

**Grand Valley State University
WGVU Public Media**

**Financial Report
with Supplementary Information
June 30, 2023**

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, 2023 and 2022 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, 2023 and 2022 and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 Matter

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, 2023 and 2022 and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. 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.

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 Supplementary 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 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 audits 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 Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Network's basic financial statements. The other supplementary 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the basic financial statements. The other information comprises the administrative officers but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Plante & Moran, PLLC

January 10, 2024

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, 2023

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 12 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.

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 liabilities, 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>2023</u>	<u>2022</u>	<u>2021</u>
Assets			
Current assets:			
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 4,576,076	\$ 4,701,402	\$ 5,200,694
Accounts receivable - Current portion	324,996	319,766	307,667
Inventory and prepaid expenses	51,373	55,951	19,366
Current portion - Program rights	<u>531,103</u>	<u>569,159</u>	<u>598,154</u>
Total current assets	5,483,548	5,646,278	6,125,881
Noncurrent assets:			
Investments held in Grand Valley State University endowment funds	688,640	649,429	688,953
Accounts receivable - Net of current portion	1,457,109	1,482,202	1,127,697
Long-term portion - Program rights	250,847	277,964	288,746
Capital assets - Net of depreciation	<u>1,943,743</u>	<u>2,324,989</u>	<u>2,415,541</u>
Total noncurrent assets	<u>4,340,339</u>	<u>4,734,584</u>	<u>4,520,937</u>
Total assets	9,823,887	10,380,862	10,646,818
Deferred Outflow of Resources - Retirement-related deferrals	373,871	404,206	216,100
Liabilities			
Current liabilities:			
Advances from Grand Valley State University pooled asset funds	-	-	265,804
Unearned operating revenue	2,016,398	2,103,255	1,931,101
Other current liabilities	<u>343,139</u>	<u>407,726</u>	<u>383,314</u>
Total current liabilities	2,359,537	2,510,981	2,580,219
Noncurrent liabilities:			
Deferred payroll taxes	-	-	45,998
Lease liability - Net of current portion	158,752	160,262	161,478
Other postemployment benefits	339,802	327,323	419,064
Net pension liability	<u>567,236</u>	<u>587,748</u>	<u>91,361</u>
Total noncurrent liabilities	<u>1,065,790</u>	<u>1,075,333</u>	<u>717,901</u>
Total liabilities	3,425,327	3,586,314	3,298,120
Deferred Inflow of Resources	1,786,876	1,867,341	1,736,204
Net Position			
Net investment in capital assets	1,780,115	2,163,510	2,255,396
Restricted - Nonexpendable	438,603	438,078	437,370
Restricted - Expendable	1,047,892	1,361,849	1,938,304
Unrestricted	<u>1,718,945</u>	<u>1,367,976</u>	<u>1,197,524</u>
Total net position	<u>\$ 4,985,555</u>	<u>\$ 5,331,413</u>	<u>\$ 5,828,594</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, and 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. From 2022 to 2023, activity remained stable as compared to 2021 to 2022, which was impacted by the COVID-19 pandemic.

Noncurrent assets include the endowed investments in the University's pooled endowment fund, the noncurrent portion of purchased program rights, financing lease receivables, and capital assets net of depreciation. After a decrease of \$39,524 from 2021 to 2022, endowed investments returned to 2021 levels due to rebounding financial markets in 2023. From 2022 to 2023, the noncurrent lease receivable decreased \$25,093 as payments from lessees were offset by a new long-term lease agreement. From 2021 to 2022, there was an increase of \$354,505 due to new long-term agreements. The balance of program rights decreased \$37,899 over the three-year period due to a decrease in programming fees from PBS. Net capital assets decreased \$384,246 from 2022 to 2023 due to depreciation expense of \$423,654 offset by equipment purchases of \$42,408. Fully depreciated assets were sold during 2023, of which most significant was the WGVU-AM license. Gain on sale of capital assets is presented as nonoperating revenue. Net capital assets decreased \$90,552 from 2021 to 2022 due to depreciation expense of \$443,213, which was offset by equipment purchases of \$393,790 and disposals of mostly fully depreciated 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 2022 to 2023, deferred outflows decreased \$30,335 due to changes in actuarial assumptions in retirement benefits plans. From 2021 to 2022 deferred outflows increased \$188,106, which was mostly attributable to the higher weighted average percentage of retirement benefit obligation 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 supplementary 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 liability. Unearned operating revenue decreased \$86,857 from 2022 to 2023 due to spend down of the Corporation of Public Broadcasting Community Service Grants (CPB CSG) received by WGVU-FM in 2022. Unearned operating revenue increased \$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 deferred funding from CPB CSG. Other current liabilities decreased \$64,587 from 2022 to 2023 mainly due to final payment of deferred FICA taxes that was extended by the US Treasury under the CARES Act. Other current liabilities increased \$24,412 from 2021 to 2022 due to an increase in accounts payable and timing of payroll related liabilities.

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

Noncurrent liabilities include net other postemployment benefits, net pension liability, and the noncurrent portion of the lease liability. Further detail regarding these liabilities 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 postemployment benefits and future receipts from lease agreements. Deferred inflows decreased \$80,465 from 2022 to 2023 mainly due to recognition of lease revenue earned as deferred inflows related to retirement benefits remained stable. From 2021 to 2022, deferred inflows increased \$131,127 mainly due to added long-term leases during that period. More detailed information regarding the defined benefit pension and postemployment benefit plans are presented in the notes to the financial statements and required supplementary information.

Net position decreased \$345,848 from 2022 to 2023 because of declining net investment in capital assets of \$383,395 and the final expenditure of \$313,957 of previously recognized federal subsidies. These decreases were offset by an increase of \$350,969 in unrestricted net position due to increased member support and lower operating expenses. Net position decreased \$497,181 from 2021 to 2022 mainly due to expending federal stimulus subsidies and investment losses generated by endowed investments due to declining financial markets. Over the three-year period, unrestricted net assets increased by \$521,421.

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

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>2023</u>	<u>2022</u>	<u>2021</u>
Operating Revenue			
Operating grant from Grand Valley State University	\$ 815,623	\$ 867,781	\$ 881,291
Contributions, subscriptions, and memberships	3,005,805	2,913,972	2,932,521
Grants from the Corporation for Public Broadcasting			
Broadcasting	1,170,167	872,804	1,329,041
Other grants and contracts	276,050	254,459	214,546
Donated facilities, administrative support, and in-kind contributions	1,546,166	1,396,463	1,196,633
Underwriting revenue	486,888	538,934	502,434
Production and use of facilities	199,553	203,865	96,929
Miscellaneous revenue	84,454	104,645	84,451
Total operating revenue	<u>7,584,706</u>	<u>7,152,923</u>	<u>7,237,846</u>
Operating Expenses			
Program services	4,127,421	3,912,515	3,528,578
Support services	3,940,233	3,565,230	3,315,228
Depreciation expense	423,654	443,209	392,200
Total operating expenses	<u>8,491,308</u>	<u>7,920,954</u>	<u>7,236,006</u>
Operating Income (Loss)	<u>(906,602)</u>	<u>(768,031)</u>	<u>1,840</u>
Nonoperating Revenue			
Fundraising income	102,713	-	2,716
Federal stimulus from Corporation for Public Broadcasting	-	-	680,495
Lease revenue	266,598	288,116	277,368
Other nonoperating revenue (expense)	190,908	(17,974)	216,940
Total nonoperating revenue	<u>560,219</u>	<u>270,142</u>	<u>1,177,519</u>
(Loss) Income - Before other revenue	<u>(346,383)</u>	<u>(497,889)</u>	<u>1,179,359</u>
Other Revenue	<u>525</u>	<u>708</u>	<u>808</u>
Increase (Decrease) in Net Position	<u>(345,858)</u>	<u>(497,181)</u>	<u>1,180,167</u>
Net Position - Beginning of year	<u>5,331,413</u>	<u>5,828,594</u>	<u>4,648,427</u>
Net Position - End of year	<u>\$ 4,985,555</u>	<u>\$ 5,331,413</u>	<u>\$ 5,828,594</u>

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

Operating revenue increased \$431,783 from 2022 to 2023 due to higher annual CPB funding and increase in memberships and other grants. Operating revenue decreased \$84,923 from 2021 to 2022 mainly due to a reduction in grant revenue from Corporation for Public Broadcasting (CPB).

Operating expenses increased \$570,354 from 2022 to 2023 and \$684,948 from 2021 to 2022. The Network's salaries, wages, and benefits expense represents the largest operating expense category. Personnel expense increased \$335,433 from 2022 to 2023 due to the addition of new positions and salary program with the remaining increase due to contractual services incurred to support fundraising efforts. Most of the increase from 2021 to 2022 was due to increased costs of production and programming as well as an increase of depreciation expense.

Nonoperating revenue includes fundraising income, lease revenue and related interest income, interest expense related to a leased asset, and investment income allocated to endowed investments. There was no fundraising income in 2022 due to the continued impact of the COVID-19 pandemic. However, fundraising events returned in 2023, which resulted in an increase of \$102,406 in 2023. Investment income increased \$106,707 from 2022 to 2023 due to rebounding financial markets. Nonoperating revenue for the year ended June 30, 2021 includes funding received through CPB from the CARES Act and the American Rescue Plan Act of 2021 (CARES/ARP), of which the total amount allocated to the Network was \$680,495.

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.

The increase in cash of \$1,660,908 in 2021 resulted from the receipt of CARES/ARP funding, which was partially expended during 2022 and the remainder expended during 2023. Cash provided by operating activities from 2022 to 2023 reflects the use of CARES/ARP funding and is offset by the increase in fundraising and proceeds from capital asset sales in the noncapital financing and capital related financing activities, respectively.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Cash Provided by (Used In)			
Operating activities	\$ (558,236)	\$ (162,438)	\$ 852,297
Noncapital financing activities	103,238	(265,096)	602,470
Capital and related financing activities	302,401	(95,314)	183,404
Investing activities	<u>27,271</u>	<u>23,556</u>	<u>22,737</u>
Net (Decrease) Increase in Cash	(125,326)	(499,292)	1,660,908
Cash - Beginning of year	<u>4,701,402</u>	<u>5,200,694</u>	<u>3,539,786</u>
Cash - End of year	<u>\$ 4,576,076</u>	<u>\$ 4,701,402</u>	<u>\$ 5,200,694</u>

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

Economic Factors That Will Affect the Future

Concerns about an impending recession continue to impact the Network's ability to rebound to pre-pandemic levels of corporate support. While membership revenue continued to increase significantly during 2023, other networks across the public media system have experienced decreases in individual giving. We anticipate that if the country does face a recession, membership revenues will remain stable temporarily, as there has historically been a 12–18 month lag from the onset of a recession to when the Network experiences declines in membership revenues.

In fiscal year 2024, the federal appropriation to CPB was increased to \$525 million with a request for \$565 million in fiscal year 2025. The increase in federal appropriation to CPB will result in a yet to be determined increase in Community Service Grant (CSG) support for the Network. However, because Congress has not yet completed the 2024 appropriations process, 2024 CSG awards will be subject to a one percent rescission. If this rescission does not occur, CPB will distribute the reserved funds during the 2025 grantmaking. If a deeper rescission occurs through the 2024 appropriations process, then CPB will evaluate all options. A likely option would result in a recalculation of the 2024 grants, of which the adjustment would be reflected in the second 2024 CSG payment to be received in the spring of 2024. For the 2024 award year, CPB has allocated \$118,188 in CSG funding for WGVU-FM, \$1,202,141 in CSG funding for WGVU-TV, \$19,767 in Interconnection funding for WGVU-TV and \$64,991 in Universal Support Services funding for WGVU-TV.

The Michigan Learning Channel, a statewide effort to provide instructional television, continues to expand its reach based on funding received from the State of Michigan. As a participant in this statewide effort, the network will receive \$250,000 in fiscal year 2024 to expand its educational outreach.

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. As part of the 50th Anniversary of WGVU Public Media, the network held a fundraising gala in September of 2023 that resulted in \$117,500 of sponsorship revenue. The network is also evaluating other events that utilize nationally recognized public media talent to increase awareness and engagement.

Grand Valley State University

WGVU Public Media

Statement of Net Position

	June 30, 2023	June 30, 2022
Assets		
Current assets:		
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	1,351,087	\$ 1,064,579
Cash held in Grand Valley State University pooled asset funds for restricted purposes	3,224,989	3,636,823
Accounts receivable - Current portion	324,996	319,766
Inventory	4,513	3,285
Prepaid expenses	46,860	52,666
Purchased program rights - Current portion	531,103	569,159
Total current assets	5,483,548	5,646,278
Noncurrent assets:		
Investments held in Grand Valley State University endowment funds	688,640	649,429
Accounts receivable - Net of current portion	1,457,109	1,482,202
Purchased program rights - Long-term portion	250,847	277,964
Capital assets - Net (Note 2)	1,943,743	2,324,989
Total noncurrent assets	4,340,339	4,734,584
Total assets	9,823,887	10,380,862
Deferred Outflow of Resources - Retirement benefit related deferrals	373,871	404,206
Liabilities		
Current liabilities:		
Unearned operating revenue	2,016,398	2,103,255
Accounts payable	13,451	33,810
Accrued payroll and related taxes - Current portion	128,655	153,122
Accrued compensated absences	182,755	199,663
Lease liability - Current portion (Note 3)	1,501	1,217
Other postemployment benefits - Current portion (Note 5)	16,777	19,914
Total current liabilities	2,359,537	2,510,981
Noncurrent liabilities:		
Lease liability - Net of current portion (Note 3)	158,752	160,262
Other postemployment benefits (Note 5)	339,802	327,323
Net pension liability (Note 4)	567,236	587,748
Total noncurrent liabilities	1,065,790	1,075,333
Total liabilities	3,425,327	3,586,314
Deferred Inflow of Resources		
Retirement benefit related deferrals	207,254	216,853
Leases	1,579,622	1,650,488
Net Position		
Net investment in capital assets	1,780,115	2,163,510
Restricted - Nonexpendable	438,603	438,078
Restricted - Expendable	1,047,892	1,361,849
Unrestricted	1,718,945	1,367,976
Total net position	<u>\$ 4,985,555</u>	<u>\$ 5,331,413</u>

Grand Valley State University

WGVU Public Media

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30	
	2023	2022
Operating Revenue		
Operating grant from Grand Valley State University	\$ 815,623	\$ 867,781
Contributions, subscriptions, and memberships	3,005,805	2,913,972
Community service grant from the Corporation for Public Broadcasting	1,091,404	795,155
Other grants from the Corporation for Public Broadcasting	78,763	77,649
Government grants and contracts	74,469	63,699
Nongovernment grants and contracts	201,581	190,760
Donated facilities and administrative support from Grand Valley		
State University	1,452,976	1,282,020
In-kind contributions	93,190	114,443
Underwriting revenue	486,888	538,934
Production and use of facilities	199,553	203,865
Miscellaneous revenue	84,454	104,645
Total operating revenue	7,584,706	7,152,923
Operating Expenses		
Program services:		
Programming and production	2,340,367	2,445,325
Broadcasting	1,043,353	844,997
Program information and promotion	743,701	622,193
Support services:		
Management and general	2,697,263	2,588,634
Fundraising, membership development, and auction	1,242,970	976,596
Depreciation expense	423,654	443,209
Total operating expenses	8,491,308	7,920,954
Operating (Loss) Income	(906,602)	(768,031)
Nonoperating Revenue (Expense)		
Fundraising income	102,713	-
Gain (Loss) on disposal of assets	61,000	(41,129)
Financing lease revenue	266,598	288,116
Interest expense	(6,934)	(6,980)
Investment income	136,842	30,135
Total nonoperating revenue	560,219	270,142
(Loss) Income - Before other revenue	(346,383)	(497,889)
Other Revenue		
Additions to permanent endowment	525	708
Total other	525	708
(Decrease) Increase in Net Position	(345,858)	(497,181)
Net Position - Beginning of year	5,331,413	5,828,594
Net Position - End of year	<u>\$ 4,985,555</u>	<u>\$ 5,331,413</u>

Grand Valley State University

WGVU Public Media

Statement of Cash Flows

	Year Ended June 30	
	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Grants and contracts	\$ 2,203,240	\$ 2,183,375
Payments to suppliers	(2,826,709)	(2,755,287)
Payments to employees, including benefits	(3,677,193)	(3,307,032)
Underwriting revenue	452,614	494,024
Contributions, subscriptions, and memberships	3,005,805	2,913,972
Production and use of facilities	199,553	203,865
Miscellaneous revenue	<u>84,454</u>	<u>104,645</u>
Net cash used in operating activities	(558,236)	(162,438)
Cash Flows from Noncapital Financing Activities		
Advances to Grand Valley State University pooled asset funds	-	(265,804)
Fundraising proceeds	102,713	-
Private gifts for endowment purposes	<u>525</u>	<u>708</u>
Net cash provided by (used in) noncapital financing activities	103,238	(265,096)
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of capital assets	60,000	-
Purchases of capital assets and construction	(41,408)	(393,790)
Principal paid on lease liability	(1,226)	(933)
Interest paid on lease liability	(6,938)	(6,980)
Principal received from lessor agreements	221,613	260,286
Interest received from lessor agreements	<u>70,360</u>	<u>46,103</u>
Net cash provided by (used in) capital and related financing activities	302,401	(95,314)
Cash Flows from Investing Activities		
Investment interest income	5,797	2,307
Change in Investment in Grand Valley State University endowment pool	<u>21,474</u>	<u>21,249</u>
Net cash provided by investing activities	<u>27,271</u>	<u>23,556</u>
Net Decrease in Cash	(125,326)	(499,292)
Cash - Beginning of year	<u>4,701,402</u>	<u>5,200,694</u>
Cash - End of year	<u><u>\$ 4,576,076</u></u>	<u><u>\$ 4,701,402</u></u>

Grand Valley State University

WGVU Public Media

Statement of Cash Flows (Continued)

	Year Ended June 30	
	<u>2023</u>	<u>2022</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating Loss	\$ (906,602)	\$ (768,031)
Adjustments to reconcile loss to net cash from operating activities:		
Depreciation	423,654	443,209
Amortization of program rights	847,955	916,944
Changes in assets and liabilities:		
Accounts receivable	(6,017)	(28,733)
Inventory	(1,228)	276
Other assets	5,806	(36,861)
Program rights	(782,782)	(877,167)
Accounts payable	(20,356)	12,852
Accrued payroll and compensated absences	(41,375)	(43,538)
Unearned operating revenue	(86,857)	172,154
Retirement related deferrals and noncurrent liabilities	9,566	46,457
Net cash used in operating activities	<u>\$ (558,236)</u>	<u>\$ (162,438)</u>
Cash Consists of the Following Assets		
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 1,351,087	\$ 1,064,579
Cash held in Grand Valley State University pooled asset funds for restricted purposes	<u>3,224,989</u>	<u>3,636,823</u>
Total cash	<u>\$ 4,576,076</u>	<u>\$ 4,701,402</u>

Grand Valley State University

WGVU Public Media

Notes to Financial Statements June 30, 2023 and 2022

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.

Beginning in January 2022, 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 WGVU-FM that 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.

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.

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.

Note 1 - Significant Accounting Policies (Continued)

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, 2023 and 2022, 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 \$1,688,301 and \$1,719,443 at June 30, 2023 and 2022, respectively. Of the total balances, noncurrent accounts receivable totaled \$1,457,109 and \$1,482,202 at June 30, 2023 and 2022, 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, 2023 and 2022, the Network recognized revenues related to these lease agreements totaling \$266,598 and \$288,116, respectively, which are presented 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 is up to four years. Total amortization expense for purchased program rights was \$847,955 and \$916,944 for the years ended June 30, 2023 and 2022, respectively.

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 \$423,654 and \$443,209 for the years ended June 30, 2023, and 2022, respectively. The right-to-use asset is amortized over the shorter of the lease term or the useful life of the underlying asset. At June 30, 2023 and 2022, the cost of the right-to-use asset was \$163,413 and accumulated amortization totaled \$16,340 and \$9,805 at June 30, 2023 and June 30, 2022, 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.

Note 1 - Significant Accounting Policies (Continued)

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 represent 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.

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.

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 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.

Note 1 - Significant Accounting Policies (Continued)

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. For the deferred inflows of resources that relate to the net pension liability and the OPEB liability; see the notes to the financial statements for more information. The deferred inflow related to financing leases results from future inflows resulting from the university's lessor arrangements, as described 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.

Reclassification – Certain 2022 amounts have been reclassified to conform to 2023 presentation.

Grand Valley State University

WGVU Public Media

Notes to Financial Statements June 30, 2023 and 2022

Note 2 - Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets - Land	\$ 500,858	\$ -	\$ -	\$ 500,858
Depreciable capital assets:				
Buildings and towers	1,111,689	-	-	1,111,689
License	554,022	-	554,022	-
Equipment	10,225,368	42,408	79,428	10,188,348
Total cost of depreciable capital assets	11,891,079	42,408	633,450	11,300,037
Right-to-use Equipment	163,413	-	-	163,413
Total cost of capital assets	12,555,350	\$ 42,408	\$ 633,450	11,964,308
Less accumulated depreciation for:				
Buildings and towers	549,836	-	-	549,836
License	554,022	-	554,022	-
Equipment	9,116,698	417,119	79,428	9,454,389
Total accumulated depreciation	10,220,556	417,119	633,450	10,004,225
Less accumulated amortization for:				
Right-to-use Equipment	9,805	6,535	-	16,340
Total accumulated depreciation and amortization	10,230,361	423,654	633,450	10,020,565
Capital assets - Net	\$ 2,324,989			\$ 1,943,743

Grand Valley State University

WGVU Public Media

Notes to Financial Statements June 30, 2023 and 2022

Note 2 - Capital Assets (Continued)

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	10,399,449	393,790	567,871	10,225,368
Total cost of depreciable capital assets	12,170,160	393,790	672,871	11,891,079
Right-to-use Equipment	163,413	-	-	163,413
Total cost of capital assets	12,856,831	\$ 393,790	\$ 695,271	12,555,350
Less accumulated depreciation for:				
Buildings and towers	618,081	27,005	95,250	549,836
License	554,022	-	-	554,022
Equipment	9,265,919	409,667	558,888	9,116,698
Total accumulated depreciation	10,438,022	436,672	654,138	10,220,556
Less accumulated amortization for:				
Right-to-use Equipment	3,268	6,537	-	9,805
Total accumulated depreciation and amortization	10,441,290	443,209	654,138	10,230,361
Capital assets - Net	\$ 2,415,541			\$ 2,324,989

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, 2023 and 2022

Note 3 – Lease Liability

The Network leases cell tower equipment from an external party. In accordance with GASB 87, the Network records a right-to-use asset and lease liability 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 procure any leases with variable payments. The existing lease is not subject to a residual value guarantee.

Scheduled maturities of lease liabilities are as follows:

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>
2024	1,501	6,893
2025	1,843	6,802
2026	2,189	6,714
2027	2,557	6,612
2028	2,932	6,511
2029-2033	21,578	30,042
2034-2038	35,905	23,900
2039-2043	55,129	14,155
2044-2046	36,619	1,978
	<u>160,253</u>	<u>103,607</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 \$240,300 and \$220,800 for the years ended June 30, 2023 and 2022, respectively. Total payroll covered under this plan was approximately \$2,002,700 in 2023 and \$1,856,400 in 2022.

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 \$15,300 in 2023 and \$8,000 in 2022. Total payroll covered under this plan was approximately \$161,650 in 2023 and \$88,600 in 2022.

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, 2022 and 2021, 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
Total participants	<u>13</u>

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 increased beginning January 1, 2019 from 4.5 percent to 5.0 percent, and continues at 5.0 percent. The University's contribution rate of annual payroll was 16.5 percent and 21.9 percent for the years ended June 30, 2023 and 2022, respectively.

Note 3 - Retirement Plans (Continued)

Net Pension Liability - The University's net pension liability was measured as of June 30, 2023 and 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 and 2021, which used updated procedures to roll forward the estimated liability to June 30, 2023 and 2022, 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, 2023, 2022, and 2021 the proportionate share percentage for the Network's allocation of the University's liability was 2.9 percent, 3.0 percent and 2.8 percent, respectively.

For the years ended June 30, 2023 and 2022, the Network recognized pension expense of approximately \$62,370 and \$85,646, respectively.

At June 30, 2023, 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	\$ 13,382	\$ 28,219
Changes in assumptions	89,726	84,784
Net difference between projected and actual earnings on plan investments	226,866	-
Total	<u>\$ 329,974</u>	<u>\$ 113,003</u>

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	162,437	-
Total	<u>\$ 362,199</u>	<u>\$ 112,278</u>

Note 3 - 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
2024	\$ (70,472)
2025	13,819
2026	320,082
2027	(46,458)

Actuarial Assumptions - The total pension liability as of June 30, 2023 and 2022, the year end of the plan, was determined by an actuarial valuation as of July 1, 2022 and 2021, 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	5.95% and 5.71% as of July 1, 2023 and 2022, respectively, net of pension plan investment expense

For the July 1, 2022 actuarial valuation, the mortality improvement projection scale was updated from MP-2020 to MP-2021, since the prior measurement date. For the July 1, 2021 actuarial valuation, the mortality improvement projection scale was updated from MP-2019 to MP-2020. There were no changes in benefit terms during either period.

Note 3 - Retirement Plans (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 5.95 percent and 5.71 percent for the years ended June 30, 2023 and June 30, 2022. 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.

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, 2023 and 2022, the measurement dates, for each major asset class are summarized in the table on below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equities	62 %	6.89 %
Fixed income	18	3.96
Cash	3	2.04
Real estate	10	6.32
Commodities	7	3.89

The sum of the target allocations times the long-term expected rates is 5.95 percent and 5.71 percent for years ended June 30, 2023 and 2022, respectively.

Note 3 - Retirement Plans (Continued)

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, 2023	1% Decrease	Current Discount Rate (5.95%)	1% Increase
Net pension liability	\$ 723,325	\$ 567,236	\$ 273,785

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

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 4 - Other Postemployment Benefits

The University has a single-employer defined benefit plan that provides certain healthcare benefits for retired faculty and staff. As of June 30, 2023, the most recent valuation date, 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, 2023 total OPEB liability was measured based on an actuarial valuation performed June 30, 2023. The June 30, 2022 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.

Note 4 - Other Postemployment Benefits (Continued)

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, 2023, 2022, and 2021 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, 2023 and 2022, the Network recognized OPEB expense of approximately \$7,000 and \$14,500 respectively.

At June 30, 2023 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	\$ 12,004	\$ 20,673
Changes in assumptions	31,893	73,578
Total	<u>\$ 43,897</u>	<u>\$ 94,251</u>

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 4 - Other Postemployment Benefits (Continued)

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
2024	(8,748)
2025	(8,748)
2026	(8,748)
2027	(8,658)
2028	(12,197)
Thereafter	(3,255)

Actuarial Assumptions – The OPEB liability in the June 30, 2023 actuarial valuation was determined using an inflation assumption of 0 percent; assumed salary increases (including inflation) of 2.5 percent; an investment rate of 0 percent as assets held are not allowable for inclusion under GASB Statement No. 75 requirements; a health care cost trend rate of 7.25 percent and 6.0 percent in 2023 and 2022, respectively, decreasing 0.25 percent per year to an ultimate rate of 4.5 percent; and using the RP-2014 mortality tables with the MP-2021 improvement scale in 2023 and 2022.

There were no changes in benefit terms during 2023 or 2022.

Discount rate – The discount rate used to measure the total OPEB liability was 4.13 percent at June 30, 2023 and 4.09 percent at June 30, 2022. 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.

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, 2023	1% Decrease	Current Discount Rate (4.13%)	1% Increase
Total OPEB Liability	\$ 399,126	\$ 356,579	\$ 320,625

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

Note 4 - Other Postemployment Benefits (Continued)

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, 2023	1% Decrease	Healthcare Trend Rate (7.25%)	1% Increase
Total OPEB Liability	\$ 356,268	\$ 356,579	\$ 356,935

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

Note 5 - 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 2023 and 2022 NFFS. This change excludes all revenue received for any capital purchases.

Note 5 - Nonfederal Financial Support (NFFS) (Continued)

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 during year ended June 30, 2022.

Reported NFFS for the Network were \$4,934,950 and \$4,594,888 for the WGVU-TV fund, \$1,103,581 and \$937,486 for the WGVU-FM fund, \$0 and \$188,659 for the WGVU-AM fund for 2023 and 2022, respectively.

Note 6 – Upcoming Pronouncements

In June, 2022, the Governmental Accounting Standards Board issued GASB Statement No 101, “*Compensated Absences*”, which updates the recognition and measurement guidance for compensated absences under a unified model. The statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the University’s financial statements for the year ending June 30, 2025.

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, 2023</u>	<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	2.9%	3.0%	2.8%	2.7%	2.6%	2.7%	2.7%	3.4%	2.9%	2.9%
Amount	\$ 567,236	\$ 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	6.2%	5.1%	3.5%	3.5%	2.9%	2.9%	3.3%	3.4%	3.4%	3.4%
Amount	\$ 302,617	\$ 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	187.4%	212.8%	34.5%	151.9%	178.5%	124.5%	132.6%	125.8%	90.3%	50.8%
	<u>June 30, 2023</u>	<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	\$ 30,886	\$ 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	\$ 23,553	\$ 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	\$ 7,333	\$ 1,913	\$ 1,807	\$ (1,938)	\$ (2,426)	\$ (4,462)	\$ 600	\$ 34,605	\$ (4,684)	\$ 1,715
Network's covered payroll	\$ 302,617	\$ 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	7.8%	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, 2023</u>	<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	5.95%/year	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	6.50%/year	7.00%/year	7.00%/year	7.00%/year
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	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	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, 2023</u>	<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	1.8%	1.9%	1.9%	1.9%	1.9%	1.8%
Amount	356,579	347,237	347,237	422,374	383,146	353,464
Network's covered payroll	969,463	1,087,278	1,108,757	1,138,731	1,189,465	1,523,997
Net OPEB liability as a percentage of covered payroll	36.8%	31.9%	31.3%	37.1%	32.2%	23.2%
Discount rate	4.13%	4.09%	2.18%	2.66%	3.36%	3.00%
Mortality	RP-2014 with Projection Table MP-2021	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

No assets are accumulated in an irrevocable trust to pay related other post-employment benefits.

Other Supplementary Information

Grand Valley State University

WGVU Public Media

Combined Statement of Net Position June 30, 2023

	Television	Radio - FM	Combined Total
Assets			
Current assets:			
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 694,676	\$ 656,411	\$ 1,351,087
Cash held in Grand Valley State University pooled asset funds for restricted purposes	3,089,991	134,998	3,224,989
Accounts receivable - Current portion	304,239	20,757	324,996
Inventory	4,513	-	4,513
Prepaid expenses	46,296	564	46,860
Purchased program rights - Current portion	531,103	-	531,103
Total current assets	4,670,818	812,730	5,483,548
Noncurrent assets:			
Accounts receivable - Net of current portion	1,457,109	-	1,457,109
Investments held in Grand Valley State University endowment funds	553,801	134,839	688,640
Purchased program rights - Long-term portion	250,847	-	250,847
Capital assets - Net	1,230,156	713,587	1,943,743
Total noncurrent assets	3,491,913	848,426	4,340,339
Total assets	8,162,731	1,661,156	9,823,887
Deferred Outflow of Resources - Retirement benefit related deferrals	367,873	5,998	373,871
Liabilities			
Current liabilities:			
Unearned operating revenue	1,909,322	107,076	2,016,398
Accounts payable	11,873	1,578	13,451
Accrued payroll and related taxes	110,372	18,283	128,655
Accrued compensated absences	136,080	46,675	182,755
Lease liability - Current portion	-	1,501	1,501
Other postemployment benefits - Current portion	15,292	1,485	16,777
Total current liabilities	2,182,939	176,598	2,359,537
Noncurrent liabilities:			
Lease liability - Net of current portion	-	158,752	158,752
Other postemployment benefits	288,630	51,172	339,802
Net pension liability	567,236	-	567,236
Total noncurrent liabilities	855,866	209,924	1,065,790
Total liabilities	3,038,805	386,522	3,425,327
Deferred Inflow of Resources			
Retirement benefit related deferrals	189,791	17,463	207,254
Leases	1,579,622	-	1,579,622
Net Position			
Net investment in capital assets	1,230,154	549,961	1,780,115
Restricted - Nonexpendable	357,258	81,345	438,603
Restricted - Expendable	960,515	87,377	1,047,892
Unrestricted (deficit)	1,174,459	544,486	1,718,945
Total net position	<u>\$ 3,722,386</u>	<u>\$ 1,263,169</u>	<u>\$ 4,985,555</u>

Grand Valley State University

WGVU Public Media

Combined Statement of Revenue, Expenses, and Changes in Net Position Year Ended June 30, 2023

	Television	Radio - FM	Combined Total
Operating Revenue			
Operating grant from Grand Valley State University	\$ 373,160	\$ 442,463	\$ 815,623
Contributions, subscriptions, and memberships	2,678,006	327,799	3,005,805
Community service grant from the Corporation for Public Broadcasting	976,334	115,070	1,091,404
Other grants from the Corporation for Public Broadcasting	78,763	-	78,763
Government grants and contracts	74,469	-	74,469
Nongovernment grants and contracts	201,581	-	201,581
Donated facilities and administrative support from Grand Valley State University	1,250,029	202,947	1,452,976
In-kind contributions	49,843	43,347	93,190
Underwriting revenue	337,681	149,207	486,888
Production and use of facilities	199,553	-	199,553
Miscellaneous revenue	80,954	3,500	84,454
Total operating revenue	6,300,373	1,284,333	7,584,706
Operating Expenses			
Program services:			
Programming and production	1,636,601	703,766	2,340,367
Broadcasting	1,015,829	27,524	1,043,353
Program information and promotion	681,186	62,515	743,701
Support services:			
Management and general	2,373,455	323,808	2,697,263
Fundraising, membership development, and auction	1,203,385	39,585	1,242,970
Depreciation expense	399,531	24,123	423,654
Total operating expenses	7,309,987	1,181,321	8,491,308
Operating Income (Loss)	(1,009,614)	103,012	(906,602)
Nonoperating Revenue			
Fundraising income	98,025	4,688	102,713
Gain on disposal of assets	1,000	60,000	61,000
Lease Revenue	266,598	-	266,598
Interest Expense	-	(6,934)	(6,934)
Investment Income	123,822	13,020	136,842
Total nonoperating revenue	489,445	70,774	560,219
Income (Loss)- Before other	(520,169)	173,786	(346,383)
Other Revenue (loss)			
Additions to permanent endowment	525	-	525
Total other revenue	525	-	525
Increase (Decrease) in Net Position	(519,644)	173,786	(345,858)
Net Position (Deficit) - Beginning of year	4,242,030	1,089,383	5,331,413
Net Position (Deficit) - End of year	\$ 3,722,386	\$ 1,263,169	\$ 4,985,555

Grand Valley State University

WGVU Public Media

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FIELD	VALUES
Company Name (Headings)	Grand Valley State University Public Broadcasting Network
Company Name (Text)	Grand Valley State University
D/B/A	
Year End	June 30, 2017
Prior Year	June 30, 2016
2 Year Prior	June 30, 2015
Opinion Date	OPINION DATE
Comparative Date	June 30, 2017 and 2016
2004	2017
2003	2016
2002	2015