

WOSU Public Media

**A Public Telecommunications Entity Operated by The Ohio State University
Financial Statements
As of and for the Years Ended June 30, 2022 and 2021
and Report of Independent Auditors**

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Independent Auditor's Report

Board of Trustees of
The Ohio State University
Columbus, Ohio

Opinion

We have audited the financial statements of The Ohio State University Department of WOSU Public Media (WOSU), an organizational unit of The Ohio State University (University), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise WOSU's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of WOSU, as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of WOSU and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Year Audited by Other Auditors

The 2021 financial statements were audited by other auditors, and their report thereon, dated February 10, 2022, expressed an unmodified opinion.

Emphasis of Matters

As discussed in Note 1, the financial statements of WOSU are intended to present the financial position, changes in financial position, and cash flows of only that portion of the business-type activities that is attributable to the transactions of WOSU. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2022, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, in 2022, WOSU adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WOSU's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 WOSU's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WOSU's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

FORVIS,LLP

Cincinnati, Ohio
February 10, 2023

WOSU Public Media

A Public Telecommunications Entity Operated by The Ohio State University Management's Discussion and Analysis (Unaudited) June 30, 2022 and 2021

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, 2022, with comparative information for the years ended June 30, 2021 and June 30, 2020. 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 (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 (Classical 101) 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. 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 Ohio Department of Education and effectively uses video to target issues such as social and emotional development of young children. In 2022, as part of a statewide consortium of eight Ohio PBS stations, WOSU received a state grant to help students recover from the impact of the pandemic.

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's strategic plan, completed in 2020, 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.

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Management's Discussion and Analysis (Unaudited)

June 30, 2022 and 2021

After nineteen years as general manager, Tom Rieland retired in January 2022. A national search is underway with a new general manager expected to be named in early 2023.

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 2022, total net position for WOSU increased by \$3,990,877 to \$47,742,932 at June 30, 2022, primarily due to additions to permanent endowments and federal COVID-19 assistance.

In 2022, the university implemented GASB 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 record an intangible right-of-use asset and corresponding lease liability, based on the present value of the payments expected to be made during the lease term. Lessors 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. The accompanying financial statements and MD&A information for the year ended June 30, 2021 have been restated to reflect the new accounting standard. MD&A information for the year ended June 30, 2020 has not been restated.

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Management's Discussion and Analysis (Unaudited)

June 30, 2022 and 2021

Summary of Net Position	2022	2021	2020
Cash	\$ 6,274,133	\$ 4,548,848	\$ 6,702,019
Receivables and other current assets	940,263	1,873,375	744,624
Total current assets	<u>7,214,396</u>	<u>6,422,223</u>	<u>7,446,643</u>
Pledges receivables, net	147,632	365,971	1,159,035
Lease receivables - noncurrent	729,153	1,022,102	
Endowments in OSU long-term investment pool	10,235,262	8,075,850	6,232,500
Prepaid rent and deposits	-	130,000	16,593,624
Net other post employment benefit asset	660,678	409,806	-
Capital assets, net of depreciation	49,893,565	50,737,999	11,381,944
Total noncurrent assets	<u>61,666,290</u>	<u>60,741,728</u>	<u>35,367,103</u>
Total assets	<u>68,880,686</u>	<u>67,163,951</u>	<u>42,813,746</u>
Deferred outflows	580,674	479,213	1,022,222
Total assets and deferred outflows	<u>\$ 69,461,360</u>	<u>\$ 67,643,164</u>	<u>\$ 43,835,968</u>
Accounts payable and accrued expenses	\$ 514,263	\$ 1,205,402	\$ 263,078
Unearned revenue	177,639	322,486	363,205
Current portion of debt	552,141	1,503,430	158,824
Total current liabilities	<u>1,244,043</u>	<u>3,031,318</u>	<u>785,107</u>
Noncurrent portion of debt	14,499,875	13,111,044	911,111
Unearned revenue	35,280	35,550	90,727
Net pension liability	1,690,330	3,246,687	4,391,129
Net OPEB liability	-	-	3,178,814
Other noncurrent liabilities	381,495	417,190	429,621
Total noncurrent liabilities	<u>16,606,980</u>	<u>16,810,471</u>	<u>9,001,402</u>
Total liabilities	<u>17,851,023</u>	<u>19,841,789</u>	<u>9,786,509</u>
Deferred inflows	3,867,405	4,049,320	1,407,473
Net investment in capital assets	34,841,549	37,212,974	10,312,009
Restricted:			
Nonexpendable	4,614,334	1,995,040	1,933,831
Expendable	9,456,004	8,513,390	8,615,479
Unrestricted	<u>(1,168,955)</u>	<u>(3,969,349)</u>	<u>11,780,667</u>
Total net position	<u>47,742,932</u>	<u>43,752,055</u>	<u>32,641,986</u>
Total liabilities, deferred inflows and net position	<u>\$ 69,461,360</u>	<u>\$ 67,643,164</u>	<u>\$ 43,835,968</u>

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A Public Telecommunications Entity Operated by The Ohio State University Management's Discussion and Analysis (Unaudited) June 30, 2022 and 2021

During the year ended June 30, 2022, **cash** increased \$1,725,285, to \$6,274,133, primarily reflecting positive cash flows for capital and noncapital financing activities. 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 \$2,159,412 to \$10,235,262 at June 30, 2022, primarily due to the establishment of the Tom Rieland Endowed WOSU General Manager fund. The fair value of this fund was \$2,648,645 at June 30, 2022. 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 pledges receivable** decreased \$218,339 due to cash received for the capital campaign to help fund the new facility. With the implementation of GASB 87, WOSU recognized leases receivable and deferred inflows related to the rental of space and connection points on its broadcast towers. The noncurrent portion of **leases receivable** decreased \$292,949, reflecting payments received under these lease agreements. **Capital assets** decreased \$844,434, to \$49,893,565 at June 30, 2022, primarily reflecting amortization of the WOSU headquarters building lease asset.

Total liabilities of WOSU decreased by \$1,990,766 to \$17,851,023 as of June 30, 2022, primarily due to reductions in accounts payable and accrued expenses (down \$691,139) and net pension liabilities (down \$1,556,357).

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 \$1,690,330 and \$3,426,687 as of June 30, 2022 and 2021, respectively. The decrease in net pension liability in 2022 is primarily due to strong OPERS investment returns. In calendar year 2021, OPERS realized a 15.34% return on defined benefit plan investments. From fiscal year 2021 to 2022, deferred outflows related to pensions increased from \$275,822 to \$578,758, and deferred inflows related to pensions increased from \$1,457,549 to \$2,217,129. This swing in deferrals relates primarily to projected versus actual investment returns. These deferrals will be recognized as pension expense in future periods. WOSU recognized a negative total pension expense of \$488,468 in 2022. Total pension expense includes \$611,245 of employer contributions and \$(1,099,713) in GASB 68 accruals.

WOSU's share of the **net OPEB assets** increased from \$409,806 to \$660,678 at June 30, 2022, reflecting strong investment returns. OPERS realized a 14.34% return on its health care investments for calendar year 2021. OPEB-related deferred outflows at June 30, 2022 and 2021 totaled \$1,916 and \$203,391, respectively. OPEB-related deferred inflows at June 30, 2022 and 2021 totaled \$679,756 and \$1,247,206, respectively. The change in OPEB-related deferrals relates primarily to amortization of prior-year OPERS deferrals for changes in assumptions and expected versus actual experience. WOSU recognized a negative OPEB expense of \$616,847 in 2022. Total OPEB expense includes \$0 of employer contributions and \$(616,847) in GASB 75 accruals.

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.

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Management's Discussion and Analysis (Unaudited)

June 30, 2022 and 2021

Total **net position** increased by \$3,990,877 to \$47,742,932 as of June 30, 2022 primarily due to additions to permanent endowments and federal COVID-19 assistance. 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			
	2022	2021	2020
Operating revenues:			
Contributed services	\$ 815,411	\$ 636,580	\$ 636,307
Sales and services	1,747,220	1,690,955	2,293,337
Grants and contracts	3,514,679	3,841,013	3,534,042
Member contributions	5,213,848	4,963,141	4,184,421
Other revenues	9,675	41,612	17,307
Total operating revenues	<u>11,300,833</u>	<u>11,173,301</u>	<u>10,665,414</u>
Operating expenses:			
Programming and production	4,517,496	3,996,476	6,305,722
Broadcasting	1,986,117	1,379,347	2,744,512
Program information	369,045	253,541	464,310
Management and general	2,197,919	1,022,927	2,256,262
Underwriting	306,496	211,941	499,299
Fundraising	1,773,335	930,804	1,370,937
Depreciation	1,852,154	809,877	237,374
Total operating expenses	<u>13,002,562</u>	<u>8,604,913</u>	<u>13,878,416</u>
Net operating income (loss)	<u>(1,701,729)</u>	<u>2,568,388</u>	<u>(3,213,002)</u>
Non-operating revenues (expenses)			
Operating subsidies from University	1,580,549	1,288,180	2,036,643
Indirect administrative support	407,095	223,186	715,946
Net investment income	(332,314)	1,939,317	148,534
Interest expense	(678,531)	(287,864)	(56,544)
Lease revenue	374,045	372,486	-
Interest income on leases	35,923	45,615	-
Capital gifts and grants	246,235	1,421,434	3,817,559
Additions to endowment	2,890,871	114,685	3,620
FCC repack	113,223	2,010,312	50,610
Federal COVID-19 assistance	1,141,180	-	-
Total non-operating revenues	<u>5,778,276</u>	<u>7,127,351</u>	<u>6,716,368</u>
Net equity transfers from / (to) the University	<u>(85,670)</u>	<u>1,414,330</u>	<u>(85,670)</u>
Change in net position	3,990,877	11,110,069	3,417,696
Net position - beginning of year	43,752,055	32,641,986	29,224,290
Net position - end of year	<u>\$ 47,742,932</u>	<u>\$ 43,752,055</u>	<u>\$ 32,641,986</u>

Total operating revenues increased \$127,532 to \$11,300,833 in 2022, primarily due to increases in member contributions and contributed services, which were partially offset by a reduction in grant and contract revenues. Operating expenses increased \$4,397,649 to \$13,002,562 in 2022, primarily due to increases in management and general expenses of \$1,174,992, broadcasting expenses of \$606,770, and depreciation and amortization of \$1,042,277 associated with the new WOSU headquarters building. Total non-operating

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Management's Discussion and Analysis (Unaudited)

June 30, 2022 and 2021

revenues decreased \$1,349,075 to \$5,778,276 in 2022, primarily reflecting decreases in net investment income (due to lower LTIP returns), capital gifts and grants (due to completion of fundraising for the new headquarters) and decreases in FCC repack revenues. These decreases were partially offset by additions to permanent endowments (Rieland endowment) and federal COVID-19 assistance (forgiveness of Paycheck Protection Program loan).

Summary of Cash Flows	2022	2021	2020
Cash provided by (used in):			
Operating activities	\$ (2,034,351)	\$ 258,697	\$ (1,495,933)
Noncapital financing activities	4,471,420	2,346,016	1,954,593
Capital and related financing activities	1,779,941	(4,966,209)	(12,132,988)
Investing activities	(2,491,725)	208,325	438,004
Net increase (decrease) in cash	1,725,285	(2,153,171)	(11,236,324)
Cash, beginning of year	4,548,848	6,702,019	17,938,343
Cash, end of year	\$ 6,274,133	\$ 4,548,848	\$ 6,702,019

Total WOSU cash and cash equivalents increased \$1,725,285, to \$6,274,133 at June 30, 2022. Net cash flows from operating activities swung from a positive \$258,696 in 2021 to a negative \$2,034,351 in 2022, primarily reflecting a \$2,217,178 increase in payments to suppliers. Net cash flows provided by noncapital financing activities were \$4,471,420 in 2022, an increase of \$2,125,404, primarily due to cash received for the new Rieland endowment fund. Net cash flows for capital financing activities swung from a negative \$4,966,209 in 2021 to a positive \$1,779,941 in 2022, reflecting reductions in payments for purchase of capital assets, which were partially offset by a reduction in university loan proceeds. Cash used for investing activities was \$2,491,725 in 2022, reflecting the investment of the Rieland endowment gifts in the LTIP.

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 2022 was a transition year as WOSU moved into new facilities and began to operate with a fiscal model that includes new operational expenses. Among the risks will be higher overhead as WOSU takes on new maintenance and day-to-day operational costs of a new headquarters. Despite that, WOSU is well positioned with a strong reserve fund and a robust membership base.

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Statements of Net Position

As of June 30, 2022 and 2021

ASSETS AND DEFERRED OUTFLOWS:	2022	2021 (Restated)
Current assets		
Cash	\$ 6,274,133	\$ 4,548,848
Receivables:		
Accounts receivable, net	49,249	36,413
Grants	120,455	700,425
Underwriting	195,543	254,611
Leases receivable - current	292,950	357,843
Pledges receivable, net	282,066	524,083
Total receivables	940,263	1,873,375
Total current assets	7,214,396	6,422,223
Noncurrent assets		
Endowments in OSU long-term investment pool	10,235,262	8,075,850
Pledges receivable, net	147,632	365,971
Leases receivable - noncurrent	729,153	1,022,102
Prepaid expense	-	130,000
Net other post employment benefit asset	660,678	409,806
Property and equipment, net	41,928,314	42,772,748
FCC licenses	7,965,251	7,965,251
Total noncurrent assets	61,666,290	60,741,728
Total assets	68,880,686	67,163,951
Deferred outflows of resources		
Pension	578,758	275,822
Other post-employment benefits	1,916	203,391
Total deferred outflows	580,674	479,213
Total assets and deferred outflows	\$ 69,461,360	\$ 67,643,164
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
Current liabilities		
Accounts payable and accrued expenses	\$ 435,176	\$ 1,173,395
Accrued compensated absence - current	79,087	32,007
Unearned revenue	177,639	322,486
Current portion - university debt	376,653	189,798
Current portion - notes and leases payable	175,488	1,313,632
Total current liabilities	1,244,043	3,031,318
Noncurrent liabilities		
University debt	13,618,045	12,110,202
Notes and leases payable	881,830	1,000,842
Unearned revenue	35,280	35,550
Net pension liability	1,690,330	3,246,687
Accrued compensated absence - noncurrent	381,495	417,190
Total noncurrent liabilities	16,606,980	16,810,471
Total liabilities	17,851,023	19,841,789
Deferred inflows of resources		
Pension	2,217,129	1,457,549
Other post-employment benefits	679,756	1,247,206
Leases	970,520	1,344,565
Total deferred inflows	3,867,405	4,049,320
Net position		
Net investment in capital assets	34,841,549	37,212,974
Restricted		
Nonexpendable	4,614,334	1,995,040
Expendable	9,456,004	8,513,390
Unrestricted	(1,168,955)	(3,969,349)
Total net position	47,742,932	43,752,055
Total liabilities, deferred inflows, and net position	\$ 69,461,360	\$ 67,643,164

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, 2022 and 2021

	<u>2022</u>	<u>2021 (Restated)</u>
OPERATING REVENUES		
Contributed services	\$ 815,411	\$ 636,580
Grants from the Corporation for Public Broadcasting	1,682,917	2,501,380
Member contributions	5,213,848	4,963,141
Public broadcasting service	51,462	37,971
Business and industry	874,411	910,936
Foundations/non-profit organizations	821,347	742,048
Fundraising	-	5,000
Federal grants	33,993	33,178
State and local grants and contracts	1,797,769	1,306,455
Royalties	664	31,130
Miscellaneous	9,011	5,482
Total operating revenues	<u>11,300,833</u>	<u>11,173,301</u>
OPERATING EXPENSES		
Program services:		
Programming and production	4,517,496	3,996,476
Broadcasting	1,986,117	1,379,347
Program information	369,045	253,541
Total program services	<u>6,872,658</u>	<u>5,629,364</u>
Supporting services:		
Management and general	2,197,919	1,022,927
Depreciation and amortization	1,852,154	809,877
Underwriting	306,496	211,941
Fundraising	1,773,335	930,804
Total supporting services	<u>6,129,904</u>	<u>2,975,549</u>
Total operating expenses	<u>13,002,562</u>	<u>8,604,913</u>
Net operating income (loss)	<u>(1,701,729)</u>	<u>2,568,388</u>
NON-OPERATING REVENUES (EXPENSES)		
Operating subsidies from university	1,580,549	1,288,180
Indirect administrative support	407,095	223,186
Net investment income:		
Interest income	366,424	208,410
Increase (decrease) in fair value of investments	(698,738)	1,730,907
Interest expense	(678,531)	(287,864)
Lease revenue	374,045	372,486
Interest income on leases	35,923	45,615
Capital campaign gifts and grants	246,235	1,421,434
FCC repack	113,223	2,010,312
Federal COVID-19 assistance for forgiveness of PPP loan	1,141,180	-
Additions to permanent endowments	2,890,871	114,685
Net non-operating revenues	<u>5,778,276</u>	<u>7,127,351</u>
Net equity transfers from (to) the University	<u>(85,670)</u>	<u>1,414,330</u>
Change in net position	3,990,877	11,110,069
Net position, beginning of year	<u>43,752,055</u>	<u>32,641,986</u>
Net position, end of year	<u>\$ 47,742,932</u>	<u>\$ 43,752,055</u>

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, 2022 and 2021

	2022	2021 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Grants from the Corporation for Public Broadcasting	\$ 1,682,917	\$ 2,501,380
Member contributions	5,230,298	4,940,958
Fees and services	1,599,008	1,489,931
Proceeds from fundraising	-	5,000
Federal, state and local grants and contracts	1,782,169	1,272,516
Royalties	664	31,130
Other revenues	9,011	5,482
Payments to employees	(5,841,494)	(5,707,954)
Payments to suppliers	(6,496,924)	(4,279,746)
Net cash provided (used) by operating activities	<u>(2,034,351)</u>	<u>258,697</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Private endowment contributions	2,890,871	2,326
Cash received on non-capital notes payable	-	1,141,180
University subsidies	1,580,549	1,288,180
Equity transfers to university	-	(85,670)
Net cash provided by noncapital financing activities	<u>4,471,420</u>	<u>2,346,016</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital campaign gifts	706,591	2,446,450
Prepaid expense for capital assets	-	(130,000)
Proceeds from university loans	2,000,000	12,300,000
Principal payments on capital debt and leases	(421,278)	(170,360)
Interest payments on capital debt and leases	(678,531)	(231,332)
Purchase of capital assets	(877,720)	(22,479,817)
FCC repacking proceeds	742,784	1,380,749
Payments received on leases	393,765	418,101
Equity transfer from university for capital assets	(85,670)	1,500,000
Net cash provided (used) by capital financing activities	<u>1,779,941</u>	<u>(4,966,209)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment purchases	(2,858,149)	(85)
Investment income, net of related expenses	366,424	208,410
Net cash provided (used) by investing activities	<u>(2,491,725)</u>	<u>208,325</u>
Net change in cash	1,725,285	(2,153,171)
Cash at beginning of year	4,548,848	6,702,019
Cash at end of year	<u>\$ 6,274,133</u>	<u>\$ 4,548,848</u>
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO		
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (1,701,729)	\$ 2,568,388
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:		
Indirect administrative support	407,095	223,186
Depreciation and amortization expense	1,852,154	809,877
Allowance for pledges receivable	-	(275,000)
Changes in asset and liabilities:		
Receivables, net	(3,361)	164,213
Prepaid expense	-	40,163
Net other post employment benefit asset	(250,872)	(409,806)
Deferred outflows of resources	(101,461)	543,009
Accounts payable	(738,219)	62,021
Unearned revenue	(145,117)	(58,408)
Compensated absences	11,385	(10,485)
Net pension liability	(1,556,357)	(1,144,442)
Net other post-employment benefits liability	-	(3,178,814)
Deferred inflows of resources	192,131	924,795
Net cash provided (used) by operating activities	<u>\$ (2,034,351)</u>	<u>\$ 258,697</u>
Non cash transactions:		
Construction in progress in accounts payable	\$ -	\$ 854,182
Amortization on note payable discount	56,476	56,532
Reinvestment of distributions	3,175	112,444
Net increase (decrease) in fair value of investments	(698,738)	1,730,907

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

WOSU Public Media

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Notes to the Financial Statements

For the Years Ended June 30, 2022 and 2021

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 and lease assets, net of accumulated depreciation and outstanding principal balances of lease obligations and 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. The net position associated with the net asset for other post-employment benefits is included in restricted expendable net position.

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.

WOSU Public Media

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Notes to the Financial Statements

For the Years Ended June 30, 2022 and 2021

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

The university commingles WOSU's cash with other university departments. WOSU's equity in these pooled cash accounts is shown as cash on its Statement of Net Position.

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. WOSU has been allocated a portion of the university's pooled cash, which is covered by federal deposit insurance or collateralized by pools of securities pledged by the depository banks and held in the name of the respective banks.

Endowment Investments

All investments consist of amounts invested in the university's Long-Term Investment Pool and are recorded at fair value or at net asset 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 changes in net position. Investment 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.

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For the Years Ended June 30, 2022 and 2021

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 years ended June 30, 2022 and 2021 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 5.95% and 5.84%, 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 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 April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. This Statement includes an extension of the use of LIBOR, clarifies provisions related to the new Statements for leases, public-private partnerships and subscription-based IT arrangements, and the classification and reporting of derivative instruments. The provisions related to LIBOR are effective upon issuance, the provisions related to leases, P3s and SBITAs are effective for periods beginning after June 15, 2022 (FY2023), and the provisions related to derivatives are effective for periods beginning after June 15, 2023 (FY2024).

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In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment to GASB Statement No. 62*. This Statement requires that changes in accounting principles and error corrections be reported retroactively by restating prior periods, changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and changes in accounting estimates be reported prospectively by recognizing the change in the current period. The Statement also provides guidance on related note disclosures and addresses corrections to Required Supplementary Information and Supplementary Information. The Statement is effective for fiscal years beginning after June 15, 2023 (FY2024).

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The Statement is effective for fiscal years beginning after December 15, 2023 (FY2025).

WOSU management is currently assessing the impact that implementation of GASB Statements No. 94, 96, 99, 100 and 101 will have on the WOSU's financial statements.

Implementation of GASB Statement No. 87

In fiscal year 2022, WOSU implemented GASB 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 record an intangible right-of-use asset and corresponding lease liability, based on the present value of payments expected to be made during the lease term. Lessors 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.

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For the Years Ended June 30, 2022 and 2021

The adoption of GASB Statement No. 87 had no effect on WOSU's net position as of July 1, 2020. The effects of adopting Statement No. 87 retroactively to the WOSU's financial statements for the year ended June 30, 2021 were as follows:

	As Previously Reported	Effect of Adoption of Statement No. 87	As Restated
2021 Statement of Net Position			
Current assets			
Leases receivable - current	\$ -	\$ 357,843	\$ 357,843
Total current assets	6,064,380	357,843	6,422,223
Noncurrent assets			
Leases receivable - noncurrent	-	1,022,102	1,022,102
Capital assets, net	42,351,582	421,166	42,772,748
Total noncurrent assets	59,298,460	1,443,268	60,741,728
Total assets	65,362,840	1,801,111	67,163,951
Total assets and deferred outflows	65,842,053	1,801,111	67,643,164
Current liabilities			
Current portion - notes and leases payable	1,300,004	13,628	1,313,632
Total current liabilities	3,017,690	13,628	3,031,318
Noncurrent liabilities			
Noncurrent portion - notes and leases payable	808,856	191,986	1,000,842
Total noncurrent liabilities	16,618,485	191,986	16,810,471
Total liabilities	19,636,175	205,614	19,841,789
Deferred inflows of resources			
Leases	-	1,344,565	1,344,565
Total deferred inflows	2,704,755	1,344,565	4,049,320
Net position			
Net investment in capital assets	37,008,996	203,978	37,212,974
Unrestricted net position	(4,016,303)	46,954	(3,969,349)
Total net position	43,501,123	250,932	43,752,055
Total liabilities, deferred inflows and net position	65,842,053	1,801,111	67,643,164

	As Previously Reported	Effect of Adoption of Statement No. 87	As Restated
2021 Statement of Revenues, Expenses and Changes in Net Position			
Operating revenues			
Business and industry	\$ 1,293,656	\$ (382,720)	\$ 910,936
Total operating revenues	11,556,021	(382,720)	11,173,301
Operating expenses			
Management and general	1,043,509	(20,582)	1,022,927
Depreciation and amortization	1,013,855	(203,978)	809,877
Total supporting services	3,200,109	(224,560)	2,975,549
Total operating expenses	8,829,473	(224,560)	8,604,913
Net operating income (loss)	2,726,548	(158,160)	2,568,388
Non-operating revenues (expenses)			
Interest expense	(278,855)	(9,009)	(287,864)
Lease revenue	-	372,486	372,486
Interest income on leases	-	45,615	45,615
Net non-operating revenues	6,718,259	409,092	7,127,351
Change in net position	10,859,137	250,932	11,110,069
Net position, end of year	43,501,123	250,932	43,752,055

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For the Years Ended June 30, 2022 and 2021

	As Previously Reported	Effect of Adoption of Statement No. 87	As Restated
2021 Statement of Cash Flows			
Cash flows from operating activities			
Fees and services	\$ 1,908,032	\$ (418,101)	\$ 1,489,931
Payments to suppliers	(4,300,328)	20,582	(4,279,746)
Net cash provided (used) by operating activities	656,216	(397,519)	258,697
Cash flows from capital financing activities			
Principal payments on capital debt and leases	(158,787)	(11,573)	(170,360)
Interest payments on capital debt and leases	(222,323)	(9,009)	(231,332)
Payments received on leases	-	418,101	418,101
Net cash used by capital financing activities	(5,363,728)	397,519	(4,966,209)
Reconciliation of net operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	2,726,548	(158,160)	2,568,388
Depreciation and amortization	1,013,855	(203,978)	809,877
Receivables, net	(172,893)	337,106	164,213
Deferred inflows of resources	1,297,282	(372,487)	924,795
Net cash provided (used) by operating activities	656,216	(397,519)	258,697

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 6,172 Board authorized funds and 202 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 \$10,235,262 and \$8,075,850 at June 30, 2022 and 2021, 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

WOSU Public Media

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Notes to the Financial Statements

For the Years Ended June 30, 2022 and 2021

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.

WOSU investments held in the university's Long-Term Investment Pool were as follows at June 30, 2022:

Name of Fund	Number of Shares	Cost	Fair Value / Net Asset Value
Friends of WOSU	404.95	\$ 1,410,475	\$ 2,875,079
Prine Classical Music	1.36	5,550	9,669
AEP Foundation	4.60	25,000	32,640
Elam Family	11.29	69,700	80,187
Taylor Memorial	4.57	34,674	32,443
Battelle Digital Media	23.92	166,065	169,835
Reba Harvey	16.58	99,967	117,747
Klotz Public Media	3.99	25,587	28,306
Palius Public Media	4.39	28,517	31,153
Sipp Student Interns	7.97	56,336	56,612
Digital Media Center Outreach	11.50	76,408	81,664
WOSU Public Media	413.96	2,606,623	2,939,051
WOSU Student Experience Fund	159.47	1,000,000	1,132,231
Tom Rieland Endowed WOSU General Manager	373.06	2,854,975	2,648,645
		<u>\$ 8,459,877</u>	<u>\$ 10,235,262</u>

WOSU investments held in the university's Long-Term Investment Pool were as follows at June 30, 2021:

Name of Fund	Number of Shares	Cost	Fair Value / Net Asset 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
		<u>\$ 5,601,728</u>	<u>\$ 8,075,850</u>

WOSU Public Media

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Notes to the Financial Statements

For the Years Ended June 30, 2022 and 2021

3. RECEIVABLES

In accordance with GASB Statement No. 33, *Accounting and Reporting for Non-exchange Transactions*, at June 30, 2022, WOSU has recorded \$429,698 in pledges receivable and a related allowance for doubtful accounts of \$6,711. As of June 30, 2021, WOSU recorded \$890,054 in pledges receivable and a related allowance for doubtful accounts of \$23,557.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 is summarized as follows:

	(Restated) Beginning Balance	Additions	Retirements and Transfers	Ending Balance
Capital assets not being depreciated:				
FCC Licenses	\$ 7,965,251	-		\$ 7,965,251
CIP	6,463,080	-	6,463,080	-
Capital assets being depreciated:				
Buildings	998,855	-	-	998,855
Improvements	3,144,818	7,249,731	1,346,983	9,047,566
Equipment	10,706,916	199,623	1,360,346	9,546,193
Total	29,278,920	7,449,354	9,170,409	27,557,865
Less: Accumulated depreciation	11,253,084	721,730	2,707,329	9,267,485
Total capital assets, net excluding lease assets	\$ 18,025,836	\$ 6,727,624	\$ 6,463,080	\$ 18,290,380
Lease assets, net (see Note 11)				31,603,185
Total capital assets, net as reported in statement of net position				\$ 49,893,565

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

	Beginning Balance	(Restated) Additions	Retirements	(Restated) Ending Balance
Capital assets not being depreciated:				
FCC Licenses	\$ 7,965,251	-		\$ 7,965,251
CIP	-	6,463,080		6,463,080
Capital assets being depreciated:				
Buildings	998,855	-	-	998,855
Improvements	2,501,421	643,397	-	3,144,818
Equipment	10,794,089	5,000	92,173	10,706,916
Total	22,259,616	7,111,477	92,173	29,278,920
Less: Accumulated depreciation	10,877,672	467,585	92,173	11,253,084
Total capital assets, net excluding lease assets	\$ 11,381,944	\$ 6,643,892	\$ -	\$ 18,025,836
Lease assets, net (see Note 11)				32,712,163
Total capital assets, net as reported in statement of net position				\$ 50,737,999

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

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

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Notes to the Financial Statements

For the Years Ended June 30, 2022 and 2021

5. FCC LICENSES

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 2022 or 2021.

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 Plan

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).

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The collective net pension liability of the retirement system and WOSU's proportionate share of this net pension liability as of June 30, 2022 are as follows:

	<u>OPERS</u>
Net pension liability - all employers	\$ 8,288,243,466
Proportion of the net pension liability - WOSU	0.020%
Proportionate share of net pension liability	\$ 1,690,330

The collective net pension liability of the retirement system and WOSU's proportionate share of this net pension liability as of June 30, 2021 are as follows:

	<u>OPERS</u>
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 OPEB asset of the retirement system and WOSU's proportionate share of this net pension asset as of June 30, 2022 are as follows:

	<u>OPERS</u>
Net OPEB (asset) liability - all employers	\$ (3,132,153,063)
Proportion of the net OPEB liability - WOSU	0.021%
Proportionate share of net OPEB asset	\$ (660,678)

The collective net OPEB asset of the retirement system and WOSU's proportionate share of this net pension asset as of June 30, 2021 are as follows:

	<u>OPERS</u>
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	\$ (409,806)

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Deferred outflows of resources and deferred inflows of resources for pensions were related to the following sources as of June 30, 2022:

	<u>OPERS</u>
Deferred Outflows of Resources:	
Differences between expected and actual experience	\$ 97,068
Changes in assumptions	231,077
Net difference between projected and actual earnings on pension plan investments	-
Changes in proportion of university contributions	4,435
Employer contributions subsequent to the measurement date	246,178
Total	<u>\$ 578,758</u>
Deferred Inflows of Resources:	
Differences between expected and actual experience	\$ 51,434
Net difference between projected and actual earnings on pension plan investments	2,165,558
Changes in proportion of university contributions	137
Total	<u>\$ 2,217,129</u>

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

	<u>OPERS</u>
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	<u>\$ 275,822</u>
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	<u>\$ 1,457,549</u>

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Deferred outflows of resources and deferred inflows of resources for OPEB were related to the following sources as of June 30, 2022:

	<u>OPERS</u>
Deferred Outflows of Resources:	
Changes in proportion of university contributions	\$ 1,916
Total	<u>\$ 1,916</u>
Deferred Inflows of Resources:	
Differences between expected and actual experience	\$ 99,630
Changes in assumptions	265,900
Net difference between projected and actual earnings on OPEB plan investments	314,225
Total	<u>\$ 679,755</u>

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

	<u>OPERS</u>
Deferred Outflows of Resources:	
Changes in assumptions	\$ 196,748
Changes in proportion of university contributions	6,643
Total	<u>\$ 203,391</u>
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	<u>\$ 1,247,206</u>

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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:

	<u>OPERS</u>
2023	(295,857)
2024	(734,803)
2025	(509,109)
2026	(345,603)
2027	(124)
2028 and Thereafter	947
Total	<u><u>\$ (1,884,549)</u></u>

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:

	<u>OPERS</u>
2023	(419,661)
2024	(144,279)
2025	(68,665)
2026	(45,235)
2027	-
2028 and Thereafter	-
Total	<u><u>\$ (677,840)</u></u>

Total employer contributions for pensions for the years ended June 30, 2022 and 2021 were \$611,245 and \$595,005, respectively. There were no contributions associated with OPEB. For the year ended June 30, 2022 and 2021, WOSU recognized pension and OPEB expense (benefit) of (\$1,105,315) and (\$2,297,765), respectively. Pension and OPEB expense is allocated to program and supporting service expenses on the Statement of Revenues, Expenses and Changes in Net Position.

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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
Benefit Formula	<p>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.</p> <p>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 included hospitalization, medical expenses and prescription drugs through December 31, 2021. The System determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempted to control costs by using managed care, case management, and other programs. Effective January 1, 2022, eligible non-Medicare retirees are part of a Connector program, similar to Medicare-enrolled retirees. Additional details on health care coverage can be found in the Plan Statement in the annual report.</p> <p>OPERS no longer participates in the Medicare Part D program as of December 31, 2016.</p>

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Cost-of-Living Adjustments (COLAs)	<p>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%.</p>
Contribution Rates	<p>Employee and member contribution rates are established by the OPERS Board and limited by Chapter 145 of the Ohio Revised Code. For 2021, 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).</p>
Measurement Date	<p>December 31, 2021 (OPEB is rolled forward from December 31, 2020 actuarial valuation date)</p>
Actuarial Assumptions	<p>Valuation Date: December 31, 2021 for pensions; December 31, 2020 for OPEB Actuarial Cost Method: Individual entry age Investment Rate of Return: 6.9% for pensions; 6.0% for OPEB Inflation: 2.75% Projected Salary Increases: 2.75% - 10.75% Cost-of-Living Adjustments: Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2021, then 2.05% Simple Health Care Cost Trends: 5.50% initial; 3.50% ultimate in 2034</p>
Mortality Rates	<p>Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.</p>
Date of Last Experience Study	<p>December 31, 2020</p>

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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 2021 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long Term Expected Return*
Fixed Income	24.0%	1.03%
Domestic Equities	21.0%	3.78%
Real Estate	11.0%	3.66%
Private Equity	12.0%	7.43%
International Equities	23.0%	4.88%
Risk Parity	5.0%	2.92%
Other Investments	4.0%	2.85%
Total	100.0%	

* Returns presented as geometric means

The following table displays the Board-approved asset allocation policy for health care assets for 2021 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long Term Expected Return*
Fixed Income	34.0%	0.91%
Domestic Equities	25.0%	3.78%
REITs	7.0%	3.71%
International Equities	25.0%	4.88%
Risk Parity	2.0%	2.92%
Other Investments	7.0%	1.93%
Total	100.0%	

* Returns presented as geometric means

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<p>Discount Rate</p>	<p>Pensions -- The discount rate used to measure the total pension liability was 6.9% 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.</p> <p>OPEB – A single discount rate of 6.00% was used to measure the OPEB liability on the measurement date of December 31, 2021. 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 2121. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.</p>
<p>Changes in Assumptions Since the Prior Measurement Date</p>	<p>Pensions – The discount rate was adjusted to 6.90% from 7.20% for the December 31, 2021 valuation.</p> <p>OPEB – There were no changes in assumptions since the prior measurement date of December 31, 2019.</p>
<p>Benefit Term Changes Since the Prior Measurement Date</p>	<p>Pensions – There were no changes in benefit terms since the prior measurement date of December 31, 2020.</p> <p>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.</p>

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For the Years Ended June 30, 2022 and 2021

Sensitivity of Net Pension Liability to Changes in Discount Rate	1% Decrease (5.90%)	Current Rate (6.90%)	1% Increase (7.90%)
	\$ 4,615,163	\$ 1,690,330	\$ (742,375)
Sensitivity of Net OPEB Liability (Asset) to Changes in Discount Rate	1% Decrease (5.00%)	Current Rate (6.00%)	1% Increase (7.00%)
	\$ (388,560)	\$ (660,678)	\$ (886,600)
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
	\$ (667,850)	\$ (660,678)	\$ (652,240)

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.

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

<https://www.opers.org/financial/reports.shtml>

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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, 2022 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 449,197	\$ 90,473	\$ 79,088	\$ 460,582	\$ 79,087

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

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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:

CPB Grant	Fiscal Year 2022		
	WOSU – FM	WOSU - TV	Total
Community Service	\$ 220,630	\$ 1,436,740	\$ 1,657,370
Interconnection	-	25,547	25,547
Total	<u>\$ 220,630</u>	<u>\$ 1,462,287</u>	<u>\$ 1,682,917</u>

CPB Grant	Fiscal Year 2021		
	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	<u>\$ 641,319</u>	<u>\$ 1,860,061</u>	<u>\$ 2,501,380</u>

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 \$1,580,549 and \$1,288,180, for the years ended June 30, 2022 and 2021, respectively. In fiscal year 2021, 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 was reported as an equity transfer from the university. In addition, the University provided \$407,095 and \$223,186 in indirect administrative support during fiscal years 2022 and 2021, respectively. The indirect administrative support revenues were calculated in 2022 and 2021 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 5.95% and 5.84%, 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, 2022 and 2021 were \$114,262 and \$80,188, respectively.

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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 \$30,349 and \$29,898 from the Glancy Fund during fiscal years 2022 and 2021, respectively. In addition, WOSU Public Media receives ten percent of the income generated from the John McKittrick Family Fund. During fiscal years 2022 and 2021, WOSU Public Media received \$298 and \$295 from the McKittrick Fund, respectively. All income received by WOSU Public Media as an income beneficiary has been included in the statement of revenues, expenses and changes in net position. The following summarizes the fair value of these funds as of June 30, 2022 and 2021:

<u>Fund Name</u>	<u>2022</u>	<u>2021</u>
Donald R. Glancy Endowed Fund	\$ 789,584	\$ 834,188
John McKittrick Family Fund	7,720	8,221
Total Income Beneficiary Funds	<u>\$ 797,304</u>	<u>\$ 842,409</u>

11. LEASES

WOSU as Lessee

In 2019, WOSU finalized terms of a lease with Campus Partners to build WOSU's new headquarters. Per the terms of the lease, WOSU paid a total of \$32,719,957 during fiscal years 2019 through 2021 as prepaid rent to Campus Partners. 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 commenced in May 2021 upon completion of the building. 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. In addition, WOSU has entered into ground leases for several of its broadcast towers.

Intangible right-of-use asset activity for the year ended June 30, 2022 is summarized as follows:

	<u>Beginning</u>			<u>Ending Balance</u>
	<u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	
Lease assets:				
Real estate	\$ 32,937,144	\$ -	\$ -	\$ 32,937,144
Total lease assets	32,937,144	-	-	32,937,144
Less accumulated amortization:				
Real estate	224,981	1,108,978	-	1,333,959
Total accumulated amortization	224,981	1,108,978	-	1,333,959
Total lease assets, net	<u>\$ 32,712,163</u>	<u>\$ (1,108,978)</u>	<u>\$ -</u>	<u>\$ 31,603,185</u>

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Intangible right-of-use asset activity for the year ended June 30, 2021 is summarized as follows:

	Beginning Balance (Restated)	Additions	Retirements	Ending Balance
Lease assets:				
Real estate	\$ 217,187	\$ 32,719,957		\$ 32,937,144
Total lease assets	217,187	32,719,957	-	32,937,144
Less accumulated amortization:				
Real estate		224,981		224,981
Total accumulated amortization	-	224,981	-	224,981
Total lease assets, net	\$ 217,187	\$ 32,494,976	\$ -	\$ 32,712,163

Lease liability activity for the year ended June 30, 2022 is summarized as follows:

	Beginning Balance	Additions	Remeasurements	Reductions	Ending Balance	Current Portion
	\$ 205,614	\$ -	\$ -	\$ 13,628	\$ 191,986	\$ 16,664

Lease liability activity for the year ended June 30, 2021 is summarized as follows:

	Beginning Balance (Restated)	Additions	Remeasurements	Reductions	Ending Balance	Current Portion
	\$ 217,187	\$ -	\$ -	\$ 11,573	\$ 205,614	\$ 13,628

Future annual lease payments are as follows:

	Principal	Interest	Total
Year Ending June 30,			
2023	\$ 16,664	\$ 7,883	\$ 24,547
2024	17,754	7,180	24,934
2025	18,494	6,441	24,935
2026	19,681	5,663	25,344
2027	20,498	4,846	25,344
2028-2032	71,344	13,911	85,255
2033-2037	7,074	5,426	12,500
2038-2042	8,966	3,534	12,500
2043-2047	11,364	1,136	12,500
2048-2052	147	-	147
	\$ 191,986	\$ 56,020	\$ 248,006

WOSU as Lessor

WOSU enters into agreements with external parties to allow the placement of equipment on WOSU's broadcast towers. These noncancelable agreements are considered leases under GASB Statement

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No. 87. Lease-related revenues recognized by WOSU for the years ended June 30, 2022 and 2021 are as follows:

	2022	2021
Lease revenue	\$ 374,045	\$ 372,486
Interest revenue	35,923	45,615
	<u>\$ 409,968</u>	<u>\$ 418,101</u>

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 \$865,332 and \$967,643 at June 30, 2022 and June 30, 2021, respectively. The monthly principal on the note is amortized over 20 years. The discount and imputed interest expense on the note are included in the statement of revenue, expenses and changes 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 Coronavirus Aid, Relief and Economic Security (CARES) Act. WOSU received full forgiveness of the loan in December 2021.

Debt activity for the year ended June 30, 2022 is as follows:

	Beginning Balance	Principal Additions	Repayments/ Forgiveness	Ending Balance	Current Portion
Promissory note before discount	\$ 1,509,461	\$ -	\$ 158,824	\$ 1,350,637	\$ 158,824
Paycheck Protection Program loan	1,141,180		1,141,180	-	-
HQ Equipment Lease (IB)	-	2,000,000	115,504	1,884,496	177,640
WOSU New HQ Building Loan (IB)	12,300,000	-	189,798	12,110,202	199,013
Total before discount	<u>\$ 14,950,641</u>	<u>\$ 2,000,000</u>	<u>\$ 1,605,306</u>	15,345,335	
Discount on promissory note				(485,305)	
Total debt, net present value				<u>\$ 14,860,030</u>	
Add: Lease liabilities				\$ 191,986	16,664
Totals including leases				<u>\$ 15,052,016</u>	<u>552,141</u>

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Notes to the Financial Statements

For the Years Ended June 30, 2022 and 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	<u>\$ 1,668,285</u>	<u>\$ 13,441,180</u>	<u>\$ 158,824</u>	14,950,641	
Discount on promissory note				(541,781)	
Total debt, net present value				<u>\$ 14,408,860</u>	
Add: Lease liabilities				\$ 205,614	13,628
Totals including leases				<u>\$ 14,614,474</u>	<u>1,503,430</u>

The following is a schedule showing the amounts due for the debt obligations as of June 30, 2022:

Years Ending June 30	Principal	Interest	Total
2023	535,173	625,045	1,160,218
2024	550,237	609,980	1,160,217
2025	565,936	594,282	1,160,218
2026	582,295	577,922	1,160,217
2027	599,344	560,873	1,160,217
2028-2032	2,888,405	2,523,622	5,412,027
2033-2037	1,761,510	2,088,248	3,849,758
2038-2042	2,232,679	1,617,078	3,849,757
2043-2047	2,829,878	1,019,879	3,849,757
2048-2052	2,799,878	279,928	3,079,806
Total	<u>\$ 15,345,335</u>	<u>\$ 10,496,857</u>	<u>\$ 25,842,192</u>

Interest expense of \$678,531 and \$287,864 was incurred on the debt during fiscal year 2022 and 2021, respectively.

13. 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.

University operations returned to more normal levels in 2021, with the resumption of in-person instruction. 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.

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For the Years Ended June 30, 2022 and 2021

Ohio and the rest of the nation experienced a significant surge of COVID-19 cases starting in the last two months of 2021, due in large part to the rapid spread of the Omicron variant. Prior to commencement of the Spring 2022 semester, the university implemented a number of measures to continue to minimize the spread of COVID-19 on its campuses.

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 (FY2023) 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.

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Required Supplementary Information on GASB 68 Pension Liabilities (Unaudited) Year Ended June 30, 2022

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

	2015	2016	2017	2018	2019	2020	2021	2022
<i>OPERS:</i>								
WOSU proportion of the collective net pension liability	0.026%	0.025%	0.022%	0.022%	0.023%	0.022%	0.022%	0.020%
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	\$ 1,690,330
WOSU covered payroll	\$ 3,546,706	\$ 3,381,780	\$ 3,200,020	\$ 3,211,095	\$ 3,549,389	\$ 3,487,405	\$ 3,685,717	\$ 3,289,367
WOSU proportionate share of the net pension liability as a percentage of its covered payroll	89%	126%	159%	106%	177%	126%	88%	51%
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%	87.2%

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

	2015	2016	2017	2018	2019	2020	2021	2022
<i>OPERS:</i>								
Contractually required contribution	\$ 482,900	\$ 468,520	\$ 455,595	\$ 456,426	\$ 502,668	\$ 511,618	\$ 492,787	\$ 508,366
Contributions in relation to the contractually required contribution	\$ 482,900	\$ 468,520	\$ 455,595	\$ 456,426	\$ 502,668	\$ 511,618	\$ 492,787	\$ 508,366
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	\$ 3,476,076
Contributions as a percentage of covered payroll	14.2%	14.2%	14.2%	14.2%	14.6%	14.6%	14.6%	14.6%

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Required Supplementary Information on GASB 75 OPEB Liabilities (Unaudited) Year Ended June 30, 2022

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

	2018	2019	2020	2021	2022
<i>OPERS:</i>					
WOSU proportion of the collective net OPEB liability (asset)	0.023%	0.024%	0.023%	0.023%	0.021%
WOSU proportionate share of the net OPEB liability (asset)	\$ 2,450,537	\$ 3,078,224	\$ 3,178,814	\$ (409,806)	\$ (660,678)
WOSU covered payroll	\$ 3,211,095	\$ 3,549,389	\$ 3,487,405	\$ 3,685,717	\$ 3,289,367
WOSU proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	76%	87%	91%	-11%	-20%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	54.1%	46.3%	47.8%	115.6%	128.2%

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Notes to Supplementary Information on GASB 68 Pension Liabilities and GASB 75 OPEB Liabilities (Unaudited) Year Ended June 30, 2022

OPERS – Pensions:

Changes of assumptions. Amounts reported in 2022 reflect an adjustment of the discount rate from 7.20% to 6.90%. 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%.

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Supplemental Schedule of Revenues and Expenses by Telecommunication Operations

Year Ended June 30, 2022

<u>REVENUES AND OTHER SUPPORT</u>	<u>Television</u>	<u>Radio</u>	<u>Totals</u>
The Ohio State University Direct Support	\$ 972,038	\$ 608,511	\$ 1,580,549
Contributed services	458,375	357,036	815,411
Indirect administrative support - OSU	280,508	126,587	407,095
Grants from the CPB	1,462,287	220,630	1,682,917
Member contributions	3,828,789	1,385,059	5,213,848
Public Broadcasting Service	44,710	6,752	51,462
Business and industry	662,220	586,236	1,248,456
Foundations/NPO's	459,416	361,931	821,347
Fundraising	-	-	-
Federal grants	781,466	393,707	1,175,173
State and local grants	1,363,361	434,408	1,797,769
Investment income:			
Interest and dividend income	303,816	98,531	402,347
Unrealized gain on investments	(524,053)	(174,685)	(698,738)
Endowment contributions	2,168,153	722,718	2,890,871
Capital campaign gifts	184,616	61,619	246,235
Royalties	604	60	664
Other	3,691	5,320	9,011
FCC repack	<u>113,223</u>	<u>-</u>	<u>113,223</u>
Total Revenues and Other Support	<u>12,563,220</u>	<u>5,194,420</u>	<u>17,757,640</u>
Program Services:			
Programming and production	3,192,789	1,324,707	4,517,496
Broadcasting	995,008	991,109	1,986,117
Program information	<u>275,776</u>	<u>93,269</u>	<u>369,045</u>
Total Program Services	<u>4,463,573</u>	<u>2,409,085</u>	<u>6,872,658</u>
Supporting Services:			
Management and general	1,706,377	577,212	2,283,589
Fundraising	1,326,308	447,027	1,773,335
Underwriting	229,234	77,262	306,496
Interest expense	466,499	212,032	678,531
Depreciation	<u>1,413,373</u>	<u>438,781</u>	<u>1,852,154</u>
Total Supporting Services	<u>5,141,791</u>	<u>1,752,314</u>	<u>6,894,105</u>
Total Expenses	<u>9,605,364</u>	<u>4,161,399</u>	<u>13,766,763</u>
Change in Net Position	<u>\$ 2,957,856</u>	<u>\$ 1,033,021</u>	<u>\$ 3,990,877</u>

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Note to Supplemental Schedule

Year Ended June 30, 2022

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 2022. 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 2022 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.