

**Grand Valley State University
WGVU Public Media**

**Financial Report
with Supplementary Information
June 30, 2022**

Grand Valley State University

WGVU Public Media

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Independent Auditor's Report

To the Board of Trustees
Grand Valley State University
WGVU Public Media

Opinion

We have audited the financial statements of Grand Valley State University WGVU Public Media (the "Network") as of and for the years ended June 30, 2022 and 2021 and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Network as of June 30, 2022 and 2021 and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Network and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

We draw attention to Note 1, which explains that these financial statements present only the Network and do not purport to, and do not, present fairly the financial position of Grand Valley State University as of June 30, 2022 and 2021 and the changes in its financial position and cash flows 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.

As described in Note 1 to the financial statements, the Network adopted the provisions of GASB 87, *Leases*, as of July 1, 2020. Our opinion is not modified with respect to this matter.

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 Network's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Trustees
Grand Valley State University
WGVU Public Media

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS 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 audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Network'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 Network'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the Network's proportionate share of the net pension liability and related ratios, and the schedule of the Network's proportionate share of the OPEB liability and related ratios 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, which 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 supplemental 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.

To the Board of Trustees
Grand Valley State University
WGVU Public Media

Other Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Network's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose 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 other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

January 9, 2023

Grand Valley State University

WGVU Public Media

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Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited

Fiscal Year Ended June 30, 2022

The purpose of the annual report is to provide readers with financial information about the activities and financial condition of Grand Valley State University WGVU Public Media (the "Network"), which is owned and operated by Grand Valley State University (the "University"). The report consists of three basic financial statements that provide information on the Network: the statement of net position, the statement of revenue, expenses, and changes in net position, and the statement of cash flows. These statements begin on page 10 and should be read in conjunction with the notes to the financial statements. The following summary and management's discussion of the results are intended to provide readers with an overview of the financial statements.

WGVU-AM ceased operations as of January 7, 2022. As a result, funding from the American Rescue Plan Act (ARPA) and the Community Service Grant (CSG) that support continuing operations were returned to the Corporation for Public Broadcasting. Staffing was maintained and employees shifted to both TV and FM operations. We anticipate that this focusing of resources will allow for more growth within the Network as a whole.

As disclosed in Note 1, a new accounting pronouncement, GASB Statement No. 87, Leases, ("GASB 87") was adopted retrospectively with the adjustment being reflective beginning July 1, 2020. Consequently, reclassifications have been made to certain 2021 and 2020 balances to reflect this change. There was no impact to net financial position.

The Statement of Net Position

The statement of net position includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector institutions. Net position, the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the financial activities of the Network.

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets			
Current assets:			
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 4,701,402	\$ 5,200,694	\$ 3,539,786
Accounts receivable - Current portion	319,766	307,667	326,337
Inventory and prepaid expenses	55,951	19,366	48,074
Program rights - Current portion	<u>569,159</u>	<u>598,154</u>	<u>625,303</u>
Total current assets	5,646,278	6,125,881	4,539,500
Noncurrent assets:			
Investments held in Grand Valley State University endowment funds	649,429	688,953	533,675
Accounts receivable - Net of current portion	1,482,202	1,127,697	1,287,994
Program rights - Net of current portion	277,964	288,746	308,960
Capital assets - Net of depreciation	<u>2,324,989</u>	<u>2,415,541</u>	<u>2,538,568</u>
Total noncurrent assets	<u>4,734,584</u>	<u>4,520,937</u>	<u>4,669,197</u>
Total assets	10,380,862	10,646,818	9,208,697
Deferred Outflow of Resources	404,206	216,100	229,469
Liabilities			
Current liabilities:			
Advances from Grand Valley State University pooled asset funds	-	265,804	347,353
Unearned operating revenue	2,103,255	1,931,101	1,562,402
Other current liabilities	<u>407,726</u>	<u>383,314</u>	<u>366,757</u>
Total current liabilities	2,510,981	2,580,219	2,276,512
Noncurrent liabilities:			
Deferred payroll taxes	-	45,998	-
Lease liability - Net of current portion	160,262	161,478	-
Other postemployment benefits	327,323	419,064	412,347
Net pension liability	<u>587,748</u>	<u>91,361</u>	<u>405,164</u>
Total noncurrent liabilities	<u>1,075,333</u>	<u>717,901</u>	<u>817,511</u>
Total liabilities	3,586,314	3,298,120	3,094,023
Deferred Inflow of Resources	1,867,341	1,736,204	1,695,716
Net Position			
Net investment in capital assets	2,163,510	2,255,396	2,538,568
Restricted - Nonexpendable	438,078	437,370	436,563
Restricted - Expendable	1,361,849	1,938,304	1,186,664
Unrestricted	<u>1,367,976</u>	<u>1,197,524</u>	<u>486,632</u>
Total net position	<u>\$ 5,331,413</u>	<u>\$ 5,828,594</u>	<u>\$ 4,648,427</u>

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

Current assets include the cash held in the University's pooled asset funds for restricted or operating purposes, assets held for equipment replacement, accounts receivable including leases, inventory, prepaid expenses, and the current portion of purchased program rights. Further detail about the sources and uses of cash is reflected in the statement of cash flows. Balances of the remaining current assets fell slightly over the three-year period mostly due to decreasing costs for program rights in fiscal year 2022. As disclosed in Note 1, reclassifications have been made in this category due to the implementation of GASB 87

Noncurrent assets include the endowed investments in the University's pooled endowment fund, the noncurrent portion of lease receivables, the noncurrent portion of purchased program rights, and capital and leased assets net of depreciation. As noted previously, additional information is disclosed in Note 1 regarding the implementation of GASB 87. The endowed investments increased over the three-year period by \$115,754 due to new gifts and performance in fluctuating financial markets. The noncurrent lease receivable increased \$187,637 over the three-year period due to an increase in long term lease agreements signed. The balance of program rights net of current portions decreased by \$23,119 during the three-year period due to a decrease in programming fees. The decrease in net capital assets of \$213,579 is chiefly due to depreciation expense of \$835,409 net of capital additions of \$471,437 since June 30, 2020 as well as the disposal of capital assets associated with operations of WGVU-AM, which ceased broadcasting on January 7, 2022.

Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. From 2021 to 2022, deferred outflows increased by \$188,106 mostly attributable to the change in the weighted average percentage of Grand Valley State Universities retirement benefit obligations that are allocated for WGVU employees. More detailed information regarding the defined benefit pension plan and postemployment benefit plan is presented in the notes to the financial statements and required supplemental information.

Current liabilities include advances from the University's pooled asset funds, unearned operating revenue, accounts payable, accrued payroll liabilities, and the current portion of lease liabilities. Unearned operating revenue increased by \$172,154 from 2021 to 2022 due to a receipt of funding from the state of Michigan for the Michigan Learning Channel as well as an increase in the deferred funding from the Corporation for Public Broadcasting. Other current liabilities increased from 2021 to 2022 by \$24,412 due to an increase to accounts payable and the timing of payroll related liabilities, after an increase of \$16,557 from 2020 to 2021.

Noncurrent liabilities include net other postemployment benefits, net pension liability, and the noncurrent portion of the lease liability. Further detail regarding these liabilities, the implementation of GASB 87, and subsequent reclassifications can be found in the notes to the financial statements and required supplemental information.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows include activity related to retirement related benefits and future payments from lease agreements. Deferred inflows increased from June 30, 2021 to \$131,137 at June 30, 2022 due to obtaining additional long term leases over that period. Other changes in assumptions for OPEB and pension plans are amortized over approximately 10 years. More detailed information regarding the defined benefit pension and postemployment benefit plans are presented in the notes to the financial statements and required supplemental information.

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

Net position increased by \$682,986 over the three-year period, mainly as a result of increased member support and the remaining unexpended federal stimulus subsidies.

The Statement of Revenue, Expenses, and Changes in Net Position

The statement of revenue, expenses, and changes in net position presents the operating results of the Network, as well as nonoperating activity.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating Revenue			
Operating grant from Grand Valley State University	\$ 867,781	\$ 881,291	\$ 1,102,580
Contributions, subscriptions, and memberships	2,913,972	2,932,521	2,500,560
Grants from the Corporation for Public Broadcasting			
Broadcasting	872,804	1,329,041	1,362,369
Other grants and contracts	254,459	214,546	260,074
Donated facilities, administrative support, and in-kind contributions	1,396,463	1,196,633	1,283,789
Underwriting revenue	538,934	502,434	648,412
Production and use of facilities	203,865	96,929	435,679
Miscellaneous revenue	104,645	84,451	73,041
Total operating revenue	<u>7,152,923</u>	<u>7,237,846</u>	<u>7,666,504</u>
Operating Expenses			
Program services	3,912,515	3,528,578	3,665,071
Support services	3,565,230	3,315,228	3,638,141
Depreciation expense	443,209	392,200	410,876
Total operating expenses	<u>7,920,954</u>	<u>7,236,006</u>	<u>7,714,088</u>
Operating (Loss) Income	(768,031)	1,840	(47,584)
Nonoperating Revenue			
Fundraising income	-	2,716	95,841
Federal stimulus from Corporation for Public Broadcasting	-	680,495	447,341
Lease revenue and related interest	288,116	277,368	-
Other nonoperating (expense) revenue	(17,974)	216,940	1,250
Total nonoperating revenue	<u>270,142</u>	<u>1,177,519</u>	<u>544,432</u>
(Loss) Income - Before other revenue	(497,889)	1,179,359	496,848
Other Revenue	<u>708</u>	<u>808</u>	<u>10,736</u>
Increase (Decrease) in Net Position	(497,181)	1,180,167	507,584
Net Position - Beginning of year	<u>5,828,594</u>	<u>4,648,427</u>	<u>4,140,843</u>
Net Position - End of year	<u>\$ 5,331,413</u>	<u>\$ 5,828,594</u>	<u>\$ 4,648,427</u>

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

Operating revenue has decreased by \$513,581 over the three-year period. The most significant changes in revenue were decreases of \$234,799 in GVSU support, decreases in underwriting revenue of \$109,478, decreases in production and use of facilities of \$231,814 and a decrease in total grant revenue primarily from the Corporation for Public Broadcasting of \$495,180, offset by an increase of \$413,412 in contributions, subscriptions, and memberships, an increase in donated facilities and administrative support of \$112,674 and an increase in miscellaneous revenue of \$31,604.

Operating expenses increased by \$206,866 over the three-year period. The Network's salaries, wages, and benefits expense represents the largest operating expense category; personnel expense increased by \$15,015 from 2020 to 2022 largely due to wage increases and totaled approximately \$3.3 million for the year ended June 30, 2022. The remaining increase relates to increased costs of production and programming as well as an increase to depreciation.

Nonoperating revenue and expense includes fundraising income, lease revenue and related interest income, interest expense related to leased assets, and investment income allocated to endowed investments. There was no fundraising income in 2022 due to the continued impact of the COVID-19 pandemic after decreasing by \$93,125 from 2020 to 2021. Lease related revenue increased from 2021 to 2022 due to additions of long-term lease agreements. Investment income decreased in comparison to 2021 by \$234,914. Nonoperating revenue for the year ended June 30, 2021 and 2020 includes funding received for the CARES and ARP Acts through Corporation of Public Broadcasting, of which the total amount allocated to the Network was \$680,495 and \$447,341, respectively. As noted previously, additional information is disclosed in Note 1 regarding the implementation of GASB 87 and subsequent reclassifications.

The Statement of Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. Cash consists of the Network's share of the University pooled asset funds and assets held for equipment replacement, whereas advances received by the Network from the University's pooled asset funds are recorded as a current liability. The primary cash receipts consist of operating grants and contracts, contributions, subscriptions, and memberships. Cash outlays largely include payment of wages, benefits, and supplies.

As a result of grants, increased membership contributions and CARES/ARP Acts funding received in 2021, total cash increased by \$1,161,616 from 2020 to 2022.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Cash (Used In) Provided by			
Operating activities	\$ (162,438)	\$ 852,297	\$ 377,407
Noncapital financing activities	(265,096)	602,470	38,717
Capital and related financing activities	(95,314)	183,404	(62,214)
Investing activities	<u>23,556</u>	<u>22,737</u>	<u>21,666</u>
Net (Decrease) Increase in Cash	(499,292)	1,660,908	375,576
Cash - Beginning of year	<u>5,200,694</u>	<u>3,539,786</u>	<u>3,164,210</u>
Cash - End of year	<u>\$ 4,701,402</u>	<u>\$ 5,200,694</u>	<u>\$ 3,539,786</u>

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

Economic Factors That Will Affect the Future

The Coronavirus pandemic continued to have a significant impact on underwriting revenue. Concerns about an impending recession may continue to impact the Network's ability to rebound to pre-pandemic levels of corporate support. Membership revenue increased significantly in 2022 due to the value that the Network provided to members as they continued to spend time at home. We anticipate that if the country does face a recession, membership revenues will remain stable temporarily, as there has historically been a 12 to 18 month lag from onset of a recession to when membership revenues typically decline.

The Corporation for Public Broadcasting (CPB) received an increase in federal appropriation from \$465 million to \$495 million for fiscal year 2023. In fiscal year 2024, the appropriation was further increased to \$525 million with a request for \$565 million in fiscal year 2025. This increase in federal appropriation to CPB will result in a yet to be determined increase in Community Service Grant support for the Network.

As a part of the public media system, the Network is uniquely positioned to assist parents and educators as students return to the classroom full-time and seek to recover from educational setbacks during the pandemic. In fiscal year 2021, the Network joined a statewide effort to provide instructional television called the Michigan Learning Channel which resulted in the Network receiving state funding for the first time in decades. This funding will continue in FY23.

There has been a steady increase in the maturity of planned gifts to WGVU and this has been a focus of continued marketing efforts to our station members. The Network is also focused on increasing the number of members who contribute at a mid and major giving level. December 17, 2022 marks the 50th Anniversary of WGVU Public Media and the Network plans to have increased fundraising efforts both through direct communications and events in order to raise more funds for the continued expansion of the organization.

Grand Valley State University

WGVU Public Media

Statement of Net Position

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Assets		
Current assets:		
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 1,064,579	\$ 1,111,957
Cash held in Grand Valley State University pooled asset funds for restricted purposes	3,636,823	4,088,737
Accounts and lease receivable - Current portion	319,766	307,667
Inventory	3,285	3,561
Prepaid expenses	52,666	15,805
Purchased program rights - Current portion	<u>569,159</u>	<u>598,154</u>
Total current assets	5,646,278	6,125,881
Noncurrent assets:		
Investments held in Grand Valley State University endowment funds	649,429	688,953
Accounts and lease receivable - Net of current portion	1,482,202	1,127,697
Purchased program rights - Long-term portion	277,964	288,746
Capital assets - Net (Note 2)	<u>2,324,989</u>	<u>2,415,541</u>
Total noncurrent assets	<u>4,734,584</u>	<u>4,520,937</u>
Total assets	10,380,862	10,646,818
Deferred Outflow of Resources - Reirement benefit related deferrals	404,206	216,100
Liabilities		
Current liabilities:		
Advances from Grand Valley State University pooled asset funds	-	265,804
Unearned operating revenue	2,103,255	1,931,101
Accounts payable	33,810	20,961
Accrued payroll and related taxes - Current portion	153,122	148,979
Accrued compensated absences	199,663	201,346
Lease liability - Current portion (Note 3)	1,217	934
Other postemployment benefits - Current portion (Note 5)	<u>19,914</u>	<u>11,094</u>
Total current liabilities	2,510,981	2,580,219
Noncurrent liabilities:		
Deferred payroll taxes (Note 1)	-	45,998
Lease liability - Net of current portion (Note 3)	160,262	161,478
Other postemployment benefits (Note 5)	327,323	419,064
Net pension liability (Note 4)	<u>587,748</u>	<u>91,361</u>
Total noncurrent liabilities	<u>1,075,333</u>	<u>717,901</u>
Total liabilities	3,586,314	3,298,120
Deferred Inflows of Resources		
Retirement benefit related deferrals	216,853	395,756
Leases	<u>1,650,488</u>	<u>1,340,448</u>
Total deferred inflows	1,867,341	1,736,204
Net Position		
Net investment in capital assets	2,163,510	2,255,396
Restricted - Nonexpendable	438,078	437,370
Restricted - Expendable	1,361,849	1,938,304
Unrestricted	<u>1,367,976</u>	<u>1,197,524</u>
Total net position	<u>\$ 5,331,413</u>	<u>\$ 5,828,594</u>

Grand Valley State University

WGVU Public Media

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30	
	2022	2021
Operating Revenue		
Operating grant from Grand Valley State University	\$ 867,781	\$ 881,291
Contributions, subscriptions, and memberships	2,913,972	2,932,521
Community service grant from the Corporation for Public Broadcasting	795,155	1,251,896
Fiscal stabilization grants from the Corporation for Public Broadcasting	77,649	77,145
Government grants and contracts	63,699	856
Nongovernment grants and contracts	190,760	213,690
Donated facilities and administrative support from Grand Valley		
State University	1,282,020	1,125,917
In-kind contributions	114,443	70,716
Underwriting revenue	538,934	502,434
Production and use of facilities	203,865	96,929
Miscellaneous revenue	104,645	84,451
Total operating revenue	7,152,923	7,237,846
Operating Expenses		
Program services:		
Programming and production	2,445,325	2,246,267
Broadcasting	844,997	768,269
Program information and promotion	622,193	514,042
Support services:		
Management and general	2,588,634	2,305,778
Fundraising, membership development, and auction	976,596	1,009,450
Depreciation expense	443,209	392,200
Total operating expenses	7,920,954	7,236,006
Operating (Loss) Income	(768,031)	1,840
Nonoperating Revenue (Expense)		
Fundraising income	-	2,716
Loss on disposal of assets	(41,129)	-
Federal stimulus from Corporation for Public Broadcasting	-	680,495
Financing lease revenue	288,116	277,368
Interest expense	(6,980)	(3,456)
Investment income	30,135	220,396
Total nonoperating revenue	270,142	1,177,519
(Loss) Income - Before other revenue	(497,889)	1,179,359
Other Revenue		
Additions to permanent endowment	708	808
Total other	708	808
(Decrease) Increase in Net Position	(497,181)	1,180,167
Net Position - Beginning of year	5,828,594	4,648,427
Net Position - End of year	\$ 5,331,413	\$ 5,828,594

Grand Valley State University

WGVU Public Media

Statement of Cash Flows

	Year Ended June 30	
	2022	2021
Cash Flows from Operating Activities		
Grants and contracts	\$ 2,183,375	\$ 2,801,301
Payments to suppliers	(2,755,287)	(2,379,260)
Payments to employees, including benefits	(3,307,032)	(3,202,925)
Underwriting revenue	494,024	519,280
Contributions, subscriptions, and memberships	2,913,972	2,932,521
Production and use of facilities	203,865	96,929
Miscellaneous revenue	104,645	84,451
Net cash (used) provided by operating activities	(162,438)	852,297
Cash Flows from Noncapital Financing Activities		
Advances to Grand Valley State University pooled asset funds	(265,804)	(81,549)
Federal Stimulus from Corporation for Public Broadcasting	-	680,495
Fundraising proceeds	-	2,716
Private gifts for endowment purposes	708	808
Net cash (used) provided by noncapital financing activities	(265,096)	602,470
Cash Flows from Capital and Related Financing Activities		
Purchases of capital assets and construction	(393,790)	(105,760)
Principal paid on lease liability	(933)	(1,002)
Interest paid on lease liability	(6,980)	(2,900)
Payments received from lessor agreements	260,286	250,685
Interest income from lessor agreements	46,103	42,381
Net cash (used) provided by capital and related financing activities	(95,314)	183,404
Cash Flows from Investing Activities		
Investment interest income	(15,968)	178,015
Change in Investment in Grand Valley State University endowment pool	39,524	(155,278)
Net cash provided by investing activities	23,556	22,737
Net (Decrease) Increase in Cash	(499,292)	1,660,908
Cash - Beginning of year	5,200,694	3,539,786
Cash - End of year	\$ 4,701,402	\$ 5,200,694

Grand Valley State University

WGVU Public Media

Statement of Cash Flows (Continued)

	Year Ended June 30	
	2022	2021
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating (loss) Income	\$ (768,031)	\$ 1,840
Adjustments to reconcile loss to net cash from operating activities:		
Depreciation	443,209	392,200
Amortization of program rights	916,944	915,801
Changes in assets and liabilities:		
Accounts receivable	(28,733)	24,570
Inventory	276	1,133
Other assets	(36,861)	27,575
Program rights	(877,167)	(868,438)
Accounts payable	12,852	(9,881)
Accrued payroll and compensated absences	(43,538)	69,879
Unearned operating revenue	172,154	368,699
Retirement related deferrals and noncurrent liabilities	46,457	(71,081)
Net cash (used) provided by operating activities	<u>\$ (162,438)</u>	<u>\$ 852,297</u>
Cash Consists of the Following Assets		
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 1,064,579	\$ 1,111,957
Cash held in Grand Valley State University pooled asset funds for restricted purposes	<u>3,636,823</u>	<u>4,088,737</u>
Total cash	<u>\$ 4,701,402</u>	<u>\$ 5,200,694</u>
Significant Noncash Disclosures		
Property acquired under lease arrangements	<u>\$ -</u>	<u>\$ 163,413</u>

Grand Valley State University

WGVU Public Media

Notes to Financial Statements June 30, 2022 and 2021

Note 1 - Significant Accounting Policies

Organization - Grand Valley State University WGVU Public Media (the "Network") is a public broadcasting television and radio Network owned and operated by Grand Valley State University (the "University") and organized for the purpose of providing entertainment and informational programming to viewers in western Michigan. The Network does not have separate legal status or existence. The financial position and the revenue and expenses of the Network are included in the financial statements of Grand Valley State University.

The Network is comprised of the following stations: WGVU-DTV, WGVK-DTV, and WGVU-FM, which are under common management. No management fees are charged between the stations. The University also operates WGVS-FM, which is not reported as part of the Network.

On January 7, 2022, the Network terminated its licensing agreement and ceased operations of the WGVU-AM station (the "station") as well as WGVS-AM, which was not reported as part of the network. The station generated operating revenue of \$215,003, operating expenses of \$226,936, non-operating expenses of \$35,903 and other revenue of \$50, resulting in a decrease in net position of \$47,756 during the period of July 1, 2021 through January 7, 2022. This activity in conjunction with beginning net position created a total net position deficit of \$300,294 when operations ended. Property owned by WGVS-AM, which was not included in WGVU-AM's assets, were sold at a gain of \$25,000 and is included in that net loss generated by WGVU-AM as revenue from Operating grant from Grand Valley State University. At the date of termination, the employees of WGVU-AM were transferred to WGVU-DTV and WGVU-FM. As a result, the retirement related deferred outflows, deferred inflows, and liabilities with a net asset deficit of \$37,105 were transferred to WGVU-DTV. The remaining assets and liabilities with a net asset deficit of \$263,189 at January 7, 2022, were transferred to WGVU-FM. The Network included these transfers on a separate line in the combined statement of revenue, expenses, and changes in net position.

Basis of Presentation - The Network follows all applicable Governmental Accounting Standards Board (GASB) pronouncements.

The financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The Network follows the business-type activities reporting requirements of GASB Statement No. 35, which provides a comprehensive look at the Network's financial activities.

Cash Held in or Advances from University Pooled Asset Funds and Investments Held in University Endowment Funds - The amounts reflected in the accompanying statement of net position represent the Network's equity in or liability to the University's pooled cash and investment system or pooled endowment funds. The Network shares equally in the earnings of the endowment portfolio. There are no investments held in the Network's name.

Note 1 - Significant Accounting Policies (Continued)

Assets Held for Equipment Replacement - The amount reflected in the accompanying statement of net position represents the net amount due to the Network from the University's pooled cash and investment system, which has been designated for repair and replacement of property and equipment.

Revenue Recognition - Pledges and contributions of financial support are received from corporations, foundations, and individuals and are recognized when the gift is received. Grants are recorded as support and revenue is recognized when all applicable financial reimbursement criteria have been met. Underwriting revenue is support for programs and events received from corporations and foundations and is recognized as the programs and events occur.

Accounts Receivable - Accounts receivable are stated at net invoice amounts. An allowance for bad debts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. All amounts deemed uncollectible are charged against bad debt expense in the period that determination is made. At June 30, 2022 and 2021, there was no allowance.

In addition, the Network leases space on buildings to cellular companies. The Network records lease receivables in accordance with GASB 87, of which the total was \$1,719,443 and \$1,381,572 at June 30, 2022 and 2021, respectively. Of the total balances, noncurrent accounts receivable were \$1,482,202 and \$1,127,697 at June 30, 2022 and 2021, respectively. The expected receipts over the term of the respective leases are discounted to present value, using the interest rate stated on the lease, if available or otherwise discounted using the university's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. During the years ended June 30, 2022 and 2021, the Network recognized revenues related to these lease agreements totaling \$288,116 and \$277,368, respectively, which are reflected as nonoperating revenue.

Inventory - Inventory consists primarily of goods held to be distributed at a later date in connection with donor campaigns. They are stated at either the lower of cost (first-in, first-out method) or market.

Purchased Program Rights - Purchased program rights are recorded when acquired and amortized on a straight-line basis over the life of the contract, which can extend to four years. Total amortization expense for purchased program rights was \$915,801 and \$922,763 for the years ended June 30, 2022 and 2021, respectively.

Note 1 - Significant Accounting Policies (Continued)

Capital Assets - Studio and other broadcast equipment is recorded at cost. The cost for contributed assets is recorded at acquisition value at the date of receipt. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Expenditures for repairs and maintenance are charged to expense as incurred. Total depreciation expense was \$436,672 and \$388,932 for the years ended June 30, 2022 and 2021, respectively. The right-to-use assets are amortized over the shorter of the lease term or the useful life of the underlying asset. Right-to-use assets totaled \$163,413 at June 30, 2022 and 2021 respectively and the accumulated amortization totaled \$9,805 and \$3,268 at June 30, 2022 and 2021 respectively.

Unearned Operating Revenue - Unearned operating revenue represents grant funds received that will be recognized as revenue by the Network and are available for expenditure during the following year. Additionally, at June 30, 2021 there were unearned ARPA and CSG funds totaling \$200,327 for WGVU-AM that were returned to CPB during the year ended June 30, 2022.

Compensated Absences - University employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at death, retirement, or termination. Unused hours exceeding these limitations are forfeited. Compensated absence costs are accrued when earned by employees.

Donated Facilities and Administrative Support - Donated facilities and administrative support from the University are calculated based on a formula as established by the Corporation for Public Broadcasting (CPB) and are recorded in revenue and expense. The formula consists of allocated financial and general and administrative costs incurred by the University on behalf of the Network.

Net Position - Net position is classified according to external donor restrictions or availability of assets for satisfaction of Network obligations. Nonexpendable restricted net position is gifts that have been received for endowment purposes, the corpus of which cannot be expended. Expendable restricted net position represents funds that have been gifted or granted for specific purposes. Unrestricted net position is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the board of trustees or may otherwise be limited by contractual agreements with outside parties. Net position invested in capital assets is net of accumulated depreciation and the lease liability.

Functional Allocation of Expenses - The costs of providing program and support services have been reported on a functional basis in the statement of revenue, expenses, and changes in net position. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

Note 1 - Significant Accounting Policies (Continued)

Operating Activities - All revenue from programmatic sources is considered operating revenue. Revenues associated with, or restricted by donors to use for capital improvements and revenue and expenses that result from financing and investing activities including federal subsidies are recorded as nonoperating or other revenue.

Pensions - For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources, and pension expense, information about the fiduciary net position of the University's defined benefit plans was calculated by a certified actuary. Contribution revenue is recorded as contributions are made by the Network to the plan. Benefit payments, including refunds of employee contributions, are recognized as expense when due and payable in accordance with the benefit terms. Related plan investments are reported at fair value.

Postemployment Benefits Other Than Pensions - For purposes of measuring the other postemployment benefits (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 University's defined benefit plan was calculated by a certified actuary. Contribution revenue is recorded as contributions are made by the Network to the plan. Benefit payments, including refunds of employee contributions, are recognized as expense when due and payable in accordance with the benefit terms.

Deferred Outflows of Resources - In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until that time. The deferred outflows of resources relate to the net pension liability and the OPEB liability; see Notes 4 and 5 to the financial statements for more information.

Deferred Inflows of Resources - In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources relate to the net pension liability and the OPEB liability; see Notes 4 and 5 to the financial statements for more information. The deferred inflow related to leases results from future inflows resulting from the university's lessor arrangements, as referenced in the Accounts Receivable accounting policy.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Grand Valley State University

WGVU Public Media

Notes to Financial Statements June 30, 2022 and 2021

Note 1 - Significant Accounting Policies (Continued)

Adoption of New Standards – Effective for the year ended June 30, 2022, the university adopted GASB Statement No. 87, Leases (“GASB 87”). This statement supersedes GASB Statement No. 62 and establishes new requirements for calculating and reporting the university’s lease activities. The adoption of GASB 87 has been reflected as of July 1, 2020 and did not result in a change in net position as of July 1, 2020. Under this Statement, the Network, as lessee is required to recognize a lease liability and an intangible right-to-use lease asset of which no agreements existed as of July 1, 2020, and as lessor is required to recognize a lease receivable of \$1,535,969, a deferred inflow resource of \$1,521,529, and decrease in prepaid expense of \$14,440.

Note 2 - Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets - Land	\$ 523,258	\$ -	\$ 22,400	\$ 500,858
Depreciable capital assets:				
Buildings and towers	1,216,689	-	105,000	1,111,689
License	554,022	-	-	554,022
Equipment	<u>10,399,449</u>	<u>393,790</u>	<u>567,871</u>	<u>10,225,368</u>
Total cost of depreciable capital assets	12,170,160	393,790	672,871	11,891,079
Right-to-use Equipment	<u>163,413</u>	-	-	<u>163,413</u>
Total cost of capital assets	12,856,831	<u>\$ 393,790</u>	<u>\$ 695,271</u>	12,555,350
Less accumulated depreciation for:				
Buildings and towers	618,081	27,005	95,250	549,836
License	554,022	-	-	554,022
Equipment	<u>9,265,919</u>	<u>409,667</u>	<u>558,888</u>	<u>9,116,698</u>
Total accumulated depreciation	10,438,022	436,672	654,138	10,220,556
Less accumulated amortization for:				
Right-to-use Equipment	<u>3,268</u>	<u>6,537</u>	-	<u>9,805</u>
Total accumulated depreciation and amortization	<u>10,441,290</u>	<u>\$ 443,209</u>	<u>\$ 654,138</u>	<u>10,230,361</u>
Capital assets - Net	<u>\$ 2,415,541</u>			<u>\$ 2,324,989</u>

Grand Valley State University
WGVU Public Media

Notes to Financial Statements
June 30, 2022 and 2021

Note 2 - Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets - Land	\$ 523,258	\$ -	\$ -	\$ 523,258
Depreciable capital assets:				
Buildings and towers	1,216,689	-	-	1,216,689
License	554,022	-	-	554,022
Equipment	<u>10,322,289</u>	<u>105,760</u>	<u>28,600</u>	<u>10,399,449</u>
Total cost of depreciable capital assets	12,093,000	105,760	28,600	12,170,160
Right-to-use Equipment	<u>-</u>	<u>163,413</u>	<u>-</u>	<u>163,413</u>
Total cost of capital assets	12,616,258	<u>\$ 269,173</u>	<u>\$ 28,600</u>	12,856,831
Less accumulated depreciation for:				
Buildings and towers	590,826	27,255	-	618,081
License	554,022	-	-	554,022
Equipment	<u>8,932,842</u>	<u>361,677</u>	<u>28,600</u>	<u>9,265,919</u>
Total accumulated depreciation	10,077,690	388,932	28,600	10,438,022
Less accumulated amortization for:				
Right-to-use Equipment	<u>-</u>	<u>3,268</u>	<u>-</u>	<u>3,268</u>
Total accumulated depreciation and amortization	<u>10,077,690</u>	<u>\$ 392,200</u>	<u>\$ 28,600</u>	<u>10,441,290</u>
Capital assets - Net	<u>\$ 2,538,568</u>			<u>\$ 2,415,541</u>

The following estimated useful lives are used to compute depreciation:

Buildings and towers	25-50 years
License	25 years
Equipment	7-20 years

Grand Valley State University
WGVU Public Media

Notes to Financial Statements
June 30, 2022 and 2021

Note 3 – Lease Liability

The Network leases cell tower equipment from external parties. In accordance with GASB 87, the Network records right-to-use assets and lease liabilities based on the present value of expected payments over the term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available and are otherwise discounted using the university’s incremental borrowing rate. The Network did not have any significant leases with variable payments, and these are excluded from the valuations. For leases including payments tied to an index or market rate, the valuation is based on the initial index or market rate. The Network does not have any leases subject to a residual value guarantee.

Scheduled maturities of lease liabilities are as follows:

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>
2023	1,217	6,933
2024	1,501	6,893
2025	1,843	6,802
2026	2,189	6,714
2027	2,558	6,612
2028-2032	19,184	30,939
2033-2037	32,690	25,381
2038-2042	50,832	16,443
2043-2046	49,465	3,817
	<u>161,479</u>	<u>110,534</u>

Note 4 - Retirement Plans

The Network participates in the University retirement plans. The allocated activity for the Network in the University plans is disclosed in the following paragraphs.

Defined Contribution Plans

The executive, administrative, and professional staff are covered under a defined contribution retirement plan through TIAA-CREF (Teachers Insurance and Annuity Association of America - College Retirement Equities Fund) or Fidelity Investments. Employees may contribute an amount not to exceed the Internal Revenue Service designated maximum. Participants become fully vested upon completion of two years of employment. Discretionary University contributions equal to 12 percent of participants’ base salaries were made in each year.

The total expense under this discretionary plan was approximately \$222,800 and \$209,000 for the years ended June 30, 2022 and 2021, respectively. Total payroll covered under this plan was approximately \$1,856,400 in 2022 and \$1,741,600 in 2021.

Note 4 - Retirement Plans (Continued)

Professional support staff hired on or after February 2, 2006 participate in a defined contribution plan with University contributions equal to 8 percent of wages. Effective for the year ended June 30, 2016 the University will also match the employees' contribution up to an additional 2 percent of wages. Participants become fully vested upon completion of two years of employment. Total expenses under this plan were approximately \$8,000 in 2022 and \$13,200 in 2021. Total payroll covered under this plan was approximately \$88,600 in 2022 and \$154,500 in 2021.

Defined Benefit Plan

Plan Description - The University administers the GVSU Professional Support Staff Employees' Retirement Plan - a single-employer defined benefit pension plan that provides pensions for all professional support staff of the University hired before February 2, 2006. Management of the plan is vested in the treasurer of the board. Benefit terms have been established by contractual agreements between the University and the various employee union representation; amendments are subject to the same process.

At July 1, 2021 and 2020, retirement plan membership attributable to the Network consisted of the following:

Inactive plan members receiving benefits	7
Inactive members entitled to, but not yet receiving benefits	2
Active plan members	4
	4
Total participants	13

Benefits Provided - The plan provides retirement and death benefits. Retirement benefits for plan members are calculated as 1.9 percent of the member's calendar year salary for the highest five years out of the last 10 years multiplied by the member's years of service. Plan members with 10 years of continuous service are eligible to retire at age 65, or with reduced benefits, as early as age 55. Death benefits are equal to the present value of accrued benefits. A plan member who leaves the University with less than 10 years of continuous service may withdraw his or her contributions. The plan does not provide cost-of-living adjustments. There were no changes in benefit terms.

Contributions - Article 9, Section 24 of the Regulations of the State of Michigan constitution requires the financial benefits arising on account of service rendered each year be funded during that year. The University retains an actuary to determine the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. In addition, active members also contribute to the plan. The active member's contribution rate is 5.0 percent. The University's contribution rate of annual payroll was 21.9 percent and 19.7 percent for the years ended June 30, 2022 and 2021, respectively.

Note 4 - Retirement Plans (Continued)

Net Pension Liability - The University's net pension liability was measured as of June 30, 2022 and 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 and 2020, which used updated procedures to roll forward the estimated liability to June 30, 2022 and 2021, respectively. The amount the University allocated to the Network is based on the number of the Network's employees covered by the plan as a percentage of the University's total number of employees covered by the plan. At June 30, 2022, 2021, and 2020 the proportionate share percentage for the Network's allocation of the University's liability was 3.0 percent, 2.8 percent and 2.7 percent, respectively.

For the years ended June 30, 2022 and 2021, the Network recognized pension (expense) revenue of approximately (85,646) and \$43,500, respectively.

At June 30, 2022, the Network reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,340	\$ 21,432
Changes in assumptions	185,422	90,846
Net difference between projected and actual earnings on plan investments	<u>162,437</u>	<u>-</u>
Total	<u>\$ 362,199</u>	<u>\$ 112,278</u>

At June 30, 2021, the Network reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 67,292	\$ 10,635
Changes in assumptions	99,602	89,965
Net difference between projected and actual earnings on plan investments	<u>-</u>	<u>262,027</u>
Total	<u>\$ 166,894</u>	<u>\$ 362,627</u>

Note 4 - Retirement Plans (Continued)

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

Years Ending June 30	Amount
2023	\$ 116,865
2024	38,433
2025	13,363
2026	81,260

Actuarial Assumptions - The total pension liability as of June 30, 2022 and 2021, the year end of the plan, was determined by an actuarial valuation as of July 1, 2021 and 2020, respectively, using updating procedures and the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases including inflation	2.50%
Investment rate of return	5.71% and 6.57% as of July 1, 2022 and 2021, respectively, net of pension plan investment expense

For the July 1, 2021 actuarial valuation, the mortality improvement projection scale was updated from MP-2019 to MP-2020, since the prior measurement date. For the July 1, 2020, actuarial valuation, the mortality improvement projection scale was updated from MP-2018 to MP-2019. There were no changes in benefit terms during either period.

Discount Rate - The discount rate used to measure the total pension liability was 5.71 percent and 6.57 percent for the years ended June 30, 2022 and June 30, 2021. 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 University contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the retirement plan's fiduciary net position is projected to be available to make all projected future benefit payments of active and inactive plan members.

Note 4 - Retirement Plans (Continued)

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of retirement plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of June 30, 2022 and 2021, the measurement dates, for each major asset class are summarized in the table on below:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equities	62 %	6.45 %
Fixed income	18	3.65
Cash	3	1.66
Real estate	10	7.32
Commodities	7	3.98

The sum of the target allocations times the long-term expected rates is 5.71 percent and 6.57 percent for years ended June 30, 2022 and 2021, respectively.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the allocated net pension liability of the Network, calculated using the current discount rates, as well as what the Network allocated net pension 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 rate:

June 30, 2022	1% Decrease	Current Discount Rate (5.71%)	1% Increase
Net pension liability	\$ 854,973	\$ 587,748	\$ 363,561

June 30, 2021	1% Decrease	Current Discount Rate (6.57%)	1% Increase
Net pension liability	\$ 311,184	\$ 91,361	\$ (93,806)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued University financial report.

Note 5 - Other Postemployment Benefits

The University has a single-employer defined benefit plan that provides certain healthcare benefits for retired faculty and staff. As of July 1, 2021, the plan covers approximately 32 members attributable to the Network. Currently, the plan does not require active members to contribute to the plan. As of January 1, 2014, the plan was closed to new participants. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Plan Description - Substantially all of the University's employees hired prior to January 1, 2014 may become eligible for certain healthcare benefits if they reach retirement age while working for the University, are vested in a University-sponsored retirement plan, and their years of University service and age total a minimum of 75.

Funding Policy - The plan requirements are established and may be amended by the University's board of trustees. The university will fund the plan on a pay-as-you-go basis. An investment fund has been established for the purpose of prefunding retiree benefits, however because these funds are not held in an irrevocable trust, these assets are excluded for GASB No. 75 purposes.

Total OPEB Liability - The June 30, 2022 total OPEB liability was measured as of June 30, 2022 based on an actuarial valuation performed June 30, 2021 which used update procedures to roll forward the estimated liability to June 30, 2022. The June 30, 2021 OPEB liability was measured as of June 30, 2021 based on an actuarial valuation performed June 30, 2021, in compliance with GASB Statement No. 75.

The amount the University allocated to the Network is based on the number of the Network's employees covered by the plan as a percentage of the University's total number of employees covered by the plan. At June 30, 2022, 2021, and 2020 the proportionate share percentage for the Network's allocation of the University's liability was 1.9 percent.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the years ended June 30, 2022 and 2021, the Network recognized OPEB expense of approximately \$14,500 and \$26,000, respectively.

At June 30, 2022 the Network reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,919	\$ 23,514
Changes in assumptions	40,088	81,061
Total	<u>\$ 42,007</u>	<u>\$ 104,575</u>

Note 5 - Other Postemployment Benefits (Continued)

At June 30, 2021 the Network reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,297	\$ 28,600
Changes in assumptions	46,909	4,529
Total	<u>\$ 49,206</u>	<u>\$ 33,129</u>

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

Years Ending June 30	Amount
2023	(9,299)
2024	(9,299)
2025	(9,299)
2026	(9,299)
2027	(9,221)
Thereafter	(16,151)

Actuarial Assumptions – The OPEB liability in the June 30, 2021 actuarial valuation was determined using an inflation assumption of 2.0 percent; assumed salary increases (including inflation) of 2.5 percent; an investment rate of zero percent as assets held are not allowable for inclusion under GASB Statement No. 75 requirements; a health care cost trend rate of 6.0 percent and 6.5 percent in 2022 and 2021, respectively, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent; and using the RP-2014 mortality tables with the MP-2021 and MP-2020 improvement scale in 2022 and 2021, respectively.

There were no changes in benefit terms during 2022 or 2021.

Discount rate – The discount rate used to measure the total OPEB liability was 4.09 percent at June 30, 2022 and 2.18 percent at June 30, 2021. The impact of this change is presented as a change in assumption. Because the plan does not have an irrevocable OPEB trust, there are not assets projected to be sufficient to make projected future benefit payment to current plan members, and therefore the discount rate reflects the S& P Municipal Bond 20 Year High Grade Rate Index.

Note 5 - Other Postemployment Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Network, as well as what the Network’s total liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

June 30, 2022	1% Decrease	Current Discount Rate (4.09%)	1% Increase
Total OPEB Liability	\$ 388,771	\$ 347,237	\$ 312,115

June 30, 2021	1% Decrease	Current Discount Rate (2.18%)	1% Increase
Total OPEB Liability	\$ 488,177	\$ 430,158	\$ 381,584

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the total OPEB liability of the Network, calculated using the pertinent healthcare cost trend rate, as well as what the Network’s total liability would be if it were calculated using a healthcare cost trend that is one percentage point lower or one percentage point higher than the current rate:

June 30, 2022	1% Decrease	Healthcare Trend Rate (6.0%)	1% Increase
Total OPEB Liability	\$ 347,063	\$ 347,237	\$ 347,437

June 30, 2021	1% Decrease	Current Healthcare Trend	1% Increase
Total OPEB Liability	\$ 429,965	\$ 430,158	\$ 430,374

Note 6 - Nonfederal Financial Support (NFFS)

The Corporation for Public Broadcasting (CPB) allocates a portion of its funds annually to public broadcasting entities, primarily based on nonfederal financial support (NFFS). NFFS is defined as the total value of cash and the fair market value of property and services received as either a contribution or a payment and meeting all of the respective criteria for each.

A “contribution” is cash, property, or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be an entity other than the federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation, or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcast station or for the production, acquisition, distribution, or dissemination of educational television or radio programs and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station. However, to eliminate distortions in the TV Community Service Grant (CSG) grant program precipitated by extraordinary infusions of new capital investments in digital television (DTV), all capital contributions received for purposes of acquiring new equipment or upgrading existing or building new facilities regardless of source or form of the contribution are not included in calculating the 2022 and 2021 NFFS. This change excludes all revenue received for any capital purchases.

A “payment” is cash, property, or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source must be a state, any agency or political subdivision of a state, an educational institution or organization, or a nonprofit entity; (2) the form of the payment must be appropriations or contract payments in exchange for specific services or materials; (3) the purpose must be for any related activity of the public broadcast station; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

The assets, liabilities, and net assets of the Network are accounted for using the following funds for CPB purposes:

WGVU-TV Fund - This fund includes the resources that are available for support of the Network’s television transmission operations.

WGVU-FM Fund - This fund includes the resources that are available for support of the Network’s FM radio transmission operations.

WGVU-AM Fund - This fund includes the resources that are available for support of the Network’s AM radio transmission operations.

Reported NFFS for the Network were \$4,594,888 and \$4,292,637 for the WGVU-TV fund, \$937,486 and \$809,125 for the WGVU-FM fund, and \$188,659 and \$349,426 for the WGVU-AM fund for 2022 and 2021, respectively.

Required Supplementary Information

Grand Valley State University

WGVU Public Media

Schedule of the Network's Proportionate Share of the Net Pension Liability and Related Ratios

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Network's allocated portion of the collective University plan net pension liability:									
As a percentage	3.0%	2.8%	2.7%	2.6%	2.7%	2.7%	3.4%	2.9%	2.9%
Amount	\$ 587,748	\$ 91,361	\$ 405,164	\$ 414,369	\$ 397,537	\$ 433,797	\$ 433,265	\$ 332,616	\$ 200,662
Network's covered payroll:									
As a percentage	5.1%	3.5%	3.5%	2.9%	2.9%	3.3%	3.4%	3.4%	3.4%
Amount	\$ 276,257	\$ 264,753	\$ 266,710	\$ 232,163	\$ 319,356	\$ 327,173	\$ 344,516	\$ 368,183	\$ 395,313
Network's collective pension liability as a percentage of covered payroll	212.8%	34.5%	151.9%	178.5%	124.5%	132.6%	125.8%	90.3%	50.8%

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Network's allocated share of the University's actuarially determined contribution offset by employee contributions	\$ 45,374	\$ 42,846	\$ 43,989	\$ 46,302	\$ 51,106	\$ 56,131	\$ 88,904	\$ 34,639	\$ 49,780
Network's allocated share of the University's actual contributions	\$ 43,461	\$ 41,039	\$ 45,927	\$ 48,728	\$ 55,568	\$ 55,530	\$ 54,299	\$ 47,423	\$ 48,065
Network's allocated share of the University's contribution (excess) deficiency	\$ 1,913	\$ 1,807	\$ (1,938)	\$ (2,426)	\$ (4,462)	\$ 600	\$ 34,605	\$ (4,684)	\$ 1,715
Network's covered payroll	\$ 276,257	\$ 264,753	\$ 266,710	\$ 232,163	\$ 319,356	\$ 327,173	\$ 344,516	\$ 368,183	\$ 395,313
Network's allocated share of the University's contributions as a percentage of covered payroll	15.7%	15.5%	17.2%	21.0%	17.4%	17.0%	15.8%	12.9%	12.2%

Actuarial valuation information relative to the determination of contributions:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total pension liability	5.71%/year	6.57%/year	6.27%/year	6.23%/year	6.50%/year	6.50%/year	7.37%/year	7.06%/year	6.82%/year
Funding	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year	6.50%/year	7.00%/year	7.00%/year	7.00%/year
Mortality	RP-2014 with Projection Table MP-2020	RP-2014 with Projection Table MP-2019	RP-2014 with Projection Table MP-2018	RP-2014 with Projection Table MP-2017	RP-2014 with Projection Table MP-2016	RP-2014 with Projection Table MP-2014	RP-2014 with Projection Table MP-2014	RP-2014 with Projection Table MP-2014	1983 GAM
Change in benefit terms	None	None	None	None	None	None	None	None	None

**Grand Valley State University
WGVU Public Media**

**Schedule of the Network's Proportionate Share of the OPEB
Liability and Related Ratios**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Network's allocated portion of the collective University plan OPEB liability:					
As a percentage	1.9%	1.9%	1.9%	1.9%	1.8%
Amount	347,237	430,158	422,374	383,146	353,464
Network's covered payroll	1,087,278	1,108,757	1,138,731	1,189,465	1,523,997
Net OPEB liability as a percentage of covered payroll	31.9%	38.8%	37.1%	32.2%	23.2%
Discount rate	4.09%	2.18%	2.66%	3.36%	3.00%
Mortality	RP-2014 with Projection Table MP-2021	RP-2014 with Projection Table MP-2020	RP-2014 with Projection Table MP-2019	RP-2014 with Projection Table MP-2018	RP-2014 with Projection Table MP-2017
Changes in benefit terms	None	None	None	None	None

No assets are accumulated in an irrevocable trust to pay related other postemployment benefits.

Other Supplementary Information

Grand Valley State University

WGVU Public Media

Combined Statement of Net Position Year Ended June 30, 2022

	Television	Radio - FM	Ceased Operations Radio - AM	Combined Total
Assets				
Current assets:				
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 619,676	\$ 444,903	\$ -	\$ 1,064,579
Cash held in Grand Valley State University pooled asset funds for restricted purposes	3,449,513	187,310	-	3,636,823
Accounts and lease receivable - Current portion	301,782	17,984	-	319,766
Inventory	3,285	-	-	3,285
Prepaid expenses	51,661	1,005	-	52,666
Purchased program rights - Current portion	568,839	320	-	569,159
Total current assets	4,994,756	651,522	-	5,646,278
Noncurrent assets:				
Accounts and lease receivable - Net of current portion	1,482,202	-	-	1,482,202
Investments held in Grand Valley State University endowment funds	522,124	127,305	-	649,429
Purchased program rights - Long-term portion	277,964	-	-	277,964
Capital assets - Net	1,587,279	737,710	-	2,324,989
Total noncurrent assets	3,869,569	865,015	-	4,734,584
Total assets	8,864,325	1,516,537	-	10,380,862
Deferred Outflow of Resources - Retirement benefit related deferrals	397,876	6,330	-	404,206
Liabilities				
Unearned operating revenue	1,981,313	121,942	-	2,103,255
Accounts payable	21,043	12,767	-	33,810
Accrued payroll and related taxes - Current portion	133,296	19,826	-	153,122
Accrued compensated absences	152,142	47,521	-	199,663
Lease liability - Current portion	-	1,217	-	1,217
Other postemployment benefits - Current portion	18,005	1,909	-	19,914
Total current liabilities	2,305,799	205,182	-	2,510,981
Noncurrent liabilities:				
Lease liability - Net of current portion	-	160,262	-	160,262
Other postemployment benefits	274,936	52,387	-	327,323
Net pension liability	587,748	-	-	587,748
Total noncurrent liabilities	862,684	212,649	-	1,075,333
Total liabilities	3,168,483	417,831	-	3,586,314
Deferred Inflow of Resources				
Retirement benefit related deferrals	201,200	15,653	-	216,853
Leases	1,650,488	-	-	1,650,488
Net Position				
Net investment in capital assets	1,587,279	576,231	-	2,163,510
Restricted - Nonexpendable	356,733	81,345	-	438,078
Restricted - Expendable	1,243,649	118,200	-	1,361,849
Unrestricted	1,054,369	313,607	-	1,367,976
Total net position	\$ 4,242,030	\$ 1,089,383	\$ -	\$ 5,331,413

Grand Valley State University

WGVU Public Media

Combined Statement of Revenue, Expenses, and Changes in Net Position Year Ended June 30, 2022

	Television	Radio - FM	Ceased Operations Radio - AM	Combined Total
Operating Revenue				
Operating grant from Grand Valley State University	\$ 369,068	\$ 338,913	\$ 159,800	\$ 867,781
Contributions, subscriptions, and memberships	2,592,760	305,444	15,768	2,913,972
Community service grant from the Corporation for Public Broadcasting	795,155	-	-	795,155
Fiscal Stabilization Grant from Corp. for Public Broadcasting	76,275	-	1,374	77,649
Government grants and contracts	63,699	-	-	63,699
Nongovernment grants and contracts	190,760	-	-	190,760
Donated facilities and administrative support from Grand Valley State University	1,076,219	167,710	38,091	1,282,020
In-kind contributions	74,103	40,340	-	114,443
Underwriting revenue	386,594	152,340	-	538,934
Production and use of facilities	203,865	-	-	203,865
Miscellaneous revenue	85,481	19,164	-	104,645
Total operating revenue	5,913,979	1,023,911	215,033	7,152,923
Operating Expenses				
Program services:				
Programming and production	1,735,851	642,531	66,943	2,445,325
Broadcasting	825,556	19,357	84	844,997
Program information and promotion	557,939	64,254	-	622,193
Support services:				
Management and general	2,195,815	236,705	156,114	2,588,634
Fundraising, membership development, and auction	939,534	34,095	2,967	976,596
Depreciation expense	421,791	20,590	828	443,209
Total operating expenses	6,676,486	1,017,532	226,936	7,920,954
Operating Income (Loss)	(762,507)	6,379	(11,903)	(768,031)
Nonoperating Revenue				
Loss on disposal of assets	(3,785)	-	(37,344)	(41,129)
Financing Lease Revenue	288,116	-	-	288,116
Interest expense	-	(6,980)	-	(6,980)
Investment income (loss)	33,278	(4,584)	1,441	30,135
Total nonoperating revenue	317,609	(11,564)	(35,903)	270,142
Income (Loss)- Before other	(444,898)	(5,185)	(47,806)	(497,889)
Other Revenue (loss)				
Additions to permanent endowment	658	-	50	708
Total other revenue	658	-	50	708
Transfers between stations	(37,105)	(263,189)	300,294	-
Increase (Decrease) in Net Position	(481,345)	(268,374)	252,538	-
Net Position (Deficit) - Beginning of year	4,723,375	1,357,757	(252,538)	5,828,594
Net Position (Deficit) - End of year	\$ 4,242,030	\$ 1,089,383	\$ -	\$ 5,331,413