

WOUB CENTER FOR PUBLIC MEDIA  
ATHENS COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

# WOUB Center for Public Media

A Public Media Entity  
(A Department of Ohio University)

Financial Statements as of and for the  
Years Ended June 30, 2021 and 2020 and  
Independent Auditor's Report

# WOUB Center for Public Media

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
WOUB Center for Public Media  
Athens, Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements of WOUB Center for Public Media (the "Center"), a department of Ohio University as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Center'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 financial statements referred to above present fairly, in all material respects, the financial position of WOUB Center for Public Media, as of June 30, 2021 and 2020 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.

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(Continued)

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Center are intended to present the financial position, the changes in financial position and cash flows, of only that portion of the activities of Ohio University that is attributable to the transactions of the Center. They do not purport to, and do not, present fairly the financial position of Ohio University as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America. 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 (MD&A), the Schedule of the Center's Proportionate Share of the Net Pension Liability and Net OPEB Liability/(Asset), and the Schedule of Center Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Center's basic financial statements. The Combining Statements of Revenues, Expenses and Changes in Net Position are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statements of Revenues, Expenses and Changes in Net Position 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 Combining Statement of Revenues, Expenses and Changes in Net Position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2021, on our consideration of WOUB Center for Public Media's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WOUB Center for Public Media's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WOUB Center for Public Media's internal control over financial reporting and compliance.

*Crowe LLP*

Crowe LLP

Columbus, Ohio  
December 23, 2021

The discussion and analysis of WOUB Center for Public Media's (WOUB or the "Center") financial statements provides an unaudited overview of the Center's financial activities for the fiscal years ended June 30, 2021, 2020, and 2019. Management has prepared the financial statements and the related note disclosures along with this discussion and analysis. Responsibility for the completeness and fairness of this information rests with the Center's management.

### **Using This Report**

In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This statement requires a comprehensive look at the Center as a whole. In November 1999, the GASB issued Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, which applies those standards to public colleges and universities. The WOUB Center for Public Media is a department of Ohio University (the "University"), a public university. The GASB has not yet developed accounting standards for presentation of auxiliary (or departmental) entities. For the purpose of this reporting, the Center is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35. In addition, the Center's accounting policies and practices conform to those permitted or allowed by the Corporation for Public Broadcasting, which generally follows published *Governmental Accounting Standards*.

The overview presented below highlights the significant financial activities that occurred during the past year and describes changes in financial activity from the prior year. The financial report includes basic financial statements that provide information on the Center: the statements of net position; revenue, expenses, and changes in net position; and cash flows.

This annual financial report includes the report of the independent auditors, this management's discussion and analysis, the three basic financial statements referenced above, and the notes to the financial statements.

### **Financial Highlights**

In the current year, revenue increased by \$2,786,933 or 35.8%, driven by a \$3,700,765 increase in investment income offset by decreases of \$447,876 in support from Ohio University and \$367,036 in sales, services and other. Expenses decreased \$1,913,688 or 22.8%. Included in the decrease of expenses is a decrease of \$907,952 related to the change in pension and OPEB expenses arising from GASB Nos. 68 and 75. Net position increased \$4,070,111 in fiscal year 2021.

## WOUB Center for Public Media

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

Changes in net position represents the Center's results for the year and are summarized for the years ended June 30, 2021, 2020 and 2019 as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenue	\$ 5,127,485	\$ 6,021,622	\$ 6,284,282
Operating expenses excluding adjustments for unfunded pension & OPEB	<u>7,114,217</u>	<u>8,119,953</u>	<u>7,944,366</u>
Subtotal	(1,986,732)	(2,098,331)	(1,660,084)
Nonoperating revenue	5,306,243	1,754,843	2,298,773
Capital grants and gifts	<u>129,670</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position excluding adjustments for unfunded pension & OPEB	3,449,181	(343,488)	638,689
Adjustment for changes in unfunded pension and OPEB liabilities not included in total expenses above	<u>620,930</u>	<u>(287,022)</u>	<u>78,826</u>
Increase (Decrease) in Net Position	<u>\$ 4,070,111</u>	<u>\$ (630,510)</u>	<u>\$ 717,515</u>

#### Statements of Net Position

The statements of net position present the net position of the Center as of the end of the fiscal year. It classifies assets and liabilities as current or noncurrent. Generally, current liabilities are those that will be paid within one year of the date of the statement. Current assets are those that are available to satisfy current liabilities.

Accounts receivable - Ohio University represents amounts available in the cash account of the University for the benefit of the Center. All of the Center's receipts and disbursements are recorded in this account. The amounts are \$22,891,073, \$18,714,250, and \$19,305,337 for the University for the years ended June 30, 2021, 2020, and 2019, respectively.

## WOUB Center for Public Media

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

The following chart depicts the breakdown of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for the Center as of June 30, 2021, 2020, and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets:			
Current assets:			
Accounts receivable and prepaid expenses	\$ 87,712	\$ 91,543	\$ 3,907
Accounts receivable - Ohio University	22,891,073	18,714,250	19,305,337
Noncurrent assets	<u>4,067,396</u>	<u>4,032,237</u>	<u>3,789,200</u>
Total assets	27,046,181	22,838,030	23,098,444
Deferred outflows of resources	316,473	704,352	843,860
Liabilities:			
Current liabilities	1,009,887	439,450	364,752
Noncurrent liabilities	<u>2,302,518</u>	<u>3,443,576</u>	<u>3,565,123</u>
Total liabilities	3,312,405	3,883,026	3,929,874
Deferred inflows of resources	<u>1,047,160</u>	<u>726,378</u>	<u>448,942</u>
Net position	<u>\$ 23,003,089</u>	<u>\$ 18,932,978</u>	<u>\$ 19,563,488</u>

The Center's share of cash accounts increased from a receivable position of \$18,714,250 at fiscal year end 2020 to a receivable position of \$22,891,073 from the University at fiscal year end 2021. This balance is mainly composed of proceeds from the FCC Spectrum Auction from fiscal year 2017 that were transferred to capital and endowment funds within the University for reinvestment into new equipment and construction for future Center endeavors.

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), the Center (through the University) is required to carry its proportionate share of the net liability/asset for the pension and OPEB plans in which it participates. The unfunded pension and OPEB liabilities/asset will change each year based on the University's proportionate share of contributions to total contributions of all participating employers to the plans. The net pension and OPEB liabilities/asset are determined by actuarial valuations as of the measurement dates of the retirement plans. The effect of changes in the net pension and OPEB liabilities/asset due to differences between projected and actual investment earnings, differences between expected and actual experience, change in assumptions about economic and demographic factors, and change in the employer's proportionate share of net pension and OPEB liabilities/asset result in changes to deferred outflows of resources and deferred inflows of resources. The current year impact from these factors is a decrease in net position of \$622,394. Deferred outflows of resources relating to pensions decreased for fiscal year 2021, while deferred inflows of resources relating to pensions increased. The net OPEB liability/asset and corresponding deferred outflows and inflows relating to OPEB were recorded for the first time in fiscal year 2018, as required by GASB No. 75. Deferred outflows of resources relating to OPEB decreased for fiscal year 2021, while deferred inflows of resources relating to OPEB increased in fiscal year 2021 (see details in Note 7).

# WOUB Center for Public Media

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## Management's Discussion and Analysis (Continued)

### Participation in the FCC Spectrum Auction

Radio frequency spectrum is used to transmit electromagnetic signals for a wide range of uses, including broadband services, satellite communications, and radio and television broadcasting. The FCC manages this natural resource, assigning spectrum rights to specific license holders. In 2012, Congress instructed the FCC to reorganize the radio frequency spectrum to free up bandwidth to expand high-speed wireless internet service nationwide.

The FCC's plan called for freeing more spectrum for wireless broadband use by using less spectrum for broadcast television. They decided to reorganize the channels to which TV broadcasters are assigned. The FCC held an auction, which began in March 2016, to buy spectrum rights from those television licensees who were willing to sell their spectrum. The auction took several months to complete.

In consultation with the Administrators of its licensee, Ohio University, and the Ohio University Board of Trustees, WOUB Administrators decided to protect WOUB-TV's UHF spectrum and the future technologies that it may bring by not participating in the FCC spectrum auction.

However, it was decided that WOUC-TV (Cambridge) would participate in the auction by offering to move to a lower frequency on the broadcast spectrum (from UHF to a low VHF band). The bid was accepted by the FCC and WOUC was awarded \$18,412,349 in the spring of 2017 with the actual receipt of funds in July 2017.

The majority of these funds, \$14.1 million, were placed in a term endowment when received in order to ensure the future financial health of WOUB/WOUC and to safeguard and sustain public broadcasting for viewers of southeastern Ohio and western West Virginia. The remainder of the funds will (by requirement) completely fund WOUC-TV moving to VHF, eliminate outstanding debt to the University, and allow for needed upgrades to aged and failing broadcast equipment for the television and radio public media center.

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

The statements of revenue, expenses, and changes in net position present the Center's results of operations for the years ended June 30, 2021 and 2020.

#### Operating Revenue

Charges for goods and services are recorded as operating revenue. In addition, certain grants are classified as operating revenue if they are not for capital purchases and are provided as a contract for services. Essentially, this means that the Center is required by the grant to provide goods or services to the grantor of equal value to the value of the services or dollars received. Operating revenue includes an annual community service grant from the Corporation for Public Broadcasting (the "corporation") and the State of Ohio, administered through an annual grant from the Broadcast Education Media Commission. Operating revenue also includes donated use of facilities and administrative support from its licensee (the "University"). Total operating revenue is \$5,127,485, \$6,021,622, and \$6,284,282 for the years ended June 30, 2021, 2020, and 2019, respectively. Total operating revenue decreased \$894,137 or 14.8% compared to fiscal year 2020.

## WOUB Center for Public Media

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

#### Nonoperating Revenue

Certain grants are also classified as nonoperating revenue if the Center is not required under the grant agreement to provide goods or services to the grantor of equal value to the services or dollars received. Total nonoperating revenue is \$5,306,243, \$1,754,843, and \$2,298,773 for the years ended June 30, 2021, 2020, and 2019, respectively. Included in this amount is in-kind contributions of \$977,206, \$969,128, and \$1,060,266 for the years ended June 30, 2021, 2020, and 2019, respectively. Overall, nonoperating revenue increased \$3,551,400 or 202.4%, compared to fiscal year 2020.

#### Total Revenue

The following depicts total revenue by source for the years ended June 30, 2021, 2020, and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Investment income, net	\$ 3,949,729	\$ 248,964	\$ 611,774
Support from Ohio University	2,825,321	3,273,197	3,770,660
Grants and contracts	2,003,065	2,105,552	2,214,967
In-kind support	977,206	969,128	1,060,266
Private gifts	379,308	536,751	626,733
Sales, services and other	275,837	642,873	298,655
Capital grants and gifts	129,670	-	-
Special fundraising revenue - net	<u>23,262</u>	<u>-</u>	<u>-</u>
Total revenue by source	<u>\$ 10,563,398</u>	<u>\$ 7,776,465</u>	<u>\$ 8,583,055</u>

#### Total Expenses

Operating expenses have been incurred to vendors and employees for providing goods or services for the overall operations of the Center. In addition, depreciation expense of \$506,796, \$503,349, and \$477,359 for the years ended June 30, 2021, 2020 and 2019, respectively, is shown as an operating expense. Operating expenses decreased 22.8% primarily due to adjustments for GASB 75 and GASB 68.

## WOUB Center for Public Media

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

The following depicts operating expenses for the Center for the years ended June 30, 2021, 2020, and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Program and support services	\$ 5,986,491	\$ 7,903,626	\$ 7,388,181
Depreciation	<u>506,796</u>	<u>503,349</u>	<u>477,359</u>
Total operating expenses	<u>\$ 6,493,287</u>	<u>\$ 8,406,975</u>	<u>\$ 7,865,540</u>

### Change in Net Position

Total change in net position is as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenue	\$ 5,127,485	\$ 6,021,622	\$ 6,284,282
Nonoperating revenue	5,306,243	1,754,843	2,298,773
Capital grants and gifts	129,670	-	-
Expenses	<u>(6,493,287)</u>	<u>(8,406,975)</u>	<u>(7,865,540)</u>
Increase (decrease) in net position	4,070,111	(630,510)	717,515
Beginning net position	<u>18,932,978</u>	<u>19,563,488</u>	<u>18,845,973</u>
Ending net position	<u>\$ 23,003,089</u>	<u>\$ 18,932,978</u>	<u>\$ 19,563,488</u>

### Statements of Cash Flows

The statements of cash flows present detailed information about the major sources and uses of cash. The Center does not maintain a separate cash account; therefore, all of the Center's receipts and disbursements are reflected in the accounts of the University. The Center's share of cash accounts is reflected on the statements of net position as accounts receivable - Ohio University. For the purpose of the statements of cash flows, this account is considered a cash equivalent.

## WOUB Center for Public Media

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

The three categories of presentation and their respective amounts for the years ended June 30, 2021, 2020, and 2019 are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net cash provided by (used in):			
Operating activities	\$ 129,084	\$ (630,338)	\$ 82,232
Noncapital financing activities	379,308	536,751	626,733
Capital and related financing activities	(281,298)	(746,464)	(886,723)
Investing activities	<u>3,949,729</u>	<u>248,964</u>	<u>611,774</u>
Net increase (decrease) in cash	4,176,823	(591,087)	434,016
Cash - Beginning of year	<u>18,714,250</u>	<u>19,305,337</u>	<u>18,871,321</u>
Cash - End of year	<u>\$ 22,891,073</u>	<u>\$ 18,714,250</u>	<u>\$ 19,305,337</u>

#### **Capital Assets**

The Center made certain additions to capital assets during fiscal year 2021. These capital asset additions included replacement of outdated broadcast equipment and upgrades to spectrum channels. More detailed information about the Center's capital assets is presented in Note 2 to the financial statements.

#### **Economic Outlook and Items of Interest**

Fiscal year 2021 continued where fiscal year 2020 left off, under the unique circumstance of the COVID-19 pandemic. While statewide and local cases trended downward in the first quarter, the second quarter of fiscal year 2021 saw an explosion of the Delta variant causing a huge spike in local and statewide cases and fatalities. Quarters three and four led to cautious attempts to regain some normalcy with the addition of vaccines, widespread available testing, masking, and the limiting of large gatherings in small spaces.

Even with the limitations caused by the pandemic, including our University licensee transitioning to an entirely online academic delivery for the fall of 2020, the WOUB Center for Public Media ("WOUB") continued to be a valuable part of the southeastern Ohio and western West Virginia area. Local and state news, along with national news related to the spread of the COVID-19 pandemic was at the forefront on the FM radio network, television broadcasts, AM station, and online and social media platforms. Top stories included information on COVID positive nursing home workers in Ohio, local businesses closing (again) as the Delta variant took hold, the growing University deficits projected through COVID, as well as the State of Ohio joining the Trump effort to overturn election results, and a massive bribery scheme in Ohio that included high level politicians and the Ohio energy system.

Podcast and local news projects told the stories of our local area and brought localization of national issues and conversations, while maintaining local content via traditional broadcast. WOUB continues to extend the expertise of Ohio University and elsewhere to the local community and beyond. Topics continued to focus on issues of race in America, election security, the state of America's democracy, mental health in education, as well as individual's own health related journeys.

# WOUB Center for Public Media

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## Management's Discussion and Analysis (Continued)

WOUB provided the following key services to the local area:

1. WOUB radio and woub.org continued to provide daily statewide and local COVID case and fatality numbers as well as information on area vaccine clinics, testing locations, and capacity and care issues local healthcare agencies were facing.
2. Some of the WOUB workforce, including journalism students were able to return (off campus only) during the third quarter of the fiscal year to assist in restarting the WOUB television nightly newscast *Newswatch*. Production returned on a limited basis with 26 episodes provided to the greater community. To assist on days where a full television news program could not be produced, *Newswatch Updates* began in June as a local broadcast news update airing before the PBS Newshour. Even with limited production capacity, digital video content received 1.2M views on WOUB's YouTube channel, representing 125,935 hours of content and gaining an additional 1,255 subscribers.
3. With the addition of new podcasts and the continuation of several others, WOUB podcast listenership continued in a rapid growth pattern, generating 962,566 visitors over multiple platforms in fiscal year 2021 (compared 322,851 in fiscal year 2020 and 121,180 in fiscal year 2019).
4. Continued community partnerships with The Ohio Valley ReSource, The Ohio Valley Museum of Discovery, The Voinovich School of Leadership and Public Affairs, The Patton College of Education, Barbara Gerald's Institute for Storytelling and Social Impact, the Athens County Library System and others allowed WOUB to continue to reach members of the community via broadcast or Zoom events to create content and bring individuals together even during the pandemic.
5. The ability to distribute national, statewide and local news events online during the pandemic had led to a large growth of users to the WOUB website. Analytics show 674,748 users to woub.org during fiscal year 2021 with 2,679,717 total page views of content.
6. WOUB's locally produced radio music content continues to improve and expand the diversity of artists and song writers to introduce new content to the broadcast coverage area. On the FM network, the WOUB radio staff and volunteers provide nearly 21% of the weekly content broadcast.
7. WOUB's local livestream via YouTubeTV greatly expanded its coverage area for "cord cutters" within the region. With this being the first full fiscal year in distribution, there were nearly 8 million minutes of WOUB watched via YouTubeTV, the equivalent of 15.2 years of viewing.
8. WOUB was able to partner with students at three high schools across southeastern Ohio. They worked with WOUB Public Media on an independent documentary film project to tell their own personal and cultural story. WOUB received an "Our America: Documentary in Dialogue" grant from American Documentary | POV, with funding provided by the Corporation for Public Broadcasting. The grant supported community engagement activities around a documentary called *Portraits and Dreams* which included virtual screening events with the local high school students and their teachers and inspired students to create their own short films.

## WOUB Center for Public Media

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

9. Completed production of the seventh episode of the local regional "Our Town" documentary series, with the focus on Gallipolis, Ohio. Due to COVID, an in-person community premiere was not able to take place. Instead, 268 people from 13 states took part in a virtual screening ahead of the September 2020 broadcast premiere.

10. The WOUB Learning Lab continued to provide academic options, resources and tools to school districts and students engaged in hybrid, remote, and in-classroom learning models. The Learning Lab partnered with the Ohio Valley Museum of Discovery to hold weekly virtual "Discovery Labs" for students. Throughout the school year, Learn at Home newsletters were sent out to a monthly average of 800 teachers and families to connect them to digital learning resources. Although face-to-face opportunities were limited, the Learning Lab engaged families with a series of virtual Family Community Learning Series events in which parents participated with their students in various digital and STEM activities led by WOUB staff.

WOUB's local services have a deep impact in the local listening and viewing area. With seven unique television programming streams, WOUB continues to broadcast more than 61,300 hours of content to an area not all served by traditional commercial television. Social media and digital platforms have allowed for direct conversations with listeners and viewers as it relates to content and local/national news. WOUB regional radio allows for COVID and other important news and information to reach a large geographic area with content that impacts daily lives.

#### **Financial Highlights**

Fiscal year 2021 appeared to start as fiscal year 2020 ended, with financial challenges occurring due to dropped underwriting contracts mostly centered around events and restaurant/bar contracts as well as a retirement of an underwriting sales rep which cut the department in half. By the fourth quarter, many businesses had reopened and restarted their contracts with WOUB.

Still, by the second quarter of the fiscal year, community support through individual membership began climbing to record highs within the organization. Fiscal year 2021 ended with the largest amount of community support through individual memberships on record for WOUB Public Media. Moving forward through the pandemic recovery, it's expected that all University units, including WOUB, will continue to take reductions due to the downward enrollment trend at the University.

Several of the educational and community projects that took place during the fiscal year were funded in whole or in part with grant dollars which allowed for engagement with teachers, parents, students and community leaders in activities that otherwise may not have been possible.

#### **Production/Broadcast Highlights**

The technology improvements made at WOUB over the past few years have allowed for staff flexibility in operating the television and radio facilities into fiscal year 2021. The staff that program and maintain the broadcast of WOUB television have mostly continued their positions remotely, and radio now has remote capacity that allows for even on-air staff to function remotely for broadcast.

**WOUB News:** WOUB news coverage has evolved from just traditional broadcast to include YouTube, Facebook, Twitter, Instagram and online access to content. WOUB relies on college students (who typically leave for the summer) to support production efforts, yet summer of fiscal year 2021 saw

# WOUB Center for Public Media

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## Management's Discussion and Analysis (Continued)

television newscasts continue thanks fully to WOUB's new college paid internship program. During this fiscal year, thanks to external support of the program, WOUB was able to hire and pay 14 student summer interns which allowed television, digital, and audio content to be created and distributed to the greater community on a regular schedule as production built back from the COVID closure.

**FM Radio:** The WOUB Public Media FM Radio Network is a five-station system covering more than 30 counties in three states. Listeners can tune in to high quality programming from NPR, PRI, PRX and WOUB while at the same time remaining informed with news from their own area from our 60 local news updates per week, available on-air locally and globally via streaming. WOUB FM continues to produce high quality and engaging local music content with the WOUB radio staff and volunteers providing nearly 21% of the weekly content broadcast.

**AM Radio:** Serving primarily the immediate Athens's area, WOUB AM broadcasts local discussion content along with volunteer host driven music accounting for more 42% of the entire weekly AM broadcast schedule.

### Podcasts:

***Jazzed About Work Podcast:*** Hosted by author and career coach Beverly Jones, *Jazzed About Work* features lively, informal conversations about everything it takes to create a resilient and rewarding career. In each segment, host Jones interviews professionals who can share their expertise related to the workplace. Her guests go beyond the research and get personal, as they talk about their interesting and often surprising professional paths. Jones is an executive coach who wrote the handbook on building career resilience, *Think Like an Entrepreneur, Act Like a CEO*. The following episodes were produced and distributed in fiscal year 2021:

- Esports and Other Sports Businesses will Generate New Jobs
- You Can Be a Change Agent from Any Job Description
- There are Employers Seeking Recent Grads
- Black Job Searches Face Special Challenges
- Career Expert Shares Tips for Working Remotely
- Real Estate Broker Shares Career Tips
- Composer Discusses New Work Opportunities
- International Executive Search Expert
- Recent Retiree on Moving past Sense of Loss
- Key to Entrepreneurial Success
- Organizational Culture Key to Employee Engagement
- Conscious Learning Promotes Resilience
- Psychologist Describes Workplace Burnout
- Tips for Thriving in Uncertain Times
- Help Finding Governmental Jobs
- Core Values Can Change Everything
- 100th Episode Celebration
- Dressing Mindfully Supports Success
- Chose to Follow Your North Star
- Master Your own Thoughts and Stop Drifting
- Unemployment is a Crisis, But New Jobs Coming

## WOUB Center for Public Media

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

- Build a Bridge in the Workplace
- Support Your team with Anytime Coaching
- LinkedIn's Head of Mindfulness
- The Voice of Job Seekers
- Senior Manager at Salesforce
- Finding Comfort During Hard Times

**Teaching Matters Podcast:** The podcast is an “information resource on teaching and learning in an information-rich world,” according to host Dr. Scott Titsworth, Dean of the Scripps College of Communication at Ohio University. He will have conversations with guests who will talk about new teaching techniques geared for the 21st century learner in a technological age. The following episodes were produced and distributed in fiscal year 2021:

- The US Census Statistics in School Program
- Thinking Differently in Math Education
- Educational Trauma
- A Follow Up on Behavioral Nudges
- Empathy in Learning
- Putting the F-U-N in STEM

**The Kindness Podcast:** Nicole Phillips is a published author, with her first book *Kindness is Contagious: 100 Stories to Remind You God is Good and So are Most People*, having been published November 2016. Phillips is now bringing her stories of human kindness to WOUB and beyond through *The Kindness Podcast*, which will be hosted weekly by the author. On the podcast, Phillips interviews various kindness “experts, advocates, and people with incredible kindness stories. It’s amazing to talk to these people, because when I do, I begin to think ‘wow, maybe the world will be okay after all,’” said Phillips. “It’s inspiring just to talk to them.” The following episodes were produced and distributed in fiscal year 2021:

- Debbie Matenopoulos, Co-Host of “Home & Family” on Hallmark Channel
- The Holderness Family
- The Negativity Remedy
- Frank Blake from “Crazy Good Turns”
- Laura Formentini
- Lu Parker, Founder of “Be Kind & Co.”
- Sing Me a Story with Austin Atteberry
- Mary Katherine Backstrom
- Scott Sauls
- Human Kind: Changing the World One Small Act at a Time
- Chief Kindness Officer of Sonny’s Barbecue
- Author of “The Loneliness Solution”
- “The Brave Kind”
- “Lessons from the Sidelines”
- “An Invisible Thread”
- Straight No Chaser
- Dan Tran
- Corey Harnish

## WOUB Center for Public Media

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

- “Live Like Sean”
- Nicole Lewis: Singer/Songwriter
- “The Five Love Languages”
- Producers of “The Antidote”
- “Best Bucket Filler Ever”
- “For All Humankind”
- Director of Child and Adolescent Counseling
- Recording Artist Micah Tyler
- Author of “Flooded”
- Founder of the “Pajama Program”
- Kindness Consultant
- Kim and Penn Holderness
- Workplace Positivity
- Founder of Peacebunny Island
- Be Kind to Everyone
- Irrational Kindness
- Twila True
- Founder of “Kind Lips”
- “Let Me Help”
- Christine Caine

***Spectrum Podcast:*** *Spectrum* features conversations with an eclectic group of people: journalists, authors, scholars, storytellers, celebrities and just average people with fascinating stories. We will never run out of stories because there is no shortage of captivating people to talk with,” says Tom Hodson, host and co-producer. “We try to pick important and timely topics to address but we also intersperse our episodes with interesting new information and riveting stories from the personal perspectives of our guests. The following episodes were produced and distributed in fiscal year 2021:

- Black Female Office Holders Perceive They are Racially Targeted by Local Media
- Code-Switching is a Form of Systemic racism Against Blacks
- Multiple Factors Must Be Considered Before Opening a K-12 School
- Courts Must Recognize and Correct Systemic Racism
- Voter Suppression Targets the Black Vote
- Racism Permeates Entertainment and Music Industries
- How to Overcome Racism in Newsrooms
- Election Security and Foreign Power Interference
- A Presidential Election Like No Other
- COVID Increasing as Cold Weather Approaches
- American Governmental Propaganda Still Thrives
- Early Voting May Change Impact
- Racist language Permeates Speech
- Black Women and Girls are Targets of Violence
- Rural Health Depts. Facing Difficulties
- GOP Struggling to Chart the Right Course
- Dave Thomas Foundation Celebrates Milestone
- Black Female Lawyer Blazed Trail for Social Justice

## WOUB Center for Public Media

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

- Climate Chang Policies have Seen Great Change
- Conspiracy Theories Thrive
- Trauma of George Floyd Still Reverberates
- Small Town Podcast: "Positively No Outlet"
- Katie Quinn Talks About Food/Life
- Trumps Grip on Republican Party Tightens

***Defining Moments: Conversations about Health and Healing Podcast:*** Humans tell stories to make sense of birthing and dying and everything in between. *Defining Moments* podcast showcases stories about living well in the midst of inescapable illness, suffering, and hardship. Episodes feature an eclectic group of guests who share moments of uncertainty, innovation, and resilience. Host Dr. Lynn Harter draws on twenty years of experience in health contexts to spark conversations that move between personal anecdotes and societal health challenges. Each segment is accompanied by articles published in Health Communication and other online resources. *Defining Moments* podcast disrupts the silence that too often surrounds vulnerability and allows narrators and audiences to imagine new normal. The following episodes were produced and distributed in fiscal year 2021:

- Theatrical and Documentary Film Translations of Cancer Communication
- Compassion Fatigue and Resilience
- Stares and Prayers
- Chicana Feminism and Border Studies
- Communicating about Food Allergies
- Birthing Practices Across Time
- Leaving legacy and Memoir Writing

***Lifespan Podcast:*** launched in September 2018, you'll hear stories about encounters with the health care system. Each show contains stories bound by a common theme – a person's personal journey through a particular type of medical trauma. The stories are deeply personal. Some stories reflect a person's response to treatment and other stories simply reflect on the aftermath of an illness. Even when multiple people are describing their experiences with the same disease, condition or treatment, each account is unique. The following episodes were produced and distributed in fiscal year 2021:

- Three Cancers/Two Cultures
- A Tale of Two Recoveries: Alcoholism and Co-Dependence
- Grievous Loss: Death of a Spouse
- Depression in the First Person
- Choosing Down Syndrome
- Stroke

#### **WOUB News Partnerships:**

The Ohio Valley ReSource is a regional journalism collaborative reporting on economic and social change in Kentucky, Ohio, and West Virginia. With initial support from the Corporation for Public Broadcasting, seven public media outlets across the three states have partnered to form the ReSource in order to strengthen news coverage of the area's most important issues. The ReSource team of eight journalists uses radio, data, online tools and video to craft stories that promote understanding, empathy, and engagement. We tell the human stories behind the region's economy, energy, environment, food, health, and infrastructure. Our work recognizes that dramatic changes to the region's traditional economic base

# WOUB Center for Public Media

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## Management's Discussion and Analysis (Continued)

are intertwined with social and cultural challenges. By analyzing these challenges and focusing on creative responses, the ReSource aims to help communities rethink their use of resources in a shifting economy.

Stories produced from the Ohio Valley ReSource are published on woub.org and utilized weekly on the WOUB-FM radio network.

### **Our Town Documentary Production:**

The *Our Town* productions are a series of sixty-minute feature documentaries that discover the heritage and spirit of local cities within WOUB's viewing area. To date, seven documentaries have been produced: *Our Town: Lancaster*, *Our Town: Pomeroy*, *Our Town: Nelsonville*, *Our Town: Jackson*, *Our Town: Athens*, and *Our Town: Morgan County*. Each documentary presents fascinating stories of the towns' history, personalities and unique contributions to the region, state, and nation. The fiscal year 2020 production of *Our Town: Gallipolis* was pushed into fiscal year 2021 due to COVID restrictions. Production of episode eight in the series, *Our Town: Chillicothe* began production during fiscal year 2021.

### **The WOUB Learning Lab:**

Fiscal year 2021 was the second full year of WOUB's rebuilt formal preschool and K-12 education department, designed to extend learning objectives within the broadcast content directly to teachers, students and day-care providers. Branded as the WOUB Learning Lab, the department provides educational resources to schools in the area and also provides educational engagement to parents and learners of all ages.

Services include Ohio Ready to Learn workshops for childcare and family-based providers. Workshops for fiscal year 2021 continued to be delivered virtually, adhering to COVID-19 safety protocols. The delivery of thirty-six workshops reached 117 attendees over the fiscal year.

The Learning Lab conducted an Ohio Department of Education teacher meet up as a part of learning how to make documentary films in the high school. More than 50 teachers across Ohio took part in the meet up.

Other educational engagement activities included the hosting of "Hour of Code" (a guided tutorial using various robots and micro-bits), two different series of Family Community Learning events that engaged 46 families with children in online STEM events centered around PBS Kids content, weeknight "Discovery Events" held via Zoom in partnership with the Ohio Valley Museum of Discovery, online screenings and conversations around new PBS Kids programming, and an end of the year celebration celebrating area teachers.

### **Community Events:**

In person community events took a bit of a hiatus during the COVID-19 pandemic. Still, in fiscal year 2021 WOUB was able to utilize virtual tools to connect with the greater community in a number of ways.

A few of these events from fiscal year 2021 include:

1. WOUB brought together Ohio University alumnus Van Gordon Sauter with the Ohio University Alumni Association, Lynn Novick, producer and director of the PBS distributed program *Hemingway*, and Jenny Emery Davidson of the Community Library in Ketchum, Idaho which

## WOUB Center for Public Media

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

- currently owns and manages the former Hemmingway House. More than 70 individuals connected over Zoom for the opportunity to engage in the discussion.
2. Partnerships with the Muskingum County, Holmes County and Coshocton Public libraries to conduct eight virtual screenings for their patrons ranging from historical documentaries, PBS featured biographical content and musical concerts.
  3. WOUB received grant funding to engage three area high schools in the production of independent film projects. Fifteen films were created by the students, with several of them being featured on WOUB television broadcasts. The films were also included in the 2021 Athens International Film festival.

### Summary

WOUB continues to evolve as the habits of its listeners and viewers change in the digital age. As a service to the greater community, one of the tasks is to provide content where the end users expect it to be and can easily utilize it. Whether using Twitter for breaking news and weather information; radio to broadcast local bluegrass and well known musicians alongside national and local news; television to showcase local documentaries and access to local broadcast news next to *PBS Newshour*, *NOVA* and PBS Kids content; Instagram to reach students in order to build excitement around the locally produced high school sports content; Facebook to share digital only content and to have conversations centered around all WOUB, community or national content; Smart Speakers for delivery of all WOUB audio podcasts and radio live streams, or local live streaming and YouTubeTV to serve cord cutters, WOUB continues to be a valuable resource across multiple platforms in order to serve the greater community.

# WOUB Center for Public Media

## Statements of Net Position

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Accounts receivable	\$ 3,326	\$ -
Prepaid expenses	84,386	91,543
Accounts receivable - Ohio University	<u>22,891,073</u>	<u>18,714,250</u>
Total current assets	22,978,785	18,805,793
<b>Noncurrent Assets</b>		
Net OPEB asset	187,806	7,104
Capital assets, net	<u>3,879,590</u>	<u>4,025,133</u>
Total noncurrent assets	4,067,396	4,032,237
<b>Deferred Outflows of Resources</b>		
Deferred outflows of resources related to pensions	238,851	503,417
Deferred outflows of resources related to OPEB	<u>77,622</u>	<u>200,935</u>
Total deferred outflows of resources	<u>316,473</u>	<u>704,352</u>
Total assets and deferred outflows of resources	<u>\$ 27,362,654</u>	<u>\$ 23,542,382</u>
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 187,001	\$ 309,780
Unearned revenue	<u>822,886</u>	<u>129,670</u>
Total current liabilities	1,009,887	439,450
<b>Noncurrent Liabilities</b>		
Accrued compensated absences	190,856	183,025
Net pension liability	2,111,662	2,524,552
Net OPEB liability	<u>-</u>	<u>735,999</u>
Total noncurrent liabilities	<u>2,302,518</u>	<u>3,443,576</u>
Total liabilities	3,312,405	3,883,026
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources related to pensions	575,823	457,824
Deferred inflows of resources related to OPEB	<u>471,337</u>	<u>268,554</u>
Total deferred inflows of resources	1,047,160	726,378
<b>Net Position</b>		
Net investment in capital assets	3,879,590	4,025,133
Unrestricted	<u>19,123,499</u>	<u>14,907,845</u>
Total net position	<u>23,003,089</u>	<u>18,932,978</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 27,362,654</u>	<u>\$ 23,542,382</u>

The accompanying notes are an integral part of this financial statement.

# WOUB Center for Public Media

## Statements of Revenue, Expense, and Changes in Net Position

	Year Ended June 30	
	2021	2020
<b>Operating Revenue</b>		
Federal grants and contracts	\$ 19,338	\$ 11,137
State grants and contracts	701,150	848,971
Community service grants	1,282,577	1,245,444
Special fundraising revenue - net	23,262	-
Support from Ohio University	2,825,321	3,273,197
Sales, Services and Other	275,837	642,873
Total operating revenue	5,127,485	6,021,622
<b>Operating Expenses</b>		
Programming and support services	5,986,491	7,903,626
Depreciation	506,796	503,349
Total operating expenses	6,493,287	8,406,975
<b>Operating Loss</b>	(1,365,802)	(2,385,353)
<b>Nonoperating Revenue</b>		
Private gifts	1,356,514	1,505,879
Investment income, net	3,949,729	248,964
Total nonoperating revenue	5,306,243	1,754,843
<b>Gain (Loss) - Before other revenue, expenses, gains, or losses</b>	3,940,441	(630,510)
<b>Capital Grants and Gifts</b>	129,670	-
<b>Increase (Decrease) in Net Position</b>	4,070,111	(630,510)
<b>Net Position - Beginning of year</b>	18,932,978	19,563,488
<b>Net Position - End of year</b>	\$ 23,003,089	\$ 18,932,978

The accompanying notes are an integral part of this financial statement.

# WOUB Center for Public Media

## Statements of Cash Flows

	<b>Year Ended June 30</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities</b>		
Grants and contracts	\$ 2,003,065	\$ 2,105,552
Support from Ohio University	2,825,321	3,273,197
Payments to suppliers	(2,880,652)	(3,103,098)
Payments to or on behalf of employees	(2,093,237)	(3,547,612)
Payments for scholarships and fellowships	(1,250)	(1,250)
Sales, services and other	275,837	642,873
Net cash provided by (used in) operating activities	129,084	(630,338)
<b>Cash Flows from Noncapital Financing Activities</b>		
Gifts for other-than-capital purposes	379,308	536,751
<b>Cash Flows from Capital Financing Activities</b>		
Capital grants and gifts received	129,670	-
Purchases of capital assets	(410,968)	(746,464)
Net cash provided by (used in) capital financing activities	(281,298)	(746,464)
<b>Cash Flows from Investing Activities</b>		
Investment income, net	3,949,729	248,964
<b>Net Increase (Decrease) in Cash Equivalents</b>	4,176,823	(591,087)
<b>Cash Equivalents - Beginning of year</b>	18,714,250	19,305,337
<b>Cash Equivalents - End of year</b>	<u>\$ 22,891,073</u>	<u>\$ 18,714,250</u>

The accompanying notes are an integral part of this financial statement.

# WOUB Center for Public Media

## Statements of Cash Flows (Continued)

	Year Ended June 30	
	2021	2020
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>		
Operating loss	\$ (1,365,802)	\$ (2,385,353)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	506,796	503,349
In-kind gifts	977,206	969,128
Expense CIP assets	40,581	-
Changes in assets and deferred outflows of resources and liabilities and deferred inflows of resources:		
Accounts receivable	(3,326)	-
Prepaid expenses	7,157	(87,636)
Net OPEB Asset	(180,702)	78
Deferred outflows of resources related to pensions	264,566	275,976
Deferred outflows of resources related to OPEB	123,313	(136,468)
Net Pension Liability	(412,890)	(287,467)
Net OPEB Liability	(735,999)	157,468
Deferred inflows of resources related to pensions	117,999	213,948
Deferred inflows of resources related to OPEB	202,783	63,488
Accounts payable and accrued liabilities	(113,282)	88,958
Unearned revenue	693,216	(22,186)
Accrued compensated absences	7,468	16,379
Net cash provided by (used in) operating activities	<u>\$ 129,084</u>	<u>\$ (630,338)</u>

The accompanying notes are an integral part of this financial statement.

## Note 1 - Organization and Summary of Significant Accounting Policies

**Organization** - The WOUB Center for Public Media (the “Center” or WOUB) is owned and operated by Ohio University (the “University”) in Athens, Ohio and is a unit of the Scripps College of Communication. The Center manages two noncommercial public television stations: WOUB-TV in Athens, Ohio, and WOUC-TV in Cambridge, Ohio and one cable channel, WOUB II - channel 25 on Time Warner in Athens, Ohio. WOUB-TV consists of digital channels/streams, 20.1 WOUB-HD, 20.2 WOUB Classic, and 20.3 WOUB-Life. WOUC-TV consists of digital channels/streams, 44.1 WOUC-HD, 44.2 WOUC Unlimited, and 44.3 WOUC World. The Center also manages six noncommercial public radio stations, WOUB-AM and WOUB-FM in Athens, Ohio; WOUC-FM in Cambridge, Ohio; WOUL-FM in Ironton, Ohio; WOUH-FM in Chillicothe, Ohio; and WOUZ-FM in Zanesville, Ohio.

Other services provided by the Center include the following: audio and video productions; a nightly news program; regular radio news and sports reports; a media distribution center for Ohio University; student professional development for approximately 200 students a year; teleconferencing, streaming, and engineering consulting services; and complete web/interactive services through [www.woub.org](http://www.woub.org). The website is continually updated with current news, sports, music, and arts. It also contains educational interactive pages with content geared for K-12 teachers and students and provides streaming and programming of WOUB-TV, WOUB-Radio, PBS, and NPR.

The Center is not a separate legal entity and operates as a department of the University. The accompanying separate financial statements of the Center are prepared solely to meet the reporting requirements of the Corporation for Public Broadcasting, a major funding organization. These financial statements include only the activities of the Center and therefore, they are not intended to present fairly the financial position, change in net position, and cash flows of the University in conformity with accounting principles generally accepted in the United States of America. For a more extensive disclosure of significant accounting policies, refer to the University’s financial statements available by contacting the Ohio University Controller’s Office, Ridges Building #18, 3rd floor, Athens, Ohio 45701.

**Financial Statement Presentation** - The financial statement presentation required by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements - and Management’s Discussion and Analysis - for Public Colleges and Universities*, as amended, provides a comprehensive, department-wide (in this instance) perspective of the Center’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenue, expenses, changes in net position, and cash flows. It replaces fund groups with net position groups, and requires the direct method of cash flow presentation.

**Basis of Accounting** - As a department of the University, the Center’s financial statements are presented using an economic resources measurement focus and are presented on the accrual basis of accounting. Under the accrual basis, revenue is recognized when earned, and expenses are recorded when incurred.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America may require management to make estimates and assumptions that affect certain amounts reported in the financial statements. The estimates and

## WOUB Center for Public Media

### Notes to Financial Statements (Continued) June 30, 2021 and 2020

assumptions are based on currently available information and actual results could differ from those estimates.

**Cash and Cash Equivalents** - Cash consists primarily of petty cash, cash in banks, and money market accounts. Cash equivalents are short-term highly liquid investments readily convertible to cash with original maturities of three months or less. The cash and cash equivalents are held at the University and are recorded as accounts receivable from the University on the statements of net position.

**Accounts Receivable** - Accounts receivable from the University for both fiscal years 2020 and 2021 include the amount of \$14.1M held at the University as board-designated endowment investments. This endowment investment is actively generating investment income which is distributed to the Center. All amounts are deemed to be collectible; therefore, no allowance has been established as of June 30, 2021 or 2020.

**Capital Assets** - If purchased or constructed, capital assets are recorded at cost in the year of purchase or construction. If donated, they are recorded at their acquisition value as of the date received. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

The following are the capitalization levels and estimated useful lives of the asset classes:

<u>Asset Class</u>	<u>Capitalize at</u>	<u>Estimated Useful Life</u>
Land	Any amount	N/A
Infrastructure	\$100,000	10-50 years
Buildings	Any amount	40 years
Machinery and equipment	\$5,000	5-25 years

The costs of normal maintenance and repairs that do not materially increase the value of the capital asset or materially extend its life are not capitalized. Land is not depreciated.

**Deferred Outflows and Deferred Inflows of Resources** - In addition to assets and liabilities, the statements of net position report a separate section for deferred outflows and inflows of resources. These separate financial statement elements represent a consumption (outflows) and acquisition (inflows) of net position that apply to future periods and so will not be recognized as an outflow of resources (expense/expenditure) or inflow of resources (revenue) until that time. The Center's deferred outflows and inflows of resources are related to its pensions and other postemployment benefits (OPEB) (see Note 7 for more information). The Center recorded total deferred outflows of resources of \$316,473 and \$704,352 at June 30, 2021 and 2020, respectively, and total deferred inflows of resources of \$1,047,160 and \$726,378 at June 30, 2021 and 2020, respectively.

**Compensated Absences** - University employees earn vacation and sick leave benefits based, in part, on length of service. Upon separation from service, employees are paid their accumulated vacation and sick pay based upon the nature of separation (termination, retirement, or death). Certain limitations are placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding their limitations are forfeited.

The liability incurred is recorded at year end in the statements of net position and the change over the prior year is recorded as a component of operating expense in the statements of revenue, expense, and changes in net position.

**Net Pension Liability** - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the OPERS and STRS Ohio Pension Plans and additions to/deductions from OPERS' and STRS Ohio's fiduciary net position have been determined on the same basis as they are reported by OPERS and STRS Ohio. Both OPERS and STRS Ohio use the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expense when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net OPEB Asset/Liability** - For purposes of measuring the net OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPERS Pension Plan and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full accrual basis of accounting. For this purpose, OPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net Position** - The Center's net position is categorized as described below:

- **Net Investment in Capital Assets** - This represents the Center's position in property, plant, and equipment, net of accumulated depreciation.
- **Unrestricted Net Position** - Unrestricted net position includes resources derived primarily from operating funds provided by the University, which are designated for use by the Center, and from third parties whose only restriction over the use of resources provided is for the benefit of the Center as determined by management. Also included in this category are Board-designated endowment investments held by the University.

**Income Taxes** - The University is an organization described in Section 115 of the Internal Revenue Code of 1986 (the "Code") and has further been classified as an organization that is not a private foundation in accordance with Sections 509(a)(1) and 170(b)(1)(A)(ii) of the Code. As such, the Center is exempt from income taxes other than taxes on certain revenue, which is considered unrelated business income.

**Classification of Revenue** - Revenue is classified as either operating or nonoperating according to the following:

- **Operating Revenue** - Operating revenue includes revenue from activities that have characteristics similar to exchange transactions. These include sales, services, and certain grants, which require that the Center provide goods or services to the grantor of equal value to the grant dollars received. Operating revenue also includes donated use of facilities and administrative support from its licensee (the University).

# WOUB Center for Public Media

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## Notes to Financial Statements (Continued) June 30, 2021 and 2020

- **Nonoperating Revenue** - Nonoperating revenue includes revenue from activities that have characteristics of nonexchange transactions such as private gifts.

**Support from the University** - The University provides indirect support to the Center through its administration and physical plant support. Indirect support is recorded as revenue and expense as incurred in the accompanying statements of revenue, expenses, and changes in net position.

Administrative support is derived from the percentage of the Center's operating expenditures over the University's total educational and general expenditures, excluding separately budgeted research, public service, scholarships, and fellowships. This percentage is applied against the University's overall institutional support to determine the administrative support expense to allocate to cost centers, based on the direct operating expenses.

Physical plant support is determined by an assessment of the square footage assigned the Center and the cost per square foot of providing types of physical plant support. Expenses are allocated to cost centers according to estimated square footage.

**In-kind Support** - In-kind support is provided by the Broadcast Education Media Commission (BEMC). In-kind amounts are based on the value of access to and use of educational broadcasting services and are summarized on a statement provided by BEMC. Expenses are allocated to cost centers based on the nature of the in-kind support provided. In-kind support is included in revenue and expenses in the accompanying statements of revenue, expenses, and changes in net position.

**Related Parties** - Contributions received by The Ohio University Foundation (the "Foundation"), which are restricted as to use for the Center, are managed by the Foundation. The Center records cash received by the Foundation as both revenue and expense when monies are used by the Foundation to pay expenses.

The Center does not maintain a separate cash account; therefore, all of the Center's receipts and disbursements are reflected in the accounts of the University. The Center's share of cash accounts is reflected on the statements of net position as accounts receivable - Ohio University. For the purpose of the statements of cash flows, this account is considered a cash equivalent.

**Reclassifications** – Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassification had no effect on previously reported changes in net assets or total net assets.

### Recent Accounting Pronouncements

- In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The Center has no fiduciary activities.
- In fiscal year 2019 the Center adopted GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period is not capitalized

and is included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The effective date of the standard is for the year ending June 30, 2022, however, the Center elected to adopt the standard early.

- In June 2017, GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Center is currently evaluating the impact of this standard. The provisions of this statement are effective for the Center's financial statements for the year ending June 30, 2022.
- In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The Center is currently evaluating the impact of this standard. The requirements of the standard will be applied retrospectively and are effective for the Center's financial statements for the year ending June 30, 2023.
- In January 2020, GASB issued Statement No. 92, *Omnibus 2020*, which enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements, including No. 84 and No. 87. The Center is currently evaluating the impact of this standard. The requirements of this statement are effective for the Center's financial statements for the year ending June 30, 2022.
- In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, which addresses accounting and financial reporting implications resulting from the replacement of an IBOR rate. The Center is currently evaluating the impact of this standard. The removal of LIBOR as an appropriate benchmark interest rate is effective for the Center's financial statements for the year ending June 30, 2022. The other requirements of this statement were effective for the Center's financial statements for the year ending June 30, 2021.
- In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which provides accounting and financial reporting requirements for PPPs that 1) meet the definition of a service concession arrangement or 2) are not within the scope of Statement No. 87. The Center is currently evaluating the impact of this standard. The requirements of this statement are effective for the Center's financial statements for the year ending June 30, 2023.

- In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement provides temporary relief in light of the COVID-19 pandemic by postponing the effective dates of certain provisions including Statements No. 84, No. 87, No. 89, No. 90, No. 91, No. 92 and No. 93 whose effective dates have been adjusted in the summaries provided.
- In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting requirements for subscription-based information technology arrangements (SBITAs). This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to use subscription asset-an intangible asset-and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than the subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. The Center is currently evaluating the impact of this standard. The requirements of this statement are effective for the Center's financial statements for the year ending June 30, 2023.
- In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Center is currently evaluating the impact of this standard. 1) and 2) are effective immediately and 3) is effective for the Center's financial statements for the year ending June 30, 2022.
- In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The primary objective of this statement is to address references in authoritative literature to the term *comprehensive annual financial report*. This statement replaces an existing term but does not otherwise establish new accounting and financial reporting requirements. This requirements for this statement are in effect for the Center's financial statements effective immediately.

### Note 2 - Capital Assets

Capital assets reported by the Center are assets of the State of Ohio, with the University having custodial responsibility. The building values have been prorated based upon the Center's percentage usage of the net assignable square footage, applied to the actual cost plus improvements of the buildings. Equipment represents items listed on the University's general ledger as equipment for the Center with a unit value of at least \$5,000 and an estimated useful life of one year or more. Transfers represent either fully depreciated machinery and equipment no longer in use being transferred back to the University as surplus which may be sold in the future, or completed construction in progress being moved to infrastructure, buildings or machinery and equipment.

# WOUB Center for Public Media

## Notes to Financial Statements (Continued) June 30, 2021 and 2020

The following tables present the changes in the various capital asset categories for the years ended June 30, 2021 and 2020:

	Balance July 1, 2020	Additions	Transfers	Retirements	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 69,235	\$ -	\$ -	\$ -	\$ 69,235
Construction in progress	49,890	11,065	(9,133)	(40,581)	11,241
Total capital assets not being depreciated	119,125	11,065	(9,133)	(40,581)	80,476
Capital assets being depreciated:					
Infrastructure	6,447,366	87,002	-	-	6,534,368
Buildings	3,097,093	78,875	-	-	3,175,968
Machinery and equipment	9,381,292	234,026	-	(25,210)	9,590,108
Total capital assets being depreciated	18,925,751	399,903	-	(25,210)	19,300,444
Total capital assets	19,044,876	410,968	(9,133)	(65,791)	19,380,920
Less accumulated depreciation:					
Infrastructure	5,384,903	55,054	-	-	5,439,957
Buildings	2,651,144	48,839	-	-	2,699,983
Machinery and equipment	6,983,696	402,903	-	(25,210)	7,361,389
Total accumulated depreciation	15,019,743	506,796	-	(25,210)	15,501,329
Total capital assets being depreciated - Net	3,906,008	(106,893)	-	-	3,799,115
Capital assets - Net	\$ 4,025,133	\$ (95,828)	\$ (9,133)	\$ (40,581)	\$ 3,879,591

# WOUB Center for Public Media

## Notes to Financial Statements (Continued) June 30, 2021 and 2020

	Balance July 1, 2019	Additions	Transfers	Retirements	Balance June 30, 2020
Capital assets not being depreciated:					
Land	\$ 69,235	\$ -	\$ -	\$ -	\$ 69,235
Construction in progress	42,593	7,297	-	-	49,890
Total capital assets not being depreciated	111,828	7,297	-	-	119,125
Capital assets being depreciated:					
Infrastructure	6,369,751	77,615	-	-	6,447,366
Buildings	3,097,093	-	-	-	3,097,093
Machinery and equipment	9,205,709	661,552	(286,488)	(199,481)	9,381,292
Total capital assets being depreciated	18,672,553	739,167	(286,488)	(199,481)	18,925,751
Total capital assets	18,784,381	746,464	(286,488)	(199,481)	19,044,876
Less accumulated depreciation:					
Infrastructure	5,249,181	135,722	-	-	5,384,903
Buildings	2,603,291	47,853	-	-	2,651,144
Machinery and equipment	7,149,891	319,774	(286,488)	(199,481)	6,983,696
Total accumulated depreciation	15,002,363	503,349	(286,488)	(199,481)	15,019,743
Total capital assets being depreciated - Net	3,670,190	235,818	-	-	3,906,008
Capital assets - Net	\$ 3,782,018	\$ 243,115	\$ -	\$ -	\$ 4,025,133

Certain equipment was purchased with grants from the National Telecommunications and Information Administration (NTIA) under their Public Telecommunications Facilities Program (PTFP). The equipment is considered to be owned by the University and is included in the books at net book value. Each piece of equipment is subject to a 10-year lien with the United States Department of Commerce NTIA/PTFP named as the secured party.

## WOUB Center for Public Media

### Notes to Financial Statements (Continued) June 30, 2021 and 2020

#### Note 3 - Accounts Payable and Accrued Liabilities

The Accounts Payable and Accrued Liabilities balance includes accrued expense associated with the University's early retirement and voluntary separation incentive plans. This expense is offset by corresponding revenue received from the University.

Accounts payable and accrued liabilities as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Accounts payable	\$ 103,354	\$ 45,617
Accrued payroll	53,315	233,468
Accrued compensated absences - Current portion	<u>30,332</u>	<u>30,695</u>
Total	<u>\$ 187,001</u>	<u>\$ 309,780</u>

#### Note 4 - Accrued Compensated Absences

Per University policy, eligible salaried administrative appointments and administrative hourly employees earn vacation at the rate of 21 days per year with a maximum accrual of 32 days. Upon termination, they are entitled to a payout of their accumulated balance up to a maximum of 32 days. Hourly classified employees earn vacation at rates per years of service, ranging from 10 to 25 days per year. The accrual is equal to the amount earned in three years, up to a maximum of 600 hours, which is subject to payout upon termination.

Other hourly, nonexempt employees are also eligible to elect compensatory time off in lieu of overtime pay. The use of compensatory time is scheduled with supervisory approval or subject to payout upon termination or transfer to another department.

The estimated liability for accrued vacation and compensatory time at June 30, 2021 and 2020 was \$185,661 and \$181,029, respectively.

All eligible University employees are entitled to a sick leave credit equal to 15 days per year (earned on a pro-rata monthly basis for salaried employees and on a pro-rata hourly basis for classified hourly and administrative hourly employees). Salaried and administrative hourly employees with 10 or more years of service are eligible to receive a payout upon retirement of 25% of unused days up to a maximum of 30 days. Hourly classified employees with 10 or more years of service are eligible for payout upon retirement of 50% of unused days up to a maximum of 60 days, except for hourly classified employees under an American Federation of State, County, and Municipal Employees contract, where the maximum is 80 days.

The estimated liability for accrued sick leave at June 30, 2021 and 2020 was \$35,527 and \$32,691, respectively.

## WOUB Center for Public Media

### Notes to Financial Statements (Continued) June 30, 2021 and 2020

Compensated absences at June 30, 2021 and 2020 are summarized as follows:

	Beginning Balance	Additions	Ending Balance	Current Portion
For the year ended:				
June 30, 2021	\$ 213,720	\$ 7,468	\$ 221,188	\$ 30,332
June 30, 2020	197,341	16,379	213,720	30,695

#### Note 5 – Support from Ohio University

The operations of WOUB Center for Public Media are supported in part by the general revenue of the University. The University provides for the general operating costs of WOUB operations. The University's direct support amounted to \$2,205,155 and \$2,602,646 for the years ended June 30, 2021 and 2020, respectively. In addition, the University provided \$620,166 and \$670,551 in indirect administrative support during fiscal years 2021 and 2020, respectively. The indirect administrative support revenue was calculated using the "basic method" rate of 1.05% and 1.07% for the fiscal years ended 2021 and 2020, respectively.

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

The Corporation for Public Broadcasting (CPB) allocates a portion of its funds annually to public broadcasting entities, primarily based on nonfederal financial support (NFFS). NFFS is defined as the total value of cash and the fair market value of property and services received as either a contribution or a payment and meeting all of the respective criteria for each.

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 except 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 program 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 CSG grant program precipitated by extraordinary infusions of new capital investments in DTV, all capital contributions received for the purpose 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 or 2020 NFFS. This change excludes all revenue received for any capital purchases.

A "payment" is cash, property, or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source must be a state, any agency or political subdivision of a state, an educational institution or organization, or a nonprofit entity; (2) the form of the payment must be appropriations or contract payments in exchange for specific

# WOUB Center for Public Media

## Notes to Financial Statements (Continued) June 30, 2021 and 2020

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.

Reported NFFS for WOUB was \$4,865,821 and \$5,579,562 for fiscal years 2021 and 2020, respectively.

### Note 7 - Retirement Plans

Based on rules governed by the Ohio Revised Code (ORC), employees of WOUB are covered under one of three retirement plans, unless eligible for exemption as is the case with most student employees. The system in which an employee is eligible to enroll is dependent on his or her position with the University. Generally, faculty appointments are eligible for enrollment in a defined benefit plan, administered by STRS Ohio, and all other employees are eligible for enrollment in a defined benefit plan, administered by OPERS. In addition, full-time employees may opt out of the state retirement system and choose a defined contribution plan, also referred to as an Alternative Retirement Plan (ARP), with one of seven independent providers. STRS Ohio and OPERS also offer a defined contribution plan and a combined plan with features of both a defined contribution plan and a defined benefit plan. All options are discussed below in more detail.

**Retirement Plan Funding** - Chapter 3307 of the ORC limits the maximum rate of contributions. The retirement boards of the systems individually set contribution rates within the allowable limits. The adequacy of employer contribution rates is determined annually by actuarial valuation using the entry age normal cost method. Under these provisions, each employer entity's contribution is expected to finance the costs of benefits earned by its employees during the year, with an additional amount to finance a portion of the defined benefit plans' unfunded accrued liability.

The employee and employer rates are the same for ARP employees as the retirement system under which they would otherwise be covered. However, for those who would otherwise be covered by STRS Ohio and who instead elect the ARP, 4.47% of the employer contribution goes to the STRS Ohio retirement system and for those who would otherwise be covered by OPERS and instead elect the ARP, 2.44% goes to the OPERS systems at June 30, 2021 and 2020. The Center's contributions each year are equal to its required contributions. Member contributions are set at the maximums authorized by the ORC.

The plans' 2021 and 2020 contribution rates on covered payroll to each system are as follows:

	Employer Contribution Rate				Member Contribution Rate
	Pension	Postretirement	Death	Total	Total
		Health Care	Benefit		
STRS Ohio - Faculty	14.00%	0.00%	0.00%	14.00%	14.0%
OPERS - State Employees	14.00%	0.00%	0.00%	14.00%	10.0%
OPERS - Law Enforcement	18.10%	0.00%	0.00%	18.10%	13.0%

# WOUB Center for Public Media

## Notes to Financial Statements (Continued) June 30, 2021 and 2020

The Center receives an allocation of the University's required and actual contributions to the plans, which are summarized as follows:

Plan	Employer Contributions - for the years ended June 30			
	2021		2020	
	Pension	OPEB	Pension	OPEB
STRS Ohio	\$ -	\$ -	\$ 16,311	\$ -
OPERS	180,808	-	202,768	-
ARP	63,209	-	68,633	-
	<u>\$ 244,017</u>	<u>\$ -</u>	<u>\$ 287,712</u>	<u>\$ -</u>

### Benefits Provided

**STRS Ohio** - Plan benefits are established under Chapter 3307 of the Revised Code, as amended by Substitute Senate Bill 342 in 2012, which gives the retirement board the authority to make future adjustments to the member contribution rate, retirement age and service requirements, and the cost-of-living adjustment as the need or opportunity arises, depending on the retirement system's funding progress.

The requirement to retire depends on years of service (5-35 years) and age depending on when the employee became a member. The maximum annual retirement allowance, payable for life, considers years of credited service, final average salary (3-5 years) and multiplying by a factor ranging from 2.2 % to 2.5% with 0.1% incremental increases for years greater than 30-32, depending on retirement age.

A defined benefit plan or combined plan member with five or more years of credited service who is determined to be disabled (illness or injury preventing the individual's ability to perform regular job duties for at least 12 months) may receive a disability benefit. Additionally, eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013 must have at least 10 years of qualifying service credit to apply for disability benefits.

A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the plan. Death benefit coverage of up to \$2,000 can be purchased by participants in all three of the plans. Various other benefits are available to members' beneficiaries.

**OPERS** - Plan benefits are established under Chapter 145 of the Ohio Revised Code, as amended by Substitute Senate Bill 343 in 2012. The requirements to retire depend on years of service (5 to 32 years) and from attaining the age of 48 to 62, depending on when the employee became a member. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit, except for public safety and law enforcement participants. Member retirement benefits are calculated on a formula that considers years of service (5-30 years), age (48-62 years), and final average salary, using a factor ranging from 1.0% to 2.5%.

A plan member who becomes disabled before age 60 or at any age, depending on when the member entered the plan, and has completed 60 contributing months is eligible for a disability benefit.

A death benefit of \$500 to \$2,500 is determined by the number of years of service credit of the retiree. Benefits may transfer to a beneficiary upon death with 1.5 years of service credits with the plan obtained within the last 2.5 years, except for law enforcement and public safety personnel, who are eligible immediately upon employment.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3%, or an amount based on the average percentage increase in the Consumer Price Index, capped at 3%.

**Defined Benefit Plans** - The defined benefit plans of STRS Ohio and OPERS are cost-sharing, multiple-employer public employee retirement plans. Both systems provide retirement, survivor and disability benefits to plan members and their beneficiaries. The systems also provide post-employment health care benefits (including Medicare B premiums) to retirees and beneficiaries who elect to receive those benefits. The authority to establish and amend benefits is provided by the ORC.

Each retirement system issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment healthcare plans. Interested parties may obtain a copy of the STRS Ohio report by making a written request to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling 614-227-4090, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org). The OPERS report may be obtained by making a written request to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**Net Pension Liability, Deferrals, and Pension Expense** - At June 30, 2021 and 2020, the Center reported a liability for its allocated share of the University's net pension liability of both STRS Ohio and OPERS. For June 30, 2021, the net pension liability was measured as of June 30, 2020 for the STRS Ohio plan and December 31, 2020 for the OPERS plan. For June 30, 2020, the net pension liability was measured as of June 30, 2019 for the STRS Ohio plan and December 31, 2019 for the OPERS plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The University's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

At June 30, 2021 and 2020, the University's proportionate share of the net pension liability for OPERS was 0.76% and 0.92%, respectively. At June 30, 2021 and 2020, the University's proportionate share of the net pension liability for STRS Ohio was 0.87% and 0.91%, respectively. The amount the University allocated to the Center is based on total retirement contributions for the Center's employees as a percentage of the total retirement contributions for the University. At June 30, 2021, the Center's allocation of the University proportion was 0.64% for OPERS and 0.66% for STRS Ohio. In 2020, the Center's allocation of the University's proportion was 0.66% for both OPERS and STRS Ohio.

# WOUB Center for Public Media

## Notes to Financial Statements (Continued) June 30, 2021 and 2020

For the years ended June 30, 2021 and 2020, the Center's proportionate shares of the net pension liability are as follows:

Plan	Measurement Date	Net Pension Liability		Proportionate Share		Percent Change	Percent Change
		2021	2020	2021	2020	2020-21	2019-20
STRS Ohio	June 30	\$ 185,584	\$ 187,955	0.0008%	0.0008%	-0.0001%	-0.0001%
OPERS	December 31	1,926,078	2,336,597	0.0133%	0.0119%	0.0013%	0.0024%
		<u>\$ 2,111,662</u>	<u>\$ 2,524,552</u>				

For the years ended June 30, 2021 and 2020, the Center recognized pension expense of (\$30,325) and \$490,169 respectively.

For the years ended June 30, 2021 and 2020, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,589	\$ 41,683	\$ 11,352	\$ 23,297
Changes in assumptions	75,443	-	221,408	-
Net difference between projected and actual earnings on pension plan investments	67,681	287,115	-	307,025
Changes in proportion and differences between the Center's contributions and proportionate share of contributions	37,208	247,025	114,443	127,502
Center's contributions subsequent to the measurement date	54,930	-	156,214	-
Total	<u>\$ 238,851</u>	<u>\$ 575,823</u>	<u>\$ 503,417</u>	<u>\$ 457,824</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases or decreases in pension expense as follows:

Years Ending June 30	Amount
2022	(\$171,370)
2023	(\$99,484)
2024	(\$102,268)
2025	(\$18,706)
2026	(\$87)
Thereafter	\$13
	<u>\$ (391,902)</u>

## WOUB Center for Public Media

### Notes to Financial Statements (Continued) June 30, 2021 and 2020

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year (2022).

**Net OPEB Liability/(Asset), Deferrals, and OPEB Expense** - At June 30, 2021, the Center reported an asset for its proportionate share of the net OPEB asset of both STRS Ohio and OPERS. For June 30, 2021, the net OPEB asset was measured as of June 30, 2020 for the STRS Ohio plan, and December 31, 2020 for the OPERS plan. For June 30, 2020, the net OPEB liability/(asset) was measured as of June 30, 2019 for the STRS Ohio plan, and December 31, 2019 for the OPERS plan. The total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of those dates, except OPERS which used an actuarial valuation dated December 31, 2019 and 2018, respectively, rolled forward to the measurement date by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year for the defined benefit health care plans. Typically, the University's proportion of the net OPEB liability/(asset) would be based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. For the plan years ended June 30, 2020 and 2019, STRS Ohio did not allocate employer contributions to the OPEB plan. Therefore, STRS Ohio's calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB. For the plan years ended December 31, 2020 and 2019, OPERS allocated 0% of the total 14% employer contributions to the OPEB plan. Therefore, OPERS' calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

At June 30, 2021 and 2020, the University's proportionate share of the net OPEB liability for OPERS was 0.76% and 0.91%, respectively. At June 30, 2021 and 2020, the University's proportionate share of the net OPEB (asset) for STRS Ohio was 0.87% and 0.92%, respectively. The amount the University allocated to the Center is based on total retirement contributions for the Center's employees as a percentage of the total retirement contributions for the University. At June 30, 2021, the Center's allocation of the University proportion was 0.64% for OPERS and 0.66% for STRS Ohio. In 2020, the Center's allocation of the University's proportion was 0.66% for both OPERS and STRS Ohio.

For the years ended June 30, 2021 and 2020, the Center's proportionate share of the net OPEB liability/(asset) is as follows:

Plan	Measurement Date	Net OPEB Liability/(Asset)		Proportionate Share		Percent Change 2020-21	Percent Change 2019-20
		2021	2020	2021	2020		
STRS Ohio	June 30	\$ (16,505)	\$ (7,104)	0.9391%	0.0004%	0.93871%	-0.00002%
OPERS	December 31	(171,301)	735,999	0.0096%	0.0053%	0.00429%	0.00089%
		<u>\$ (187,806)</u>	<u>\$ 728,895</u>				

For the years ended June 30, 2021 and 2020, the Center recognized OPEB expense of (\$590,605) and \$84,565.

## WOUB Center for Public Media

### Notes to Financial Statements (Continued) June 30, 2021 and 2020

For the years ended June 30, 2021 and 2020, the Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,477	\$ 98,394	\$ 9,033	\$ 80,807
Changes in assumptions	44,298	236,522	133,198	108,973
Net difference between projected and actual earnings on OPEB investments	3,543	46,185	-	48,419
Changes in proportion and differences between the Center's contributions and proportionate share of contributions	23,304	90,236	58,704	30,355
Total	<u>\$ 77,622</u>	<u>\$ 471,337</u>	<u>\$ 200,935</u>	<u>\$ 268,554</u>

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

Years Ending June 30	Amount
2022	\$ (147,055)
2023	(162,913)
2024	(44,518)
2025	(29,371)
2026	(4,925)
Thereafter	<u>(4,933)</u>
	<u>\$ (393,715)</u>

## Notes to Financial Statements (Continued) June 30, 2021 and 2020

**Actuarial Assumptions** - The total pension liability and OPEB liability/(asset) in the actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement as of June 30, 2021:

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2020	December 31, 2020
Valuation date - OPEB	June 30, 2020	December 31, 2019
Actuarial cost method - Pension	Entry age normal	Individual entry age
Actuarial cost method - OPEB	Entry level normal	Individual entry age
Cost of living adjustments	0%	Pre-1/7/2013 retirees: 3.0% simple; 3.25% - 10.75%
Salary increases, including inflation	2.5% - 12.5%	3.25%
Inflation	2.5%	3.25%
Investment rate of return - Pension	7.45%, net of investment expenses, including inflation	7.2%, net of investment expense, including inflation
Investment rate of return - OPEB	7.45%, net of investment expenses, including inflation	6.0%, net of investment expenses, including inflation
Health care cost trend rates	-6.69% to 11.87% initial, 4.0% ultimate	8.5% initial, 3.5% ultimate in 2035
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2015
	RP-2014 Annuitant and Disabled Mortality Tables with varying percentage of rates through age ranges (healthy retirees) and with 90% of rates for males and 100% of rates for females (disabled), projected forward generationally using mortality improvement scale MP-2016	RP-2014 Healthy Annuitant/Disabled mortality table (MP-2015 mortality improvement scale)
Mortality basis		

The following actuarial assumptions, applied to all periods included in the measurement as of June 30, 2020, were as follows:

	STRS Ohio	OPERS
Valuation date - Pension	June 30, 2019	December 31, 2019
Valuation date - OPEB	June 30, 2019	December 31, 2018, rolled forward to December 31, 2019
Actuarial cost method	Entry age normal	Individual entry age
Cost of living adjustments	0%	1.4% simple through 2020, then 2.15% simple
Salary increases, including inflation	2.5% - 12.5%	3.25% - 10.75%
Inflation	2.5%	3.25%
Investment rate of return - Pension	7.45%, net of investment expenses, including inflation	7.2%, net of investment expense, including inflation
Investment rate of return - OPEB	7.45%, net of investment expenses, including inflation	6.0%, net of investment expenses, including inflation
Health care cost trend rates	4.93% - 9.62% initial, 4.0% ultimate	10.5% initial, 3.5% ultimate in 2030
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2015
	RP-2014 Annuitant and Disabled Mortality Tables with varying percentage of rates through age ranges (healthy retirees) and with 90% of rates for males and 100% of rates for females (disabled), projected forward generationally using mortality improvement scale MP-2016	RP-2014 Healthy Annuitant/Disabled mortality table (MP-2015 mortality improvement scale)
Mortality basis		

**Discount Rate** - The discount rates used to measure the total pension liabilities at June 30, 2021 were 7.45% for STRS Ohio and 7.20% for OPERS and were unchanged from June 30, 2020. The discount rates used to measure the total OPEB assets at June 30, 2021 were 7.45% for STRS Ohio and 6.0% for OPERS. The discount rates used to measure the total OPEB liabilities/(assets) at June 30, 2020 were 7.45% for STRS Ohio and 3.16% for OPERS.

For STRS Ohio pension the projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at the statutory contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020 and 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020 and 2019.

For STRS Ohio OPEB the projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the HC Fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020 and 2019. Therefore, the long-term expected rate of return on HC Fund investments of 7.45% was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2020 and 2019.

For OPERS pension the projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

For OPERS OPEB a single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

# WOUB Center for Public Media

## Notes to Financial Statements (Continued) June 30, 2021 and 2020

The target allocation and best estimates of arithmetic (geometric for STRS Ohio) real rates of return for each major asset class are summarized in the following tables:

STRS - as of 7/1/20			OPERS - as of 12/31/20				
Investment Category	Target Allocation	Long-term Expected Real Rate of Return*	Defined Benefit Portfolio		Health Care Portfolio		
			Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	
Domestic Equity	28.00%	7.35%	Domestic Equities	21.00%	5.64%	25.00%	5.64%
International Equity	23.00%	7.55%	International Equities	23.00%	7.36%	25.00%	7.36%
Alternatives	17.00%	7.09%	Private Equity	12.00%	10.42%	-	-
Fixed Income	21.00%	3.00%	Fixed Income	25.00%	1.32%	34.00%	1.07%
Real Estate	10.00%	6.00%	Real Estate	10.00%	5.39%	-	-
Liquidity Reserves	1.00%	2.25%	REITs	-	-	7.00%	6.48%
			Other Investments	9.00%	4.75%	9.00%	4.02%
	<u>100.00%</u>			<u>100.00%</u>		<u>100.00%</u>	

\* Includes inflation of 2.25%

STRS Ohio - as of 7/1/19			OPERS - as of 12/31/19				
Investment Category	Target Allocation	Long-term Expected Real Rate of Return*	Defined Benefit Portfolio		Health Care Portfolio		
			Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	
Domestic Equity	28.00%	7.35%	Domestic Equities	19.00%	5.75%	21.00%	5.75%
International Equity	23.00%	7.55%	International Equities	21.00%	7.66%	23.00%	7.66%
Alternatives	17.00%	7.09%	Private Equity	12.00%	10.70%	-	-
Fixed Income	21.00%	3.00%	Fixed Income	25.00%	1.83%	36.00%	1.53%
Real Estate	10.00%	6.00%	Real Estate	10.00%	5.20%	-	-
Liquidity Reserves	1.00%	2.25%	REITs	-	-	6.00%	5.69%
			Other Investments	13.00%	4.98%	14.00%	4.90%
	<u>100.00%</u>			<u>100.00%</u>		<u>100.00%</u>	

\* Includes inflation of 2.25%

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the Center, calculated using the discount rate listed below, as well as what the Center's 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:

Plan	2021					
	1% Decrease		Current Discount Rate		1% Increase	
STRS Ohio	6.45%	\$ 264,239	7.45%	\$ 185,584	8.45%	\$ 118,930
OPERS	6.20%	<u>3,722,936</u>	7.20%	<u>1,926,078</u>	8.20%	<u>433,008</u>
		<u>\$ 3,987,175</u>		<u>\$ 2,111,662</u>		<u>\$ 551,938</u>

# WOUB Center for Public Media

## Notes to Financial Statements (Continued) June 30, 2021 and 2020

2020						
Plan	1% Decrease		Current Discount Rate		1% Increase	
STRS Ohio	6.45%	\$ 274,677	7.45%	\$ 187,956	8.45%	\$ 114,542
OPERS	6.20%	<u>3,880,352</u>	7.20%	<u>2,336,596</u>	8.20%	<u>950,610</u>
		<u>\$ 4,155,029</u>		<u>\$ 2,524,552</u>		<u>\$ 1,065,152</u>

**Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate** - The following presents the net OPEB liability/(asset) of the Center, calculated using the discount rate listed below, as well as what the Center's net OPEB liability/(asset) 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:

2021						
Plan	1% Decrease		Current Discount Rate		1% Increase	
STRS Ohio	6.45%	\$ (14,361)	7.45%	\$ (16,505)	8.45%	\$ (18,325)
OPERS	5.00%	<u>(42,595)</u>	6.00%	<u>(171,301)</u>	7.00%	<u>(277,107)</u>
		<u>\$ (56,956)</u>		<u>\$ (187,806)</u>		<u>\$ (295,432)</u>

2020						
Plan	1% Decrease		Current Discount Rate		1% Increase	
STRS Ohio	6.45%	\$ (6,062)	7.45%	\$ (7,104)	8.45%	\$ (7,981)
OPERS	2.16%	<u>963,173</u>	3.16%	<u>735,999</u>	4.16%	<u>554,107</u>
		<u>\$ 957,111</u>		<u>\$ 728,895</u>		<u>\$ 546,126</u>

**Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rate** - The following presents the net OPEB liability/(asset) of the Center, calculated using the health care cost trend rate listed below, as well as what the Center's net OPEB liability/(asset) would be if it were

## WOUB Center for Public Media

### Notes to Financial Statements (Continued) June 30, 2021 and 2020

calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2021			
Plan	1% Decrease	Current Trend Rate	1% Increase
STRS Ohio	\$ (18,212)	\$ (16,505)	\$ (14,426)
OPERS	(175,475)	(171,301)	(166,630)
	<u>\$ (193,687)</u>	<u>\$ (187,806)</u>	<u>\$ (181,056)</u>

  

2020			
Plan	1% Decrease	Current Trend Rate	1% Increase
STRS Ohio	\$ (8,056)	\$ (7,104)	\$ (5,939)
OPERS	714,281	735,999	757,441
	<u>\$ 706,225</u>	<u>\$ 728,895</u>	<u>\$ 751,502</u>

**Pension Plan and OPEB Plan Fiduciary Net Position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued STRS Ohio and OPERS financial reports.

**Payable to the Pension Plan and OPEB Plan** - At June 30, 2021, the Center reported a payable of \$35,555 and \$0 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2021. At June 30, 2020, the Center reported a payable of \$13,084 and \$0 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2020.

**Changes in Assumptions** - STRS Ohio changed the trend rate from 4.93%-9.62% initial and 4% ultimate at June 30, 2019 to -6.69%-11.87% initial and 4% ultimate at June 30, 2020. OPERS changed the trend rate from 10.5% initial and 3.5% ultimate in 2030 at December 31, 2019 to 8.5% initial and 3.5% ultimate in 2035 at December 31, 2020. During the plan year ended December 31, 2020, OPERS increased the discount rate from 3.16% to 6.00% for OPEB.

**Changes Between Measurement Date and Report Date** - On January 15, 2020, the OPERS Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements; however, they are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

**Defined Contribution Plans** - The ARP is a defined contribution pension plan, under IRS Section 401(a), and established by Ohio Amended Substitute House Bill 586 (ORC 3305.02) on March 31, 1998, for public institutions of higher education. The University's board of trustees adopted the University's plan on April 18, 1998. Full-time employees are eligible to choose a provider, in lieu of STRS Ohio or OPERS,

from the list of four providers currently approved by the Ohio Department of Insurance and who hold agreements with the University. Employee and employer contributions equal to those required by STRS Ohio and OPERS are required for the ARP, less any amounts required to be remitted to the state retirement system in which the employee would otherwise have been enrolled.

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS Ohio or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of seven private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. That amount is 4.47% for STRS Ohio and 2.44% for OPERS for the years ended June 30, 2021 and 2020. The employer also contributes what would have been the employer's contribution under STRS Ohio or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with immediate plan vesting.

The ARP does not provide disability benefits, survivor benefits, or postretirement health care. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

STRS Ohio and OPERS also offer a defined contribution plan and a combined plan with features of both a defined contribution plan and a defined benefit plan.

**Other Postemployment Benefits** - In addition to the pension benefits described above, Ohio law provides that the University fund postretirement healthcare benefits to retirees and their dependents through employer contributions to OPERS and STRS Ohio.

OPERS provides retirement, disability, and survivor benefits as well as postemployment healthcare coverage to qualifying members of its plans. A portion of each employer's contribution to OPERS is allocated for funding of postretirement health care. The portion of employer contributions, for all employers, allocated to health care was 0% during calendar year 2020.

STRS Ohio provides access to healthcare coverage to retirees who participated in the Defined Benefit or Combined Plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the ORC, the State Teachers Retirement Board (the "Board") has discretionary authority over how much, if any, of the healthcare costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the healthcare cost in the form of a monthly premium.

The ORC grants authority to STRS Ohio to provide healthcare coverage to eligible benefit recipients, spouses, and dependents. By Ohio law, healthcare benefits are not guaranteed and the cost of the coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Board allocates employer contributions to the Health Care Fund from which healthcare benefits are paid. Effective July 1, 2014, the Board discontinued allocating 1% of employer contributions to the Health Care Fund. The balance in the Health Care Fund was \$3.9 billion as of June 30, 2020.

## **WOUB Center for Public Media**

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### **Notes to Financial Statements (Continued) June 30, 2021 and 2020**

For the fiscal year ended June 30, 2020, net healthcare costs paid by STRS Ohio were \$491 million. There were 156,907 eligible benefit recipients.

## **Required Supplementary Information**

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Schedule of Center’s Proportionate Share of the Net Pension Liability

Plan Year	Center's proportion of the net pension liability	Center's proportionate share of the net pension liability	Center's covered payroll	Center's proportionate share of the net pension liability, as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
<b>STRS Ohio</b>					
2021	0.0008%	\$ 185,584	\$ 116,505	159.3%	75.5%
2020	0.0008%	187,955	116,696	161.1%	77.4%
2019	0.0010%	215,160	136,861	157.2%	77.3%
2018	0.0009%	213,992	149,246	143.4%	75.3%
2017	0.0010%	341,992	152,636	224.1%	66.8%
2016	0.0015%	405,712	143,457	282.8%	72.1%
2015	0.0014%	342,596	135,514	252.8%	74.7%
<b>OPERS</b>					
2021	0.0133%	1,926,078	1,237,968	155.6%	87.2%
2020	0.0119%	2,336,597	1,349,191	173.2%	82.4%
2019	0.0095%	2,596,859	1,376,714	188.6%	74.9%
2018	0.0149%	2,319,669	1,419,629	163.4%	84.9%
2017	0.0149%	3,374,373	1,482,026	227.7%	77.4%
2016	0.0119%	2,061,785	1,498,672	137.6%	81.2%
2015	0.0120%	1,450,229	1,497,282	96.9%	86.5%

*These are 10-year schedules. However, the information in these schedules are not required to be presented retroactively. Years will be added to these schedules in future fiscal years until 10 years of information is available.*

Schedule of Center’s Proportionate Share of the Net Pension Liability – STRS Ohio. The amounts presented for each fiscal year were determined as of the yearend that occurred one year prior.

Schedule of Center’s Proportionate Share of the Net Pension Liability – OPERS. The amounts presented for each fiscal year were determined as of the December 31 yearend that occurred within the fiscal year.

# WOUB Center for Public Media

## Required Supplementary Information (Continued)

### Schedule of Center's Pension Contributions

<u>Fiscal Year</u>	<u>Statutorily required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Center's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
<b>STRS Ohio</b>					
2021	\$ -	\$ -	\$ -	\$ -	0.0%
2020	16,311	16,311	-	116,505	14.0%
2019	16,832	16,832	-	116,696	14.4%
2018	19,328	19,328	-	136,861	14.1%
2017	20,894	20,894	-	149,246	14.0%
2016	21,443	21,443	-	152,636	14.0%
2015	20,084	20,084	-	143,457	14.0%
<b>OPERS</b>					
2021	\$ 180,808	\$ 180,808	\$ -	\$ 1,196,193	15.1%
2020	202,769	202,769	-	1,344,871	15.1%
2019	203,157	203,157	-	1,353,511	15.0%
2018	209,517	209,517	-	1,399,918	15.0%
2017	184,571	184,571	-	1,439,341	12.8%
2016	218,059	218,059	-	1,524,712	14.3%
2015	206,137	206,137	-	1,472,633	14.0%

*These are 10-year schedules. However, the information in these schedules are not required to be presented retroactively. Years will be added to these schedules in future fiscal years until 10 years of information is available.*

### **Notes to Required Supplementary Information – Pension Plans**

*Changes in benefit terms:* There were no changes in benefit terms affecting the STRS Ohio and OPERS plans for the plan years ended June 30, 2020 and December 31, 2020, respectively.

*Changes in assumptions:*

- STRS Ohio: During the plan year ended June 30, 2017, there were changes to several assumptions for STRS Ohio. The cost-of-living adjustment dropped from 2.00% to 0.00%. The

## WOUB Center for Public Media

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### Required Supplementary Information (Continued)

wage inflation dropped from 2.75% to 2.50%. The investment rate of return decreased from 7.75% to 7.45%. The mortality tables used changed from RP-2000 to RP-2014.

- OPERS: During the plan year ended December 31, 2016, there were changes to several assumptions for OPERS. The long-term pension investment return assumption was reduced from 8.00% to 7.50%. The wage inflation dropped from 3.75% to 3.25%. The projected salary increase range changed from 4.25-10.05% to 3.25-10.75%. The mortality tables used changed from RP-2000 to RP-2014.

During the plan year ended December 31, 2018, the long-term investment return assumption for pension was modified from 7.50% to 7.20% based on changes in the market outlook.

*Schedule of the Center's Pension Contributions – OPERS.* The OPERS pension contribution is presented net of OPEB allocation starting in 2017. 2017 OPEB allocation was higher compared to 2018 consequently, the OPERS net pension contribution was lower in 2017. 2016 and 2015 OPERS contribution numbers were not adjusted to exclude OPEB allocation. There was no OPEB allocation in 2021 or 2020.

# WOUB Center for Public Media

## Required Supplementary Information (Continued)

### Schedule of Center's Proportionate Share of the Net OPEB Liability/(Asset)

Plan Year	Center's proportion of the net OPEB liability/(asset)	Center's proportionate share of the net OPEB liability/(asset)	Center's covered payroll	Center's proportionate share of the net OPEB liability/(asset), as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability/(asset)
<b>STRS Ohio</b>					
2021	0.9391%	\$ (16,505)	\$ 116,505	-14.2%	182.1%
2020	0.0004%	(7,104)	116,696	-6.1%	174.7%
2019	0.0004%	(7,182)	136,861	-5.2%	176.0%
2018	0.0019%	75,984	149,246	50.9%	47.1%
<b>OPERS</b>					
2021	0.0096%	\$ (171,301)	\$ 1,237,968	-13.8%	115.6%
2020	0.0053%	735,999	1,349,191	54.6%	47.8%
2019	0.0044%	578,531	1,376,714	42.0%	46.3%
2018	0.0076%	823,670	1,419,629	58.0%	54.1%

Schedule of Center's Proportionate Share of the Net OPEB Liability/(Asset) – STRS Ohio. The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

Schedule of Center's Proportionate Share of the Net OPEB Liability – OPERS. The amounts presented for each fiscal year were determined as of the December 31 year end that occurred within the fiscal year.

# WOUB Center for Public Media

## Required Supplementary Information (Continued)

### Schedule of Center's OPEB Contributions

Fiscal Year	Statutorily required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Center's covered payroll	Contributions as a percentage of covered payroll
<b>STRS Ohio</b>					
2021	\$ -	\$ -	\$ -	\$ -	0.0%
2020	-	-	-	116,505	0.0%
2019	-	-	-	116,696	0.0%
2018	-	-	-	136,861	0.0%
<b>OPERS</b>					
2021	\$ -	\$ -	\$ -	\$ 1,196,193	0.0%
2020	-	-	-	1,344,871	0.0%
2019	-	-	-	1,353,511	0.0%
2018	7,000	7,000	-	1,399,918	0.5%

*These are 10-year schedules. However, the information in these schedules are not required to be presented retroactively. Years will be added to these schedules in future fiscal years until 10 years of information is available.*

#### Notes to Required Supplementary Information – OPEB

*Changes in benefit terms:* There were no significant changes in benefit terms affecting the STRS Ohio and OPERS plans for the plan years ended June 30, 2020 and December 31, 2020, respectively.

*Changes in assumptions:*

- STRS Ohio: During the plan year ended June 30, 2018 the health care cost trend rates decreased from 6.00% to 11.00% initial and 4.50% ultimate to minus 5.23% to 9.62% initial and 4% ultimate and the discount rate increased from 4.13% to 7.45%.

During the plan year ended June 30, 2019 the health care trend rates changed to 4%-9.62% initial and 4% ultimate.

During the plan year ended June 30, 2020, the health care cost trend rate changed to -6.69%-11.87% initial and 4% ultimate.

### Required Supplementary Information (Continued)

- OPERS: During the plan year ended December 31, 2018, the long-term investment return assumption for the Health Care portfolio was reduced from 6.50% to 6.00%.

During the plan year ended December 31, 2019, OPERS decreased the discount rate from 3.96% to 3.16%. In addition, the OPERS health care cost trend rate was changed from 10% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.5% ultimate in 2030.

During the plan year ended December 31, 2020, OPERS increased the discount rate from 3.16% to 6.00%. In addition the health care cost trend rate was changed to 8.5% initial and 3.5% ultimate in 2035.

## **Supplementary Information**

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# WOUB Center for Public Media

## Combining Statements of Revenues, Expenses and Changes in Net Position June 30, 2021 and 2020

	Year Ended					
	June 30, 2021			June 30, 2020		
	Television	Radio	Total	Television	Radio	Total
<b>Operating Revenue</b>						
Federal grants and contracts	\$ 18,772	\$ 566	\$ 19,338	\$ 9,247	\$ 1,890	\$ 11,137
State grants and contracts	603,829	97,321	701,150	735,779	113,192	848,971
Community service grants	1,090,431	192,146	1,282,577	1,064,596	180,848	1,245,444
Special fundrasing-net	9,025	14,237	23,262	-	-	-
Support from Ohio University	2,192,292	633,029	2,825,321	2,548,198	725,000	3,273,197
Sales, Services and Other	197,822	78,015	275,837	442,101	200,772	642,873
Total operating revenue	4,112,171	1,015,314	5,127,485	4,799,921	1,221,702	6,021,622
<b>Operating Expenses</b>						
Programming and support services	4,604,366	1,382,125	5,986,491	6,032,753	1,870,873	7,903,626
Depreciation	390,233	116,563	506,796	387,579	115,770	503,349
Total operating expenses	4,994,599	1,498,688	6,493,287	6,420,332	1,986,643	8,406,975
<b>Operating (Loss)</b>	(882,428)	(483,374)	(1,365,802)	(1,620,411)	(764,941)	(2,385,353)
<b>Nonoperating Revenue</b>						
Private gifts	874,402	482,112	1,356,514	983,625	522,254	1,505,879
Investment income, net	3,941,171	8,558	3,949,729	248,639	325	248,964
Total nonoperating revenue	4,815,573	490,670	5,306,243	1,232,264	522,579	1,754,843
<b>Capital Grants and Gifts</b>	119,116	10,554	129,670	-	-	-
<b>Increase (Decrease) in Net Position</b>	4,052,261	17,850	4,070,111	(388,148)	(242,362)	(630,510)
<b>Net Position - Beginning of year</b>	15,466,143	3,466,835	18,932,978	15,854,291	3,709,197	19,563,488
<b>Net Position - End of year</b>	\$ 19,518,404	\$ 3,484,685	\$ 23,003,089	\$ 15,466,143	\$ 3,466,835	\$ 18,932,978

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees  
WOUB Center for Public Media  
Athens, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of WOUB Center for Public Media (the "Center"), a department of Ohio University, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements which collectively comprise the Center's basic financial statements, and have issued our report thereon dated December 23, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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(Continued)

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Columbus, Ohio  
December 23, 2021