

**Grand Valley State University
WGVU Public Media**

**Financial Report
with Supplementary Information
June 30, 2024**

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, 2024 and 2023 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, 2024 and 2023 and the changes in its financial position and, where applicable, its cash flows thereof 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, 2024 and 2023 and the changes in its financial position and its cash flows for the year 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.

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

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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming 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.

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

Additional information

Management is responsible for the administrative officers included in the basic financial statements. The other information comprises the administrative officers, which is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Our opinion on the financial statements does not cover such information, and we do not express an opinion or any form of assurance thereon.

Plante & Moran, PLLC

January 29, 2025

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Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited

Fiscal Year Ended June 30, 2024

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 11 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>2024</u>	<u>2023</u>	<u>2022</u>
Assets			
Current assets:			
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 5,189,340	\$ 4,576,076	\$ 4,701,402
Accounts receivable - Current portion	417,644	324,996	319,766
Inventory and prepaid expenses	39,802	51,373	55,951
Current portion - Program rights	<u>524,985</u>	<u>531,103</u>	<u>569,159</u>
Total current assets	6,171,771	5,483,548	5,646,278
Noncurrent assets:			
Investments held in Grand Valley State University endowment funds	749,835	688,640	649,429
Accounts receivable - Net of current portion	1,531,500	1,457,109	1,482,202
Long-term portion - Program rights	273,598	250,847	277,964
Capital assets - Net of depreciation	<u>1,685,261</u>	<u>1,943,743</u>	<u>2,324,989</u>
Total noncurrent assets	<u>4,240,194</u>	<u>4,340,339</u>	<u>4,734,584</u>
Total assets	10,411,965	9,823,887	10,380,862
Deferred Outflow of Resources - Retirement-related deferrals	171,962	373,871	404,206
Liabilities			
Current liabilities:			
Unearned operating revenue	2,126,836	2,016,398	2,103,255
Other current liabilities	<u>360,845</u>	<u>343,139</u>	<u>407,726</u>
Total current liabilities	2,487,681	2,359,537	2,510,981
Noncurrent liabilities:			
Lease liability - Net of current portion	156,909	158,752	160,262
Other postemployment benefits	270,246	339,802	327,323
Net pension liability	<u>422,783</u>	<u>567,236</u>	<u>587,748</u>
Total noncurrent liabilities	<u>849,938</u>	<u>1,065,790</u>	<u>1,075,333</u>
Total liabilities	3,337,619	3,425,327	3,586,314
Deferred Inflow of Resources	1,678,103	1,786,876	1,867,341
Net Position			
Net investment in capital assets	1,523,141	1,780,115	2,163,510
Restricted - Nonexpendable	438,791	438,603	438,078
Restricted - Expendable	1,874,623	1,047,892	1,361,849
Unrestricted	<u>1,731,650</u>	<u>1,718,945</u>	<u>1,367,976</u>
Total net position	<u>\$ 5,568,205</u>	<u>\$ 4,985,555</u>	<u>\$ 5,331,413</u>

Grand Valley State University

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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 2023 to 2024, current assets increased \$688,223 after decreasing \$162,730 from 2022 to 2023.

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. Endowed investments increased \$61,195 in 2024 as financial markets continued to thrive. From 2023 to 2024, the noncurrent lease receivable increased \$74,391 based on additions to long-term lease agreements. From 2022 to 2023, there was a decrease of \$25,093 as payments from lessees were offset by a new long-term lease agreement. The balance of program rights increased \$22,751 from 2023 to 2024 as PBS annual programming rights slightly increased, although remaining stable over the three year period. Net capital assets decreased \$258,482 from 2023 to 2024 due to depreciation expense of \$292,955 offset by equipment purchases of \$34,474. 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 after WGVU-AM 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 2023 to 2024, deferred outflows decreased \$201,909. From 2022 to 2023 deferred outflows decreased \$30,335, due to changes in actuarial assumptions in retirement benefit plans. 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 increased \$110,438 from 2023 to 2024 due to receipt of a new nongovernmental grant not yet expended at June 30, 2024. Unearned operating revenue decreased \$86,857 from 2022 to 2023 due to spend down of the CPB CSG received by WGVU-FM in 2022. Other current liabilities increased by \$17,706 from 2023 to 2024 due to accrued accounts payable. 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.

Grand Valley State University

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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 \$108,773 from 2023 to 2024 mainly due to a decrease in retirement benefit related deferrals. 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. 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 increased \$582,650 from 2023 to 2024 of which the expendable portion of restricted funds increased \$826,731 due to a substantial planned gift received during June 2024. This increase was offset by a decrease in net investment in capital assets of \$256,974 as investment in capital assets continues to decline. 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. Over the three year period, unrestricted net assets increased by \$363,674.

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>2024</u>	<u>2023</u>	<u>2022</u>
Operating Revenue			
Operating grant from Grand Valley State University	\$ 867,173	\$ 815,623	\$ 867,781
Contributions, subscriptions, and memberships	3,919,990	3,005,805	2,913,972
Grants from the Corporation for Public Broadcasting	1,800,652	1,170,167	872,804
Other grants and contracts	199,182	276,050	254,459
Donated facilities, administrative support, and in-kind contributions	1,538,118	1,546,166	1,396,463
Underwriting revenue	396,259	486,888	538,934
Production and use of facilities	131,444	270,864	203,865
Miscellaneous revenue	7,293	13,143	104,645
Total operating revenue	<u>8,860,111</u>	<u>7,584,706</u>	<u>7,152,923</u>
Operating Expenses			
Program services	4,825,706	4,127,421	3,912,515
Support services	3,811,159	3,940,233	3,565,230
Depreciation expense	292,955	423,654	443,209
Total operating expenses	<u>8,929,820</u>	<u>8,491,308</u>	<u>7,920,954</u>
Operating Income (Loss)	(69,709)	(906,602)	(768,031)
Nonoperating Revenue			
Fundraising income	221,608	102,713	-
Lease revenue	271,179	266,598	288,116
Other nonoperating revenue (expense)	158,284	190,908	(17,974)
Total nonoperating revenue	<u>651,071</u>	<u>560,219</u>	<u>270,142</u>
Income (Loss) - Before other revenue	581,362	(346,383)	(497,889)
Other	<u>1,288</u>	<u>525</u>	<u>708</u>
Increase (Decrease) in Net Position	582,650	(345,858)	(497,181)
Net Position - Beginning of year	4,985,555	5,331,413	5,828,594
Net Position - End of year	<u><u>\$ 5,568,205</u></u>	<u><u>\$ 4,985,555</u></u>	<u><u>\$ 5,331,413</u></u>

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

Operating Revenue increased \$1,275,405 from 2023 to 2024 due to an increase in CPB CSG grant revenue of \$630,485 generated from higher expenditures during 2024 and the receipt of an \$823,000 planned gift. This increase was partially offset by a decrease in production and underwriting revenue of \$230,049 as existing economic conditions weakened sales opportunities. In addition, other grants and contracts revenue decreased \$55,277 due to an expiring grant. Operating revenue increased \$431,783 from 2022 to 2023 due to higher annual CPB funding and increase in memberships and other grants.

Operating expenses increased \$438,512 from 2023 to 2024 after increasing \$570,354 from 2022 to 2023. The Network's salaries, wages, and benefits expense represents the largest operating expense category. Personnel expense increased \$342,157 from 2023 to 2024 with additional hires and salary program. In addition, there was an increase in contractual services related to a Jubilee fundraising event for WGVU-TV in September of 2023 as WGVU-FM brought in a national radio personality for a performance. Depreciation expense decreased over the three-year period. 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.

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. In 2024, WGVU was able to return to a full slate of fundraising events, which led to an increase in fundraising revenue of \$118,995 from 2023 to 2024. After no fundraising income in 2022 due to the continued impact of the COVID-19 pandemic, fundraising events returned in 2023, which resulted in an increase of \$102,406. Investment income increased \$28,335 from 2023 to 2024 after increasing \$106,707 from 2022 to 2023 due to rebounding financial markets.

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, contractual services, and supplies.

Cash increased \$613,264 from 2023 to 2024, as grant receipts, contributions, and fundraising increases outpaced increases in payments to suppliers and employees, including benefits. Cash provided by operating activities from 2022 to 2023 reflects the use of CARES/ARPA 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>2024</u>	<u>2023</u>	<u>2022</u>
Net Cash Provided by (Used In)			
Operating activities	\$ 91,629	\$ (558,236)	\$ (162,438)
Noncapital financing activities	222,896	103,238	(265,096)
Capital and related financing activities	271,817	302,401	(95,314)
Investing activities	<u>26,922</u>	<u>27,271</u>	<u>23,556</u>
Net Increase (Decrease) in Cash	613,264	(125,326)	(499,292)
Cash - Beginning of year	<u>4,576,076</u>	<u>4,701,402</u>	<u>5,200,694</u>
Cash - End of year	<u>\$ 5,189,340</u>	<u>\$ 4,576,076</u>	<u>\$ 4,701,402</u>

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

Economic Factors That Will Affect the Future

While contribution revenue remained stable in 2024, other networks across the public media system continue to experience decreases in individual giving. We anticipate that membership revenue will remain stable and are exploring other funding opportunities to safeguard against stagnation in individual giving.

In fiscal year 2025, the federal appropriation to CPB was increased to \$535 million and the same amount was requested for fiscal year 2026. For the 2025 award year, CPB has allocated \$138,086 in CSG funding for WGVU-FM, \$1,252,190 in CSG funding for WGVU-TV, \$19,877 in Interconnection funding for WGVU-TV and \$73,114 in Universal Support Services funding for WGVU-TV. This represents an overall increase of funding to the network of 5.6% over the 2024 award year. The incoming administration has previously recommended defunding the Corporation for Public Broadcasting and it is possible that with Republican control of the House and Senate, that Corporation for Public Broadcasting will see a decrease in the appropriation received.

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 once again receive \$250,000 in fiscal year 2025 to expand its educational outreach.

As mentioned previously, 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. This effort resulted in the receipt of an \$823,000 planned gift in June of 2024. The Network is also focused on increasing the number of members who contribute at a mid and major giving level. The network is increasingly focused on soliciting grant support from foundations to support continued community engagement and the production of local content.

Grand Valley State University

WGVU Public Media

Statement of Net Position

	June 30, 2024	June 30, 2023
Assets		
Current assets:		
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 1,650,472	\$ 1,351,087
Cash held in Grand Valley State University pooled asset funds for restricted purposes	3,538,868	3,224,989
Accounts receivable - Current portion	417,644	324,996
Inventory	3,553	4,513
Prepaid expenses	36,249	46,860
Purchased program rights - Current portion	524,985	531,103
Total current assets	6,171,771	5,483,548
Noncurrent assets:		
Investments held in Grand Valley State University endowment funds	749,835	688,640
Accounts receivable - Net of current portion	1,517,679	1,457,109
Purchased program rights - Long-term portion	273,598	250,847
Prepaid expense	13,821	-
Capital assets - Net (Note 2)	1,685,261	1,943,743
Total noncurrent assets	4,240,194	4,340,339
Total assets	10,411,965	9,823,887
Deferred Outflow of Resources - Retirement benefit related deferrals	171,962	373,871
Liabilities		
Current liabilities:		
Unearned operating revenue	2,126,836	2,016,398
Accounts payable	29,524	13,451
Accrued payroll and related taxes	141,405	128,655
Accrued compensated absences	175,198	182,755
Lease liability - Current portion (Note 3)	1,843	1,501
Other postemployment benefits - Current portion (Note 5)	12,875	16,777
Total current liabilities	2,487,681	2,359,537
Noncurrent liabilities:		
Lease liability - Net of current portion (Note 3)	156,909	158,752
Other postemployment benefits (Note 5)	270,246	339,802
Net pension liability (Note 4)	422,783	567,236
Total noncurrent liabilities	849,938	1,065,790
Total liabilities	3,337,619	3,425,327
Deferred Inflow of Resources		
Retirement benefit related deferrals	100,541	207,254
Leases	1,577,562	1,579,622
Net Position		
Net investment in capital assets	1,523,141	1,780,115
Restricted - Nonexpendable	438,791	438,603
Restricted - Expendable	1,874,623	1,047,892
Unrestricted	1,731,650	1,718,945
Total net position	\$ 5,568,205	\$ 4,985,555

Grand Valley State University

WGVU Public Media

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30	
	2024	2023
Operating Revenue		
Operating grant from Grand Valley State University	\$ 867,173	\$ 815,623
Contributions, subscriptions, and memberships	3,919,990	3,005,805
Community service grant from the Corporation for Public Broadcasting	1,721,079	1,091,404
Other grants from the Corporation for Public Broadcasting	79,573	78,763
Government grants and contracts	126,544	74,469
Nongovernment grants and contracts	72,638	201,581
Donated facilities and administrative support from Grand Valley State University	1,414,536	1,452,976
In-kind contributions	123,582	93,190
Underwriting revenue	396,259	486,888
Production and use of facilities	131,444	270,864
Miscellaneous revenue	7,293	13,143
Total operating revenue	8,860,111	7,584,706
Operating Expenses		
Program services:		
Programming and production	2,893,198	2,340,367
Broadcasting	994,260	1,043,353
Program information and promotion	938,248	743,701
Support services:		
Management and general	2,338,813	2,697,263
Fundraising, membership development, and auction	1,472,346	1,242,970
Depreciation expense	292,955	423,654
Total operating expenses	8,929,820	8,491,308
Operating Loss	(69,709)	(906,602)
Nonoperating Revenue (Expense)		
Fundraising income	221,608	102,713
Gain on disposal of assets	-	61,000
Financing lease revenue	271,179	266,598
Interest expense	(6,893)	(6,934)
Investment income	165,177	136,842
Total nonoperating revenue	651,071	560,219
Income (Loss) - Before other revenue	581,362	(346,383)
Other Revenue		
Additions to permanent endowment	1,288	525
Total other	1,288	525
Increase (Decrease) in Net Position	582,650	(345,858)
Net Position - Beginning of year	4,985,555	5,331,413
Net Position - End of year	\$ 5,568,205	\$ 4,985,555

Grand Valley State University

WGVU Public Media

Statement of Cash Flows

	Year Ended June 30	
	2024	2023
Cash Flows from Operating Activities		
Grants and contracts	\$ 2,887,444	\$ 2,203,240
Payments to suppliers	(2,990,429)	(2,826,709)
Payments to employees, including benefits	(4,105,063)	(3,677,193)
Underwriting revenue	364,532	452,614
Contributions, subscriptions, and memberships	3,796,408	3,005,805
Production and use of facilities	131,444	199,553
Miscellaneous revenue	7,293	84,454
Net cash provided by (used in) operating activities	91,629	(558,236)
Cash Flows from Noncapital Financing Activities		
Fundraising proceeds	221,608	102,713
Private gifts for endowment purposes	1,288	525
Net cash provided by noncapital financing activities	222,896	103,238
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of capital assets	-	60,000
Purchases of capital assets and construction	(34,473)	(41,408)
Principal paid on lease liability	(1,501)	(1,226)
Interest paid on lease liability	(6,898)	(6,938)
Principal received from lessor agreements	242,837	221,613
Interest received from lessor agreements	71,852	70,360
Net cash provided by capital and related financing activities	271,817	302,401
Cash Flows from Investing Activities		
Investment interest income	4,075	5,797
Change in Investment in Grand Valley State University endowment pool	22,847	21,474
Net cash provided by investing activities	26,922	27,271
Net Increase (Decrease) in Cash	613,264	(125,326)
Cash - Beginning of year	4,576,076	4,701,402
Cash - End of year	\$ 5,189,340	\$ 4,576,076

Grand Valley State University

WGVU Public Media

Statement of Cash Flows (Continued)

	Year Ended June 30	
	2024	2023
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating Loss	\$ (69,709)	\$ (906,602)
Adjustments to reconcile loss to net cash from operating activities:		
Depreciation	292,955	423,654
Amortization of program rights	700,053	847,955
Changes in assets and liabilities:		
Accounts receivable	(121,729)	(6,017)
Inventory	960	(1,228)
Other assets	(3,210)	5,806
Program rights	(716,685)	(782,782)
Accounts payable	16,078	(20,356)
Accrued payroll and compensated absences	5,193	(41,375)
Unearned operating revenue	110,438	(86,857)
Retirement related deferrals and noncurrent liabilities	(122,715)	9,566
Net cash used in operating activities	<u>\$ 91,629</u>	<u>\$ (558,236)</u>
Cash Consists of the Following Assets		
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 1,650,472	\$ 1,351,087
Cash held in Grand Valley State University pooled asset funds for restricted purposes	<u>3,538,868</u>	<u>3,224,989</u>
Total cash	<u>\$ 5,189,340</u>	<u>\$ 4,576,076</u>

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 that is not reported as part of the Network.

Basis of Presentation - The financial statements have been prepared in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board using the economic resource measurement focus. The Network follows all applicable Governmental Accounting Standards Board (GASB) pronouncements. 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.

Basis of Accounting – The financial statements of the Network have been prepared on the accrual basis, whereby all revenue is recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

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, 2024 and 2023, 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 \$1,714,582 and \$1,688,301 at June 30, 2024 and 2023, respectively. Of the total balances, noncurrent accounts receivable totaled \$1,517,679 and \$1,457,109 at June 30, 2024 and 2023, 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, 2024 and 2023, the Network recognized revenues related to these lease agreements totaling \$271,179 and \$266,598, 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 \$700,053 and \$847,955 for the years ended June 30, 2024 and 2023, 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 \$292,955 and \$423,654 for the years ended June 30, 2024, and 2023, 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, 2024 and 2023, the cost of the right-to-use asset was \$163,413 and accumulated amortization totaled \$22,876 and \$16,340 at June 30, 2024 and June 30, 2023, respectively.

Unearned Operating Revenue - Unearned operating revenue mainly 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.

It is the Network's policy to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

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 Note 4 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.

Grand Valley State University
WGVU Public Media

Notes to Financial Statements
June 30, 2024 and 2023

Note 2 - Capital Assets

Capital asset activity for the year ended June 30, 2024 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
Equipment	10,188,348	34,473	-	10,222,821
Total cost of depreciable capital assets	11,300,037	34,473	-	11,334,510
Right-to-use Equipment	163,413	-	-	163,413
Total cost of capital assets	11,964,308	<u>\$ 34,473</u>	<u>\$ -</u>	11,998,781
Less accumulated depreciation for:				
Buildings and towers	549,836	53,510	-	603,346
Equipment	9,454,389	232,909	-	9,687,298
Total accumulated depreciation	10,004,225	286,419	-	10,290,644
Less accumulated amortization for:				
Right-to-use Equipment	16,340	6,536	-	22,876
Total accumulated depreciation and amortization	10,020,565	292,955	-	10,313,520
Capital assets - Net	<u>\$ 1,943,743</u>			<u>\$ 1,685,261</u>

Grand Valley State University
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Notes to Financial Statements
June 30, 2024 and 2023

Note 2 - Capital Assets (Continued)

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

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

The following estimated useful lives are used to compute depreciation:

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

Grand Valley State University
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Notes to Financial Statements
June 30, 2024 and 2023

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:

Fiscal year	Principal	Interest
2025	1,843	6,802
2026	2,188	6,715
2027	2,557	6,612
2028	2,932	6,511
2029	3,368	6,357
2030-2034	24,109	29,054
2035-2039	39,317	22,274
2040-2044	59,675	11,678
2045-2047	22,763	713
	158,752	96,716

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 \$283,000 and \$240,300 for the years ended June 30, 2024 and 2023, respectively. Total payroll covered under this plan was approximately \$2,358,400 in 2024 and \$2,002,700 in 2023.

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 \$25,800 in 2024 and \$15,300 in 2023. Total payroll covered under this plan was approximately \$286,700 in 2024 and \$161,650 in 2023.

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, 2023 and 2022, 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	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 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 23.8 percent and 16.5 percent for the years ended June 30, 2024 and 2023, respectively.

Note 4 - Retirement Plans (Continued)

Net Pension Liability - The University's net pension liability was measured as of June 30, 2024 and 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 and 2022, which used updated procedures to roll forward the estimated liability to June 30, 2024 and 2023, 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, 2024, 2023, and 2022 the proportionate share percentage for the Network's allocation of the University's liability was 2.9 percent, 2.9 percent, and 3.0 percent, respectively.

For the years ended June 30, 2024 and 2023, the Network recognized pension expense of approximately \$5,340 and \$62,370, respectively.

At June 30, 2024, 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	\$ 113,014	\$ -
Changes in assumptions	142,657	56,352
Net difference between projected and actual earnings on plan investments	-	68,121
Total	<u>\$ 255,671</u>	<u>\$ 124,473</u>

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>

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
2025	\$ (39,426)
2026	36,412
2027	(28,046)
2028	(19,877)

Actuarial Assumptions - The total pension liability as of June 30, 2024 and 2023, the year end of the plan, was determined by an actuarial valuation as of July 1, 2023 and 2022, 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	6.15% and 5.95% as of July 1, 2024 and 2023, respectively, net of pension plan investment expense

For the July 1, 2023 actuarial valuation, the mortality improvement projection scale was updated from MP-2021 to 2024 IRS Adjusted Improvement Scale MP-2021, since the prior measurement date. For the July 1, 2022, actuarial valuation, the mortality improvement projection scale was updated from MP-2020 to MP-2021. There were no changes in benefit terms during either period.

Note 4 - Retirement Plans (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 6.15 and 5.95 percent for the years ended June 30, 2024 and June 30, 2023. 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, 2024 and 2023, 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 %	7.13 %
Fixed income	18	3.86
Cash	3	2.16
Real estate	10	7.18
Commodities	7	3.65

The sum of the target allocations times the long-term expected rates is 6.15 and 5.95 percent for years ended June 30, 2024 and 2023, respectively.

Note 4 - 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, 2024	1% Decrease	Current Discount Rate (6.15%)	1% Increase
Net pension liability	\$ 567,787	\$ 422,783	\$ 137,834

June 30, 2023	1% Decrease	Current Discount Rate (5.95%)	1% Increase
Net pension liability	\$ 723,325	\$ 567,236	\$ 273,785

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 June 30, 2023, the most recent valuation date, the plan covers approximately 30 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, 2024 OPEB liability was measured as of June 30, 2024 based on an actuarial valuation performed June 30, 2023 in compliance with GASB Statement No. 75. The June 30, 2023 total OPEB liability was measured based on an actuarial valuation performed June 30, 2023.

Note 5 - 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, 2024, 2023, and 2022 the proportionate share percentage for the Network's allocation of the University's liability was 1.4 percent, 1.8 percent, and 1.9 percent, respectively.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the years ended June 30, 2024 and 2023, the Network recognized OPEB expense of approximately \$8,700 and \$7,000 respectively.

At June 30, 2024 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	\$ (23,677)	\$ (5,452)
Changes in assumptions	<u>(60,032)</u>	<u>(18,480)</u>
Total	<u><u>(83,709)</u></u>	<u><u>(23,932)</u></u>

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	<u>31,893</u>	<u>73,578</u>
Total	<u><u>\$ 43,897</u></u>	<u><u>\$ 94,251</u></u>

Note 5 - 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
2025	(12,533)
2026	(12,533)
2027	(12,427)
2028	(16,562)
2029	(5,722)

Actuarial Assumptions – The OPEB liability was measured as of June 30, 2024 based on an actuarial valuation performed June 30, 2023, which used update procedures to roll forward the estimated liability to June 30, 2024. The liability 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, thereafter decreasing 0.25 percent per year to an ultimate rate of 4.5 percent; and using the RP-2014 mortality tables with Projection MP-2021 improvement scale.

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using an inflation assumption of 0 percent as assets held are not allowable for inclusion under GASB Statement No. 75 requirements; assumed salary increases (including inflation) of 2.5 percent; a health care cost trend rate of 7.25 percent, and using the RP-2014 mortality tables with Projection MP-2021 improvement scale.

There were no changes in benefit terms during 2024 or 2023.

Discount rate – The discount rate used to measure the total OPEB liability was 4.21 at June 30, 2024 and 4.13 percent at June 30, 2023. 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:

**Grand Valley State University
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**Notes to Financial Statements
June 30, 2024 and 2023**

Note 5 - Other Postemployment Benefits (Continued)

June 30, 2024	1% Decrease	Current Discount Rate (4.21%)	1% Increase
Total OPEB Liability	\$ 319,079	\$ 283,121	\$ 312,115

June 30, 2023	1% Decrease	Current Discount Rate (4.13%)	1% Increase
Total OPEB Liability	\$ 399,126	\$ 356,579	\$ 320,625

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, 2024	1% Decrease	Current Healthcare Trend Rate (7.25%)	1% Increase
Total OPEB Liability	\$ 282,847	\$ 283,121	\$ 283,435

June 30, 2023	1% Decrease	Current Healthcare Trend Rate (7.25%)	1% Increase
Total OPEB Liability	\$ 356,268	\$ 356,579	\$ 356,935

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.

Note 6 - Nonfederal Financial Support (NFFS) (Continued)

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 2024 and 2023 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.

Reported Direct NFFS for the Network were \$5,529,421 and \$4,675,667 for the WGVU-TV fund and \$1,217,576 and \$1,110,515 for the WGVU-FM fund for 2024 and 2023, 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 Network’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, 2024</u>	<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>
Network's allocated portion of the collective University plan net pension liability:										
As a percentage	2.9%	2.9%	3.0%	2.8%	2.7%	2.6%	2.7%	2.7%	3.4%	2.9%
Amount	442,783 \$	567,236 \$	587,748 \$	91,361 \$	405,164 \$	414,369 \$	397,537 \$	433,797 \$	433,265 \$	332,616
Network's covered payroll:										
As a percentage	5.5%	6.2%	5.1%	3.5%	3.5%	2.9%	2.9%	3.3%	3.4%	3.4%
Amount	\$ 269,000	\$ 302,617	\$ 276,257	\$ 264,753	\$ 266,710	\$ 232,163	\$ 319,356	\$ 327,173	\$ 344,516	\$ 368,183
Network's collective pension liability as a percentage of covered payroll	164.6%	187.4%	212.8%	34.5%	151.9%	178.5%	124.5%	132.6%	125.8%	90.3%

	<u>June 30, 2024</u>	<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>
Network's allocated share of the University's actuarially determined contribution offset by employee contributions	\$ 5,340	\$ 30,886	\$ 45,374	\$ 42,846	\$ 43,989	\$ 46,302	\$ 51,106	\$ 56,131	\$ 88,904	\$ 34,639
Network's allocated share of the University's actual contributions	\$ 64,022	\$ 23,553	\$ 43,461	\$ 41,039	\$ 45,927	\$ 48,728	\$ 55,568	\$ 55,530	\$ 54,299	\$ 47,423
Network's allocated share of the University's contribution (excess) deficiency	\$ (58,682)	\$ 7,333	\$ 1,913	\$ 1,807	\$ (1,938)	\$ (2,426)	\$ (4,462)	\$ 600	\$ 34,605	\$ (4,684)
Network's covered payroll	\$ 269,000	\$ 302,617	\$ 276,257	\$ 264,753	\$ 266,710	\$ 232,163	\$ 319,356	\$ 327,173	\$ 344,516	\$ 368,183
Network's allocated share of the University's contributions as a percentage of covered payroll	23.8%	7.8%	15.7%	15.5%	17.2%	21.0%	17.4%	17.0%	15.8%	12.9%

Actuarial valuation information relative to the determination of contributions:

	<u>June 30, 2024</u>	<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>
Total pension liability	6.15%/year	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
Funding	6.50%/year	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
Mortality	RP-2014 with Projection Table MP-2022	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
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, 2024</u>	<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	1.4%	1.8%	1.9%	1.9%	1.9%	1.9%	1.8%
Amount	283,121	356,579	347,237	430,158	422,374	383,146	353,464
Network's covered payroll	882,503	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	32.1%	36.8%	31.9%	38.8%	37.1%	32.2%	23.2%
Discount rate	4.21%	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- 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, 2024

	Television	Radio - FM	Combined Total
Assets			
Current assets:			
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 1,076,886	\$ 573,586	\$ 1,650,472
Cash held in Grand Valley State University pooled asset funds for restricted purposes	3,382,183	156,685	3,538,868
Accounts receivable - Current portion	341,360	76,284	417,644
Inventory	3,553	-	3,553
Prepaid expenses	34,645	1,604	36,249
Purchased program rights - Current portion	524,985	-	524,985
Total current assets	5,363,612	808,159	6,171,771
Noncurrent assets:			
Investments held in Grand Valley State University endowment funds	602,000	147,835	749,835
Accounts receivable - Net of current portion	1,517,679	-	1,517,679
Purchased program rights - Long-term portion	273,598	-	273,598
Prepaid expense	13,821	-	13,821
Capital assets - Net	990,651	694,610	1,685,261
Total noncurrent assets	3,397,749	842,445	4,240,194
Total assets	8,761,361	1,650,604	10,411,965
Deferred Outflow of Resources - Retirement benefit related deferrals	167,272	4,690	171,962
Liabilities			
Current liabilities:			
Unearned operating revenue	1,969,133	157,703	2,126,836
Accounts payable	27,137	2,387	29,524
Accrued payroll and related taxes	117,541	23,864	141,405
Accrued compensated absences	137,321	37,877	175,198
Lease liability - Current portion	-	1,843	1,843
Other postemployment benefits - Current portion	11,520	1,355	12,875
Total current liabilities	2,262,652	225,029	2,487,681
Noncurrent liabilities:			
Lease liability - Net of current portion	-	156,909	156,909
Other postemployment benefits	219,697	50,549	270,246
Net pension liability	422,783	-	422,783
Total noncurrent liabilities	642,480	207,458	849,938
Total liabilities	2,905,132	432,487	3,337,619
Deferred Inflow of Resources			
Retirement benefit related deferrals	84,290	16,251	100,541
Leases	1,577,562	-	1,577,562
Net Position			
Net investment in capital assets	990,651	532,490	1,523,141
Restricted - Nonexpendable	357,296	81,495	438,791
Restricted - Expendable	1,768,834	105,789	1,874,623
Unrestricted	1,244,868	486,782	1,731,650
Total net position	\$ 4,361,649	\$ 1,206,556	\$ 5,568,205

Grand Valley State University

WGVU Public Media

Combined Statement of Revenue, Expenses, and Changes in Net Position Year Ended June 30, 2024

	Television	Radio - FM	Combined Total
Operating Revenue			
Operating grant from Grand Valley State University	\$ 375,057	\$ 492,116	\$ 867,173
Contributions, subscriptions, and memberships	3,580,149	339,841	3,919,990
Community service grant from the Corporation for Public Broadcasting	1,619,964	101,115	1,721,079
Other grants from the Corporation for Public Broadcasting	79,573	-	79,573
Government grants and contracts	126,544	-	126,544
Nongovernment grants and contracts	71,686	952	72,638
Donated facilities and administrative support from Grand Valley State University	1,160,302	254,234	1,414,536
In-kind contributions	61,050	62,532	123,582
Underwriting revenue	270,735	125,524	396,259
Production and use of facilities	131,444	-	131,444
Miscellaneous revenue	3,311	3,982	7,293
Total operating revenue	7,479,815	1,380,296	8,860,111
Operating Expenses			
Program services:			
Programming and production	1,904,846	988,352	2,893,198
Broadcasting	961,160	33,100	994,260
Program information and promotion	866,839	71,409	938,248
Support services:			
Management and general	2,079,687	259,126	2,338,813
Fundraising, membership development, and auction	1,384,352	87,994	1,472,346
Depreciation expense	273,978	18,977	292,955
Total operating expenses	7,470,862	1,458,958	8,929,820
Operating Income (Loss)	8,953	(78,662)	(69,709)
Nonoperating Revenue			
Fundraising income	211,228	10,380	221,608
Lease Revenue	271,179	-	271,179
Interest Expense	-	(6,893)	(6,893)
Investment Income	146,765	18,412	165,177
Total nonoperating revenue	629,172	21,899	651,071
Income (Loss)- Before other	638,125	(56,763)	581,362
Other Revenue (loss)			
Additions to permanent endowment	1,138	150	1,288
Total other revenue	1,138	150	1,288
Increase (Decrease) in Net Position	639,263	(56,613)	582,650
Net Position - Beginning of year	3,722,386	1,263,169	4,985,555
Net Position - End of year	\$ 4,361,649	\$ 1,206,556	\$ 5,568,205