

**Grand Valley State University
WGVU Public Media**

**Financial Report
with Supplementary Information
June 30, 2020**

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of Grand Valley State University WGVU Public Media (the "Network"), a department of Grand Valley State University, as of and for the years ended June 30, 2020 and 2019 and the related notes to the financial statements, which collectively comprise Grand Valley State University WGVU Public Media's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Grand Valley State University WGVU Public Media as of June 30, 2020 and 2019 and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the financial statements, the COVID-19 pandemic has impacted the operations of the Network. Our opinion is not modified with respect to this matter.

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

We draw attention to Note 1, which explains that these financial statements of Grand Valley State University WGVU Public Media are intended to present the financial position, changes in financial position, and changes in cash flows of only that portion of Grand Valley State University's business-type activities that are attributable to the transactions of the department. They do not purport to, and do not, present fairly the financial position of Grand Valley State University as of June 30, 2020 and 2019; the changes in its financial position; or the changes in its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Grand Valley State University WGVU Public Media'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.

The other supplementary information, as identified in the table of contents, 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. Such 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, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

January 8, 2021

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Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited

Fiscal Year Ended June 30, 2020

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

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>2020</u>	<u>2019</u>	<u>2018</u>
Assets			
Current assets:			
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 3,539,786	\$ 3,164,210	\$ 2,959,907
Accounts receivable	78,362	91,509	108,174
Inventory and prepaid expenses	62,514	108,888	58,550
Current portion - Program rights	<u>625,303</u>	<u>607,298</u>	<u>577,327</u>
Total current assets	4,305,965	3,971,905	3,703,958
Noncurrent assets:			
Investments held in Grand Valley State University endowment funds	533,675	543,356	521,721
Long-term portion - Program rights	308,960	318,249	288,086
Capital assets - Net of depreciation	<u>2,538,568</u>	<u>2,887,230</u>	<u>3,245,770</u>
Total noncurrent assets	<u>3,381,203</u>	<u>3,748,835</u>	<u>4,055,577</u>
Total assets	7,687,168	7,720,740	7,759,535
Deferred Outflow of Resources - Retirement-related deferrals	229,469	224,317	225,622
Liabilities			
Current liabilities:			
Advances from Grand Valley State University pooled asset funds	347,353	851,818	805,973
Unearned operating revenue	1,562,402	1,683,791	1,476,303
Other current liabilities	<u>366,757</u>	<u>311,385</u>	<u>377,391</u>
Total current liabilities	2,276,512	2,846,994	2,659,667
Noncurrent liabilities:			
Other postemployment benefits	412,347	370,573	349,385
Net pension liability	<u>405,164</u>	<u>414,369</u>	<u>397,537</u>
Total noncurrent liabilities	<u>817,511</u>	<u>784,942</u>	<u>746,922</u>
Total liabilities	3,094,023	3,631,936	3,406,589
Deferred Inflow of Resources - Retirement related deferrals	174,187	172,278	151,857
Net Position			
Net investment in capital assets	2,538,568	2,887,230	3,245,770
Restricted - Nonexpendable	436,563	425,827	405,291
Restricted - Expendable	1,186,664	807,991	967,171
Unrestricted (deficit)	<u>486,632</u>	<u>19,795</u>	<u>(191,521)</u>
Total net position	<u>\$ 4,648,427</u>	<u>\$ 4,140,843</u>	<u>\$ 4,426,711</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, inventory, prepaid expenses, and the current portion of purchased program rights. Further detail about the sources and uses of cash is reflected in the statement of cash flows. Balances of the remaining current assets climbed slightly over the three year period mostly due to increasing costs for program rights.

Noncurrent assets include the endowed investments in the University's pooled endowment fund, the noncurrent portion of purchased program rights, and capital assets net of depreciation. The endowed investments increased over the three year period by \$11,954 due to new gifts amidst fluctuating financial markets. The balance of program rights increased by \$20,874 during the three year period due to increasing programming fees from PBS. The decrease in net capital assets of approximately \$707,202 is chiefly due to depreciation expense of approximately \$849,682 net of capital additions of \$142,480 since June 30, 2018.

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 2019 to 2020, deferred outflows increased by \$5,152 mostly attributable to the increased weighted average percentage of 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 supplemental information.

Current liabilities include advances from the University's pooled asset funds, unearned operating revenue, accounts payable, and accrued payroll liabilities. Unearned operating revenue decreased by \$121,389 from 2019 to 2020 due to a decreased level of funding for the extension of a foundation grant as well as deferring a decreased amount of the Corporation of Public Broadcasting Community Service Grants (CPB CSG) to fiscal year 2021, after increasing by \$207,488 from 2018 to 2019. Other current liabilities increased from 2019 to 2020 by \$55,372 due to timing of payroll related liabilities, after a decrease of \$66,006 from 2018 to 2019.

Noncurrent liabilities include net other postemployment benefits and net pension 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 also include activity related to postemployment benefits. Deferred inflows increased marginally by \$1,909 at June 30, 2020. Changes in assumptions for OPEB and pension plans are amortized over approximately 10 years. More detailed information regarding the defined benefit pension and postemployment benefit plans are presented in the notes to the financial statements and required supplemental information.

Net position increased by \$221,716 over the three-year period, mainly as a result of increased member support as well as increases in grant funding.

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>2020</u>	<u>2019</u>	<u>2018</u>
Operating Revenue			
Operating grant from Grand Valley State University	\$ 1,102,580	\$ 1,085,798	\$ 1,102,617
Contributions, subscriptions, and memberships	2,500,560	2,394,678	3,105,974
Grants from the Corporation for Public Broadcasting			
Broadcasting	1,362,369	1,143,870	1,163,747
Other grants and contracts	260,074	340,761	237,884
Donated facilities, administrative support, and in-kind contributions	1,283,789	1,479,809	1,382,288
Underwriting revenue	648,412	772,296	981,081
Production and use of facilities	435,679	412,230	432,326
Miscellaneous revenue	73,041	139,405	76,387
Total operating revenue	<u>7,666,504</u>	<u>7,768,847</u>	<u>8,482,304</u>
Operating Expenses			
Program services	3,665,071	3,636,451	3,286,596
Support services	3,638,141	4,176,295	4,555,924
Depreciation expense	410,876	438,806	450,141
Total operating expenses	<u>7,714,088</u>	<u>8,251,552</u>	<u>8,292,661</u>
Operating Loss	(47,584)	(482,705)	189,643
Nonoperating Revenue (Expense)			
Fundraising income	95,841	90,174	125,329
CARES Act subsidy from Corp. for Public Broadcasting	447,341	-	-
Investment income	1,250	22,014	41,460
Total nonoperating revenue	<u>544,432</u>	<u>112,188</u>	<u>166,789</u>
Income (Loss) - Before other revenue	496,848	(370,517)	356,432
Other Revenue	<u>10,736</u>	<u>84,649</u>	<u>1,094</u>
Increase (Decrease) in Net Position	507,584	(285,868)	357,526
Net Position - Beginning of year	4,140,843	4,426,711	4,268,662
Adjustment for Change in Accounting Principle	-	-	(199,477)
Net Position - End of year	<u>\$ 4,648,427</u>	<u>\$ 4,140,843</u>	<u>\$ 4,426,711</u>

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

Operating revenue has decreased by approximately \$815,800 over the three-year period. The most significant changes in revenue were decreases of approximately \$605,414 in contributions, subscriptions, and memberships and \$98,499 in donated facilities, administrative support, and in-kind contributions as well as decreases in underwriting revenue of \$332,669. The year ended June 30, 2018 included a large-scale special event that garnered extraordinary underwriting revenue as well as the maturity of over \$500,000 in planned gifts. A change in the calculation method for administrative support for the year ended June 30, 2020 accounts for the decrease in revenue from university support.

Operating expenses decreased by \$578,573 over the three year period. The Network's salaries, wages, and benefits expense represents the largest operating expense category; personnel expense decreased by approximately \$164,345 from 2018 to 2020 largely due to open positions and totaled approximately \$3.4 million for the year ended June 30, 2020.

Nonoperating revenue includes fundraising income and investment income allocated to endowed investments. Fundraising income increased by approximately \$5,667 from 2019 to 2020, after decreasing by \$35,155 from 2018 to 2019. Revenue in 2018 was boosted by a concert WGVU produced that was not done in 2019 or 2020 and WGVU experienced an increase in revenue associated with the annual wine fundraisers in 2020. Investment income decreased in comparison to 2018 by \$40,210. Nonoperating revenue for the year ended June 30, 2020 includes funding received for the CARES Act through Corporation of Public Broadcasting. The total amount allocated to the Network was \$447,341.

The Statement of Cash Flows

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

As a result of grants, increased membership contributions and CARES Act funding, total cash increased by \$579,879 from 2018 to 2020.

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Cash Provided by (Used In)			
Operating activities	\$ 377,407	\$ 63,523	\$ 1,019,694
Noncapital financing activities	38,717	136,019	81,736
Capital and related financing activities	(62,214)	(16,153)	(71,926)
Investing activities	<u>21,666</u>	<u>20,914</u>	<u>20,155</u>
Net Increase in Cash	375,576	204,303	1,049,659
Cash - Beginning of year	<u>3,164,210</u>	<u>2,959,907</u>	<u>1,910,248</u>
Cash - End of year	<u>\$ 3,539,786</u>	<u>\$ 3,164,210</u>	<u>\$ 2,959,907</u>

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

Economic Factors That Will Affect the Future

The Coronavirus pandemic had a significant impact on Q4 of fiscal year 2020's underwriting revenue and industry experts predict that we will not see a full rebound of underwriting until 2022. As the Network relies on arts organizations and small businesses for a large portion of its underwriting revenue, we anticipate that underwriting revenue will decrease from current historical levels in FY21 and FY22. In previous years, presidential election cycles have led to increases in underwriting and membership revenue and while underwriting was previously discussed, membership revenue has been following the expected trend throughout the election cycle.

The Corporation for Public Broadcasting received funding through the CARES Act to distribute unrestricted funds to stations with no spending period requirement or restrictions on how those funds are to be spent. These funds will subsidize the reduction in revenues caused by the Coronavirus for the Network.

As a part of the public media system, the Network is uniquely positioned to assist parents and educators during these unprecedented times. The Network recently joined a statewide effort to provide instructional television called the Michigan Learning Channel which will result in The Network receiving state funding for the first time in decades, starting in FY21.

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. WGVU also continues to see grant support from the community.

Grand Valley State University

WGVU Public Media

Statement of Net Position

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Assets		
Current assets:		
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 984,021	\$ 955,852
Cash held in Grand Valley State University pooled asset funds for restricted purposes	2,555,765	2,208,358
Accounts receivable	78,362	91,509
Inventory	4,694	4,414
Prepaid expenses	57,820	104,474
Purchased program rights - Current portion	<u>625,303</u>	<u>607,298</u>
Total current assets	4,305,965	3,971,905
Noncurrent assets:		
Investments held in Grand Valley State University endowment funds	533,675	543,356
Purchased program rights - Long-term portion	308,960	318,249
Capital assets - Net (Note 2)	<u>2,538,568</u>	<u>2,887,230</u>
Total noncurrent assets	<u>3,381,203</u>	<u>3,748,835</u>
Total assets	7,687,168	7,720,740
Deferred Outflow of Resources - Reirement benefit related deferrals	229,469	224,317
Liabilities		
Current liabilities:		
Advances from Grand Valley State University pooled asset funds	347,353	851,818
Unearned operating revenue	1,562,402	1,683,791
Accounts payable	30,286	62,399
Accrued payroll	147,055	100,504
Other postemployment benefits - Current portion (Note 4)	10,027	12,573
Accrued compensated absences	<u>179,389</u>	<u>135,909</u>
Total current liabilities	2,276,512	2,846,994
Noncurrent liabilities:		
Other postemployment benefits (Note 4)	412,347	370,573
Net pension liability (Note 3)	<u>405,164</u>	<u>414,369</u>
Total noncurrent liabilities	<u>817,511</u>	<u>784,942</u>
Total liabilities	3,094,023	3,631,936
Deferred Inflow of Resources - Retirement benefit related deferrals	174,187	172,278
Net Position		
Net investment in capital assets	2,538,568	2,887,230
Restricted - Nonexpendable	436,563	425,827
Restricted - Expendable	1,186,664	807,991
Unrestricted	<u>486,632</u>	<u>19,795</u>
Total net position	<u>\$ 4,648,427</u>	<u>\$ 4,140,843</u>

Grand Valley State University

WGVU Public Media

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30	
	2020	2019
Operating Revenue		
Operating grant from Grand Valley State University	\$ 1,102,580	\$ 1,085,798
Contributions, subscriptions, and memberships	2,500,560	2,394,678
Community service grant from the Corporation for Public Broadcasting	1,287,491	1,069,548
Fiscal stabilization grant from the Corporation for Public Broadcasting	74,878	74,322
Government grants and contracts	-	10,000
Nongovernment grants and contracts	260,074	330,761
Donated facilities and administrative support from Grand Valley		
State University	1,213,571	1,285,753
In-kind contributions	70,218	194,056
Underwriting revenue	648,412	772,296
Production and use of facilities	435,679	412,230
Miscellaneous revenue	73,041	139,405
Total operating revenue	<u>7,666,504</u>	<u>7,768,847</u>
Operating Expenses		
Program services:		
Programming and production	2,301,695	2,369,667
Broadcasting	771,649	624,569
Program information and promotion	591,727	642,215
Support services:		
Management and general	2,533,434	2,846,100
Fundraising, membership development, and auction	1,104,707	1,330,195
Depreciation expense	410,876	438,806
Total operating expenses	<u>7,714,088</u>	<u>8,251,552</u>
Operating Loss	(47,584)	(482,705)
Nonoperating Revenue		
Fundraising income	95,841	90,174
CARES Act subsidy from Corp. for Public Broadcasting	447,341	-
Investment income	1,250	22,014
Total nonoperating revenue	<u>544,432</u>	<u>112,188</u>
Income (Loss) - Before other revenue	496,848	(370,517)
Other Revenue		
Capital grants and gifts	-	64,113
Additions to permanent endowment	10,736	20,536
Total other	<u>10,736</u>	<u>84,649</u>
Increase (Decrease) in Net Position	507,584	(285,868)
Net Position - Beginning of year	<u>4,140,843</u>	<u>4,426,711</u>
Net Position - End of year	<u>\$ 4,648,427</u>	<u>\$ 4,140,843</u>

Grand Valley State University

WGVU Public Media

Statement of Cash Flows

	Year Ended June 30	
	2020	2019
Cash Flows from Operating Activities		
Grants and contracts	\$ 2,677,691	\$ 2,744,567
Payments to suppliers	(2,605,139)	(3,066,176)
Payments to employees, including benefits	(3,291,927)	(3,383,492)
Underwriting revenue	587,502	822,311
Contributions, subscriptions, and memberships	2,500,560	2,394,678
Production and use of facilities	435,679	412,230
Miscellaneous revenue	73,041	139,405
Net cash provided by operating activities	377,407	63,523
Cash Flows from Noncapital Financing Activities		
Advances (to) from Grand Valley State University pooled asset funds	(504,465)	45,845
CARES Act subsidy from Corp. for Public Broadcasting	447,341	-
Fundraising proceeds	95,841	90,174
Net cash provided by noncapital financing activities	38,717	136,019
Cash Flows from Capital and Related Financing Activities		
Capital grants and gifts received	-	64,113
Purchases of capital assets and construction	(62,214)	(80,266)
Net cash used in capital and related financing activities	(62,214)	(16,153)
Cash Flows from Investing Activities		
Private gifts for endowment purposes	10,736	20,536
Investment income	1,250	22,014
Change in Investment in Grand Valley State University endowment pool	9,680	(21,636)
Net cash provided by investing activities	21,666	20,914
Net Increase in Cash	375,576	204,303
Cash - Beginning of year	3,164,210	2,959,907
Cash - End of year	\$ 3,539,786	\$ 3,164,210

Grand Valley State University
WGVU Public Media

Statement of Cash Flows (Continued)

	Year Ended June 30	
	2020	2019
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (47,584)	\$ (482,705)
Adjustments to reconcile loss to net cash from operating activities:		
Depreciation	410,876	438,806
Amortization of program rights	922,763	838,103
Changes in assets and liabilities:		
Accounts receivable	13,147	16,665
Inventory	(280)	159
Other assets	46,654	(50,497)
Program rights	(931,479)	(898,237)
Accounts payable	(32,113)	25,201
Accrued payroll and compensated absences	90,031	(17,730)
Unearned operating revenue	(121,388)	207,489
Retirement related deferrals and noncurrent liabilities	26,780	58,240
Net cash provided by operating activities	<u>\$ 377,407</u>	<u>\$ 135,494</u>
Cash Consists of the Following Assets		
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 984,021	\$ 955,852
Cash held in Grand Valley State University pooled asset funds for restricted purposes	<u>2,555,765</u>	<u>2,208,358</u>
Total cash	<u>\$ 3,539,786</u>	<u>\$ 3,164,210</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, WGVU-FM, and WGVU-AM, which are under common management. No management fees are charged between the stations. The University also operates WGVS-FM and WGVS-AM, which are not reported as part of the Network.

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.

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, 2020 and 2019, there was no allowance.

Note 1 - Significant Accounting Policies (Continued)

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 \$922,763 and \$898,237 for the years ended June 30, 2020 and 2019, 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 \$410,876 and \$438,806 for the years ended June 30, 2020 and 2019, 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.

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

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

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

Note 1 - Significant Accounting Policies (Continued)

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.

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 the notes to the financial statements for more information.

Deferred Inflows of Resources - In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources relate to the net pension liability and the OPEB liability; see the notes to the financial statements for more information.

Note 1 - Significant Accounting Policies (Continued)

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.

Impact of the COVID-19 Pandemic – The Network has been impacted by the outbreak of the novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020. The Network responded to the circumstances by following all federal, state, and local guidance, and taking actions to monitor and limit the spread of COVID-19 by implementing various health and safety measures for students, faculty, and staff.

The COVID-19 impact on the Network's financial statements for the year ended June 30, 2020 also includes:

- Decrease in fundraising revenue due to the cancellation of various events throughout the year.
- Increase in expenditures for health and safety measures, including expenditures for the transition to remote working.
- The CPB awarded CARES Act funds to the Network as a subsidy for lost revenues. These funds are to be used for operating expenses in the various platforms and have no time restraints on when they must be expended. The total amount allocated to the Network was \$447,341.

Grand Valley State University
WGVU Public Media

Notes to Financial Statements
June 30, 2020 and 2019

Note 2 - Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable capital assets - Land	\$ 523,258	\$ -	\$ -	\$ 523,258
Depreciable capital assets:				
Buildings and towers	1,216,689	-	-	1,216,689
License	554,022	-	-	554,022
Equipment	<u>10,293,036</u>	<u>62,214</u>	<u>32,960</u>	<u>10,388,210</u>
Total cost of depreciable capital assets	<u>12,063,747</u>	<u>62,214</u>	<u>32,960</u>	<u>12,158,921</u>
Total cost of capital assets	12,587,005	<u>\$ 62,214</u>	<u>\$ 32,960</u>	12,682,179
Less accumulated depreciation for:				
Buildings and towers	563,572	27,255	-	590,827
License	554,022	-	-	554,022
Equipment	<u>8,582,181</u>	<u>383,621</u>	<u>32,960</u>	<u>8,998,762</u>
Total accumulated depreciation	<u>9,699,775</u>	<u>\$ 410,876</u>	<u>\$ 32,960</u>	<u>10,143,611</u>
Capital assets - Net	<u>\$ 2,887,230</u>			<u>\$ 2,538,568</u>

Grand Valley State University
WGVU Public Media

Notes to Financial Statements
June 30, 2020 and 2019

Note 2 - Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Nondepreciable capital assets - Land	\$ 523,258	\$ -	\$ -	\$ 523,258
Depreciable capital assets:				
Buildings and towers	1,216,689	-	-	1,216,689
License	554,022	-	-	554,022
Equipment	<u>10,212,770</u>	<u>80,266</u>	<u>-</u>	<u>10,293,036</u>
Total cost of depreciable capital assets	<u>11,983,481</u>	<u>80,266</u>	<u>-</u>	<u>12,063,747</u>
Total cost of capital assets	12,506,739	<u>\$ 80,266</u>	<u>\$ -</u>	12,587,005
Less accumulated depreciation for:				
Buildings and towers	536,317	\$ 27,255	\$ -	563,572
License	554,022	-	-	554,022
Equipment	<u>8,170,630</u>	<u>411,551</u>	<u>-</u>	<u>8,582,181</u>
Total accumulated depreciation	<u>9,260,969</u>	<u>\$ 438,806</u>	<u>\$ -</u>	<u>9,699,775</u>
Capital assets - Net	<u>\$ 3,245,770</u>			<u>\$ 2,887,230</u>

The following estimated useful lives are used to compute depreciation:

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

Note 3 - 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 \$215,650 and \$208,400 for the years ended June 30, 2020 and 2019, respectively. Total payroll covered under this plan was approximately \$1,797,300 in 2020 and \$1,736,600 in 2019.

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 2020 and \$17,500 in 2019. Total payroll covered under this plan was approximately \$177,800 in 2020 and \$194,800 in 2019.

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, 2019 and 2018, retirement plan membership attributable to the Network consisted of the following:

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

Note 3 - Retirement Plans (Continued)

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. The University's contribution rate of annual payroll was 22.4 percent and 23.1 percent for the years ended June 30, 2020 and 2019, respectively.

Net Pension Liability - The University's net pension liability was measured as of June 30, 2020 and 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018, which used updated procedures to roll forward the estimated liability to June 30, 2020 and 2019, 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, 2020, 2019, and 2018 the proportionate share percentage for the Network's allocation of the University's liability was 2.7 percent, 2.6 percent and 2.7 percent, respectively.

For the years ended June 30, 2020 and 2019, the Network recognized pension expense of approximately \$71,600 and \$102,000, respectively.

At June 30, 2020, 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	\$ 30,384	\$ 60,215
Changes in assumptions	140,667	97,357
Net difference between projected and actual earnings on plan investments	22,697	-
Total	<u>\$ 193,748</u>	<u>\$ 157,572</u>

Note 3 - Retirement Plans (Continued)

At June 30, 2019, 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	\$ 27,388	\$ 37,357
Changes in assumptions	187,759	88,411
Net difference between projected and actual earnings on plan investments	-	34,188
Total	<u>\$ 215,147</u>	<u>\$ 159,956</u>

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
2021	\$ (16,997)
2022	(11,518)
2023	31,666
2024	28,105
2025	4,920

Actuarial Assumptions - The total pension liability as of June 30, 2020 and 2019, the year end of the plan, was determined by an actuarial valuation as of July 1, 2019 and 2018, 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	6.27% and 6.23% as of July 1, 2020 and 2019, respectively, net of pension plan investment expense

For the July 1, 2019 actuarial valuation, the mortality improvement projection scale was updated from MP-2017 to MP-2018, since the prior measurement date. For the July 1, 2018, actuarial valuation, the mortality improvement projection scale was updated from MP-2016 to MP-2017. 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 6.27 percent and 6.23 percent for the years ended June 30, 2020 and June 30, 2019. 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, 2020 and 2019, 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
Domestic equities	44 %	6.28 %
International equities	19	7.99
Fixed income	17	6.50
Cash	3	1.61
Real estate	10	6.38
Commodities	7	2.83

The sum of the target allocations times the long-term expected rates is 6.27 percent and 6.23 percent for years ended June 30, 2020 and 2019, respectively.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the allocated net pension liability of the Network, calculated using the current discount rates, as well as what the Network allocated net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

June 30, 2020	1% Decrease	Current Discount Rate (6.27%)	1% Increase
Net pension liability	\$ 632,895	\$ 405,164	\$ 214,430

June 30, 2019	1% Decrease	Current Discount Rate (6.23%)	1% Increase
Net pension liability	\$ 651,004	\$ 414,369	\$ 219,898

Note 3 - Retirement Plans (Continued)

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 July 1, 2019, 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, 2020 total OPEB liability was measured as of June 30, 2020 based on an actuarial valuation performed June 30, 2019, which used update procedures to roll forward the estimated liability to June 30, 2020. The June 30, 2019 OPEB liability was measured as of June 30, 2019 based on an actuarial valuation performed June 30, 2019 in compliance with GASB Statement No. 75.

The amount the University allocated to the Network is based on the number of the Network's employees covered by the plan as a percentage of the University's total number of employees covered by the plan. At June 30, 2020, 2019, and 2018 the proportionate share percentage for the Network's allocation of the University's liability was 1.9 percent, 1.9 percent, and 1.8 percent, respectively.

Note 4 - Other Postemployment Benefits (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the years ended June 30, 2020 and 2019, the Network recognized OPEB expense of approximately \$27,700 and \$24,700, respectively.

At June 30, 2020 the Network reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,738	\$ 10,059
Changes in assumptions	32,983	6,556
Total	<u>\$ 35,721</u>	<u>\$ 16,615</u>

At June 30, 2019 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	\$ 4,229	\$ 3,142
Changes in assumptions	4,941	9,180
Total	<u>\$ 9,170</u>	<u>\$ 12,322</u>

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

Years Ending June 30	Amount
2021	2,689
2022	2,689
2023	2,689
2024	2,689
2025	2,689
Thereafter	5,661

Note 4 - Other Postemployment Benefits (Continued)

Actuarial Assumptions – The OPEB liability in the June 30, 2019 actuarial valuation was determined using an inflation assumption of 2.0 percent; assumed salary increases (including inflation) of 2.5 percent; an investment rate of 0% as assets held are not allowable for inclusion under GASB Statement No. 75 requirements; a health care cost trend rate of 7.0 percent and 7.5 percent in 2020 and 2019, respectively, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent; and using the RP-2014 mortality tables with the MP-2019 and MP-2018 improvement scale in 2020 and 2019, respectively.

There were no changes in benefit terms during 2020 or 2019.

Discount rate – The discount rate used to measure the total OPEB liability was 2.66 percent at June 30, 2020 and 3.36 percent at June 30, 2019. 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, 2020	1% Decrease	Current Discount Rate (2.66%)	1% Increase
Total OPEB Liability	\$ 480,596	\$ 422,374	\$ 373,224

June 30, 2019	1% Decrease	Current Discount Rate (3.36%)	1% Increase
Total OPEB Liability	\$ 431,042	\$ 383,146	\$ 342,797

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, 2020	1% Decrease	Current Healthcare Trend Rate (7.0%)	1% Increase
Total OPEB Liability	\$ 418,868	\$ 422,374	\$ 426,421

June 30, 2019	1% Decrease	Current Healthcare Trend Rate (7.5%)	1% Increase
Total OPEB Liability	\$ 380,085	\$ 383,146	\$ 386,664

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 2020 and 2019 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.

Reported NFFS for the Network were \$4,524,148 and \$4,703,800 for the WGVU-TV fund, \$747,623 and \$742,497 for the WGVU-FM fund, and \$340,301 and \$381,683 for the WGVU-AM fund for 2020 and 2019, respectively.

Required Supplementary Information

Grand Valley State University

WGVU Public Media

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

	<u>June 30, 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	2.7%	2.6%	2.7%	2.7%	3.4%	2.9%	2.9%
Amount	\$ 405,164	\$ 414,369	\$ 397,537	\$ 433,797	\$ 433,265	\$ 332,616	\$ 200,662
Network's covered payroll:							
As a percentage	3.5%	2.9%	2.9%	3.3%	3.4%	3.4%	3.4%
Amount	\$ 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	151.9%	178.5%	124.5%	132.6%	125.8%	90.3%	50.8%

	<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	\$ 43,989	\$ 46,302	\$ 51,106	\$ 56,131	\$ 88,904	\$ 34,639	\$ 49,780
Network's allocated share of the University's actual contributions	\$ 45,927	\$ 48,728	\$ 55,568	\$ 55,530	\$ 54,299	\$ 47,423	\$ 48,065
Network's allocated share of the University's contribution (excess) deficiency	\$ (1,938)	\$ (2,426)	\$ (4,462)	\$ 600	\$ 34,605	\$ (4,684)	\$ 1,715
Network's covered payroll	\$ 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	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, 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	6.27%/year	6.23%/year	6.50%/year	6.50%/year	7.37%/year	7.06%/year	6.82%/year
Funding	6.27%/year	6.23%/year	6.50%/year	6.50%/year	7.00%/year	7.00%/year	7.00%/year
Mortality	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

Grand Valley State University
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**Schedule of the Network's Proportionate Share of the OPEB
Liability and Related Ratios**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Network's allocated portion of the collective University plan OPEB liability:			
As a percentage	1.9%	1.9%	1.8%
Amount	422,374	383,146	353,464
Network's covered payroll	1,138,731	1,189,465	1,523,977
Net OPEB liability as a percentage of covered payroll	37.1%	32.2%	23.2%
Discount rate	2.66%	3.36%	3.00%
Mortality	RP-2014 with Projection Table MP-2019	RP-2014 with Projection Table MP-2018	RP-2014 with Projection Table MP-2017
Changes in benefit terms	None	None	None

Other Supplementary Information

Grand Valley State University

WGVU Public Media

Combined Statement of Net Position Year Ended June 30, 2020

	Television	Radio - FM	Radio - AM	Combined Total
Assets				
Current assets:				
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 519,299	\$ 439,635	\$ 25,087	\$ 984,021
Cash held in Grand Valley State University pooled asset funds for restricted purposes	2,348,687	95,199	111,879	2,555,765
Accounts receivable	73,062	5,300	-	78,362
Inventory	4,694	-	-	4,694
Prepaid expenses	46,808	6,832	4,180	57,820
Purchased program rights - Current portion	624,983	320	-	625,303
Total current assets	3,617,533	547,286	141,146	4,305,965
Noncurrent assets:				
Investments held in Grand Valley State University endowment funds	429,633	91,443	12,599	533,675
Purchased program rights - Long-term portion	308,960	-	-	308,960
Capital assets - Net	1,936,492	562,249	39,827	2,538,568
Total noncurrent assets	2,675,085	653,692	52,426	3,381,203
Total assets	6,292,618	1,200,978	193,572	7,687,168
Deferred Outflow of Resources - Retirement benefit related deferrals				
	201,391	4,986	23,092	229,469
Liabilities				
Current liabilities:				
Advances from Grand Valley State University pooled asset funds	-	-	347,353	347,353
Unearned operating revenue	1,550,896	11,506	-	1,562,402
Accounts payable	26,471	3,610	205	30,286
Accrued payroll	112,747	23,650	10,658	147,055
Other postemployment benefits - Current portion	8,610	1,417	-	10,027
Accrued compensated absences	130,789	41,729	6,871	179,389
Total current liabilities	1,829,513	81,912	365,087	2,276,512
Noncurrent liabilities:				
Other postemployment benefits	334,307	64,419	13,621	412,347
Net pension liability	349,186	-	55,978	405,164
Total noncurrent liabilities	683,493	64,419	69,599	817,511
Total liabilities	2,513,006	146,331	434,686	3,094,023
Deferred Inflow of Resources - Retirement benefit related deferrals				
	161,477	1,457	11,253	174,187
Net Position				
Net investment in capital assets	1,936,492	562,249	39,827	2,538,568
Restricted - Nonexpendable	355,298	72,166	9,099	436,563
Restricted - Expendable	956,809	114,476	115,379	1,186,664
Unrestricted (deficit)	570,927	309,285	(393,580)	486,632
Total net position	\$ 3,819,526	\$ 1,058,176	\$ (229,275)	\$ 4,648,427

Grand Valley State University

WGVU Public Media

Combined Statement of Revenue, Expenses, and Changes in Net Position Year Ended June 30, 2020

	Television	Radio - FM	Radio - AM	Combined Total
Operating Revenue				
Operating grant from Grand Valley State University	\$ 660,117	\$ 235,363	\$ 207,100	\$ 1,102,580
Contributions, subscriptions, and memberships	2,176,927	255,710	67,923	2,500,560
Community service grant from the Corporation for Public Broadcasting	1,122,358	92,820	72,313	1,287,491
Fiscal Stabilization Grant from Corp. for Public Broadcasting	74,878	-	-	74,878
Government grants and contracts	-	-	-	-
Nongovernment grants and contracts	260,074	-	-	260,074
Donated facilities and administrative support from Grand Valley State University	1,008,252	149,614	55,705	1,213,571
In-kind contributions	49,814	20,404	-	70,218
Underwriting revenue	539,111	98,895	10,406	648,412
Production and use of facilities	433,454	2,225	-	435,679
Miscellaneous revenue	71,060	1,981	-	73,041
Total operating revenue	6,396,045	857,012	413,447	7,666,504
Operating Expenses				
Program services:				
Programming and production	1,628,034	589,728	83,933	2,301,695
Broadcasting	759,042	11,441	1,166	771,649
Program information and promotion	574,944	16,783	-	591,727
Support services:				
Management and general	2,029,456	263,014	240,964	2,533,434
Fundraising, membership development, and auction	1,068,706	31,314	4,687	1,104,707
Depreciation expense	394,778	14,443	1,655	410,876
Total operating expenses	6,454,960	926,723	332,405	7,714,088
Operating (Loss) Income	(58,915)	(69,711)	81,042	(47,584)
Nonoperating Revenue				
Fundraising income	95,841	-	-	95,841
CARES Act subsidy from Corp. for Public Broadcasting	260,205	75,000	112,136	447,341
Investment income	978	238	34	1,250
Total nonoperating revenue	357,024	75,238	112,170	544,432
Income - Before other	298,109	5,527	193,212	496,848
Other				
Additions to permanent endowment	10,736	-	-	10,736
Total other revenue	10,736	-	-	10,736
Increase in Net Position	308,845	5,527	193,212	507,584
Net Position (Deficit) - Beginning of year	3,510,681	1,052,649	(422,487)	4,140,843
Net Position (Deficit) - End of year	\$ 3,819,526	\$ 1,058,176	\$ (229,275)	\$ 4,648,427