

**Grand Valley State University  
WGVU Public Media**

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**Financial Report  
with Supplementary Information  
June 30, 2019**

# 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, 2019 and 2018 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 an 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, 2019 and 2018 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

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, 2019 and 2018; 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.

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

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of net pension liability and related ratios, and schedule of OPEB liability and related ratios, as identified in the table of contents, 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 audits were 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*

December 18, 2019

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# **Grand Valley State University**

## **WGVU Public Media**

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### **Management's Discussion and Analysis - Unaudited**

#### **Fiscal Year Ended June 30, 2019**

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 9 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>2019</u>	<u>2018</u>	<u>2017</u>
<b>Assets</b>			
Current assets:			
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 3,164,210	\$ 2,959,907	\$ 1,910,248
Accounts receivable	91,509	108,174	128,848
Inventory and prepaid expenses	108,888	58,550	59,789
Current portion - Program rights	<u>607,298</u>	<u>577,327</u>	<u>563,704</u>
Total current assets	3,971,905	3,703,958	2,662,589
Noncurrent assets:			
Investments held in Grand Valley State University endowment funds	543,356	521,721	499,323
Long-term portion - Program rights	318,249	288,086	285,376
Capital assets - Net of depreciation	<u>2,887,230</u>	<u>3,245,770</u>	<u>3,634,252</u>
Total noncurrent assets	<u>3,748,835</u>	<u>4,055,577</u>	<u>4,418,951</u>
Total assets	7,720,740	7,759,535	7,081,540
<b>Deferred Outflow of Resources</b> - Retirement-related deferrals	224,317	225,622	292,433
<b>Liabilities</b>			
Current liabilities:			
Advances from Grand Valley State University pooled asset funds	851,818	805,973	849,566
Unearned operating revenue	1,683,791	1,476,303	1,214,740
Other current liabilities	<u>311,385</u>	<u>377,391</u>	<u>312,098</u>
Total current liabilities	2,846,994	2,659,667	2,376,404
Noncurrent liabilities:			
Other postemployment benefits	370,573	349,385	148,751
Net pension liability	<u>414,369</u>	<u>397,537</u>	<u>433,797</u>
Total noncurrent liabilities	<u>784,942</u>	<u>746,922</u>	<u>582,548</u>
Total liabilities	3,631,936	3,406,589	2,958,952
<b>Deferred Inflow of Resources</b> - Retirement related deferrals	<u>172,278</u>	<u>151,857</u>	<u>146,359</u>
<b>Net Position</b>			
Net investment in capital assets	2,887,230	3,245,770	3,634,252
Restricted - Nonexpendable	425,827	405,291	404,197
Restricted - Expendable	807,991	967,171	224,389
Unrestricted (deficit)	<u>19,795</u>	<u>(191,521)</u>	<u>5,824</u>
Total net position	<u>\$ 4,140,843</u>	<u>\$ 4,426,711</u>	<u>\$ 4,268,662</u>

# Grand Valley State University

## WGVU Public Media

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### Management's Discussion and Analysis - Unaudited (Continued)

Current assets include the cash held in the University's pooled asset funds for restricted or operating purposes, assets held for equipment replacement, accounts receivable, 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 timing of receipts of customer payments and purchases of inventory by the Network.

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 \$44,033 due to new gifts and rebounding financial markets. The balance of program rights increased by \$32,873 during the three year period due to increasing programming fees from PBS. The decrease in net capital assets of approximately \$747,022 is chiefly due to depreciation expense of approximately \$888,947 net of capital additions of \$141,925 since June 30, 2017.

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 2018 to 2019, deferred outflows decreased by \$1,305 mostly attributable to the amortization of changes in investment rate assumptions for the pension plans. More detailed information regarding the defined benefit pension plan and postemployment benefit plan is presented in the notes to the financial statements and required 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 \$207,488 from 2018 to 2019 due to a receipt of funding for the second year of a foundation grant as well as CPB CSG revenue deferred to fiscal year 2020, after increasing by \$261,563 from 2017 to 2018. Other current liabilities decreased from 2018 to 2019 by \$66,006 due to timing of accounts payable invoices and payroll related liabilities, after an increase of \$65,293 from 2017 to 2018.

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 by \$20,421 at June 30, 2019 due to changes in assumptions. 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 decreased by \$127,819 over the three-year period, mainly as a result of decreased members support after a period buoyed by canvassing campaigns for membership and increased support during the election cycle.

# 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>2019</u>	<u>2018</u>	<u>2017</u>
<b>Operating Revenue</b>			
Operating grant from Grand Valley State University	\$ 1,085,798	\$ 1,102,617	\$ 1,087,477
Contributions, subscriptions, and memberships	2,394,678	3,105,974	2,556,905
Grants from the Corporation for Public Broadcasting	1,143,870	1,163,747	1,208,942
Other grants and contracts	340,761	237,884	192,595
Donated facilities, administrative support, and in-kind contributions	1,479,809	1,382,288	1,730,351
Underwriting revenue	772,296	981,081	791,349
Production and use of facilities	412,230	432,326	470,864
Miscellaneous revenue	139,405	76,387	65,928
Total operating revenue	<u>7,768,847</u>	<u>8,482,304</u>	<u>8,104,411</u>
<b>Operating Expenses</b>			
Program services	3,636,451	3,286,596	2,987,179
Support services	4,176,295	4,555,924	4,912,908
Depreciation expense	438,806	450,141	540,329
Total operating expenses	<u>8,251,552</u>	<u>8,292,661</u>	<u>8,440,416</u>
<b>Operating Loss</b>	(482,705)	189,643	(336,005)
<b>Nonoperating Revenue (Expense)</b>			
Fundraising income	90,174	125,329	111,725
Investment income	22,014	41,460	59,523
Total nonoperating revenue	<u>112,188</u>	<u>166,789</u>	<u>171,248</u>
<b>Loss - Before other revenue</b>	(370,517)	356,432	(164,757)
<b>Other Revenue</b>	<u>84,649</u>	<u>1,094</u>	<u>55,748</u>
<b>(Decrease) Increase in Net Position</b>	(285,868)	357,526	(109,009)
<b>Net Position - Beginning of year</b>	4,426,711	4,268,662	4,377,671
<b>Adjustment for Change in Accounting Principle</b>	-	(199,477)	-
<b>Net Position - End of year</b>	<u>\$ 4,140,843</u>	<u>\$ 4,426,711</u>	<u>\$ 4,268,662</u>

# Grand Valley State University

## WGVU Public Media

### Management's Discussion and Analysis - Unaudited (Continued)

Operating revenue has decreased by approximately \$340,970 over the three-year period. The most significant changes in revenue were decreases of approximately \$162,227 in contributions, subscriptions, and memberships and approximately \$255,948 in donated facilities, administrative support, and in-kind contributions. Operating expenses did not change significantly over the three-year period. The Network's salaries, wages, and benefits expense represents the largest operating expense category; personnel expense decreased by approximately \$176,000 from 2018 to 2019 largely due to open positions during the year and totaled approximately \$3.42 million for the year ended June 30, 2019.

Nonoperating revenue includes fundraising income and investment income allocated to endowed investments. Fund raising income decreased by approximately \$35,000 from 2018 to 2019, after increasing by \$13,600 from 2017 to 2018. Revenue in 2018 was boosted by a concert WGVU produced that was not done in 2019 and WGVU experienced a decrease in revenue associated with the annual wine fundraisers in 2019. Investment income decreased in comparison to 2018.

#### 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 new grants and planned gifts received, total cash increased by \$1,253,962 from 2017 to 2019.

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Net Cash Provided by (Used In)</b>			
Operating activities	\$ 63,523	\$ 1,019,694	\$ 83,842
Noncapital financing activities	136,019	81,736	(115,050)
Capital and related financing activities	(16,153)	(71,926)	(16,322)
Investing activities	20,914	20,155	19,824
<b>Net Increase (Decrease) in Cash</b>	204,303	1,049,659	(27,706)
<b>Cash - Beginning of year</b>	2,959,907	1,910,248	1,937,954
<b>Cash - End of year</b>	<u>\$ 3,164,210</u>	<u>\$ 2,959,907</u>	<u>\$ 1,910,248</u>

#### Economic Factors That Will Affect the Future

For fiscal year 2020 the House approved a \$50 million increase in funding for Corporation for Public Broadcasting, however, the bill has not yet passed the Senate and it is expected that funding will continue at the historical rate. The full impact of changes to the tax code has yet to be seen. In previous years, presidential election cycles have led to increases in underwriting and membership revenue and we would expect that trend to continue. 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 increases in grant support from the community.

# Grand Valley State University

## WGVU Public Media

### Statement of Net Position

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>Assets</b>		
Current assets:		
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 955,852	\$ 769,096
Cash held in Grand Valley State University pooled asset funds for restricted purposes	2,208,358	2,190,811
Accounts receivable	91,509	108,174
Inventory	4,414	4,573
Prepaid expenses	104,474	53,977
Purchased program rights - Current portion	<u>607,298</u>	<u>577,327</u>
Total current assets	3,971,905	3,703,958
Noncurrent assets:		
Investments held in Grand Valley State University endowment funds	543,356	521,721
Purchased program rights - Long-term portion	318,249	288,086
Capital assets - Net (Note 2)	<u>2,887,230</u>	<u>3,245,770</u>
Total noncurrent assets	<u>3,748,835</u>	<u>4,055,577</u>
Total assets	7,720,740	7,759,535
<b>Deferred Outflow of Resources</b> - Reirement benefit related deferrals	224,317	225,622
<b>Liabilities</b>		
Current liabilities:		
Advances from Grand Valley State University pooled asset funds	851,818	805,973
Unearned operating revenue	1,683,791	1,476,303
Accounts payable	62,399	109,169
Accrued payroll	100,504	103,500
Other postemployment benefits - Current portion (Note 4)	12,573	14,079
Accrued compensated absences	<u>135,909</u>	<u>150,643</u>
Total current liabilities	2,846,994	2,659,667
Noncurrent liabilities:		
Other postemployment benefits (Note 4)	370,573	349,385
Net pension liability (Note 3)	<u>414,369</u>	<u>397,537</u>
Total noncurrent liabilities	<u>784,942</u>	<u>746,922</u>
Total liabilities	3,631,936	3,406,589
<b>Deferred Inflow of Resources</b> - Retirement benefit related deferrals	<u>172,278</u>	<u>151,857</u>
<b>Net Position</b>		
Net investment in capital assets	2,887,230	3,245,770
Restricted - Nonexpendable	425,827	405,291
Restricted - Expendable	807,991	967,171
Unrestricted (deficit)	<u>19,795</u>	<u>(191,521)</u>
Total net position	<u>\$ 4,140,843</u>	<u>\$ 4,426,711</u>

# Grand Valley State University

## WGVU Public Media

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

	Year Ended June 30	
	2019	2018
<b>Operating Revenue</b>		
Operating grant from Grand Valley State University	\$ 1,085,798	\$ 1,102,617
Contributions, subscriptions, and memberships	2,394,678	3,105,974
Community service grant from the Corporation for Public Broadcasting	1,069,548	1,163,747
Fiscal stabilization grant from the Corporation for Public Broadcasting	74,322	-
Government grants and contracts	10,000	31
Nongovernment grants and contracts	330,761	237,853
Donated facilities and administrative support from Grand Valley State University	1,285,753	1,207,814
In-kind contributions	194,056	174,474
Underwriting revenue	772,296	981,081
Production and use of facilities	412,230	432,326
Miscellaneous revenue	139,405	76,387
<b>Total operating revenue</b>	<b>7,768,847</b>	<b>8,482,304</b>
<b>Operating Expenses</b>		
Program services:		
Programming and production	2,369,667	2,352,140
Broadcasting	624,569	344,281
Program information and promotion	642,215	590,175
Support services:		
Management and general	2,846,100	3,022,958
Fundraising, membership development, and auction	1,330,195	1,532,966
Depreciation expense	438,806	450,141
<b>Total operating expenses</b>	<b>8,251,552</b>	<b>8,292,661</b>
<b>Operating (Loss) Income</b>	<b>(482,705)</b>	<b>189,643</b>
<b>Nonoperating Revenue</b>		
Fundraising income	90,174	125,329
Investment income	22,014	41,460
<b>Total nonoperating revenue</b>	<b>112,188</b>	<b>166,789</b>
<b>(Loss) Income - Before other revenue</b>	<b>(370,517)</b>	<b>356,432</b>
<b>Other Revenue</b>		
Capital grants and gifts	64,113	-
Additions to permanent endowment	20,536	1,094
<b>Total other</b>	<b>84,649</b>	<b>1,094</b>
<b>(Decrease) Increase in Net Position</b>	<b>(285,868)</b>	<b>357,526</b>
<b>Net Position - Beginning of year</b>	<b>4,426,711</b>	<b>4,268,662</b>
Adjustment for change in accounting principle (Note 1)	-	(199,477)
<b>Net Position - End of year</b>	<b>\$ 4,140,843</b>	<b>\$ 4,426,711</b>

# Grand Valley State University

## WGVU Public Media

### Statement of Cash Flows

	Year Ended June 30	
	2019	2018
<b>Cash Flows from Operating Activities</b>		
Grants and contracts	\$ 2,744,567	\$ 2,788,686
Payments to suppliers	(3,066,176)	(2,853,417)
Payments to employees, including benefits	(3,383,492)	(3,509,143)
Underwriting revenue	822,311	978,881
Contributions, subscriptions, and memberships	2,394,678	3,105,974
Production and use of facilities	412,230	432,326
Miscellaneous revenue	139,405	76,387
Net cash provided by operating activities	63,523	1,019,694
<b>Cash Flows from Noncapital Financing Activities</b>		
Advances from (to) Grand Valley State University pooled asset funds	45,845	(43,593)
Fundraising proceeds	90,174	125,329
Net cash provided by noncapital financing activities	136,019	81,736
<b>Cash Flows from Capital and Related Financing Activities</b>		
Capital grants and gifts received	64,113	-
Purchases of capital assets and construction	(80,266)	(71,926)
Net cash used in capital and related financing activities	(16,153)	(71,926)
<b>Cash Flows from Investing Activities</b>		
Private gifts for endowment purposes	20,536	1,094
Investment income	22,014	41,460
Investment in Grand Valley State University endowment pool	(21,636)	(22,399)
Net cash provided by investing activities	20,914	20,155
<b>Net Increase in Cash</b>	204,303	1,049,659
<b>Cash - Beginning of year</b>	2,959,907	1,910,248
<b>Cash - End of year</b>	<b>\$ 3,164,210</b>	<b>\$ 2,959,907</b>

**Grand Valley State University**  
**WGVU Public Media**

**Statement of Cash Flows (Continued)**

	Year Ended June 30	
	2019	2018
<b>Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities</b>		
Operating (loss) income	\$ (482,705)	\$ 189,643
Adjustments to reconcile (loss) income to net cash from operating activities:		
Depreciation	438,806	450,141
Amortization of program rights	838,103	836,577
Changes in assets and liabilities:		
Accounts receivable	16,665	20,674
Inventory	159	(555)
Other assets	(50,497)	1,794
Program rights	(898,237)	(852,910)
Accounts payable	25,201	48,825
Accrued payroll and compensated absences	(17,730)	12,656
Unearned operating revenue	207,489	261,564
Retirement related deferrals and noncurrent liabilities	58,240	51,285
Net cash provided by operating activities	<u>\$ 135,494</u>	<u>\$ 1,019,694</u>
<b>Cash Consists of the Following Assets</b>		
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 955,852	\$ 769,096
Cash held in Grand Valley State University pooled asset funds for restricted purposes	<u>2,208,358</u>	<u>2,190,811</u>
Total cash	<u>\$ 3,164,210</u>	<u>\$ 2,959,907</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, 2019 and 2018, 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 \$898,237 and \$836,577 for the years ended June 30, 2019 and 2018, respectively.

**Capital Assets** - Studio and other broadcast equipment is recorded at cost. The cost for contributed assets is recorded at fair market 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 \$438,806 and \$450,141 for the years ended June 30, 2019 and 2018, 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** - 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.

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

**Note 1 - Significant Accounting Policies (Continued)**

**Operating Activities** - All revenue from programmatic sources is considered operating revenue. Revenues associated with, or restricted by donors to use for, capital improvements and revenue and expenses that result from financing and investing activities 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.

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

**Grand Valley State University**  
**WGVU Public Media**

**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 2 - Capital Assets**

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>

**Grand Valley State University**  
**WGVU Public Media**

**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 2 - Capital Assets (Continued)**

Capital asset activity for the year ended June 30, 2018 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>10,151,111</u>	<u>61,659</u>	<u>-</u>	<u>10,212,770</u>
Total cost of depreciable capital assets	<u>11,921,822</u>	<u>61,659</u>	<u>-</u>	<u>11,983,481</u>
Total cost of capital assets	12,445,080	<u>\$ 61,659</u>	<u>\$ -</u>	12,506,739
Less accumulated depreciation for:				
Buildings and towers	509,062	\$ 27,255	\$ -	536,317
License	554,022	-	-	554,022
Equipment	<u>7,747,744</u>	<u>422,886</u>	<u>-</u>	<u>8,170,630</u>
Total accumulated depreciation	<u>8,810,828</u>	<u>\$ 450,141</u>	<u>\$ -</u>	<u>9,260,969</u>
Capital assets - Net	<u>\$ 3,634,252</u>			<u>\$ 3,245,770</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 \$208,400 and \$231,000 for the years ended June 30, 2019 and 2018, respectively. Total payroll covered under this plan was approximately \$1,736,600 in 2019 and \$1,927,000 in 2018.

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 \$17,500 in 2019 and \$13,000 in 2018. Total payroll covered under this plan was approximately \$194,800 in 2019 and \$141,100 in 2018.

**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, retirement plan membership attributable to the Network consisted of the following:

	<u>2018</u>	<u>2017</u>
Inactive plan members receiving benefits	7	6
Inactive members entitled to, but not yet receiving benefits	2	2
Active plan members	4	5
Total participants	<u>13</u>	<u>13</u>

**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 23.1 percent and 19.2 percent for the years ended June 30, 2019 and 2018, respectively.

**Net Pension Liability** - The University's net pension liability was measured as of June 30, 2019 and 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 and 2017, which used updated procedures to roll forward the estimated liability to June 30, 2019 and 2018, 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, 2019 and 2018, the Network's allocation of the University's liability was 2.6 percent and 2.7 percent, respectively.

For the years ended June 30, 2019 and 2018, the Network recognized pension expense of approximately \$102,000 and \$100,000, respectively.

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>

**Grand Valley State University**  
**WGVU Public Media**

**Notes to Financial Statements**  
**June 30, 2019 and 2018**

**Note 3 - Retirement Plans (Continued)**

At June 30, 2018, 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	\$ 34,243	\$ -
Changes in assumptions	187,746	137,484
Net difference between projected and actual earnings on plan investments	-	12,548
Total	<u>\$ 221,989</u>	<u>\$ 150,032</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
2020	\$ 47,874
2021	501
2022	(49)
2023	3,240
2024	2,228
Thereafter	1,397

**Actuarial Assumptions** - The total pension liability as of June 30, 2019 and 2018, the year end of the plan, was determined by an actuarial valuation as of July 1, 2018 and 2017, 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	6.23% and 6.5% as of July 1, 2019 and 2018, respectively, net of pension plan investment expense

Based on Mortality Table RP-2014 with Projection Table MP-2018, as appropriate.

**Note 3 - Retirement Plans (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 6.23 percent and 6.50 percent for the years ended June 30, 2019 and June 30, 2018. 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, 2019 and 2018, 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 %	6.73 %
International equities	19	8.67
Fixed income	17	6.27
Cash	3	0
Real estate	10	5.04
Commodities	7	0.8

The sum of the target allocations times the long-term expected rates is 6.23 percent and 6.5 percent for years ended June 30, 2019 and 2018, 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, 2019	1% Decrease	Current Discount Rate (6.23%)	1% Increase
Net pension liability	\$ 651,004	\$ 414,369	\$ 219,898
June 30, 2018	1% Decrease	Current Discount Rate (6.5%)	1% Increase
Net pension liability	\$ 629,608	\$ 397,537	\$ 206,765

**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, 2018, 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, 2019 total 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 June 30, 2018 OPEB liability was measured as of June 30, 2018 based on an actuarial valuation performed June 30, 2018 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, 2019 and 2018 the Network's allocation of the University's liability was 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 year ended June 30, 2019 and 2018, the Network recognized OPEB expense of approximately \$24,700 and \$24,250, respectively.

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>

At June 30, 2018 the Network reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,825
Changes in assumptions	3,633	-
Total	<u>\$ 3,633</u>	<u>\$ 1,825</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
2020	(688)
2021	(688)
2022	(688)
2023	(688)
2024	(688)
Thereafter	288

**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 8.0 percent in 2018, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent; and using the RP-2014 mortality tables with the MP-2018 improvement scale.

There were no changes in benefit terms during 2018 or 2019.

**Discount rate** – The discount rate used to measure the total OPEB liability was 3.36 percent at June 30, 2019 and 3.0 percent at June 30, 2018. 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, 2019	1% Decrease	Current Discount Rate (3.36%)	1% Increase
Total OPEB Liability	\$ 431,042	\$ 383,146	\$ 342,797

  

June 30, 2018	1% Decrease	Current Discount Rate (3.0%)	1% Increase
Total OPEB Liability	\$ 491,588	\$ 363,464	\$ 285,216

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

  

June 30, 2018	1% Decrease	Current Healthcare Trend Rate (8.0%)	1% Increase
Total OPEB Liability	\$ 358,981	\$ 363,464	\$ 368,768

**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 2017 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 \$4,703,800 and \$5,323,457 for the WGVU-TV fund, \$742,497 and \$698,060 for the WGVU-FM fund, and \$381,683 and \$372,758 for the WGVU-AM fund for 2019 and 2018, respectively.

## **Required Supplementary Information**

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# Grand Valley State University

## WGVU Public Media

### Schedule of Net Pension Liability and Related Ratios

	<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	2.6%	2.7%	2.7%	3.4%	2.9%	2.9%
Amount	\$ 414,369	\$ 397,537	\$ 433,797	\$ 433,265	\$ 332,616	\$ 200,662
Network's covered payroll:						
As a percentage	2.9%	2.9%	3.3%	3.4%	3.4%	3.4%
Amount	\$ 232,163	\$ 319,356	\$ 327,173	\$ 344,516	\$ 368,183	\$ 395,313
Network's collective pension liability as a percentage of covered payroll	178.5%	124.5%	132.6%	125.8%	90.3%	50.8%

	<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	\$ 46,302	\$ 51,106	\$ 56,131	\$ 88,904	\$ 34,639	\$ 49,780
Network's allocated share of the University's actual contributions	\$ 48,728	\$ 55,568	\$ 55,530	\$ 54,299	\$ 47,423	\$ 48,065
Network's allocated share of the University's contribution (excess) deficiency	\$ (2,426)	\$ (4,462)	\$ 600	\$ 34,605	\$ (4,684)	\$ 1,715
Network's covered payroll	\$ 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	21.0%	17.4%	17.0%	15.8%	12.9%	12.2%

#### Changes Since Prior Valuation

The mortality table projection scale was updated from MP-2017 to MP-2018. Investment rate of return was lowered from 6.5% to 6.23%. There were no changes in benefit terms.

**Grand Valley State University**  
**WGVU Public Media**

**Schedule of OPEB Liability and Related Ratios**

	<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%	1.8%
Amount	383,146	353,464
 Network's covered payroll	 1,189,465	 1,523,977
 Net OPEB liability as a percentage of covered payroll	 32.2%	 23.2%

*Changes in Benefit Terms.*

There were no changes to benefit terms during 2019 or 2018.

*Changes in Assumptions.*

Changes in assumptions or other inputs reflect the changes in the discount rate for each period. The following are the discount rates used to calculate the liability at end of period 2019 and 2018, respectively.

2019	3.36%
2018	3.00%

## **Other Supplementary Information**

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# Grand Valley State University

## WGVU Public Media

### Combined Statement of Net Position Year Ended June 30, 2019

	Television	Radio - FM	Radio - AM	Combined Total
<b>Assets</b>				
Current assets:				
Cash held in Grand Valley State University pooled asset funds and assets held for equipment replacement	\$ 453,234	\$ 480,032	\$ 22,586	\$ 955,852
Cash held in Grand Valley State University pooled asset funds for restricted purposes	2,192,228	16,130	-	2,208,358
Accounts receivable	78,726	9,858	2,925	91,509
Inventory	4,414	-	-	4,414
Prepaid expenses	94,466	5,908	4,100	104,474
Purchased program rights - Current portion	607,298	-	-	607,298
<b>Total current assets</b>	<b>3,430,366</b>	<b>511,928</b>	<b>29,611</b>	<b>3,971,905</b>
Noncurrent assets:				
Investments held in Grand Valley State University endowment funds	435,517	95,274	12,565	543,356
Purchased program rights - Long-term portion	318,249	-	-	318,249
Capital assets - Net	<u>2,272,712</u>	<u>573,036</u>	<u>41,482</u>	<u>2,887,230</u>
<b>Total noncurrent assets</b>	<b>3,026,478</b>	<b>668,310</b>	<b>54,047</b>	<b>3,748,835</b>
<b>Total assets</b>	<b>6,456,844</b>	<b>1,180,238</b>	<b>83,658</b>	<b>7,720,740</b>
<b>Deferred Outflow of Resources</b> - Retirement benefit related deferrals	202,939	848	20,530	224,317
<b>Liabilities</b>				
Current liabilities:				
Advances from Grand Valley State University pooled asset funds	415,063	-	436,755	851,818
Unearned operating revenue	1,664,962	18,829	-	1,683,791
Accounts payable	50,809	11,536	54	62,399
Accrued payroll	80,881	13,131	6,492	100,504
OPEB benefit payable	10,796	1,777	-	12,573
Accrued compensated absences	<u>106,628</u>	<u>24,431</u>	<u>4,850</u>	<u>135,909</u>
<b>Total current liabilities</b>	<b>2,329,139</b>	<b>69,704</b>	<b>448,151</b>	<b>2,846,994</b>
Noncurrent liabilities:				
Net other postemployment benefits	300,272	57,945	12,356	370,573
Net pension liability	<u>359,126</u>	<u>-</u>	<u>55,243</u>	<u>414,369</u>
<b>Total noncurrent liabilities</b>	<b>659,398</b>	<b>57,945</b>	<b>67,599</b>	<b>784,942</b>
<b>Total liabilities</b>	<b>2,988,537</b>	<b>127,649</b>	<b>515,750</b>	<b>3,631,936</b>
<b>Deferred Inflow of Resources</b> - Retirement benefit related deferrals	<u>160,565</u>	<u>788</u>	<u>10,925</u>	<u>172,278</u>
<b>Net Position</b>				
Net investment in capital assets	2,272,712	573,036	41,482	2,887,230
Restricted - Nonexpendable	344,562	72,166	9,099	425,827
Restricted - Expendable	765,287	39,238	3,466	807,991
Unrestricted (deficit)	<u>128,120</u>	<u>368,209</u>	<u>(476,534)</u>	<u>19,795</u>
<b>Total net position</b>	<b>\$ 3,510,681</b>	<b>\$ 1,052,649</b>	<b>\$ (422,487)</b>	<b>\$ 4,140,843</b>

# Grand Valley State University

## WGVU Public Media

### Combined Statement of Revenue, Expenses, and Changes in Net Position Year Ended June 30, 2019

	Television	Radio - FM	Radio - AM	Combined Total
<b>Operating Revenue</b>				
Operating grant from Grand Valley State University	\$ 643,335	\$ 235,363	\$ 207,100	\$ 1,085,798
Contributions, subscriptions, and memberships	2,101,194	227,821	65,663	2,394,678
Community service grant from the Corporation for Public Broadcasting	903,477	93,758	72,313	1,069,548
Fiscal stabilization grant from the Corporation for Public Broadcasting	74,322	-	-	74,322
Government grants and contracts	10,000	-	-	10,000
Nongovernment grants and contracts	330,761	-	-	330,761
Donated facilities and administrative support from Grand Valley State University	1,047,280	149,165	89,308	1,285,753
In-kind contributions	153,471	40,585	-	194,056
Underwriting revenue	621,926	131,280	19,090	772,296
Production and use of facilities	409,580	2,650	-	412,230
Miscellaneous revenue	133,397	6,008	-	139,405
<b>Total operating revenue</b>	<b>6,428,743</b>	<b>886,630</b>	<b>453,474</b>	<b>7,768,847</b>
<b>Operating Expenses</b>				
Program services:				
Programming and production	1,741,242	508,664	119,761	2,369,667
Broadcasting	602,102	16,682	5,785	624,569
Program information and promotion	588,930	53,285	-	642,215
Support services:				
Management and general	2,217,793	250,017	378,290	2,846,100
Fundraising, membership development, and auction	1,281,789	43,304	5,102	1,330,195
Depreciation expense	414,016	16,090	8,700	438,806
<b>Total operating expenses</b>	<b>6,845,872</b>	<b>888,042</b>	<b>517,638</b>	<b>8,251,552</b>
<b>Operating Loss</b>	<b>(417,129)</b>	<b>(1,412)</b>	<b>(64,164)</b>	<b>(482,705)</b>
<b>Nonoperating Revenue</b>				
Fundraising income	83,258	6,916	-	90,174
Investment income	17,505	3,987	522	22,014
<b>Total nonoperating revenue</b>	<b>100,763</b>	<b>10,903</b>	<b>522</b>	<b>112,188</b>
<b>(Loss) Gain - Before other</b>	<b>(316,366)</b>	<b>9,491</b>	<b>(63,642)</b>	<b>(370,517)</b>
<b>Other</b>				
Capital grant from Grand Valley State University	64,113	-	-	64,113
Additions to permanent endowment	20,536	-	-	20,536
<b>Total other revenue</b>	<b>84,649</b>	<b>-</b>	<b>-</b>	<b>84,649</b>
<b>(Decrease) Increase in Net Position</b>	<b>(231,717)</b>	<b>9,491</b>	<b>(63,642)</b>	<b>(285,868)</b>
<b>Net Position - Beginning of year</b>	<b>3,742,398</b>	<b>1,043,158</b>	<b>(358,845)</b>	<b>4,426,711</b>
<b>Net Position - End of year</b>	<b>\$ 3,510,681</b>	<b>\$ 1,052,649</b>	<b>\$ (422,487)</b>	<b>\$ 4,140,843</b>