WOSU Public Media

A Public Telecommunications Entity Operated by The Ohio State University

Financial Statements

As of and for the Years Ended June 30, 2021 and 2020

and Report of Independent Auditors

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Report of Independent Auditors

To the Board of Trustees of
The Ohio State University

We have audited the accompanying financial statements of The Ohio State University Department of WOSU Public Media ("WOSU"), appearing on pages 10 to 35, which comprise the statements of net position as of June 30, 2021 and June 30, 2020, and the related statements of revenues, expenses, and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise WOSU's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 our 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, we consider 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Ohio State University Department of WOSU Public Media, as of June 30, 2021 and June 30, 2020 and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of WOSU are intended to present the net financial position, the changes in net financial position and, where applicable, cash flows of only that portion of The Ohio State University that is attributable to the transactions of WOSU. They do not purport to, and do not, present fairly the net financial position of The Ohio State University as of June 30, 2021 and 2020, the changes in its net financial position, or, where applicable, 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 Matter

Required Supplementary Information

The accompanying management discussion and on pages 4 through 9 and the Required Supplementary Information on GASB 68 Pension Liabilities on page 36 and Required Supplementary Information on GASB 75 OPEB Liabilities on page 37 are required by accounting principles generally accepted in the United States of America to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 audits 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.

Report on Accompanying Supplemental Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplemental Schedule of Revenues and Expenses by Telecommunication Operations for the year ended June 30, 2021 on pages 39 and 40 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Schedule of Revenues and Expenses by Telecommunications Operations for the year ended June 30, 2021 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2022 on our consideration of the WOSU'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 for the year ended June 30, 2021. The purpose of that report is solely 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 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 the WOSU's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

February 10, 2022

The following Management's Discussion and Analysis, or MD&A, provides an overview of the financial position and activities of WOSU Public Media for the year ended June 30, 2021, with comparative information for the years ended June 30, 2020 and June 30, 2019. We encourage you to read this MD&A section in conjunction with the audited financial statements and footnotes appearing in this report.

About WOSU Public Media

As one of the pioneering radio stations in the country, WOSU has been enriching lives with noncommercial programming since 1922. WOSU Public Media, with broadcast licenses held by The Ohio State University Board of Trustees, continues to engage, inform, and inspire the diverse communities of central Ohio.

WOSU operates seven non-commercial FM radio stations and the region's public television station serving over 2.6 million Ohioans across 31 counties. The radio operations provide the community's only all-day NPR, local news and talk radio station (89.7 NPR News), while a classical radio network of six stations based in Columbus provides the only regional source for classical music radio (Classical 101). WOSU TV includes PBS and local programming on its primary channel and three other channels including WOSU Plus, WOSU Ohio and WOSU Kids. Notably, WOSU TV premiered a new local science series called *QED with Dr. B* in the past year despite the challenges of the COVID protocols. The 13-part series was produced in collaboration with the COSI Science Center and was nominated for the top community arts excellence award. WOSU also has a robust digital presence with its mobile app and through the wosu.org website. Audience use of the WOSU website, streams, and videos grew remarkably compared to a year ago.

WOSU Classroom is known for its work with preschool caregivers and providing technology professional development support for teachers across central Ohio. Through foundation and state funding, WOSU Classroom focuses on teacher and student engagement and educational video program production. One of those video projects, *Drawing with Mr. J.,* is funded in part by the State Department of Education and effectively uses video to target issues such as social, emotional development of young children.

An advisory board that reflects our growing community diversity, the Friends of WOSU assists with programming, advocacy and fundraising expertise. WOSU's most significant support comes directly from its over 32,000 individual members. Over 70% of WOSU's funding is from private fundraising including membership, program support, grants, and earned revenue sources. The WOSU Productions unit provides earned revenue while assisting the production needs of the OSU campus and community nonprofits.

WOSU provides distinctive national programming from PBS and NPR and other national sources but has distinguished itself with its commitment to local programming including a two-hour daily local radio/TV talk program, *All Sides with Ann Fisher,* the largest local radio newsroom (honored as the top news operation in Ohio), and Emmy award-winning weekly television programming focused on local culture, history, arts, and journalism. Among the regular local television offerings: *Columbus Neighborhoods, Broad & High, Columbus On The Record,* the high school quiz series *In The Know,* and our new broadcast and digital series*, QED with Dr. B.*

WOSU completed a new strategic plan in 2020 that includes a focus on public engagement, building new relationships and programming to connect to diverse audiences across the region, assessing new technology trends, evaluating human resource needs and building a solid business strategy for the new WOSU headquarters and studios.

After over fifty years at the Fawcett Center, WOSU relocated in late 2021 to a new custom-built facility at 1800 N. Pearl Street as part of the 15th+High development by Campus Partners. A $12 million capital campaign, with a lead gift of $5 million, was successfully completed in early 2021 to support the funding of the new headquarters.

About the Financial Statements

WOSU Public Media presents its financial reports in a "business type activity" format, in accordance with Governmental Accounting Standards Board 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 – an amendment of GASB Statement No. 34*. In addition to this MD&A section, the financial report includes a Statement of Net Position, a Statement of Revenues, Expenses and Other Changes in Net Position, a Statement of Cash Flows and Notes to the Financial Statements.

Financial Highlights

In fiscal year 2021, total net position for WOSU increased by $10,859,137 to $43,501,123 at June 30, 2021. Unrestricted net position decreased by $15,796,970 primarily due to costs related to the construction of a new headquarters. Net investment in capital assets increased $26,696,987 due to the construction of a new headquarters, offset by debt to the university.

Summary of Net Position

	2021	2020	2019
Cash	$ 4,548,848	$ 6,702,019	$ 17,938,343
Receivables and other current assets	1,515,532	744,624	1,984,673
Total current assets	6,064,380	7,446,643	19,923,016
Pledges receivables, net	365,971	1,159,035	1,210,957
Endowments in OSU long-term investment pool	8,075,850	6,232,500	6,471,360
Prepaid rent and deposits	130,000	16,593,624	3,251,253
Net other post employment benefit asset	409,806	-	-
Capital assets, net of depreciation	50,316,833	11,381,944	8,881,324
Total noncurrent assets	59,298,460	35,367,103	19,814,894
Total assets	65,362,840	42,813,746	39,737,910
Deferred outflows	479,213	1,022,222	1,960,885
Total assets and deferred outflows	$ 65,842,053	$ 43,835,968	$ 41,698,795
Accounts payable and accrued expenses	$ 1,205,402	$ 263,078	$ 651,035
Unearned revenue	322,486	363,205	640,796
Current portion of debt	1,489,802	158,824	158,824
Total current liabilities	3,017,690	785,107	1,450,655
Noncurrent portion of debt	12,919,058	911,111	1,013,391
Unearned revenue	35,550	90,727	147,327
Net pension liability	3,246,687	4,391,129	6,280,716
Net OPEB liability	-	3,178,814	3,077,939
Other noncurrent liabilities	417,190	429,621	398,983
Total noncurrent liabilities	16,618,485	9,001,402	10,918,356
Total liabilities	19,636,175	9,786,509	12,369,011
Deferred inflows	2,704,755	1,407,473	105,494
Net investment in capital assets	37,008,996	10,312,009	8,243,234
Restricted:			
Nonexpendable	1,995,040	1,933,831	1,950,551
Expendable	8,513,390	8,615,479	11,342,060
Unrestricted	(4,016,303)	11,780,667	7,688,445
Total net position	43,501,123	32,641,986	29,224,290
Total liabilities, deferred inflows and net position	$ 65,842,053	$ 43,835,968	$ 41,698,795

During the year ended June 30, 2021, **cash** decreased $2,153,171, to $4,548,848 primarily due to prepaid rent to Campus Partners for the new headquarters and studios near campus at 14th and Pearl Streets. The statement of cash flows, which is discussed in more detail below, provides additional information on sources and uses of WOSU cash. **Endowments** in the university's Long-Term Investment Pool increased by $1,843,350 to $8,075,850 at June 30, 2021, reflecting increases in fair value. The Long-Term Investment Pool is invested in a diversified portfolio of equities, fixed income, hedge funds and private equity that is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support the university's mission. **Noncurrent pledge receivables** decreased $793,064 due to cash received for the capital campaign to help fund the new facility. **Prepaid rent and deposits** decreased $16,463,624 due to the reclassification of prepaid rent to a capital asset for the new WOSU building. **Net other post-employment benefit asset** increased $409,806 primarily due to changes in OPERS benefit terms.

Total liabilities of WOSU increased by $9,849,667 to $19,636,176 as of June 30, 2021, primarily due to an increase in **university debt** for the new building of $12,300,000, proceeds from **note payable** for the federal paycheck protection program of $1,141,180, **accounts payable and accrued expenses** of $940,379, offset by decrease in **net pension liability** of $1,144,442 and **net other post-employment benefits liability** of $3,178,814.

GASB Statement No. 68 requires governmental employers participating in defined benefit pension plans to recognize liabilities for plans whose actuarial liabilities exceed the plan's net assets. These liabilities are referred to as net pension liabilities. In fiscal year 2018, the university implemented a related accounting standard, GASB Statement No. 75, which requires employers participating in other post-employment benefit (OPEB) plans to recognize liabilities for plans whose actuarial liabilities exceed the plan's net assets. OPEB benefits consist primarily of post-retirement healthcare. The university participates in two multiemployer cost-sharing retirement systems, OPERS and STRS-Ohio, and is required to record a liability for its proportionate share of the net pension and OPEB liabilities of the retirement systems.

WOSU's share of these **net pension liabilities** was $3,246,687 and $4,391,129 as of June 30, 2021 and 2020, respectively. The decrease in net pension liability in 2021 is primarily due to increases in investment returns for OPERS. Although most year-to-year changes in net pension liabilities are charged directly to pension expense, certain types of changes are deferred and recognized as pension expense in future periods. Pension-related deferred outflows at June 30, 2021 and 2020 totaled $275,822 and $511,637, respectively. Pension-related deferred inflows at June 30, 2021 and 2020 totaled $1,457,549 and $955,727, respectively. The swing in pension deferrals relates primarily to OPERS projected versus actual investment returns. These deferrals will be recognized as pension expense in future periods. WOSU recognized total pension expense of $188,201 in 2021. Total pension expense includes $595,005 of employer contributions and offset by a negative (credit) of $406,804 in GASB 68 accruals.

WOSU's share of the **net OPEB liabilities** swung from a $3,178,814 net liability to a $409,806 net asset at June 30, 2021, primarily due to changes in OPERS benefit terms. OPEB-related deferred outflows at June 30, 2021 and June 30, 2020 totaled $203,391 and $510,585, respectively. OPEB-related deferred inflows at June 30, 2021 and June 30, 2020 totaled $1,247,206 and $451,746, respectively. The change in OPEB deferrals relate primarily to OPERS projected vs actual investment returns. WOSU recognized a negative (credit) of $2,485,966 in GASB 75 accruals in 2021.

It should be noted that, in Ohio, employer contributions to the state's cost-sharing multi-employer retirement systems are established by statute. These contributions, which are payable to the retirement systems one month in arrears, constitute the full legal claim on WOSU for pension and OPEB funding. Although the liabilities recognized under GASB Statement Nos. 68 and 75 meet the GASB's definition of a liability in its conceptual framework for accounting standards, they do not represent legal claims on WOSU's resources, and there are no cash flows associated with the recognition of net pension and OPEB liabilities, deferrals and expense.

Total **net position** increased by $10,859,137 to $43,501,123 as of June 30, 2021 primarily due to the financial support for the new headquarters from the WOSU capital campaign during fiscal year 2020 and 2021. It should be noted that the required subtotal for net operating income or loss will generally reflect a "loss", primarily due to the way operating and non-operating items are defined under GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Operating expenses include virtually all WOSU expenses. Operating revenues, however, *exclude* certain significant revenue streams that WOSU relies upon to fund current operations, including direct support from the university and investment income.

Summary of Revenues, Expenses and Changes in Net Position

	2021	2020	2019
Operating revenues:			
Contributed services	$ 636,580	$ 636,307	$ 689,694
Sales and services	2,073,675	2,293,337	2,038,434
Grants and contracts	3,841,013	3,534,042	3,099,072
Member contributions	4,963,141	4,184,421	4,296,048
Other revenues	41,612	17,307	5,732
Total operating revenues	11,556,021	10,665,414	10,128,980
Operating expenses:			
Programming and production	3,996,476	6,305,722	6,801,691
Broadcasting	1,379,347	2,744,512	2,460,907
Program information	253,541	464,310	405,936
Management and general	1,043,509	2,256,262	2,138,923
Underwriting	211,941	499,299	585,759
Fundraising	930,804	1,370,937	1,438,385
Depreciation	1,013,855	237,374	148,369
Total operating expenses	8,829,473	13,878,416	13,979,970
Net operating income (loss)	2,726,548	(3,213,002)	(3,850,990)
Non-operating revenues (expenses)			
Operating subsidies from University	1,288,180	2,036,643	2,019,424
Indirect administrative support	223,186	715,946	938,556
Net investment income	1,939,317	148,534	129,825
Interest expense	(278,855)	(56,544)	(56,544)
Capital gifts and grants	1,421,434	3,817,559	3,915,764
Additions to endowment	114,685	3,620	360
FCC repack	2,010,312	50,610	101,433
Total non-operating revenues	6,718,259	6,716,368	7,048,818
Net equity transfers from / (to) the University	1,414,330	(85,670)	(85,670)
Change in net position	10,859,137	3,417,696	3,112,158
Net position - beginning of year	32,641,986	29,224,290	26,112,132
Net position - end of year	$ 43,501,123	$ 32,641,986	$ 29,224,290

Total operating revenues increased $890,607 to $11,556,021 in 2021, primarily due to increases in member contributions. Operating expenses decreased $5,048,943 to $8,829,473 in 2021, due to decreases in pension and OPEB expenses of $3,344,697, program services of $1,849,819, and support services of $1,082,836, offset by increases in depreciation expense of $776,481. Total non-operating revenues decreased $1,891 to $6,718,259 in 2021, primarily due to decreases in capital campaign gifts and grants, operating subsidies from the university, and indirect administrative support from the university, offset by increases in net investment income and FCC repack revenues.

Summary of Cash Flows

	2021	2020	2019
Cash provided by (used) in:			
Operating activites	$ 656,216	$ (1,495,933)	$ (1,312,086)
Noncapital financing activities	2,346,016	1,954,593	1,934,114
Capital and related financing activities	(5,363,728)	(12,132,988)	494,190
Investing activites	208,325	438,004	440,323
Net increase (decrease) in cash	(2,153,171)	(11,236,324)	1,556,541
Cash, beginning of year	6,702,019	17,938,343	16,381,802
Cash, end of year	$ 4,548,848	$ 6,702,019	$ 17,938,343

Total WOSU cash and cash equivalents decreased $2,153,171, to $4,548,848 in 2021. Net cash flows provided by operating activities were $656,216 in 2021, an increase of $2,152,149 from 2020. Increases in grants of $265,926, member contributions of $749,369, and reductions in cash paid to employees and suppliers of $1,480,440 were offset by decreases in programming revenue of $367,891. Net cash flows provided by noncapital financing activities were $2,346,016 in 2021, an increase of $391,423, primarily due to cash received from the federal paycheck protection program of $1,141,180, offset by a decrease of $748,463 in university subsidies. Net cash used in capital financing activities was $5,363,728, compared to $12,132,988 used in 2020, a decrease of $6,769,260. The decrease in cash used in capital financing activities was primarily due to cash paid for the purchase of capital assets of $22,479,817, offset by cash received from the university of $13,800,000, capital campaign gifts of $2,446,450, and FCC repack of $1,380,749.

Economic Factors That Will Affect Future Economic Position and Results of Operations

WOSU Public Media continues to target the growth of its annual membership, program support, major giving, planned gifts and grant revenues. A diverse mix of revenue streams is important in an environment of reduced federal, state and university support. Fiscal year 2021 and 2022 are transition years as WOSU moves into new facilities and begins to operate with a fiscal model that includes new operational expenses. Among the risks will be higher overhead as WOSU takes on new maintenance costs and some unknowns related to the costs related to the day-to-day operations of a new headquarters. Despite that, WOSU is well positioned with a strong reserve fund and a robust membership base and will be budgeting carefully in the coming year.

WOSU Public Media
A Public Telecommunications Entity Operated by The Ohio State University
Statements of Net Position
As of June 30, 2021 and 2020

	2021	2020
ASSETS AND DEFERRED OUTFLOWS:		
Current assets		
Cash	$ 4,548,848	$ 6,702,019
Receivables:		
Accounts receivable, net	36,413	33,956
Grants	700,425	3,745
Underwriting	254,611	148,224
Pledge receivables, net	524,083	518,536
Total receivables	1,515,532	704,461
Prepaid expense	-	40,163
Total current assets	6,064,380	7,446,643
Noncurrent assets		
Endowments in OSU long-term investment pool	8,075,850	6,232,500
Pledge receivables, net	365,971	1,159,035
Prepaid expense	130,000	16,593,624
Net other post employment benefit asset	409,806	-
Property and equipment, net	42,351,582	3,416,693
FCC license	7,965,251	7,965,251
Total noncurrent assets	59,298,460	35,367,103
Total assets	65,362,840	42,813,746
Deferred outflows		
Pension	275,822	511,637
Other post-employment benefits	203,391	510,585
Total deferred outflows	479,213	1,022,222
Total assets and deferred outflows	$ 65,842,053	$ 43,835,968
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
Current liabilities		
Accounts payable and accrued expenses	$ 1,173,395	$ 233,017
Accrued compensated absence - current	32,007	30,061
Unearned revenue	322,486	363,205
Current portion - university debt	189,798	-
Current portion - note payables	1,300,004	158,824
Total current liabilities	3,017,690	785,107
Noncurrent liabilities		
University debt	12,110,202	-
Note payable	808,856	911,111
Unearned revenue	35,550	90,727
Net pension liability	3,246,687	4,391,129
Net other post-employment benefits liability	-	3,178,814
Accrued compensated absence - noncurrent	417,190	429,621
Total noncurrent liabilities	16,618,485	9,001,402
Total liabilities	19,636,175	9,786,509
Deferred inflows		
Pension	1,457,549	955,727
Other post-employment benefits	1,247,206	451,746
Total deferred inflows	2,704,755	1,407,473
Net position		
Net investment in capital assets	37,008,996	10,312,009
Restricted		
Nonexpendable	1,995,040	1,933,831
Expendable	8,513,390	8,615,479
Unrestricted	(4,016,303)	11,780,667
Total net position	43,501,123	32,641,986
Total liabilities, deferred inflows, and net position	$ 65,842,053	$ 43,835,968

The accompanying notes are an integral part of these financial statements.

WOSU Public Media
A Public Telecommunications Entity Operated by The Ohio State University
Statements of Revenues, Expenses, and Changes in Net Position
As of June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Contributed services	$ 636,580	$ 636,307
Grants from the Corporation for Public Broadcasting	2,501,380	1,982,915
Member contributions	4,963,141	4,184,421
Public broadcasting service	37,971	203,988
Business and industry	1,293,656	1,347,909
Foundations/non-profit organizations	742,048	741,440
Fundraising	5,000	15,000
Federal grants	33,178	32,016
State and local grants and contracts	1,306,455	1,519,111
Royalties	31,130	1,534
Miscellaneous	5,482	773
Total operating revenues	11,556,021	10,665,414
OPERATING EXPENSES		
Program services:		
Programming and production	3,996,476	6,305,722
Broadcasting	1,379,347	2,744,512
Program information	253,541	464,310
Total program services	5,629,364	9,514,544
Supporting services:		
Management and general	1,043,509	2,256,262
Depreciation	1,013,855	237,374
Underwriting	211,941	499,299
Fundraising	930,804	1,370,937
Total supporting services	3,200,109	4,363,872
Total operating expenses	8,829,473	13,878,416
Net operating income (loss)	2,726,548	(3,213,002)
NON-OPERATING REVENUES (EXPENSES)		
Operating subsidies from university	1,288,180	2,036,643
Indirect administrative support	223,186	715,946
Net investment income:		
Interest income	208,410	387,654
Interest income - FCC spectrum auction	-	50,610
Increase (decrease) in fair value of investments	1,730,907	(239,120)
Interest expense	(278,855)	(56,544)
Capital campaign gifts and grants	1,421,434	3,817,559
FCC repack	2,010,312	-
Additions to permanent endowments	114,685	3,620
Net non-operating revenues	6,718,259	6,716,368
Net equity transfers from (to) the University	1,414,330	(85,670)
Change in net position	10,859,137	3,417,696
Net position, beginning of year	32,641,986	29,224,290
Net position, end of year	$ 43,501,123	$ 32,641,986

The accompanying notes are an integral part of these financial statements.

WOSU Public Media

A Public Telecommunications Entity Operated by The Ohio State University

Statements of Cash Flows

For the Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Grants from the Corporation for Public Broadcasting	$ 2,501,380	$ 1,982,915
Member contributions	4,940,958	4,191,589
Fees and services	1,908,032	2,275,923
Proceeds from fundraising	5,000	15,000
Federal, state and local grants and contracts	1,272,516	1,525,055
Royalties	31,130	1,534
Other revenues	5,482	773
Payments to employees	(5,707,954)	(6,040,615)
Payments to suppliers	(4,300,328)	(5,448,107)
Net cash provided (used) by operating activities	656,216	(1,495,933)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Private endowment contributions	2,326	3,620
Cash received on non-capital notes payable	1,141,180	-
University subsidies	1,288,180	2,036,643
Equity transfers to university	(85,670)	(85,670)
Net cash provided by noncapital financing activities	2,346,016	1,954,593
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital campaign gifts	2,446,450	4,527,790
Prepaid expense for capital assets	(130,000)	(14,345,484)
Proceeds from university loans	12,300,000	-
Principal paid on note payable	(158,787)	(158,824)
Interest paid on university debt	(222,323)	-
Purchase of capital assets	(22,479,817)	(2,156,470)
FCC repacking proceeds	1,380,749	-
Equity transfer from university for capital assets	1,500,000	-
Net cash used by capital financing activities	(5,363,728)	(12,132,988)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment purchases	(85)	(260)
Interest received	208,410	438,264
Net cash provided by investing activities	208,325	438,004
Net change in cash	(2,153,171)	(11,236,324)
Cash at beginning of year	6,702,019	17,938,343
Cash at end of year	$ 4,548,848	$ 6,702,019
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	$ 2,726,548	$ (3,213,002)
Adjustments to reconcile net operating loss to net cash provided (used) by operating activities:		
Indirect administrative support	223,186	715,946
Depreciation expense	1,013,855	237,374
Allowance for pledge receivables	(275,000)	275,000
Changes in asset and liabilities:		
Receivables, net	(172,893)	243,699
Prepaid expense	40,163	(40,162)
Net other post employment benefit asset	(409,806)	-
Deferred outflows	543,009	938,663
Accounts payable	62,021	84,959
Unearned revenue	(58,408)	(278,388)
Compensated absences	(10,485)	26,711
Net pension liability	(1,144,442)	(1,889,587)
Net other post-employment benefits liability	(3,178,814)	100,875
Deferred inflows	1,297,282	1,301,979
Net cash provided (used) by operating activities	$ 656,216	$ (1,495,933)
Non cash transactions:		
Construction in progress in accounts payable	$ 854,182	$ -
Amortization on note payable discount	56,532	56,532
Reinvestment of distributions	112,444	-
Net increase (decrease) in fair value of investments	1,730,907	(239,120)

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entity
The accompanying financial statements of WOSU Public Media include the accounts and results of operations of the following non-commercial public television and radio stations:

WOSU-TV, Columbus, Ohio (rebroadcast in Mansfield)
WOSU-FM Radio, Columbus, Ohio (rebroadcast in Coshocton)
WOSA-FM Radio, Grove City, Ohio
WOSV-FM Radio, Mansfield, Ohio
WOSE-FM Radio, Coshocton, Ohio
WOSB-FM Radio, Marion, Ohio
WOSP-FM Radio, Portsmouth, Ohio
WOSX-FM Radio, Granville, Ohio

WOSU Public Media is a part of The Ohio State University (the university) financial reporting entity. The financial statements of the university contain more extensive disclosure of the significant accounting policies of the university as a whole.

Basis of Presentation
The financial statements of WOSU Public Media have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). WOSU reports as a special purpose government engaged solely in “business type activities” under GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

WOSU’s financial resources are classified for accounting and reporting purposes into the following four net position categories:

Net Investment in Capital Assets
Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted Nonexpendable
Net position subject to externally-imposed stipulations that they be maintained in perpetuity and invested for the purpose of generating present and future income, which may either be expended or added to the principal by WOSU. These assets consist of the WOSU’s permanent endowment.

Restricted Expendable
Net position whose use is subject to externally-imposed stipulations that can be fulfilled by actions of WOSU pursuant to those stipulations or that expire by the passage of time.

Unrestricted
Net Position that is not subject to externally-imposed stipulations. Substantially all unrestricted balances are internally designated for use by WOSU to support working capital needs of WOSU.

It is WOSU’s policy to apply restricted resources first when an expense is incurred for which both restricted and unrestricted net position are available.

Basis of Accounting
The financial statements of WOSU Public Media have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they are considered to be a legal or contractual obligation to pay.

Cash
Cash of WOSU Public Media is maintained by the university which commingles the funds with other university-related organizations.

Endowment Investments
All investments consist of amounts invested in the university's Long-Term Investment Pool and are recorded at fair value. Endowment funds are managed by the Office of Investments of the university which commingles the funds with other university-related organizations. Earned investment income by a fund is based on the moving average of its monthly market value percentage to the overall pool. Investments are carried at market values in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended by GASB Statement No. 72, *Fair Value Measurement and Application*. Additions to endowment investments are recorded as non-operating revenues in the statement of revenues, expenses and other changes in net position. Investments income is recognized on an accrual basis. Interest and dividend income is recorded when earned.

Capital Assets
Capital assets are long-life assets in the service of WOSU and include buildings, furniture and equipment. Capital assets are stated at cost or acquisition value at date of gift. Depreciation of capital assets (excluding construction in progress) is provided on a straight-line basis over the estimated useful life of the asset and is not allocated to the functional expenditure categories. Expenditures for construction in progress are capitalized as incurred. Routine maintenance and repairs are charged to expenses as incurred.

Revenue Recognition
All revenues from programmatic sources are considered to be operating revenues. Included in non-operating revenues are university support, investment income, and capital gifts.

WOSU receives gifts (pledges) from corporations, foundations and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of such promise, revenue is recognized when the gift is received. In accordance with GASB Statement No. 33, *Accounting and Reporting for Nonexchange Transactions,* endowment pledges are not recorded as assets until the related gift is received. An allowance for uncollectible pledges receivable is provided based on management's judgment of potential uncollectible amounts and includes such factors as prior collection history, type of gift, and nature of fundraising.

Unrestricted member contributions are recorded as support when the promise to give is made. Grant funds are recorded as revenues when the grant's contractual requirements have been met. Programming revenues received in advance are recognized when WOSU broadcasts the specific program.

In-Kind Contributions
Donated professional services and materials provided by outside organizations are recorded as revenue and expense at the fair value of the service or material at the date of donation as valued by WOSU.

Indirect Administrative Support from The Ohio State University
Indirect administrative support is calculated and recorded as both revenue and expense as defined by the Corporation for Public Broadcasting ("CPB"). The calculation for the year ending June 30, 2021 and 2020 is based on the Standard Method by dividing the licensee's indirect costs by its direct costs found in the licensee's audited financial statements which is 5.84% and 7.45%, respectively.

Indirect administrative support from the university consists of allocated overhead costs related to financial, student and development department costs and certain other expenses incurred by the university on behalf of WOSU and are recorded as operating expenses. All other support received from the university is recorded as non-operating revenues.

Management Estimates
The preparation of financial statements in conformity with accounting principles, generally accepted in the United States of America, requires the use of management estimates, primarily related to collectability of receivables and compensated absences. Actual results could differ from those estimates.

Newly Issued Accounting Pronouncements
In order to provide temporary relief to governments in light of the COVID-19 pandemic, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement – which was issued in May 2020 and is effective immediately – extends the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. The effective dates of the accounting pronouncements listed below have been updated in accordance with Statement No. 95.

In June 2017, the GASB issued Statement No. 87, *Leases*. This standard establishes accounting and reporting for leases, based on the foundational principle that all leases are financings of the right to use an underlying asset for a period of time. Lessees will record an intangible right-of-use asset and corresponding lease liability. Lessors will record a lease receivable and a corresponding deferred inflow of resources. The standard provides an exception for short-term leases with a maximum possible term of 12 months or less. This standard is effective for periods beginning after June 15, 2021 (FY2022).

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*. Due to global reference rate reform, the London Interbank Offered Rate (LIBOR) is expected to cease to exist at the end of 2021. This standard address accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021 (FY2023). All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020 (FY2021). The other requirements had no impact on WOSU's financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This standard addresses P3s and APAs and amends current guidance in GASB 60, Accounting and Financial Reporting for Service Concession Arrangements. In general, the standard applies the right-of-use model set forth in GASB 87 to P3 arrangements and provides accounting and disclosure guidance for both transferors and operators of governmental assets. The standard is effective for periods beginning after June 15, 2022 (FY2023).

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement requires recognition of a right-to-use subscription asset, initially measured as the sum of the initial subscription liability amount, payments made to the vendor before commencement of the subscription term, and capitalizable implementation costs The subscription asset is then amortized over the subscription term. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 (FY2023), and all reporting periods thereafter.

In June 2020, the 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*. This Statement clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units and modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. It also establishes accounting and financial reporting requirements for Section 457 plans that meet the definition of a pension plan and for benefits provided through those plans and modifies the investment valuation requirements for all Section 457 plans. The provisions that limit the applicability of the "absence of a governing board" and "financial burden" criteria to arrangements other than defined contribution plans would be effective immediately; other provisions would be effective for reporting periods beginning after June 15, 2021.

In 2021, WOSU adopted GASB Statement No. 84, *Fiduciary Activities*, GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* and GASB Statement No. 90, *Majority Equity Interests* – an amendment of GASB Statements No. 14 and No. 61. The adoption of these standards had no material impact on WOSU's financial statements

WOSU management is currently assessing the impact that implementation of GASB Statements No. 87, 93, 94, 96. and 97 will have on the WOSU's financial statements.

Other
WOSU is exempt from income taxes as an instrumentality of the State of Ohio under Internal Revenue Code §115 and Internal Revenue Service regulations. Any unrelated business income is taxable.

2. INVESTMENTS

WOSU's endowment investments are maintained in the university's Long-Term Investment Pool, and as such, all endowment investments are held by the university. The pool consists of more than 6,973 Board authorized funds and 209 pending funds. Each named fund is assigned a number of shares, based on the value of the gifts, income-to-principal transfers, or transfers of operating funds to that named fund. The pool is invested in a diversified portfolio of equities and fixed income securities, as well as a number of alternative investment funds, such as real estate limited partnerships, hedge funds, private equity funds, venture capital funds and natural resources funds. The pool is intended to provide the long-term growth necessary to preserve the value of these funds, adjusted for inflation, while making distributions to support WOSU's mission.

Management of the alternative investment funds, namely the general partner, use methods, such as discounted cash flows, recent transactions and other model-based calculations, to estimate the fair value of the investments held by the fund.

Annual distributions to named funds in the university's Long-Term Investment Pool are computed using the share method of accounting for pooled investments. The annual distribution per share is 4.5% of the average fair value per share of the university Long-Term Investment Pool over the most recent seven-year period.

The fair values of WOSU's investments held in the university's Long-Term Investment Pool were \$8,075,850 and \$6,232,500 at June 30, 2021 and 2020, respectively. The net change in the value of investments during 2021 and 2020 were unrealized gains of \$1,730,906 and unrealized losses of \$239,120, respectively. These amounts take into account all changes in fair value (including purchases and sales) that occurred during the year.

The calculation of unrealized gain or loss is independent of the calculation of the net increase in fair value of investments. As of June 30, 2021 and 2020, there is cumulative net unrealized gain on investments of \$2,474,122 and \$743,216, respectively. Net appreciation on donor-restricted endowments is classified as restricted – expendable net position.

The depreciation on non-expendable endowment funds is recorded as a reduction to restricted non-expendable net position. Recovery on these funds is recorded as an increase in restricted non-expendable up to the historical value of each fund. Per UPMIFA (§ 1715.53(D)(C), the reporting of such deficiencies does not create an obligation on the part of the endowment fund to restore the fair value of those funds.

The following summarizes WOSU's investments held in the university's Long-Term Investment Pool as of June 30, 2021:

Name of Fund	Number of Shares	Cost	Fair Value
Friends of WOSU	404.94	\$ 1,410,400	\$ 3,061,648
Prine Classical Music	1.36	5,550	10,297
AEP Foundation	4.60	25,000	34,759
Elam Family	11.29	69,700	85,392
Taylor Memorial	3.61	34,674	34,549
Battelle Digital Media	21.36	166,065	180,860
Reba Harvey	16.58	99,967	125,390
Klotz Public Media	3.89	25,587	30,143
Palius Public Media	4.39	28,517	33,175
Sipp Student Interns	6.96	56,336	60,286
Digital Media Center Outreach	11.09	73,369	83,833
WOSU Public Media	413.95	2,606,563	3,129,786
WOSU Student Experience Fund	159.47	1,000,000	1,205,732
		\$ 5,601,728	\$ 8,075,850

The following summarizes WOSU's investments held in the university's Long-Term Investment Pool as of June 30, 2020:

Name of Fund	Number of Shares	Cost	Fair Value
Friends of WOSU	404.94	$ 1,410,375	$ 2,397,679
Prine Classical Music	1.36	5,550	8,064
AEP Foundation	4.60	25,000	27,221
Elam Family	11.29	69,700	66,874
Taylor Memorial	4.57	34,674	27,057
Battelle Digital Media	23.92	166,065	141,639
Reba Harvey	16.58	99,967	98,198
Klotz Public Media	3.99	25,587	23,606
Palius Public Media	4.23	27,369	25,041
Sipp Student Interns	7.97	56,336	47,213
Digital Media Center Outreach	10.69	70,468	63,278
WOSU Public Media	398.97	2,498,193	2,362,371
WOSU Student Experience Fund	159.47	1,000,000	944,259
		$ 5,489,284	$ 6,232,500

3. RECEIVABLES

In accordance with GASB Statement No. 33, *Accounting and Reporting for Non-exchange Transactions*, at June 30, 2021, WOSU has recorded $890,054 in pledges receivable and a related allowance for doubtful accounts of $23,557. As of June 30, 2020, WOSU recorded $1,677,571 in pledges receivable and a related allowance for doubtful accounts of $333,671.

4. CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
FCC License	$ 7,965,251	$ -	$ -	7,965,251
Construction in progress	-	6,463,080	-	6,463,080
Capital assets being depreciated:				
Buildings	998,855	33,481,699	-	34,480,554
Improvements	2,501,421	-	-	2,501,421
Equipment	10,794,089	5,000	92,173	10,706,916
Total	22,259,616	39,949,779	92,173	62,117,222
Less: Accumulated depreciation	10,877,672	1,014,890	92,173	11,800,389
Total capital assets, net	$ 11,381,944	$ 38,934,889	$ -	50,316,833

The depreciation expense is $1,013,855 and $237,374 for fiscal year 2021 and 2020, respectively.

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

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
FCC License	$ 7,912,851	$ 52,400	$ -	$ 7,965,251
Capital assets being depreciated:				
Buildings	999,912	-	1,057	998,855
Improvements	2,501,421	-	-	2,501,421
Equipment	8,652,443	2,685,594	543,948	10,794,089
Total	20,066,627	2,737,994	545,005	22,259,616
Less: Accumulated depreciation	11,185,303	237,374	545,005	10,877,672
Total capital assets, net	$ 8,881,324	$ 2,500,620	$ -	$ 11,381,944

The following estimated useful and lease lives are used to compute depreciation:

Equipment	5 - 15 years
Buildings	20 - 40 years
Improvements	20 years

5. FCC LICENSE

In 2020, WOSU acquired a noncommercial educational radio station WDUB (FM) from a private university for $5,000 and future underwriting services valued at $47,400. The new station is operating as WOSX under radio frequency 91.1 FM with a value of $52,400.

The purchase of commercial radio station WWCD (FM) and approval from the FCC on December 14, 2010 granted WOSU rights to the 101.1 FM radio frequencies valued at $7,912,851.

The FCC licenses have an indefinite life intangible after considering the expected use of the assets, the regulatory and economic environment within which it is being used, and the effects of obsolescence on their use. The FCC licenses authorizes WOSU to permanently use the broadcast spectrum, which is a resource that does not deplete or exhaust over time.

WOSU evaluates the licenses for impairment on an annual basis in accordance with GASB No. 51, *Accounting and Financial Reporting for Intangible Assets*. No impairment loss was recorded in fiscal years 2021 or 2020.

6. RETIREMENT PLANS

WOSU employees are covered by one of two retirement systems. Substantially all employees are covered by the Public Employees Retirement System of Ohio (OPERS). Employees may opt out of OPERS and participate in the Alternative Retirement Plan (ARP) if they meet certain eligibility requirements.

OPERS offers three separate plans: 1) a defined benefit plan, 2) a defined contribution plan and 3) a combined plan. These plans are discussed in greater detail in the following sections.

Defined Benefit Plans

OPERS offers statewide cost-sharing multiple-employer defined benefit pension plans. OPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. In addition, the retirement systems provide other postemployment benefits (OPEB), consisting primarily of healthcare. Benefits are established by state statute and are calculated using formulas that include years of service and final average salary as factors.

In accordance with GASB Statement Nos. 68 and 75, employers participating in cost-sharing multiple-employer plans are required to recognize a proportionate share of the collective net pension and OPEB liabilities of the plans. Although changes in the net pension and OPEB liabilities generally are recognized as pension expense in the current period, certain items are deferred and recognized as expense in future periods. Deferrals for differences between projected and actual investment returns are amortized to pension expense over five years. Deferrals for employer contributions subsequent to the measurement date are amortized in the following period (one year). Other deferrals are amortized over the estimated remaining service lives of both active and inactive employees (amortization periods range from 3 to 10 years).

The collective net pension liabilities of the retirement systems and WOSU's proportionate share of these net pension liabilities as of June 30, 2021 are as follows:

	OPERS
Net pension liability - all employers	$ 14,500,930,340
Proportion of the net pension liability - WOSU	0.022%
Proportionate share of net pension liability	$ 3,246,687

The collective net pension liabilities of the retirement systems and WOSU's proportionate share of these net pension liabilities as of June 30, 2020 are as follows:

	OPERS
Net pension liability - all employers	$ 19,553,374,402
Proportion of the net pension liability - WOSU	0.022%
Proportionate share of net pension liability	$ 4,391,129

The collective net OPEB assets of the retirement systems and WOSU's proportionate share of these net pension assets as of June 30, 2021 are as follows:

	OPERS
Net OPEB (asset) liability - all employers	$ (1,781,579,865)
Proportion of the net OPEB (asset) liability - WOSU	0.023%
Proportionate share of net OPEB (asset) liability	$ (409,806)

The collective net OPEB liabilities of the retirement systems and WOSU's proportionate share of these net pension liabilities as of June 30, 2020 are as follows:

	OPERS
Net OPEB liability - all employers	$ 13,812,597,868
Proportion of the net OPEB liability - WOSU	0.023%
Proportionate share of net OPEB liability	$ 3,178,814

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of June 30, 2021:

	OPERS
Deferred Outflows of Resources:	
Differences between expected and actual experience	$ 3,409
Changes in assumptions	5,564
Changes in proportion of university contributions	10,443
Employer contributions subsequent to the measurement date	256,406
Total	**$ 275,822**
Deferred Inflows of Resources:	
Differences between expected and actual experience	$ 156,036
Net difference between projected and actual earnings on pension plan investments	1,301,467
Changes in proportion of university contributions	46
Total	**$ 1,457,549**

Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of June 30, 2020:

	OPERS
Deferred Outflows of Resources:	
Differences between expected and actual experience	$ 3,499
Changes in assumptions	238,008
Changes in proportion of university contributions	13,198
Employer contributions subsequent to the measurement date	256,932
Total	**$ 511,637**
Deferred Inflows of Resources:	
Differences between expected and actual experience	$ 70,953
Net difference between projected and actual earnings on pension plan investments	884,685
Changes in proportion of university contributions	89
Total	**$ 955,727**

Deferred outflows of resources and deferred inflows of resources for OPEB were related to the following sources as of June 30, 2021:

	OPERS
Deferred Outflows of Resources:	
Changes in assumptions	$ 196,748
Changes in proportion of university contributions	6,643
Total	**$ 203,391**
Deferred Inflows of Resources:	
Differences between expected and actual experience	$ 367,108
Changes in assumptions	664,008
Net difference between projected and actual earnings on OPEB plan investments	216,090
Total	**$ 1,247,206**

Deferred outflows of resources and deferred inflows of resources for OPEB were related to the following sources as of June 30, 2020:

	OPERS
Deferred Outflows of Resources:	
Differences between expected and actual experience	$ 80
Changes in assumptions	502,624
Changes in proportion of university contributions	7,881
Total	**$ 510,585**
Deferred Inflows of Resources:	
Differences between expected and actual experience	$ 290,611
Net difference between projected and actual earnings on OPEB plan investments	161,135
Total	**$ 451,746**

Net deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense during the years ending June 30 as follows:

	OPERS
2022	$ (273,585)
2023	(196,615)
2024	(528,826)
2025	(180,457)
2026	(988)
2027 and Thereafter	(1,255)
Total	**$ (1,181,726)**

Net deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense during the years ending June 30 as follows:

		OPERS
2022	$	(543,396)
2023		(381,468)
2024		(93,232)
2025		(25,719)
2026		-
2027 and Thereafter		-
Total	**$**	**(1,043,815)**

The following table provides additional details on the benefit formulas, contribution requirements and significant assumptions used in the measurement of total pension and OPEB liabilities for OPERS.

	OPERS
Statutory Authority	Ohio Revised Code Chapter 145

	OPERS
Benefit Formula	**Pensions** -- Benefits are calculated on the basis of age, final average salary (FAS), and service credit. State and Local members in transition Groups A and B are eligible for retirement benefits at age 60 with five years of service credit or at age 55 with 25 or more years of service credit. Group C for State and Local is eligible for retirement at age 57 with 25 years of service or at age 62 with five years of service. For Groups A and B, the annual benefit is based on 2.2% of FAS multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment. **OPEB** – The Ohio Revised Code permits, but does not require, OPERS to offer post-employment health care coverage. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. The health care portion of the employer contribution rate for the Traditional Pension Plan and Combined Plan is comparable, as the same coverage options are provided to participants in both plans. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage through the Connector, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses and prescription drugs. The System determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempts to control costs by using managed care, case management, and other programs. Additional details on health care coverage can be found in the Plan Statement in the OPERS 2020 CAFR. OPERS no longer participates in the Medicare Part D program as of December 31, 2016.
Cost-of-Living Adjustments (COLAs)	Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, current law provides for an annual COLA. The COLA is calculated on the member's base pension benefit at the date of retirement and is not compounded. Members retiring under the Combined Plan receive a COLA on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, current law provides for a 3% COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Contribution Rates	Employee and member contribution rates are established by the OPERS Board and limited by Chapter 145 of the Ohio Revised Code. For 2019, employer rates for the State and Local Divisions were 14% of covered payroll (and 18.1% for the Law Enforcement and Public Safety Divisions). Member rates for the State and Local Divisions were 10% of covered payroll (13% for Law Enforcement and 12% for Public Safety).
Measurement Date	December 31, 2020 (OPEB is rolled forward from December 31, 2019 actuarial valuation date)
Actuarial Assumptions	**Valuation Date:** December 31, 2020 for pensions; December 31, 2019 for OPEB **Actuarial Cost Method:** Individual entry age **Investment Rate of Return:** 7.2% for pensions; 6.0% for OPEB **Inflation:** 3.25% **Projected Salary Increases:** 3.25% - 10.75% **Cost-of-Living Adjustments:** Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 0.50% Simple through 2021, then 2.15% Simple **Health Care Cost Trends:** 8.50% initial; 3.50% ultimate in 2035
Mortality Rates	Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.
Date of Last Experience Study	December 31, 2015

Investment Return Assumptions

The long term expected rates of return on defined benefit pension and health care investment assets were determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

The following table displays the Board-approved asset allocation policy for defined benefit pension assets for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long Term Expected Return*
Fixed Income	25.0%	1.32%
Domestic Equity	21.0%	5.64%
Real Estate	10.0%	5.39%
Private Equity	12.0%	10.42%
International Equity	23.0%	7.36%
Other Investments	9.0%	4.75%
Total	100.0%	

* Returns presented as arithmetic means

The following table displays the Board-approved asset allocation policy for health care assets for 2020 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long Term Expected Return*
Fixed Income	34.0%	1.07%
Domestic Equities	25.0%	5.64%
REITs	7.0%	6.48%
International Equities	25.0%	7.36%
Other Investments	9.0%	4.02%
Total	100.0%	

* Returns presented as arithmetic means

Discount Rate	**Pensions** -- The discount rate used to measure the total pension liability was 7.2% for the Traditional Pension Plan, the Combined Plan and the Member-Directed Plan. 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 was applied to all periods of projected benefit payments to determine the total pension liability. **OPEB** – A single discount rate of 6.00% was used to measure the 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) 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 an expected 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 2120. As a result, the 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.
Changes in Assumptions Since the Prior Measurement Date	**Pensions** – There were no changes in assumptions since the prior measurement date of December 31, 2019. **OPEB** -- The discount rate was increased from 3.16% to 6.00% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*.
Benefit Term Changes Since the Prior Measurement Date	**Pensions** – There were no changes in benefit terms since the prior measurement date of December 31, 2019. **OPEB** – On January 15, 2020, the 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.

	1% Decrease	Current Rate	1% Increase
Sensitivity of Net Pension Liability to Changes in Discount Rate	**(6.2%)**	**(7.2%)**	**(8.2%)**
	$ 6,275,526	$ 3,246,687	$ 729,895
Sensitivity of Net OPEB Liability (Asset) to Changes in Discount Rate	**1% Decrease (5.00%)**	**Current Rate (6.00%)**	**1% Increase (7.00%)**
	$ (101,934)	$ (409,806)	$ (663,144)
Sensitivity of Net OPEB Liability (Asset) to Changes in Medical Trend Rate	**1% Decrease in Trend Rate**	**Current Trend Rate**	**1% Increase in Trend Rate**
	$ (419,930)	$ (409,806)	$ (398,761)

Defined Contribution Plans

ARP is a defined contribution pension plan. Full-time administrative and professional staff and faculty may choose enrollment in ARP in lieu of OPERS. Classified civil service employees hired on or after August 1, 2005 are also eligible to participate in ARP. ARP does not provide disability benefits, annual cost-of-living adjustments, post-retirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

OPERS also offer a defined contribution plan, the Member-Directed Plan (MD). The MD plan does not provide disability benefits, annual cost-of-living adjustments, post-retirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

Combined Plans

OPERS offers a combined plan. This is a cost-sharing multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit. Employees electing the combined plan receive post-retirement health care benefits. OPERS provides retirement, disability, survivor and post-retirement health benefits to qualifying members of the combined plan.

Summary of Employer Pension and OPEB Expense

Total pension and OPEB expense for the year ended June 30, 2021, including employer contributions and accruals associated with recognition of net pension and OPEB liabilities and related deferrals, is presented below:

	OPERS	ARP	Total
Employer Contributions	$ 492,787	$ 102,218	$ 595,005
GASB 68 Pension Accruals	(406,804)	-	(406,804)
GASB 75 OPEB Accruals	(2,485,966)	-	(2,485,966)
Total Pension and OPEB Expense	**$ (2,399,983)**	**$ 102,218**	**$ (2,297,765)**

Total pension and OPEB expense for the year ended June 30, 2020, including employer contributions and accruals associated with recognition of net pension and OPEB liabilities and related deferrals, is presented below:

	OPERS	ARP	Total
Employer Contributions	$ 511,618	$ 107,232	$ 618,850
GASB 68 Pension Accruals	168,566	-	168,566
GASB 75 OPEB Accruals	283,362	-	283,362
Total Pension and OPEB Expense	$ 963,546	$ 107,232	$ 1,070,778

Pension and OPEB expense is allocated to program and supporting service expenses on the Statement of Revenues, Expenses and Changes in Net Position.

OPERS issues separate, publicly available financial reports that include financial statements and required supplemental information. These reports may be obtained by contacting the organization.

OPERS
277 East Town Street
Columbus, OH 43215-4642
(614) 222-5601
(800) 222-7377
www.opers.org/investments/cafr.shtml

7. ACCRUED COMPENSATED ABSENCES

The WOSU Station employees earn vacation and sick leave on a monthly basis. Classified civil service employees may accrue vacation benefits up to a maximum of three years credit. Administrative and professional staff and faculty may accrue vacation benefits up to a maximum of 240 hours. For all classes of employees, any earned but unused vacation benefit is payable upon termination.

Certain employees receive compensation time in lieu of overtime pay. Any unused compensation time must be paid to the employee at the time of termination or retirement.

Sick leave may be accrued without limit. However, earned but unused sick leave benefits are payable only upon retirement from the university with ten or more years of state service. The amount of sick leave benefit payable at retirement is one fourth of the accrued but unused sick leave up to a maximum of 240 hours.

WOSU Public Media follows the university's policy for accruing sick leave liability. WOSU accrues a sick leave liability for those employees who are currently eligible to receive termination payments along with other employees who are expected to become eligible to receive such payments. This liability is calculated using the "termination payment method" which is set forth in Appendix C, Example 4 of the GASB Statement No. 16, *Accounting for Compensated Absences*. Under the termination method, WOSU Public Media utilizes the University's calculated rate, Sick Leave Termination Cost per Year Worked that is based on the University's actual historical experience of sick leave payouts to terminated employees. This ratio is then applied by WOSU Public Media to the total year-of-service for WOSU current employees.

Long term liabilities related to accrued compensated absences as of June 30, 2021 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	$ 459,682	$ 21,521	$ 32,006	$ 449,197	$ 32,007

Long term liabilities related to accrued compensated absences as of June 30, 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	$ 432,971	$ 56,769	$ 30,058	$ 459,682	$ 30,061

8. CORPORATION FOR PUBLIC BROADCASTING GRANT AWARDS

WOSU Public Media received grant funds from the Corporation for Public Broadcasting (CPB) to assist in the operations of the stations during the fiscal year:

		Fiscal Year 2021	
CPB Grant	**WOSU-FM**	**WOSU-TV**	**Total**
Community Service	$ 281,805	$ 1,206,993	1,488,798
Interconnection	104,072	-	104,072
American Graduate	-	85,000	85,000
CPB Cares Act	255,442	543,694	799,136
Ready to Learn Planning	-	24,374	24,374
Total	$ 641,319	$ 1,860,061	$ 2,501,380

		Fiscal Year 2020	
CPB Grant	**WOSU-FM**	**WOSU-TV**	**Total**
Community Service	$ 388,415	$ 1,192,454	$ 1,580,869
Interconnection	-	22,374	22,374
American Graduate	-	44,463	44,463
CPB Cares Act	75,000	260,205	335,205
Ready to Learn Planning	-	4	4
Total	$ 463,415	$ 1,519,500	$ 1,982,915

9. UNIVERSITY SUPPORT

The operations of WOSU Public Media are supported in part by the general revenues of the university. The university provides a portion of the general operating costs of WOSU operations. The university's direct support amounted to $1,288,180 and $2,036,643, for the years ended June 30, 2021 and 2020, respectively. The university provided revenue to WOSU in support of the capital needs for a new headquarters in the amount of $1,500,000. This amount is reported as an equity transfer from the university. In addition, the University provided $218,183 and $715,946 in indirect administrative support during fiscal years 2021 and 2020, respectively. The indirect administrative support revenues were calculated in 2021 and 2020 using CPB's new Standard

Method by dividing the university's indirect costs by its direct costs found in the university's audited financial statements which is 5.84% and 7.45%, respectively.

WOSU provides media production services, underwriting services, and space rental to the university. The total revenue reported in the state and local revenue line for the years ended June 30, 2021 and 2020 were $80,188 and $263,644, respectively.

10. INCOME BENEFICIARY

WOSU Public Media is an income beneficiary of certain funds administered and maintained by the university. These funds are the property of the university, and as such are not included within WOSU's investment portfolio included within the Statement of Net Position. WOSU Public Media receives income generated from the Donald R. Glancy Endowed Fund in excess of $7,000 per year to support television and radio programming needs. WOSU Public Media received $29,898 and $29,253 from the Glancy Fund during fiscal years 2021 and 2020, respectively. In addition, WOSU Public Media receives ten percent of the income generated from the John McKitrick Family Fund. During fiscal years 2021 and 2020, WOSU Public Media received $295 and $290 from the McKitrick Fund, respectively. All income received by WOSU Public Media as an income beneficiary has been included in the statement of revenues, expenses and other changes in net position. The following summarizes the value of these funds as of June 30, 2021 and 2020:

Fund Name	2021 Market Value	2020 Market Value
Donald R. Glancy Endowed Fund	$ 834,188	$ 651,236
John McKitrick Family Fund	8,221	6,438
Total Income Beneficiary Funds	$ 842,410	$ 657,674

11. OPERATING LEASE OBLIGATION

WOSU leases office space at the Fawcett Center under an annual agreement with the university. WOSU pays a portion of the rent directly to the Business Advancement office in accordance with the lease agreement. WOSU paid approximately $164,487 and $158,928 during 2021 and 2020, respectively, under this agreement. The lease amount is based on an annual square footage rate.

The total rental expense charged to operations was $187,107 and $186,418 during 2021 and 2020, respectively.

WOSU leases land from an individual under an agreement with a five-year term commencing with the purchase of WWCD FM on December 14, 2010. The lease term automatically renews for three additional five-year terms. Future minimum lease payments approximate $12,900 per year through 2025. Rental expense charged to operations was $15,600 and $12,900 during 2021 and 2020, respectively.

12. DEBT OBLIGATIONS

WOSU financed the purchase of the WOSA (FM) on December 14, 2010 through a promissory note with the seller for $3,450,000 and it is non-interest bearing. As such, the net present value of the note is less than face value. The net present value of the note (at an imputed interest rate of 4.80%) is $967,643 and $1,069,935 at June 30, 2021 and June 30, 2020, respectively. The monthly principal on the note shall be amortized over 20 years. The discount and imputed interest expense on the note are included in the statement of revenue, expenses and change in net position.

In FY2021, WOSU obtained two lines of credit through the University. A $12,300,000 line of credit was used to fund the new headquarters building. The second line of credit for $3,500,000 to fund the acquisition of broadcast equipment at the new headquarters was not utilized in FY2021. In November 2021, WOSU drew $2,000,000 on the broadcast equipment line of credit. The interest rate on the lines of credit is based on the University's monthly investment credit rate and is determined by the Office of Financial Services. The interest rate on the headquarters building line of credit is 4.75% with a term loan period of 30 years, and the interest rate on the broadcast equipment line of credit is 3.00% with a term loan period of 10 years.

In March 2021 WOSU received a loan of $1,141,180 under the Small Business Administration Paycheck Protection Program, established by the CARES Act. Subsequent to June 30, 2021, WOSU received full forgiveness of the loan in December 2021.

Debt activity for the year ended June 30, 2021, is as follows:

	Beginning Balance	Principal Additions	Repayments	Ending Balance	Current Portion
Promissory note before discount	$ 1,668,285	$ -	$ 158,824	$ 1,509,461	$ 158,824
Paycheck Protection Program loan	-	1,141,180	-	1,141,180	1,141,180
Loan - university	-	12,300,000	-	12,300,000	189,798
Total before discount	$ 1,668,285	$ 13,441,180	$ 158,824	14,950,641	
Discount on promissory note				(541,818)	
Total promissory note, net present value				$ 14,408,823	

Debt activity for the year ended June 30, 2020, is as follows:

	Beginning Balance	Principal Additions	Repayments	Ending Balance	Current Portion
Promissory note before discount	$ 1,827,109	$ -	$ 158,824	$ 1,668,285	$ 158,824
Discount on promissory note				(598,350)	
Total promissory note, net present value				$ 1,069,935	

The following is a schedule showing the amounts due for the debt obligations as of June 30, 2021:

	Principal
2022	$ 348,622
2023	357,532
2024	367,194
2025	377,325
2026 - 2030	2,056,658
2031 - 2035	10,302,130
Total	$ 13,809,461

Interest expense of $278,855 and $56,544 was incurred on the debt during fiscal year 2021 and 2020, respectively.

13. PREPAID EXPENSE AND CAPITAL LEASE

In 2021, WOSU executed a contract with a company to complete technology procurement and broadcast systems integration for WOSU's new station facility for $6,188,600. Contract payments were based on equipment and labor milestones from the award date through final acceptance. During the year ended 2021, WOSU paid $5,760,438 and accrued $49,641 for a total of $5,810,079 to the third-party integrator. As of June 30, 2021, 98% of the milestones were met for a total construction in progress balance of $5,680,079 and total prepaid expense of $130,000 related to labor costs.

In 2019, WOSU finalized terms of a lease with Campus Partners to build WOSU's new headquarters. Per the terms of the lease, WOSU will pay a total of $32,838,302 during fiscal years 2019 through 2021 as prepaid rent to Campus Partners. The prepaid rents are to be paid to Campus Partners prior to the commencement of the lease term, and there are no additional base rents owed to Campus Partners after all prepaid rents have been paid. The term of the lease is 30 years, and the lease term commences when the building is substantially complete and ready for occupancy, which occurred in May 2021. WOSU has the option to purchase the building for $1 at any time during the first 10 years of the lease term. Additionally, WOSU is responsible for the ongoing maintenance, upkeep and operations of the property, all real estate taxes and insurance associated with the property and it will reimburse Campus Partners for the Common Area Maintenance (CAM) of the property. During the year ended 2020, WOSU paid a total of $14,345,484 of prepaid rent to Campus Partners for a total prepaid rent balance of $16,593,624 at June 30, 2020. The remainder of the prepaid rents were paid to Campus Partners during fiscal year 2021.

Upon commencement of the lease in fiscal year 2021, the prepaid rent balance of $32,838,302 was reclassified as a capital lease asset and will depreciate over the building's lease life. WOSU recognized $547,305 of depreciation expense on the capital lease asset during fiscal year 2021.

14. CONTINGENCIES AND RISK MANAGEMENT

The global outbreak of COVID-19, a new strain of coronavirus that can result in severe respiratory disease, has altered the behavior of businesses and people in a manner that has had and is expected to continue to have effects on global and local economies, including the State of Ohio. In response to the public health crisis in 2020, the university suspended in-person instruction for spring and summer semesters and canceled virtually all university events. The Wexner Medical Center temporarily suspended elective procedures.

University operations returned to more normal levels in 2021, with the resumption of in-person instruction. The university conducted extensive testing of students, faculty and staff throughout the 2020-2021 academic year and maintained on-campus safety protocols, including masking, social distancing and limits on group gatherings. As vaccination rates continued to increase and other health and safety protocols remained effective, the university announced that it expected to return to more of a traditional university experience for the Autumn 2021 semester. The University State of Emergency, which was declared by the university president on March 22, 2020, was lifted effective July 1, 2021.

The COVID-19 pandemic had a direct impact on WOSU in terms of fundraising, earned revenue and WOSU's operations and programming. As a public media organization, WOSU was spurred to strengthen its commitment to its mission including providing unique local broadcast and online programming and virtual public forums focused on the pandemic and racial inequality.

The impact of COVID-19 on WOSU's finances and operations may continue to be felt for at least the coming (FY2022) fiscal year, depending on vaccination rates and whether the COVID-19 virus or variations of the virus continue to spread in the United States and around the world. WOSU management continues to monitor the course of the pandemic and is prepared to take additional measures to ensure that WOSU can continue to provide public media broadcasting to its audiences.

WOSU Public Media
A Public Telecommunications Entity Operated by The Ohio State University
Required Supplementary Information on GASB 68 Pension Liabilities (Unaudited)
Year Ended June 30, 2021

The schedule of WOSU's proportionate shares of OPERS net pension liability are presented below:

	2015	2016	2017	2018	2019	2020	2021
OPERS:							
WOSU proportion of the collective net pension liability	0.026%	0.025%	0.022%	0.022%	0.023%	0.022%	0.022%
WOSU proportionate share of the net pension liability	$ 3,156,849	$ 4,249,440	$ 5,092,947	$ 3,406,649	$ 6,280,716	$ 4,391,129	$ 3,246,687
WOSU covered payroll	$ 3,546,706	$ 3,381,780	$ 3,200,020	$ 3,211,095	$ 3,549,389	$ 3,487,405	$ 3,685,717
WOSU proportionate share of the net pension liability as a percentage of its covered payroll	89%	126%	159%	106%	177%	126%	88%
Plan fiduciary net position as a percentage of the total pension liability	86.5%	81.1%	77.4%	84.9%	74.9%	82.4%	87.2%

The schedule of WOSU's contributions to OPERS are presented below:

	2015	2016	2017	2018	2019	2020	2021
OPERS:							
Contractually required contribution	$ 482,900	$ 468,520	$ 455,595	$ 456,426	$ 502,668	$ 511,618	$ 492,787
Contributions in relation to the contractually required contribution	$ 482,900	$ 468,520	$ 455,595	$ 456,426	$ 502,668	$ 511,618	$ 492,787
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
WOSU covered payroll	$ 3,411,352	$ 3,309,940	$ 3,212,283	$ 3,213,130	$ 3,441,941	$ 3,492,743	$ 3,365,798
Contributions as a percentage of covered payroll	14.2%	14.2%	14.2%	14.2%	14.6%	14.6%	14.6%

The schedule of WOSU's proportionate shares of net OPEB liability are presented below:

	2018	2019	2020	2021
OPERS:				
WOSU proportion of the collective net OPEB liability	0.023%	0.024%	0.023%	0.023%
WOSU proportionate share of the net OPEB liability	$ 2,450,537	$ 3,078,224	$ 3,178,814	$ (409,806)
WOSU covered payroll	$ 3,211,095	$ 3,549,389	$ 3,487,405	$ 3,685,717
WOSU proportionate share of the net OPEB liability as a percentage of its covered payroll	76%	87%	91%	-11%
Plan fiduciary net position as a percentage of the total OPEB liability	54.1%	46.3%	47.8%	115.6%

OPERS – Pensions:

Changes of assumptions. Amounts reported in 2019 reflect an adjustment of the discount rate from 7.50% to 7.20%. Amounts reported in 2017 reflect an adjustment of the discount rate from 8.00% to 7.50%. Amounts reported in 2017 also reflect an updated healthy and disabled mortality assumptions, based on the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

OPERS – OPEB:

Changes of benefit terms. Amounts reported in 2021 reflect several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes, which were approved by the OPERS Board on January 15, 2020, 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 non-Medicare retirees with monthly allowances.

Changes of assumptions. Amounts reported in 2021 reflect an adjustment of the discount rate from 3.16% to 6.00%. Amounts reported in 2020 reflect an adjustment of the discount rate from 3.96% to 3.16%. Amounts reported in 2019 reflect an adjustment of the discount rate from 3.85% to 3.96%.

WOSU Public Media

A Public Telecommunications Entity Operated by The Ohio State University

Supplemental Schedule of Revenues and Expenses by Telecommunication Operations

Year Ended June 30, 2021

REVENUES AND OTHER SUPPORT	Television	Radio	Totals
The Ohio State University Direct Support	$ 1,909,425	$ 878,755	$ 2,788,180
Contributed services	391,598	244,982	636,580
Indirect administrative support - OSU	151,161	72,025	223,186
Grants from the CPB	1,860,061	641,319	2,501,380
Member contributions	3,706,980	1,256,161	4,963,141
Public Broadcasting Service	28,914	9,057	37,971
Business and industry	770,200	523,456	1,293,656
Foundations/NPO's	509,951	232,097	742,048
Fundraising	-	5,000	5,000
Federal grants	33,178	-	33,178
State and local grants	973,060	333,395	1,306,455
Investment income:			
Interest and dividend income	158,345	50,065	208,410
Unrealized gain on investments	1,298,180	432,727	1,730,907
Endowment contributions	86,014	28,671	114,685
Capital campaign gifts	1,080,986	340,448	1,421,434
Royalties	31,054	76	31,130
Other	5,482	-	5,482
FCC repack	2,010,312	-	2,010,312
Total Revenues and Other Support	15,004,901	5,048,234	20,053,135
Program Services:			
Programming and production	2,840,829	1,155,647	3,996,476
Broadcasting	681,478	697,869	1,379,347
Program information	243,878	9,663	253,541
Total Program Services	3,766,185	1,863,179	5,629,364
Supporting Services:			
Management and general	725,309	403,870	1,129,179
Fundraising	696,191	234,613	930,804
Underwriting	158,520	53,421	211,941
Interest expense	166,742	112,113	278,855
Depreciation	774,118	239,737	1,013,855
Total Supporting Services	2,520,880	1,043,754	3,564,634
Total Expenses	6,287,065	2,906,933	9,193,998
Change in Net Position	$ 8,717,836	$ 2,141,301	$ 10,859,137

Basis of Presentation

The accompanying supplementary information has been prepared to satisfy the requirements of the Corporation for Public Broadcasting Financial Reporting Guidelines Fiscal Year 2021. WOSU holds licenses for both public television stations and public radio stations. The supplementary information provides support for the change in net position for television and radio operations. For certain revenues and expenses supporting both television and radio operations, WOSU uses an allocation methodology based on total support provided from members, donors, and customers during the year. The allocation percentage for fiscal year 2021 is 75% to television and 25% to radio. The schedule is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America as a result of the exclusion of all required disclosures.

Report of Independent Auditors 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

To the Board of Trustees of
The Ohio State University

We have audited, 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, the financial statements of The Ohio State University Department of WOSU Public Media ("WOSU"), a department of The Ohio State University, which comprise the statement of net position as of June 30, 2021 and the related statements of revenues, expenses, and changes in net position and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 10, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered WOSU's internal control over financial reporting ("internal control") as a basis for designing the 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 WOSU's internal control. Accordingly, we do not express an opinion on the effectiveness of WOSU'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of WOSU'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 WOSU'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*.

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 WOSU's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WOSU's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

February 10, 2022