Grant Activities	Grant Activities	Total
Revenues:			
CPB grants	\$ -	\$ 200,975	\$ 200,975
In-kind facilities and administrative services from Tribe	85,453	-	85,453
Underwriting	79,200	-	79,200
Tower leases	24,474	-	24,474
Spilyay rent	6,000	-	6,000
Tower management	6,000	-	6,000
Production revenue	2,375	-	2,375
Donations	135	-	135
Memberships	280	-	280
	<u>203,917</u>	<u>200,975</u>	<u>404,892</u>
Expenditures:			
Program services:			
Programming and production	87,294	149,254	236,548
Broadcasting and engineering	11,349	10,258	21,607
Program information and promotion	-	1,313	1,313
	<u>98,643</u>	<u>160,825</u>	<u>259,468</u>
Support services:			
Management and general	70,629	40,150	110,779
In-kind management and general	85,453	-	85,453
	<u>156,082</u>	<u>40,150</u>	<u>196,232</u>
	<u>254,725</u>	<u>200,975</u>	<u>455,700</u>
Excess of expenditures over revenues	(50,808)	-	(50,808)
Other financing sources:			
Transfer in from Tribe	50,808	-	50,808
Net change in fund balances	-	-	-
Fund balances at beginning of year	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**KWSO Radio**  
Combining Schedule of Revenues, Expenditures,  
and Changes in Fund Balances  
Year ended December 31, 2013

	Non-Grant Activities	Grant Activities	Total
<b>Revenues:</b>			
CPB grants	\$ -	\$ 157,961	\$ 157,961
In-kind facilities and administrative services from Tribe	85,356	-	85,356
Underwriting	36,020	-	36,020
Tower leases	26,191	-	26,191
Spilyay rent	6,000	-	6,000
Tower management	6,000	-	6,000
Production revenue	1,400	-	1,400
Auction revenue	1,799	-	1,799
Memberships	435	-	435
<b>Total revenues</b>	<b>163,201</b>	<b>157,961</b>	<b>321,162</b>
<b>Expenditures:</b>			
<b>Program services:</b>			
Programming and production	107,861	125,242	233,103
Program information and promotion	-	741	741
<b>Total program services</b>	<b>107,861</b>	<b>125,983</b>	<b>233,844</b>
<b>Support services:</b>			
Management and general	67,078	30,981	98,059
Fundraising	-	997	997
In-kind management and general	85,356	-	85,356
<b>Total support services</b>	<b>152,434</b>	<b>31,978</b>	<b>184,412</b>
<b>Total expenditures</b>	<b>260,295</b>	<b>157,961</b>	<b>418,256</b>
Excess of expenditures over revenues	(97,094)	-	(97,094)
<b>Other financing sources:</b>			
Transfer in from Tribe	97,094	-	97,094
Net change in fund balances	-	-	-
Fund balances at beginning of year	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>