

**Grand Valley State University
WGVU Public Media**

**Financial Report
with Supplementary Information
June 30, 2021**

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, 2021 and 2020 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 opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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, 2021 and 2020 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, 2021 and 2020; 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 & Morse, PLLC

January 10, 2022

Grand Valley State University

WGVU Public Media

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Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited

Fiscal Year Ended June 30, 2021

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 deferred outflows of resources, and liabilities and deferred inflows of resources, is one way to measure the financial activities of the Network.

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets			
Current assets:			
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 5,200,694	\$ 3,539,786	\$ 3,164,210
Accounts receivable	53,792	78,362	91,509
Inventory and prepaid expenses	57,667	62,514	108,888
Current portion - Program rights	<u>598,154</u>	<u>625,303</u>	<u>607,298</u>
Total current assets	5,910,307	4,305,965	3,971,905
Noncurrent assets:			
Investments held in Grand Valley State University endowment funds	688,953	533,675	543,356
Long-term portion - Program rights	288,746	308,960	318,249
Capital assets - Net of depreciation	<u>2,255,396</u>	<u>2,538,568</u>	<u>2,887,230</u>
Total noncurrent assets	<u>3,233,095</u>	<u>3,381,203</u>	<u>3,748,835</u>
Total assets	9,143,402	7,687,168	7,720,740
Deferred Outflow of Resources - Retirement-related deferrals	216,100	229,469	224,317
Liabilities			
Current liabilities:			
Advances from Grand Valley State University pooled asset funds	265,804	347,353	851,818
Unearned operating revenue	1,931,101	1,562,402	1,683,791
Other current liabilities	<u>381,824</u>	<u>366,757</u>	<u>311,385</u>
Total current liabilities	2,578,729	2,276,512	2,846,994
Noncurrent liabilities:			
Deferred payroll taxes	45,998	-	-
Other postemployment benefits	419,064	412,347	370,573
Net pension liability	<u>91,361</u>	<u>405,164</u>	<u>414,369</u>
Total noncurrent liabilities	<u>556,423</u>	<u>817,511</u>	<u>784,942</u>
Total liabilities	3,135,152	3,094,023	3,631,936
Deferred Inflow of Resources - Retirement related deferrals	395,756	174,187	172,278
Net Position			
Net investment in capital assets	2,255,396	2,538,568	2,887,230
Restricted - Nonexpendable	437,370	436,563	425,827
Restricted - Expendable	1,938,304	1,186,664	807,991
Unrestricted	<u>1,197,524</u>	<u>486,632</u>	<u>19,795</u>
Total net position	<u>\$ 5,828,594</u>	<u>\$ 4,648,427</u>	<u>\$ 4,140,843</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 fell slightly over the three-year period mostly due to decreasing costs for program rights in fiscal year 2021.

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 \$145,597 due to new gifts and performance in fluctuating financial markets. The balance of program rights decreased by \$38,647 during the three-year period due to a decrease in programming fees from PBS. The decrease in net capital assets of \$631,834 is chiefly due to depreciation expense of \$799,808 net of capital additions of \$167,974 since June 30, 2019.

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 2020 to 2021, deferred outflows decreased by \$13,369 mostly attributable to the change in the 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 increased by \$368,699 from 2020 to 2021 due to a receipt of funding from the state of Michigan for the Michigan Learning Channel as well as an increase in the deferred funding for a foundation grant from WKKF Foundation. Other current liabilities increased from 2020 to 2021 by \$15,067 due to timing of payroll related liabilities, after an increase of \$55,372 from 2019 to 2020.

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 to \$395,756 at June 30, 2021 mostly due to a high investment return that will be amortized over 5 years. Other changes in assumptions for OPEB and pension plans are amortized over approximately 10 years. More detailed information regarding the defined benefit pension and postemployment benefit plans are presented in the notes to the financial statements and required supplemental information.

Net position increased by \$1,687,751 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>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenue			
Operating grant from Grand Valley State University	\$ 881,291	\$ 1,102,580	\$ 1,085,798
Contributions, subscriptions, and memberships	2,932,521	2,500,560	2,394,678
Grants from the Corporation for Public Broadcasting			
Broadcasting	1,329,041	1,362,369	1,143,870
Other grants and contracts	214,546	260,074	340,761
Donated facilities, administrative support, and in-kind contributions	1,196,633	1,283,789	1,479,809
Underwriting revenue	502,434	648,412	772,296
Production and use of facilities	416,678	435,679	412,230
Miscellaneous revenue	84,451	73,041	139,405
Total operating revenue	<u>7,557,595</u>	<u>7,666,504</u>	<u>7,768,847</u>
Operating Expenses			
Program services	3,535,302	3,665,071	3,636,451
Support services	3,315,228	3,638,141	4,176,295
Depreciation expense	388,932	410,876	438,806
Total operating expenses	<u>7,239,462</u>	<u>7,714,088</u>	<u>8,251,552</u>
Operating Income (Loss)	318,133	(47,584)	(482,705)
Nonoperating Revenue			
Fundraising income	2,716	95,841	90,174
Federal stimulus from Corporation for Public Broadcasting	680,495	447,341	-
Investment income	178,015	1,250	22,014
Total nonoperating revenue	<u>861,226</u>	<u>544,432</u>	<u>112,188</u>
Income (Loss) - Before other revenue	1,179,359	496,848	(370,517)
Other Revenue	<u>808</u>	<u>10,736</u>	<u>84,649</u>
Increase (Decrease) in Net Position	1,180,167	507,584	(285,868)
Net Position - Beginning of year	4,648,427	4,140,843	4,426,711
Net Position - End of year	<u>\$ 5,828,594</u>	<u>\$ 4,648,427</u>	<u>\$ 4,140,843</u>

Grand Valley State University

WGVU Public Media

Management's Discussion and Analysis - Unaudited (Continued)

Operating revenue has decreased by \$211,252 over the three-year period. The most significant changes in revenue were decreases of \$204,507 in GVSU support, \$283,176 in donated facilities and administrative support due to a change in the calculation method per guidelines set forth by the Corporation for Public Broadcasting, as well as decreases in underwriting revenue of \$269,862 offset by an increase of \$537,843 in contributions, subscriptions, and memberships.

Operating expenses decreased by \$1,012,090 over the three year period. The Network's salaries, wages, and benefits expense represents the largest operating expense category; personnel expense decreased by \$222,280 from 2019 to 2021 largely due to open positions and totaled approximately \$3.2 million for the year ended June 30, 2021.

Nonoperating revenue includes fundraising income and investment income allocated to endowed investments. Fundraising income decreased by \$93,125 from 2020 to 2021, after increasing by \$5,667 from 2019 to 2020. Investment income increased in comparison to 2019 by \$156,001. Nonoperating revenue for the year ended June 30, 2021 and 2020 includes funding received for the CARES and ARP Acts through Corporation of Public Broadcasting, of which the total amount allocated to the Network was \$680,495 and \$447,341, respectively.

The Statement of Cash Flows

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

As a result of grants, increased membership contributions and CARES/ARP Acts funding, total cash increased by \$2,036,484 from 2019 to 2021.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Cash Provided by (Used In)			
Operating activities	\$ 1,141,460	\$ 377,407	\$ 63,523
Noncapital financing activities	601,662	38,717	136,019
Capital and related financing activities	(105,760)	(62,214)	(16,153)
Investing activities	23,546	21,666	20,914
Net Increase in Cash	1,660,908	375,576	204,303
Cash - Beginning of year	3,539,786	3,164,210	2,959,907
Cash - End of year	\$ 5,200,694	\$ 3,539,786	\$ 3,164,210

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 fiscal year 2021'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 increase from current historical low levels in FY22 as venues and organizations reopen at full capacity. Membership revenue increased significantly in FY21 due to the value that the network provided to members as they were spending more time at home.

The Corporation for Public Broadcasting (CPB) received stimulus funding in fiscal year 2020 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. In fiscal year 2021, as part of the American Rescue Plan Act (ARPA), CPB received further funding that was distributed to the network. This funding was restricted but did not have a spending period. These funds will assist general operations impacted by 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. In fiscal year 2021, the Network 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. This funding will continue in FY22.

WGVU-AM has determined to terminate their license and will cease AM operations as of January 7, 2022. As a result, funding from ARPA and the Community Service Grant (CSG) that support continuing operations will be reduced. The intent is to maintain staffing as we transition staff to positions within FM or TV. Overall, this will result in cost savings for WGVU.

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

	June 30, 2021	June 30, 2020
Assets		
Current assets:		
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 1,111,957	\$ 984,021
Cash held in Grand Valley State University pooled asset funds for restricted purposes	4,088,737	2,555,765
Accounts receivable	53,792	78,362
Inventory	3,561	4,694
Prepaid expenses	54,106	57,820
Purchased program rights - Current portion	598,154	625,303
Total current assets	5,910,307	4,305,965
Noncurrent assets:		
Investments held in Grand Valley State University endowment funds	688,953	533,675
Purchased program rights - Long-term portion	288,746	308,960
Capital assets - Net (Note 2)	2,255,396	2,538,568
Total noncurrent assets	3,233,095	3,381,203
Total assets	9,143,402	7,687,168
Deferred Outflow of Resources - Reirement benefit related deferrals	216,100	229,469
Liabilities		
Current liabilities:		
Advances from Grand Valley State University pooled asset funds	265,804	347,353
Unearned operating revenue	1,931,101	1,562,402
Accounts payable	20,405	30,286
Accrued payroll and related taxes - Current portion	148,979	147,055
Other postemployment benefits - Current portion (Note 4)	11,094	10,027
Accrued compensated absences	201,346	179,389
Total current liabilities	2,578,729	2,276,512
Noncurrent liabilities:		
Deferred payroll taxes (Note 1)	45,998	-
Other postemployment benefits (Note 4)	419,064	412,347
Net pension liability (Note 3)	91,361	405,164
Total noncurrent liabilities	556,423	817,511
Total liabilities	3,135,152	3,094,023
Deferred Inflow of Resources - Retirement benefit related deferrals	395,756	174,187
Net Position		
Net investment in capital assets	2,255,396	2,538,568
Restricted - Nonexpendable	437,370	436,563
Restricted - Expendable	1,938,304	1,186,664
Unrestricted	1,197,524	486,632
Total net position	\$ 5,828,594	\$ 4,648,427

Grand Valley State University

WGVU Public Media

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended June 30	
	2021	2020
Operating Revenue		
Operating grant from Grand Valley State University	\$ 881,291	\$ 1,102,580
Contributions, subscriptions, and memberships	2,932,521	2,500,560
Community service grant from the Corporation for Public Broadcasting	1,251,896	1,287,491
Fiscal stabilization grants from the Corporation for Public Broadcasting	77,145	74,878
Government grants and contracts	856	-
Nongovernment grants and contracts	213,690	260,074
Donated facilities and administrative support from Grand Valley State University	1,125,917	1,213,571
In-kind contributions	70,716	70,218
Underwriting revenue	502,434	648,412
Production and use of facilities	416,678	435,679
Miscellaneous revenue	84,451	73,041
Total operating revenue	7,557,595	7,666,504
Operating Expenses		
Program services:		
Programming and production	2,246,267	2,301,695
Broadcasting	774,993	771,649
Program information and promotion	514,042	591,727
Support services:		
Management and general	2,305,778	2,533,434
Fundraising, membership development, and auction	1,009,450	1,104,707
Depreciation expense	388,932	410,876
Total operating expenses	7,239,462	7,714,088
Operating Income (Loss)	318,133	(47,584)
Nonoperating Revenue		
Fundraising income	2,716	95,841
Federal Stimulus from Corporation for Public Broadcasting	680,495	447,341
Investment income	178,015	1,250
Total nonoperating revenue	861,226	544,432
Income - Before other revenue	1,179,359	496,848
Other Revenue		
Additions to permanent endowment	808	10,736
Total other	808	10,736
Increase in Net Position	1,180,167	507,584
Net Position - Beginning of year	4,648,427	4,140,843
Net Position - End of year	\$ 5,828,594	\$ 4,648,427

Grand Valley State University

WGVU Public Media

Statement of Cash Flows

	Year Ended June 30	
	2021	2020
Cash Flows from Operating Activities		
Grants and contracts	\$ 2,801,301	\$ 2,677,691
Payments to suppliers	(2,409,846)	(2,605,139)
Payments to employees, including benefits	(3,202,925)	(3,291,927)
Underwriting revenue	519,280	587,502
Contributions, subscriptions, and memberships	2,932,521	2,500,560
Production and use of facilities	416,678	435,679
Miscellaneous revenue	84,451	73,041
Net cash provided by operating activities	1,141,460	377,407
Cash Flows from Noncapital Financing Activities		
Advances to Grand Valley State University pooled asset funds	(81,549)	(504,465)
Federal Stimulus from Corporation for Public Broadcasting	680,495	447,341
Fundraising proceeds	2,716	95,841
Net cash provided by noncapital financing activities	601,662	38,717
Cash Flows from Capital and Related Financing Activities		
Purchases of capital assets and construction	(105,760)	(62,214)
Net cash used in capital and related financing activities	(105,760)	(62,214)
Cash Flows from Investing Activities		
Private gifts for endowment purposes	808	10,736
Investment income	178,015	1,250
Change in Investment in Grand Valley State University endowment pool	(155,277)	9,680
Net cash provided by investing activities	23,546	21,666
Net Increase in Cash	1,660,908	375,576
Cash - Beginning of year	3,539,786	3,164,210
Cash - End of year	\$ 5,200,694	\$ 3,539,786

Grand Valley State University
WGVU Public Media

Statement of Cash Flows (Continued)

	<u>2021</u>	<u>2020</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating Income (loss)	\$ 318,133	\$ (47,584)
Adjustments to reconcile loss to net cash from operating activities:		
Depreciation	388,932	410,876
Amortization of program rights	915,801	922,763
Changes in assets and liabilities:		
Accounts receivable	24,570	13,147
Inventory	1,133	(280)
Other assets	3,714	46,654
Program rights	(868,439)	(931,479)
Accounts payable	(9,881)	(32,113)
Accrued payroll and compensated absences	69,879	90,031
Unearned operating revenue	368,699	(121,388)
Retirement related deferrals and noncurrent liabilities	<u>(71,081)</u>	<u>26,780</u>
Net cash provided by operating activities	<u>\$ 1,141,460</u>	<u>\$ 377,407</u>
Cash Consists of the Following Assets		
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 1,111,957	\$ 984,021
Cash held in Grand Valley State University pooled asset funds for restricted purposes	<u>4,088,737</u>	<u>2,555,765</u>
Total cash	<u>\$ 5,200,694</u>	<u>\$ 3,539,786</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. As noted in the MD&A, WGVU-AM plans to terminate the licensing agreement as of January 7, 2022. 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, 2021 and 2020, 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 \$915,801 and \$922,763 for the years ended June 30, 2021 and 2020, 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 \$388,931 and \$410,876 for the years ended June 30, 2021 and 2020, 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 as well as ARPA funds for WGVU-AM that will be returned to CPB.

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 including federal subsidies are recorded as nonoperating or other revenue.

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

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

Deferred Outflows of Resources - In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until that time. The deferred outflows of resources relate to the net pension liability and the OPEB liability; see Notes 3 and 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. The deferred inflows of resources relate to the net pension liability and the OPEB liability; see Notes 3 and 4 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, 2021 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 ARPA funds to the Network as a stimulus due to 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 \$860,915. This includes \$180,420 in funding for WGVU-AM, which will be returned to the CPB due to the decision to cease AM operations and is included in deferred revenue. The remaining \$680,495 is recorded as non-operating revenue.
- The CARES Act provided employers a deferral in paying the employer portion of social security taxes, with approximately one-half due at the end of calendar year 2021 and the remainder due at the end of calendar year 2022. The Network participated in the program and as a result, recorded liabilities of \$91,996 and \$47,992, respectively.

Grand Valley State University

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Notes to Financial Statements June 30, 2021 and 2020

Note 2 - Capital Assets

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

	Beginning Balance	Additions	Reductions	Ending Balance
Nondepreciable capital assets - Land	\$ 523,258	\$ -	\$ -	\$ 523,258
Depreciable capital assets:				
Buildings and towers	1,216,689	-	-	1,216,689
License	554,022	-	-	554,022
Equipment	<u>10,388,210</u>	<u>105,760</u>	<u>28,600</u>	<u>10,522,570</u>
Total cost of depreciable capital assets	<u>12,158,921</u>	<u>105,760</u>	<u>28,600</u>	<u>12,293,281</u>
Total cost of capital assets	12,682,179	<u>\$ 105,760</u>	<u>\$ 28,600</u>	12,816,539
Less accumulated depreciation for:				
Buildings and towers	590,827	27,255	-	618,082
License	554,022	-	-	554,022
Equipment	<u>8,998,762</u>	<u>361,677</u>	<u>28,600</u>	<u>9,389,039</u>
Total accumulated depreciation	<u>10,143,611</u>	<u>\$ 388,932</u>	<u>\$ 28,600</u>	<u>10,561,143</u>
Capital assets - Net	<u>\$ 2,538,568</u>			<u>\$ 2,255,396</u>

Grand Valley State University
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Notes to Financial Statements
June 30, 2021 and 2020

Note 2 - Capital Assets (Continued)

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>

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 \$209,000 and \$215,650 for the years ended June 30, 2021 and 2020, respectively. Total payroll covered under this plan was approximately \$1,741,600 in 2021 and \$1,797,300 in 2020.

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 \$13,200 in 2021 and \$15,300 in 2020. Total payroll covered under this plan was approximately \$154,500 in 2021 and \$177,800 in 2020.

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, 2020 and 2019, 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 is 5.0 percent. The University's contribution rate of annual payroll was 19.7 percent and 22.4 percent for the years ended June 30, 2021 and 2020, respectively.

Net Pension Liability - The University's net pension liability was measured as of June 30, 2021 and 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 and 2019, which used updated procedures to roll forward the estimated liability to June 30, 2021 and 2020, 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, 2021, 2020, and 2019 the proportionate share percentage for the Network's allocation of the University's liability was 2.8 percent, 2.7 percent and 2.6 percent, respectively.

For the years ended June 30, 2021 and 2020, the Network recognized pension revenue (expense) of approximately \$43,500 and (\$71,600), respectively.

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

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

Note 3 - Retirement Plans (Continued)

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>

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
2022	\$ (66,972)
2023	(47,086)
2024	(37,617)
2025	(44,058)

Actuarial Assumptions - The total pension liability as of June 30, 2021 and 2020, the year end of the plan, was determined by an actuarial valuation as of July 1, 2020 and 2019, 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	6.57% and 6.27% as of July 1, 2021 and 2020, respectively, net of pension plan investment expense

For the July 1, 2020 actuarial valuation, the mortality improvement projection scale was updated from MP-2018 to MP-2019, since the prior measurement date. For the July 1, 2019, actuarial valuation, the mortality improvement projection scale was updated from MP-2017 to MP-2018. 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 6.57 percent and 6.27 percent for the years ended June 30, 2021 and June 30, 2020. 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, 2021 and 2020, 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 %	8.22 %
Fixed income	18	1.46
Cash	3	0.28
Real estate	10	10.06
Commodities	7	2.74

The sum of the target allocations times the long-term expected rates is 6.57 percent and 6.27 percent for years ended June 30, 2021 and 2020, 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, 2021	1% Decrease	Current Discount Rate (6.57%)	1% Increase
Net pension liability	\$ 311,184	\$ 91,361	\$ (93,806)

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

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, 2020, 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, 2021 total OPEB liability was measured as of June 30, 2021 based on an actuarial valuation performed June 30, 2021 in compliance with GASB Statement No. 75. The June 30, 2020 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 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, 2021, 2020, and 2019 the proportionate share percentage for the Network's allocation of the University's liability was 1.9 percent.

Grand Valley State University
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Notes to Financial Statements
June 30, 2021 and 2020

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, 2021 and 2020, the Network recognized OPEB expense of approximately \$26,000 and \$27,700, respectively.

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

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

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>

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
2022	2,631
2023	2,631
2024	2,631
2025	2,631
2026	2,631
Thereafter	2,922

Note 4 - Other Postemployment Benefits (Continued)

Actuarial Assumptions – The OPEB liability in the June 30, 2021 actuarial valuation was determined using an inflation assumption of 2.0 percent; assumed salary increases (including inflation) of 2.5 percent; an investment rate of zero percent as assets held are not allowable for inclusion under GASB Statement No. 75 requirements; a health care cost trend rate of 6.5 percent and 7.0 percent in 2021 and 2020, 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-2020 and MP-2019 improvement scale in 2021 and 2020, respectively.

There were no changes in benefit terms during 2021 or 2020.

Discount rate – The discount rate used to measure the total OPEB liability was 2.18 percent at June 30, 2021 and 2.66 percent at June 30, 2020. 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, 2021	1% Decrease	Current Discount Rate (2.18%)	1% Increase
Total OPEB Liability	\$ 488,177	\$ 430,158	\$ 381,584

June 30, 2020	1% Decrease	Current Discount Rate (2.66%)	1% Increase
Total OPEB Liability	\$ 480,596	\$ 422,374	\$ 373,224

**Grand Valley State University
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**Notes to Financial Statements
June 30, 2021 and 2020**

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, 2021	1% Decrease	Current Healthcare Trend Rate (6.5%)	1% Increase
Total OPEB Liability	\$ 429,965	\$ 430,158	\$ 430,374

June 30, 2020	1% Decrease	Current Healthcare Trend Rate (7.0%)	1% Increase
Total OPEB Liability	\$ 418,868	\$ 422,374	\$ 426,421

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 2021 and 2020 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 \$4,292,637 and \$4,524,148 for the WGVU-TV fund, \$809,125 and \$747,623 for the WGVU-FM fund, and \$349,426 and \$340,301 for the WGVU-AM fund for 2021 and 2020, respectively.

Required Supplementary Information

Grand Valley State University

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

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

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

Actuarial valuation information relative to the determination of contributions:

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

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

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

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

Other Supplementary Information

Grand Valley State University

WGVU Public Media

Combined Statement of Net Position Year Ended June 30, 2021

	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	\$ 544,676	\$ 539,694	\$ 27,587	\$ 1,111,957
Cash held in Grand Valley State University pooled asset funds for restricted purposes	3,645,159	243,251	200,327	4,088,737
Accounts receivable	42,186	11,606	-	53,792
Inventory	3,561	-	-	3,561
Prepaid expenses	53,101	925	80	54,106
Purchased program rights - Current portion	597,834	320	-	598,154
Total current assets	4,886,517	795,796	227,994	5,910,307
Noncurrent assets:				
Investments held in Grand Valley State University endowment funds	554,273	117,774	16,906	688,953
Purchased program rights - Long-term portion	288,746	-	-	288,746
Capital assets - Net	1,631,430	585,794	38,172	2,255,396
Total noncurrent assets	2,474,449	703,568	55,078	3,233,095
Total assets	7,360,966	1,499,364	283,072	9,143,402
Deferred Outflow of Resources - Retirement benefit related deferrals	188,840	7,456	19,804	216,100
Liabilities				
Current liabilities:				
Advances from Grand Valley State University pooled asset funds	-	-	265,804	265,804
Unearned operating revenue	1,719,901	10,873	200,327	1,931,101
Accounts payable	16,064	4,341	-	20,405
Accrued payroll and related taxes - Current portion	121,428	17,717	9,834	148,979
Other postemployment benefits - Current portion	9,509	1,585	-	11,094
Accrued compensated absences	154,352	38,528	8,466	201,346
Total current liabilities	2,021,254	73,044	484,431	2,578,729
Noncurrent liabilities:				
Deferred payroll taxes	35,739	5,860	4,399	45,998
Other postemployment benefits	339,522	65,678	13,864	419,064
Net pension liability	78,741	-	12,620	91,361
Total noncurrent liabilities	454,002	71,538	30,883	556,423
Total liabilities	2,475,256	144,582	515,314	3,135,152
Deferred Inflow of Resources - Retirement benefit related deferrals	351,175	4,481	40,100	395,756
Net Position				
Net investment in capital assets	1,631,430	585,794	38,172	2,255,396
Restricted - Nonexpendable	356,075	72,196	9,099	437,370
Restricted - Expendable	1,641,668	288,829	7,807	1,938,304
Unrestricted (deficit)	1,094,202	410,938	(307,616)	1,197,524
Total net position	\$ 4,723,375	\$ 1,357,757	\$ (252,538)	\$ 5,828,594

Grand Valley State University

WGVU Public Media

Combined Statement of Revenue, Expenses, and Changes in Net Position Year Ended June 30, 2021

	Television	Radio - FM	Radio - AM	Combined Total
Operating Revenue				
Operating grant from Grand Valley State University	\$ 438,828	\$ 235,363	\$ 207,100	\$ 881,291
Contributions, subscriptions, and memberships	2,543,002	324,157	65,362	2,932,521
Community service grant from the Corporation for Public Broadcasting	1,086,125	108,958	56,813	1,251,896
Fiscal Stabilization Grant from Corp. for Public Broadcasting	77,145	-	-	77,145
Government grants and contracts	856	-	-	856
Nongovernment grants and contracts	213,690	-	-	213,690
Donated facilities and administrative support from Grand Valley State University	891,503	165,735	68,679	1,125,917
In-kind contributions	53,811	16,905	-	70,716
Underwriting revenue	395,265	103,191	3,978	502,434
Production and use of facilities	416,678	-	-	416,678
Miscellaneous revenue	84,381	70	-	84,451
Total operating revenue	6,201,284	954,379	401,932	7,557,595
Operating Expenses				
Program services:				
Programming and production	1,591,435	523,964	130,868	2,246,267
Broadcasting	749,154	24,128	1,711	774,993
Program information and promotion	484,644	29,398	-	514,042
Support services:				
Management and general	1,809,111	206,116	290,551	2,305,778
Fundraising, membership development, and auction	973,213	31,520	4,717	1,009,450
Depreciation expense	373,222	14,055	1,655	388,932
Total operating expenses	5,980,779	829,181	429,502	7,239,462
Operating Income (Loss)	220,505	125,198	(27,570)	318,133
Nonoperating Revenue				
Fundraising income	2,716	-	-	2,716
Federal Stimulus from Corporation for Public Broadcasting	536,603	143,892	-	680,495
Investment income	143,247	30,461	4,307	178,015
Total nonoperating revenue	682,566	174,353	4,307	861,226
Income (Loss)- Before other	903,071	299,551	(23,263)	1,179,359
Other Revenue				
Additions to permanent endowment	778	30	-	808
Total other revenue	778	30	-	808
Increase (Decrease) in Net Position	903,849	299,581	(23,263)	1,180,167
Net Position (Deficit) - Beginning of year	3,819,526	1,058,176	(229,275)	4,648,427
Net Position (Deficit) - End of year	\$ 4,723,375	\$ 1,357,757	\$ (252,538)	\$ 5,828,594