

**WBGU-TV**  
**(A Public Telecommunications Entity**  
**Operated by Bowling Green State University)**

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**Financial Report**  
**with Supplemental Information**  
**June 30, 2020**



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Trustees  
WBGU-TV  
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We have reviewed the *Independent Auditor's Report* of the WBGU-TV, Wood County, prepared by Plante & Moran, PLLC, for the audit period July 1, 2019 through June 30, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The WBGU-TV is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

November 30, 2020

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## Independent Auditor's Report

To Management, the Audit Committee,  
and the Board of Trustees  
WBGU-TV

### Report on the Financial Statements

We have audited the accompanying financial statements of WBGU-TV (WBGU or the "Station"), a public telecommunications department within Bowling Green State University (the "University" or BGSU), as of and for the years ended June 30, 2020 and 2019 and the related notes to the financial statements, which collectively comprise WBGU-TV's basic financial statements, as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of WBGU-TV as of June 30, 2020 and 2019 and the respective changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To Management, the Audit Committee,  
and the Board of Trustees  
WBGU-TV

***Emphasis of Matter***

We draw attention to Note 1, which explains that the financial statements of WBGU-TV are intended to present the net position, the changes in net position, and cash flows of only that portion of the University's business-type activities that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the net position of Bowling Green State University as of June 30, 2020 and 2019, the changes in its net position, or the changes in its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Other Matter***

***Required Supplemental Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2020 on our consideration of WBGU-TV's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WBGU-TV's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

October 27, 2020



# WBGU-TV

## Management's Discussion and Analysis

### Overview of the Financial Statements and Financial Analysis

This section of the WBGU-TV (“WBGU” or the “Station”) annual financial report presents management’s discussion and analysis of the financial performance of the television station during the fiscal years ended June 30, 2020, 2019, and 2018. This discussion is unaudited and provides an overview of the financial activities and should be read in conjunction with the accompanying financial statements and footnotes.

### Using the Annual Financial Statement

This annual report consists of financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges and Universities*. In fiscal year 2013, the WBGU-TV adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement supersedes paragraphs 10 and 12 of GASB Statement No. 35. GASB Statement No. 63 establishes standards for reporting deferred outflows of resources, deferred inflows of resources, and net position. The financial statements prescribed by GASB Statement No. 63 (the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows) are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The Statement of Net Position includes all assets and liabilities. Over time, an increase or decrease in net position (the difference between assets and liabilities) is one indicator of the improvement or erosion of WBGU-TV’s overall financial health.

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. WBGU-TV’s dependency on the operating subsidy from Bowling Green State University (the “University” or “BGSU”) typically results in operating deficits because the financial reporting model classifies this operating subsidy as nonoperating revenues. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, noncapital financing, capital financing, and related investing activities and helps measure the ability of the institution to meet financial obligations as they mature.

# WBGU-TV

## Management's Discussion and Analysis (continued)

### Noteworthy Financial Activity

- Revenue from contributions and memberships increased from the prior year due to a large contribution from an estate.
- Revenue from fees and services decreased from the prior year due to decreased demand for broadcasting services.
- Revenue from grant activity increased during the year offsetting the decrease in fees and services.
- Operating expenses decreased from the prior year due to staff reductions

### Condensed Statements of Net Position as of June 30, 2020, 2019, and 2018

	2020	2019	2018
<b>Assets</b>			
Current assets	\$ 3,669,993	\$ 2,250,582	\$ 2,400,069
Noncurrent assets:			
Capital assets	1,282,161	1,392,624	1,034,722
Other	1,657,500	1,673,684	1,663,610
Total noncurrent assets	2,939,661	3,066,308	2,698,332
Total assets	6,609,654	5,316,890	5,098,401
Deferred outflows of resources	47,273	243,077	47,703
<b>Liabilities</b>			
Current liabilities	1,048,052	952,390	974,167
Noncurrent liabilities	1,042,369	1,248,627	879,229
Total liabilities	2,090,421	2,201,017	1,853,396
Deferred inflows of resources	88,896	23,326	57,933
<b>Net position</b>			
Net investment in capital assets	1,282,161	1,392,624	1,034,722
Unrestricted	1,537,949	269,316	536,442
Restricted for:			
Nonexpendable endowments	1,057,144	1,057,044	1,057,044
Expendable	600,356	616,640	606,567
Total net position	\$ 4,477,610	\$ 3,335,624	\$ 3,234,775

## WBGU-TV

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

**Current assets** consist of cash and cash equivalents, receivables, and unexpired program rights. Current assets totaled \$3,670,000 at June 30, 2020 as compared to \$2,251,000 at June 30, 2019 and \$2,400,000 at June 30, 2018.

#### Fiscal year 2020 compared to 2019

- Cash and cash equivalents increased \$1,448,000 due primarily to a large contribution from an estate.

#### Fiscal year 2019 compared to 2018

- Cash and cash equivalents decreased \$173,000 due primarily to the purchase of capital assets and an increase in payroll, supplies, and services expenditures.

**Noncurrent assets** include capital assets, net of accumulated depreciation, and endowment investments at fair value. Noncurrent assets totaled \$2,940,000 at June 30, 2020 as compared to \$3,066,000 at June 30, 2019 and \$2,698,000 at June 30, 2018.

#### Fiscal year 2020 compared to 2019

- Capital assets decreased by \$110,000 due to depreciation of assets. Endowment investments decreased by \$16,000 due to depreciation of investments.

#### Fiscal year 2019 compared to 2018

- Capital assets increased by \$358,000 due to an equipment upgrade to WBGU-TV's tower. Endowment investments increased by \$10,000 due to appreciation of investments.

**Total liabilities** include accounts payable, accrued expenses, unearned revenue, compensated balances, pension obligations and OBEP. Total liabilities totaled \$2,090,000 at June 30, 2020 as compared to \$2,201,000 at June 30, 2019 and \$1,853,000 at June 30, 2018.

#### Fiscal year 2020 compared to 2019

- Pension obligations decreased by \$211,000 due to the change in the net pension and OPEB liabilities directly related to GASB Statement No. 68 and GASB Statement No. 75.

#### Fiscal year 2019 compared to 2018

- Pension obligations increased by \$370,000 due to change in the net pension and OPEB liabilities directly related to GASB Statement No. 68 and GASB Statement No. 75.

## WBGU-TV

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

**Net position** presents the difference between WBGU's assets and liabilities. Total net position totaled \$4,478,000 at June 30, 2020 as compared to \$3,336,000 at June 30, 2019 and \$3,235,000 at June 30, 2018.

#### Fiscal year 2020 compared to 2019

- The unrestricted net position for 2020 increased \$1,269,000 primary due to increased contributions.
- The net investment in capital assets net position decreased \$110,000 due to depreciation on assets.

#### Fiscal year 2019 compared to 2018

- The unrestricted net position for 2019 decreased \$267,000 primary due to increased broadcasting expense and pension expense.
- The net investment in capital assets net position increased \$358,000 due to an equipment upgrade to WBGU-TV's tower.
- The restricted expendable net position for 2019 increased \$10,000 from investment earnings.

# WBGU-TV

## Management's Discussion and Analysis (continued)

### Condensed Statements of Revenues, Expenses, and Changes in Net Position for the Years Ended June 30, 2020, 2019, and 2018

	2020	2019	2018
<b>Operating revenues:</b>			
Contributions and memberships	\$ 1,439,315	\$ 348,553	\$ 321,180
Contributed services	388,361	424,883	400,858
Fees and services	536,356	584,464	532,559
Grants and contracts	1,487,389	1,254,118	1,365,297
Other operating revenue	-	3,557	-
Total operating revenues	3,851,421	2,615,575	2,619,894
<b>Operating expenses:</b>			
Program services	2,874,101	3,362,191	3,204,961
Supporting services	824,173	976,785	1,024,693
Total operating expenses	3,698,274	4,338,976	4,229,654
Operating gain (loss)	153,147	(1,723,401)	(1,609,760)
<b>Non-operating revenues:</b>			
Operating subsidies	389,878	513,718	389,556
Donated facilities and support	429,047	775,242	695,420
Investment gain, net	50,000	58,601	76,096
Total non-operating revenues	868,925	1,347,561	1,161,072
<b>Other Changes:</b>			
Capital grants and gifts	119,914	476,689	21,750
Change in net position	1,141,986	100,849	(426,938)
<b>Net Position</b>			
Net position at the beginning of the year	3,335,624	3,234,775	3,921,868
Adjustment for change in accounting principle GASB75	-	-	(260,155)
Net position at the end of year	\$ 4,477,610	\$ 3,335,624	\$ 3,234,775

Total operating revenue for fiscal year ended June 30, 2020 was \$3,900,000 and \$2,600,000 for years ended June 30, 2019, and 2018.

## WBGU-TV

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

#### Fiscal year 2020 compared to 2019

- Contributions and memberships increased \$1,091,000 primarily due to a large contribution from an estate.
- Fees and services decreased \$48,000 primarily due to decreased demand for public broadcasting services.
- Grants and contracts increased \$233,000 due to timing of grant activity.

#### Fiscal year 2019 compared to 2018

- Contributions and memberships increased \$27,000 primarily due to increased annual giving.
- Fees and services increased \$52,000 primarily due to increased public broadcasting services.
- Grants and contracts decreased \$111,000 due to timing of grant activity.

Total operating expenses for fiscal years ended June 30 2020, 2019, and 2018 was \$3,700,000, \$4,300,000, and \$4,200,000 respectively.

#### Fiscal year 2020 compared to 2019

- Program services decreased \$488,000 primarily due to decreased broadcasting costs. Supporting services decreased \$153,000 primarily due to decreased fundraising and membership development expense.

#### Fiscal year 2019 compared to 2018

- Program services increased \$157,000 primarily due to increased broadcasting. Supporting services decreased \$48,000 primarily due to decreased management and general expenses.

Total nonoperating revenues for fiscal years ended June 30, 2020, 2019, and 2018 was \$900,000, \$1,300,000, and \$1,200,000, respectively.

#### Fiscal year 2020 compared to 2019

- Donated facilities and support decreased \$346,000 due to a change in the calculation of indirect administrative support from the University.
- Investment gain decreased \$9,000 due to less favorable market conditions compared to fiscal year 2019.

## WBGU-TV

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

- Operating subsidies decreased \$124,000 due to decreased personnel and fringe expenses paid by BGSU.

#### Fiscal year 2019 compared to 2018

- Donated facilities and support increased \$80,000 due to increased support from BGSU.
- Investment gain decreased \$17,000 due to less favorable market conditions compared to fiscal year 2018.
- Operating subsidies increased \$124,000 due to increased personnel and fringe expenses paid by BGSU.

#### Capital Assets

WBGU had \$1,282,000, \$1,393,000, and \$1,035,000 net investment in capital assets as of June 30, 2020, 2019, and 2018, respectively. The most significant impact on the carrying amounts for each year is related to depreciation expense. The depreciation was offset by purchases of capital assets of \$27,000, \$558,000, and \$87,000 for 2020, 2019 and 2018, respectively.

#### Cash Flows

WBGU cash flows from (used in) operations were \$900,000, (\$655,000) and (\$632,000) in 2020, 2019 and 2018, respectively. The largest sources of cash inflows were from grants, contributions, memberships and from fees and services. Cash outflows consist of amounts paid to vendors and employees.

WBGU had cash inflows from noncapital financing activities which consists of operating subsidies of \$390,000, \$514,000 and \$390,000 during 2020, 2019 and 2018, respectively.

Cash outflows from capital financing activities consists of capital asset purchases mentioned previously in the capital assets section.

Cash inflows from investing activities consists of investment income of \$66,000 in 2020, \$49,000, in 2019 and 2018.

#### **Economic Factors Affecting the Future of WBGU-TV**

The economy of Ohio, while it had been improving, has now taken a downward turn due to the COVID-19 pandemic which has had an impact on WBGU's ability to increase membership dollars and numbers. WBGU was able to secure gifts, along with federal CARES money during this period that will have a major impact on services. WBGU will continue to strive to increase both private giving and production services in the coming year.

**WBGU-TV**  
**Statements of Net Position**  
**June 30**

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 3,662,476	\$ 2,214,256
Receivables:		
Accounts receivable	968	24,930
Grants and contracts	1,636	4,089
Unexpired program rights	4,913	7,307
Total current assets	3,669,993	2,250,582
<b>Noncurrent assets:</b>		
Endowment investments	1,657,500	1,673,684
Capital assets, net	1,282,161	1,392,624
Total noncurrent assets	2,939,661	3,066,308
Total assets	6,609,654	5,316,890
<b>Deferred outflows of resources</b>		
Deferred outflows related to pensions	33,276	215,685
Deferred outflows related to OPEB	13,997	27,392
Total deferred outflows of resources	47,273	243,077
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	47,063	25,598
Unearned revenue	913,891	826,278
Current portion of accrued compensated balances	87,098	100,514
Total current liabilities	1,048,052	952,390
<b>Noncurrent liabilities:</b>		
Accrued compensated absences (net of current portion)	99,429	94,456
Net Pension liability	596,050	816,720
Net OPEB liability	346,890	337,451
Total noncurrent liabilities	1,042,369	1,248,627
Total liabilities	2,090,421	2,201,017
<b>Deferred inflows of resources</b>		
Deferred inflows related to pensions	74,630	20,840
Deferred inflows related to OPEB	14,266	2,486
Total deferred inflows of resources	88,896	23,326
<b>Net position:</b>		
Net investment in capital assets	1,282,161	1,392,624
Unrestricted	1,537,949	269,316
Restricted for:		
Nonexpendable endowments	1,057,144	1,057,044
Expendable	600,356	616,640
Total net position	\$ 4,477,610	\$ 3,335,624

See accompanying notes.



**WBGU-TV**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Years Ended June 30**

	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
<b>Operating revenue:</b>		
Contributions and memberships	\$ 1,439,315	\$ 348,553
Contributed services	388,361	424,883
Fees and services:		
Public broadcasting services	161,503	249,249
Business and industry	374,853	335,215
State and local grants	494,290	438,946
Private and other grants	993,099	815,172
Miscellaneous	-	3,557
Total operating revenues	<u>3,851,421</u>	<u>2,615,575</u>
<b>Expenses</b>		
<b>Operating expenses:</b>		
Program services:		
Programming and production	1,531,437	1,716,017
Broadcasting	1,146,340	1,412,300
Public information and promotion	196,324	233,874
Supporting services:		
Management and general	390,717	456,718
Fundraising and membership development	433,456	520,067
Total operating expenses	<u>3,698,274</u>	<u>4,338,976</u>
<b>Operating gain (loss)</b>	153,147	(1,723,401)
<b>Nonoperating revenue:</b>		
Operating subsidies	389,878	513,718
Donated facilities and support	429,047	775,242
Investment income, net	50,000	58,601
Net nonoperating revenue	<u>868,925</u>	<u>1,347,561</u>
Gain (Loss) before other changes	<u>1,022,072</u>	<u>(375,840)</u>
<b>Other changes:</b>		
Capital grants and gifts	119,914	476,689
Change in net position	<u>1,141,986</u>	<u>100,849</u>
<b>Net position</b>		
Net position at the beginning of year	3,335,624	3,234,775
Net position at the end of year	<u>\$ 4,477,610</u>	<u>\$ 3,335,624</u>

See accompanying notes.

**WBGU-TV**  
**Statements of Cash Flows**  
**Years Ended June 30**

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Contributions and memberships	\$ 1,439,215	\$ 348,553
Fees and services	835,343	844,157
Grants	1,580,621	1,280,638
Payments to vendors for supplies and services	(1,486,718)	(1,570,672)
Payments to employees and benefits	(1,468,909)	(1,557,203)
Net cash provided (used) in operating activities	<u>899,553</u>	<u>(654,528)</u>
<b>Cash flows from noncapital financing activities</b>		
Operating subsidies	<u>389,878</u>	<u>513,718</u>
Net cash provided by noncapital financing activities	<u>389,878</u>	<u>513,718</u>
<b>Cash flows from capital financing activities</b>		
Purchase of capital assets	(27,409)	(557,652)
Capital grants received	<u>119,914</u>	<u>476,689</u>
Net cash provided (used) in capital financing activities	<u>92,505</u>	<u>(80,963)</u>
<b>Cash flows from investing activities</b>		
Investment income	<u>66,284</u>	<u>48,529</u>
Net cash provided by investing activities	<u>66,284</u>	<u>48,529</u>
Net increase (decrease) in cash and cash equivalents	1,448,220	(173,244)
Cash and cash equivalents at beginning of year	<u>2,214,256</u>	<u>2,387,500</u>
Cash and cash equivalents at end of year	<u>\$ 3,662,476</u>	<u>\$ 2,214,256</u>
<b>Reconciliation of operating gain (loss) to net cash provided (used) by operating activities:</b>		
Operating gain (loss)	\$ 153,147	\$ (1,723,401)
Adjustments to reconcile operating gain (loss) to net cash provided (used) by operating activities:		
Depreciation expense	137,873	156,952
Pension expense	15,517	108,705
OPEB expense	34,625	30,895
Loss on disposal	-	42,798
Donated facilities and support	429,047	775,242
Contribution to restricted nonexpendable endowment	(100)	-
Changes in assets and liabilities:		
Accounts receivable, net	26,415	(16,520)
Unexpired program rights	2,394	(7,237)
Accounts payable	21,465	(54,253)
Accrued wages and vacation pay	(8,443)	(4,665)
Unearned revenue	<u>87,613</u>	<u>36,956</u>
Net cash provided (used) by operating activities	<u>\$ 899,553</u>	<u>\$ (654,528)</u>

See accompanying notes.

# 1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies

## Nature of Operations

WBGU-TV is a part of the Bowling Green State University (the “University”) financial reporting entity. WBGU-TV provides public broadcasting and is licensed to and operated by Bowling Green State University. The accompanying financial statements include only the funds of WBGU-TV and do not extend to any financial statements of Bowling Green State University or its component units, Bowling Green State University Foundation, Inc. (the “Foundation”) and Centennial Falcon Properties, Inc. (the “Corporation”). The financial statements of the University and Foundation contain more extensive disclosure of the significant accounting policies of each entity as a whole.

## Basis of Presentation

WBGU-TV follows all applicable Governmental Accounting Standards Board (GASB) pronouncements. The accompanying financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for publicly owned colleges and universities and are presented in accordance with the reporting model as prescribed in Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements-and Management’s Discussion and Analysis-for Public Colleges and Universities*, as amended by GASB Statements No. 37, No. 38, and No. 63. WBGU follows the “business-type” activities requirements of GASB Statement No. 34. This approach requires the following components of WBGU’s financial statements:

- Management’s discussion and analysis
- Basic financial statements including a statement of net position; statement of revenues, expenses, and changes in net position; statement of cash flows; and notes to the financial statements

GASB Statement No. 34, as amended by No. 63, establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following four net position categories:

- *Net investment in capital assets*: This represents WBGU-TV’s total investment in capital assets.
- *Unrestricted*: Unrestricted net position represent resources derived from sales and services provided by WBGU-TV. These resources are used for transactions relating to the obligations of WBGU-TV and may be used at the discretion of the Board of Trustees to meet current expenses for any purpose.
- *Restricted for non-expendable endowments*: Restricted non expendable endowments are gifts that have been received for endowment purposes, the corpus of which cannot be expended.

## **1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (continued)**

- *Restricted for expendable:* Restricted for expendable net position include resources which WBGU-TV is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or have been gifted for a specific purpose.

When an expense is incurred that can be paid from using either restricted or unrestricted resources, the expense is first applied towards restricted resources and then toward unrestricted resources.

### **Pension**

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

### **Other Postemployment Benefit Costs**

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

### **Deferred Outflows/Inflows of Resources**

Deferred Outflows: In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense) until then. WBGU-TV reports deferred outflows of resources for certain pension-related and OPEB-related amounts, such as change in expected and actual experience, changes in assumptions, and certain contributions made to the plan subsequent to the measurement date (see Note 6 for more details)

## **1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (continued)**

Deferred Inflows: In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. WBGU-TV reports deferred inflows of resources for certain pension-related and OPEB-related amounts, such as the difference between projected and actual earnings of the plan's investments (See Note 6 for more details).

### **Cash and Cash Equivalents**

Cash and cash equivalents are held in the custody of the University and the Foundation. These funds are commingled with those of other University and Foundation-related organizations. Cash and cash equivalents include funds that have been allocated to WBGU-TV by the University that are unspent. WBGU-TV considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

### **Accounts Receivable**

Accounts receivable consists of sales and services provided and are considered by management to be fully collectible, and accordingly, no allowance for doubtful accounts is considered necessary. Accounts receivable also includes amounts due from the federal, state, and local governments or private sources, in connection with reimbursement of allowable expenditures pursuant to grants and contracts.

### **Unexpired Program Rights and Unearned Revenue**

Unexpired program rights include expenses for programs produced by WBGU-TV, which will be broadcast subsequent to the end of the fiscal year. Unearned revenue includes amounts received for the production of programs that will be broadcast subsequent to the end of the fiscal year. Concurrent with broadcasting of the programs, these costs will be reported as incurred operating expenses and the related amounts received will be reported as earned revenue in the statements of revenues, expenses, and changes in net position. Unearned revenue also includes amounts received from grant and contract sponsors that have not been earned.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

## **1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (continued)**

### **Endowment Investments**

Endowment funds are administered by the Foundation and are commingled with other Foundation endowment funds in its pooled investment portfolio. Earned investment income is allocated to each fund based on its share of the total funds invested in the pool. The unrestricted donor contributions to the endowment are recorded as non-operating revenues in the statements of revenues, expenses, and changes in net position. Investments in cash equivalents, corporate stocks, equity securities, corporate bond funds and mutual funds are recorded at their current fair values based on quoted market prices in active markets. There are also investments reported at net position value, which represents fair value as reported by the general partner or fund manager. Limited partnerships, real estate investment trusts, and other private investments make up a portion of the endowment investments and are reported using the equity method of accounting. The components of the individual investments within these funds are not readily determinable. The value is based on estimates by partnership manager, fund managers, and various valuation committees including original costs, restrictions affecting marketability, operating results, financial condition of the issuers and the price of the most recent financing transactions. Management believes the stated values approximate fair value as determined by the respective managers. Because these investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may significantly differ from the value that would have been used had a ready market for such instruments existed, and the differences could be material. Some of the investments have time limitations on liquidation. These vary from six months to the term of the limited partnership, trust or fund. During this period, unless certain events occur, liquidation will be unable to occur.

The governing body of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, WBGU-TV classifies as net position restricted for nonexpendable endowments (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net position restricted for nonexpendable endowments is classified as restricted for expendable net position until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Foundation has its investment and spending policies for endowment assets such that it attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets.

## **1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (continued)**

Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specific period(s). Under this policy, as approved by the governing body, the endowment assets are invested in a manner that is intended to produce a real return, net of inflation and investment management costs over the long term. Actual returns in any given year may vary.

WBGU-TV records the annual income of the endowment as non-operating revenue that is restricted for expenditure upon meeting donor stipulations. The net appreciation on investments of donor-restricted endowments that are available for expenditure were \$600,356 and \$616,640 at June 30, 2020 and 2019, respectively.

The Foundation has adopted a spending policy with respect to amounts available for distribution on all endowed funds. The spending policy provides for a range of 3 percent to 7 percent of the three-year rolling average market value of endowed fund balances, with the Board of Directors approving 3.5 percent for 2020 and 2019.

The Foundation has adopted a policy of charging an administrative fee on all endowed funds, unless prohibited by the guidelines of the funds. The fee is based on the prior two-year average market value balance for the endowed funds and certain non-endowed funds. The administrative fee charged to WBGU-TV amounted to \$20,271 and \$21,705 in 2020 and 2019, respectively, and has been netted with the investment income included in non-operating revenues on the statements of revenues, expenses, and changes in net position.

### **Capital Assets**

Capital assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation in the case of gifts. For equipment, WBGU-TV's capitalization policy includes all items with a cost of \$3,500 or more and an estimated useful life of greater than one year. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 years for buildings and 5 to 12 years for equipment.

### **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 grants and gifts.

### **In-Kind Contributions and Donated Personal Services of Volunteers**

In-kind contributions are recorded as revenue and expense in the accompanying statements of revenues, expenses, and changes in net position.

## 1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (continued)

In-kind contributions consist of donated professional services, amounts for lease of programming, operating transmitters and translators, and various indirect administrative services. These donations are recorded at their estimated fair value with a corresponding expense.

The value of donated personal services of volunteers has been excluded from both revenue and expense. The volunteer support for the years ended June 30, 2020 and 2019, consisted of:

	2020		2019	
	Hours	Total	Hours	Total
Programming and production	543	\$ 14,770	884	\$ 22,480
Fundraising	36	979	164	4,171
Public information	0	0	90	2,289
Management and general	56	1,523	61	1,551
Total	635	\$ 17,272	1,199	\$ 30,491

The value of these services is based upon a flat rate developed by the Corporation for Public Broadcasting.

### Administrative Support and Donated Facilities from the University

Administrative support and donated facilities are calculated and recorded as both revenue and expense based upon the University's "modified other sponsored activities indirect cost rate" as defined by the Corporation for Public Broadcasting (CPB), which was 1.7 percent for fiscal years ended June 30, 2020 and 2019, respectively. Donated facilities and 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 WBGU-TV. All support received from the University is recorded as non-operating revenues.

### Income Taxes

WBGU-TV is licensed to and operated by Bowling Green State University. The University, as an instrumentality of the state of Ohio, is excluded from federal income taxes under Section 115 of the Internal Revenue Code (as amended). Therefore, this exemption extends to the operations of WBGU-TV.

### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among program and supporting services benefited based on total personnel costs and other systematic bases.



## 1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (continued)

### Uncertainties and Risks

In March 2020, the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus was declared a pandemic by the World Health Organization, and a national emergency by the President of the United States. In response, federal and state governments have implemented measures to combat the outbreak which have impacted business operations worldwide. WBGU-TV has received stabilization funds from the Corporation of Public Broadcasting in the amount of \$260,205. These are unrestricted funds intended for use by stations as needed to sustain operations and services.

### 2. Cash and Investments

GASB Statement No. 40, *Deposits and Investment Risk Disclosure*, requires the disclosure of essential risk information about deposits and investments. The disclosure requirements cover five main areas: credit risk, interest rate risk, custodial credit risk, concentration of credit risk, and foreign exchange exposure. In addition, under GASB Statement No. 72, *Fair Value Measurement and Application*, certain fair value disclosures are required. Since the investments of WBGU-TV are held by the Foundation, which is a separate 501(c)(3) organization from the University, this information is not available. Fair value disclosures for the entire pool are included in the Foundation's audited financial statements.

The cash balances as of June 30, 2020 and 2019 are pooled funds that are held and managed by the University and Foundation.

Endowment investments represent WBGU-TV's share of pooled investment funds held and managed by the Foundation. The values of these investments held by the Foundation as of June 30, 2020 and 2019, were as follows:

	<u>2020</u>	<u>2019</u>
WBGU-TV Silver Anniversary	\$ 1,199,936	\$ 1,211,747
WBGU-TV Programming Endowment Fund	47,547	47,916
WBGU-TV Equipment	26,577	26,838
The Younger Family Fund	312,578	315,616
Jorgen Larsen WBGU Programming Fund	70,862	71,567
Total	<u>\$ 1,657,500</u>	<u>\$ 1,673,684</u>

### 3. Capital Assets

The property and equipment reported below are titled to the University but are utilized by WBGU-TV. Capital asset and accumulated depreciation activity for the year ended June 30, 2020, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
Land	\$ 40,000	\$ –	\$ –	\$ 40,000
Buildings	3,005,364	23,098	–	3,028,462
Equipment	3,859,545	4,311	340,953	3,522,903
Total capital assets	6,904,909	27,409	340,953	6,591,365
Less accumulated depreciation	5,512,285	137,872	340,953	5,309,204
Capital assets, net	<u>\$ 1,392,624</u>	<u>\$ (110,463)</u>	<u>\$ 0</u>	<u>\$ 1,282,161</u>

The property and equipment reported below are titled to the University but are utilized by WBGU-TV. Capital asset and accumulated depreciation activity for the year ended June 30, 2019, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
Land	\$ 40,000	\$ –	\$ –	\$ 40,000
Buildings	2,410,108	595,256	–	3,005,364
Equipment	7,078,510	23,759	3,242,724	3,859,545
Construction in Progress	61,363	–	61,363	–
Total capital assets	9,589,981	619,015	3,304,087	6,904,909
Less accumulated depreciation	8,555,259	156,952	3,199,926	5,512,285
Capital assets, net	<u>\$ 1,034,722</u>	<u>\$ 462,063</u>	<u>\$ 104,161</u>	<u>\$ 1,392,624</u>

### 4. Accounts Payable and Accrued Expenses

The composition of accounts payable and accrued expenses at June 30, 2020 and 2019, was as follows:

	<b>2020</b>	<b>2019</b>
Accounts payable	\$ 32,936	\$ 15,348
Accrued payroll	14,127	10,250
Total	<u>\$ 47,063</u>	<u>\$ 25,598</u>

## 5. Compensated Absences

The University's employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding their limitations are forfeited. The liability and expense incurred are recorded at year-end as long-term liabilities in the statements of net position, and as a component of operating expense in the statements of revenues, expenses, and changes in net position.

WBGU-TV follows the University's policy for accruing the sick leave liability. WBGU-TV accrues the 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 method that is set forth in GASB Statement No. 16, Accounting for Compensated Absences. Under the termination method, WBGU-TV utilizes the University's calculated rate, sick leave termination cost per hour worked, which is based on the University's actual historical experience of sick leave payouts of terminated employees. This ratio is then applied to the total years-of-service for WBGU-TV's current employees.

Compensated absences for June 30, 2020, are summarized as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due in One Year</b>
Vacation pay	\$ 129,878	\$ 77,660	\$ 89,310	\$ 118,228	\$ 83,334
Sick leave	65,092	11,781	8,574	68,299	3,764
<b>Total</b>	<b>\$ 194,970</b>	<b>\$ 89,441</b>	<b>\$ 97,884</b>	<b>\$ 186,527</b>	<b>\$ 87,098</b>

Compensated absences for June 30, 2019, are summarized as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due in One Year</b>
Vacation pay	\$ 132,884	\$ 75,574	\$ 78,580	\$ 129,878	\$ 95,822
Sick leave	66,751	8,262	9,921	65,092	4,692
<b>Total</b>	<b>\$ 199,635</b>	<b>\$ 83,836</b>	<b>\$ 88,501</b>	<b>\$ 194,970</b>	<b>\$ 100,514</b>

## 6. Employee Benefit Plans

WBGU-TV employees are covered by the Ohio Public Employees Retirement System of Ohio (“OPERS”). This plan provides retirement, disability, annual cost of living adjustments, death benefits, and health care benefits to vested retirees.

OPERS offers three separate retirement plans:

Defined benefit plan – traditional pension plan. This is a cost-sharing, multiple employer plan. This plan provides disability, annual cost-of-living adjustments, death benefits, and health care benefits. Health care benefits are based on years of service.

Defined contribution plan – member-directed plan. Employee contributions are invested in self-directed investments. Benefits are dependent upon contributions and investment earnings. This plan does not include disability, annual cost of living adjustments, death benefits, or health care benefits.

Combined plan – has elements of the traditional pension plan and member-directed plan. Employee contributions are invested in self-directed investments. The employer contributions are used to fund a reduced defined benefit plan. This plan provides disability, annual cost of living adjustments, death benefits, and health care benefits. Health care benefits are based on years of service.

OPERS issues separate, publicly available financial reports that include financial statements and required supplemental information. Reports can be obtained by contacting the agency.

The OPERS Comprehensive Annual Financial Report can be downloaded from the OPERS website at [www.opers.org](http://www.opers.org). The Ohio Revised Code provides statutory authority for employer and employee contributions. The University contributes 14 percent of covered payroll, and the employee pretax contribution rate is 10 percent of covered payroll.

Employees may opt out of OPERS and participate in the Alternative Retirement Program (ARP), a defined contribution plan. The University contributes 14 percent of covered payroll and the employee pretax contribution rate is 10 percent of covered payroll of eligible employees that opt out of OPERS. Benefits are dependent upon contributions and investment earnings. This plan does not include disability, annual cost of living adjustments, death benefits, or health care benefits.

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

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

## 6. Employee Benefit Plans (continued)

A death benefit of \$500 - \$2,500 is determined by the number of years of service credit of the retiree. Benefits may transfer to a beneficiary upon death with 1.5 years of service credits with the plan obtained within the last 2.5 years.

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

Postemployment healthcare – In addition to pension benefits, the Ohio Revised Code provides authority for public employers to fund postemployment healthcare benefits through their contributions to OPERS.

OPERS maintains a cost-sharing, multiple-employer healthcare plan to retirees who participated in the defined benefit or combined plan with 10 or more years of qualifying Ohio service credit. Coverage includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement.

**Contributions** – State retirement law requires contributions by covered employees and their employers, and Chapter 3307 of the Ohio Revised Code (“ORC”) limits the maximum rate of contributions. The retirement boards of the systems individually set contributions rates within the allowable limits. The adequacy of employer contribution rates is determined annually by actuarial valuation using the entry age normal cost method. Under these provisions, each University's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability. Member contributions are set at the maximums authorized by the ORC. The OPERS plan 2020 and 2019 employer contribution rate was 14 percent and member contribution rate was 10 percent.

Under Ohio law, postemployment healthcare benefits under OPERS are permitted, but not mandated; therefore, a portion of employer contributions is set aside for funding postemployment health care. Payment amounts vary depending on the number of covered dependents and coverage selected.

WBGU receives an allocation of the University's required and actual contributions to the plan. Employer contributions to the following retirement benefit program for June 30 are summarized as follows:

	<u>2020</u>	<u>2019</u>
OPERS	\$ 133,309	\$ 136,726
ARP	8,894	8,030
Total	<u>\$ 142,203</u>	<u>\$ 144,756</u>

## 6. Employee Benefit Plans (continued)

**Net Pension Liability, Deferrals, and Pension Expense** - At June 30, 2020 and 2019, WBGU reported a liability for its proportionate share of the University's net pension liability of OPERS. For the years ended June 30, 2020 and 2019, the net pension liability was measured as of December 31, 2019 and 2018, respectively, for the OPERS plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The University's proportion ( 0.3914 percent for 2020 and 0.4060 percent for 2019) of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. WBGU's proportion of the net pension liability was based on WBGU's employee payroll expense as a percentage of the University's total payroll expense.

Plan	Measurement Date	Net Pension Liability		Proportionate Share		Percent Change	Percent Change
		2020	2019	2020	2019	2018-2019	2017-2018
OPERS	December 31	\$ 596,050	\$ 816,720	0.0030%	0.0030%	0.0000%	-6.2500%

For the year ended June 30, 2020 and 2019, WBGU recognized pension expense of \$157,732 and \$253,450, respectively. WBGU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2020 and June 30, 2019:

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2020		
Differences between expected and actual experience	\$ 178	\$ (4,700)
Changes of assumptions	16,735	-
Net difference between projected and actual earnings on pension plan investments	-	(61,586)
Changes in proportion and differences between WBGU contributions and proportionate share of contributions	85	(8,344)
WBGU contributions subsequent to the measurement date	16,278	-
Total	<u>\$ 33,276</u>	<u>\$ (74,630)</u>
June 30, 2019		
Differences between expected and actual experience	\$ 272	\$ (12,218)
Changes of assumptions	72,654	-
Net difference between projected and actual earnings on pension plan investments	112,802	-
Changes in proportion and differences between WBGU contributions and proportionate share of contributions	485	(8,622)
WBGU contributions subsequent to the measurement date	29,472	-
Total	<u>\$ 215,685</u>	<u>\$ (20,840)</u>

## 6. Employee Benefit Plans (continued)

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

Year Ended	
June 30	Amount
2021	\$ (12,876)
2022	(22,651)
2023	2,467
2024	(24,502)
2025	(25)
Thereafter	(46)
	<u>\$ (57,633)</u>

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

**Net OPEB Liability, Deferrals, and OPEB Expense** – At June 30, 2020 and 2019, WBGU reported a liability for its proportionate share of the net OPEB liability of OPERS. For June 30, 2020, the net OPEB liability was measured as of December 31, 2019 for the OPERS plan. For June 30, 2019, the net OPEB liability was measured as of December 31, 2018 for the OPERS plan. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated December 31, 2018 and 2017 respectively, rolled forward to the measurement date by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year for the defined benefit health care plans. Typically, the University's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined, except as noted below. WBGU's proportion of the net OPEB liability was based on WBGU's employee payroll expense as a percentage of the University's total payroll expense.

For plan years ending December 31, 2019 and 2018, OPERS did not allocate employer contributions to the OPEB plan. Therefore, OPERS's calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

Plan	Measurement Date	Net OPEB Liability		Proportionate Share		Percent Change
		2020	2019	2020	2019	2019-2020
OPERS	December 31	\$ 346,890	\$ 337,451	0.0025%	0.0026%	-0.0001%

## 6. Employee Benefit Plans (continued)

For the year ended June 30, 2020 and 2019, WBGU recognized OPEB expense of \$34,625 and \$30,895, respectively. WBGU reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2020 and June 30, 2019:

June 30, 2020	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
Differences between expected and actual experience	\$ 2	\$ (8,085)
Changes of assumptions	13,995	-
Net difference between projected and actual earnings on OPEB plan investments	-	(4,502)
Changes in proportion and differences between University contributions and proportionate share of contributions	-	(1,679)
University contributions subsequent to the measurement date	-	-
Total	<u>\$ 13,997</u>	<u>\$ (14,266)</u>

June 30, 2019	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
Differences between expected and actual experience	\$ 118	\$ (948)
Changes of assumptions	11,261	-
Net difference between projected and actual earnings on OPEB plan investments	16,013	-
Changes in proportion and differences between University contributions and proportionate share of contributions	-	(1,538)
University contributions subsequent to the measurement date	-	-
Total	<u>\$ 27,392</u>	<u>\$ (2,486)</u>



## 6. Employee Benefit Plans (continued)

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

Year Ended	Amount
June 30	
2021	\$ 1,201
2022	450
2023	4
2024	(1,924)
2025	-
Thereafter	-
	\$ (269)

**Actuarial Assumptions** – The total pension liability and OPEB liability is based on the results of an actuarial valuation were determined using the following actuarial assumptions for 2019, applied to all periods included in the measurement on June 30, 2020.

	OPERS
Valuation date - Pension	December 31, 2019
Valuation date - OPEB	December 31, 2018
Actuarial cost method	Individual entry age
Cost of living	3.0 percent
Salary increases, including inflation	3.25 percent - 10.75 percent
Inflation	3.25 percent
Investment rate of return - pension	7.20
Investment rate of return - OPEB	6.00
Health care cost trend rates	10.5 percent initial 3.5 percent ultimate in 2030
Experience study date	Period of 5 years ended December 31, 2015
Mortality basis	RP-2014 Healthy Annuitant Mortality Table

The following are actuarial assumptions for 2018, applied to all periods included in the measurement on June 30, 2019:

	OPERS
Valuation date - Pension	December 31, 2018
Valuation date - OPEB	December 31, 2017
Actuarial cost method	Individual entry age
Cost of living	2.15 percent - 3.00 percent
Salary increases, including inflation	3.25 percent - 10.75 percent
Inflation	2.50 percent
Investment rate of return - pension	7.20 percent, net of investment expense, including inflation
Investment rate of return - OPEB	6.00 percent, net of investment expense, including inflation
Health care cost trend rates	10.0 percent initial, 3.25 percent ultimate in 2029
Experience study date	Period of 5 years ended December 31, 2015
Mortality basis	RP-2014 Healthy Annuitant Mortality Table

## 6. Employee Benefit Plans (continued)

**Pension Discount Rate** – The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. 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. The discount rate used to measure the total pension liability for OPERS was 7.20 percent for the plan years ended December 31, 2019 and 2018.

**OPEB Discount Rate** –The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Plans that project fiduciary net position to be insufficient to make all projected future benefit payments for current active and inactive employees used a blended discount rate between the long-term expected rate of return on plan investments and a 20-year municipal bond rate applied to all periods of projected benefit payments to determine the total OPEB liability.

*OPERS – OPEB Discount Rate:* The discount rate used to measure the total OPEB liabilities were 3.16 percent and 3.96 percent for the plan years ended December 31, 2019 and 2018, respectively. At December 31, 2019 and 2018, the plan’s fiduciary net position was projected to become insufficient to make all projected future benefit payments for current active and inactive employees. Therefore, a blended rate was used, which consisted of the long-term expected rate of return on OPEB plan investments for the funded benefit payments of 6.00 percent and the Fidelity 20-year Municipal General Obligation AA Index rate of 2.75 percent and 3.71 percent at December 31, 2019 and December 31, 2018, respectively. At December 31, 2019, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date. At December 31, 2018, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

## 6. Employee Benefit Plans (continued)

The long-term expected rate of return on pension plan and OPEB investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. OPERS has two different portfolios of investment, a defined benefit portfolio for pension and health care portfolio for OPEB. As a result, there are different target allocations and long-term expected real rates of return disclosed for each portfolio. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Investment Category</u>	<u>Defined Benefit Portfolio</u>		<u>Health Care Portfolio</u>	
	Long-term		Long-term	
	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Fixed Income	25.00%	1.83%	36.00%	1.53%
Domestic Equities	19.00%	5.75%	21.00%	5.75%
Real Estate	10.00%	5.20%	0.00%	0.00%
Private Equity	12.00%	10.70%	0.00%	0.00%
International Equity	21.00%	7.66%	23.00%	7.66%
REITs	0.00%	0.00%	6.00%	5.69%
Other Investments	13.00%	4.98%	14.00%	4.90%
Total	<u>100.00%</u>		<u>100.00%</u>	

<u>Investment Category</u>	<u>Defined Benefit Portfolio</u>		<u>Health Care Portfolio</u>	
	Long-term		Long-term	
	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Fixed Income	23.00%	2.79%	34.00%	2.42%
Domestic Equities	19.00%	6.21%	21.00%	6.21%
Real Estate	10.00%	4.90%	0.00%	0.00%
Private Equity	10.00%	10.81%	0.00%	0.00%
International Equity	20.00%	7.83%	22.00%	7.83%
REITs	0.00%	0.00%	6.00%	5.98%
Other Investments	18.00%	5.50%	17.00%	5.57%
Total	<u>100.00%</u>		<u>100.00%</u>	

## 6. Employee Benefit Plans (continued)

**Sensitivity of the net pension liability to changes in the discount rate** – The following presents the net pension liability of WBGU, calculated using the discount rate listed below, as well as what WBGU’s net pension liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

<u>Plan</u>	<u>1.00 Percent Decrease</u>		<u>Current Discount Rate</u>		<u>1.00 Percent Increase</u>	
2020 OPERS	6.20%	\$ 990,450	7.20%	\$ 596,050	8.20%	\$ 241,996
2019 OPERS	6.20%	\$ 1,210,426	7.20%	\$ 816,720	8.20%	\$ 489,770

**Sensitivity of the OPEB liability to changes in the discount rate** – The following presents the net OPEB liability of WBGU, calculated using the discount rate listed below, as well as what WBGU’s net OPEB liability would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

<u>Plan</u>	<u>1.00 Percent Decrease</u>		<u>Current Discount Rate</u>		<u>1.00 Percent Increase</u>	
2020 OPERS	2.16%	\$ 453,961	3.16%	\$ 346,890	4.16%	\$ 261,161
2019 OPERS	2.96%	\$ 431,726	3.96%	\$ 337,451	4.96%	\$ 262,478

**Sensitivity of the net OPEB Liability to Changes in the Health Care Cost Trend Rate** – The following presents the net OPEB liability of WBGU, calculated using the healthcare cost trend rate listed below, as well as what WBGU’s net OPEB liability would be if it were calculated using a health care cost trend rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

<u>Plan</u>	<u>1.00 Percent Decrease</u>		<u>Current Trend Rate</u>		<u>1.00 Percent Increase</u>	
2020 OPERS		\$ 336,654		\$ 346,890		\$ 356,996
2019 OPERS		\$ 324,364		\$ 337,451		\$ 352,524

**Pension plan and OPEB plan fiduciary net position** – Detailed information about the pension plan’s fiduciary net position is available in the separately issued OPERS financial report.

**Assumption Changes** – During the measurement periods ended June 30, 2019 and December 31, 2019, respectively, certain assumption changes were made by the plans. The OPERS OPEB discount rate was reduced from 3.96 percent to 3.16 percent, which impacted the annual actuarial valuation for OPEB prepared as of December 31, 2019.

During the measurement periods ended June 30, 2018 and December 31, 2018, respectively, certain assumption changes were made by the plans. The OPERS pension discount rate was reduced from 7.5 percent to 7.2 percent, which impacted the annual actuarial valuation for pension prepared as of December 31, 2018.

**Benefit changes** – Effective in 2022, OPERS will replace the current self-insured group plan with a marketplace concept for pre-Medicare retirees.

## **6. Employee Benefit Plans (continued)**

**Payable to the Pension Plan** – At June 30, 2019, WBGU reported a payable of \$18,884 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020. At June 30, 2019, WBGU reported a payable of \$24,630 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

**Defined Contribution Pension Plan** – The Alternative Retirement Plan (ARP) is a defined contribution pension plan, under IRS Section 401(a), and established by Ohio Amended Substitute House Bill 586 (ORC 3305.02) on March 31, 1998, for public institutions of higher education. The University's Board of Trustees adopted the University's plan on April 18, 1998. Full-time employees are eligible to choose a provider, in lieu of OPERS, from the list of nine providers currently approved by the Ohio Department of Insurance and who hold agreements with the University. Employee and employer contributions equal to those required by OPERS are required for the ARP, less any amounts required to be remitted to the state retirement system in which the employee would otherwise have been enrolled. Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of nine private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. That amount is 2.44 percent for OPERS for the years ended June 30, 2019 and 2018. The employer also contributes what would have been the employer's contribution under OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with immediate plan vesting. The ARP does not provide disability benefits, survivor benefits, or postretirement health care. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options. OPERS also offers a defined contribution plan and a combined plan with features of both a defined contribution plan and a defined benefit plan. For the year ended June 30, 2020 and 2019, employee contributions totaled \$5,736 and \$5,646, and WBGU recognized ARP pension expense of \$8,894 and \$8,030, respectively.

## 7. Corporation for Public Broadcasting Grants

The Corporation for Public Broadcasting (CPB) is a private, non-profit grant-making organization responsible for funding more than 1,000 television and radio stations. WBGU-TV receives grant funds from the CPB to assist in the operations of the station. During 2020 and 2019, the grant funds recorded as revenue were as follows:

	<u>2020</u>		<u>2019</u>
Community Service Grant	\$ 661,079	\$	687,419
Interconnection Grant	-		14,424
USSG Grant	51,815		113,329
CARES Act Stabilization Grant	260,205		-
	<u>\$ 973,099</u>	<u>\$</u>	<u>815,172</u>

## 8. Nonfederal Financial Support (NFFS)

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

A “contribution” is cash, property or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be an entity except the federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcast station or for the production, acquisition, distribution or dissemination of educational television or radio program and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station. However, to eliminate distortions in the TV CSG grant program precipitated by extraordinary infusions of new capital investments in DTV, all capital contributions received for purposes of acquiring new equipment or upgrading existing or building new facilities regardless of source or form of the contribution are not included in calculating the NFFS. This change excludes all revenues received for any capital purchases.

A “payment” is cash, property or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source must be a state, any agency or political subdivision of a state, an educational institution or organization or a nonprofit entity; (2) the form of the payment must be appropriations or contract payments in exchange for specific services or materials; (3) the purpose must be for any related activity of the public broadcast station; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station.

Reported NFFS was \$3,139,055 and \$2,491,742 for 2020 and 2019, respectively.

## **9. University Support**

The WBGU-TV operations are supported in part by the general revenues of the University. The University provides for the general operating costs of WBGU-TV's operations. The University's direct support for the years ended June 30, 2020 and 2019, amounted to \$389,878 and \$513,718, respectively. In addition, the University provided for the years ended June 30, 2020 and 2019, an estimated \$429,047 and \$775,242 of indirect administrative support, respectively. The indirect administrative support revenue was calculated using the University's "modified other sponsored activities indirect costs rate" of 1.7 percent for the years ended June 30, 2020 and 2019, respectively.

## **10. Contingencies**

WBGU-TV receives grants and contracts from certain federal, state, and local agencies to fund research and other activities. Revenues from government grants and contracts are recognized when all eligibility requirements have been met. The University records indirect costs related to such grants and contracts at predetermined rates that are negotiated with the University's federal cognizant agency. Both direct and indirect costs charged to the grants or contracts are subject to audit and approval by the granting agencies. WBGU-TV and University management believes any adjustments of costs resulting from such examination by the granting agency would be insignificant.

WBGU

Required Supplemental Information

Schedule of Pension Funding Progress

WBGU  
2020  
OPERS

Plan year end

December 31, 2019

WBGU's proportion of the plan's collective net pension liability:	
As a percentage	0.0030%
Amount	\$ 596,050
WBGU's covered payroll	\$ 970,038
WBGU's proportionate share of the plan's collective pension liability (amount) as a percentage of the University's covered payroll	61.45%
Fiduciary net position as a percentage of the total pension liability	82.44%

Schedule of Contributions

2020  
OPERS

December 31, 2019

Statutorily required contribution	\$ 133,309
Contributions in relation to the actuarily determined contractually required contribution	\$ 133,309
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 968,429
Contributions as a percentage of covered payroll	13.77%

Schedule of Pension Funding Progress

2019  
OPERS

Plan year end

December 31, 2018

WBGU's proportion of the plan's collective net pension liability:	
As a percentage	0.0030%
Amount	\$ 816,720
WBGU's covered payroll	\$ 979,283
WBGU's proportionate share of the plan's collective pension liability (amount) as a percentage of the University's covered payroll	83.40%
Fiduciary net position as a percentage of the total pension liability	74.91%

Schedule of Contributions

2019  
OPERS

December 31, 2018

Statutorily required contribution	\$ 136,726
Contributions in relation to the actuarily determined contractually required contribution	\$ 136,726
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 1,000,734
Contributions as a percentage of covered payroll	13.66%



## Schedule of Pension Funding Progress

2018  
OPERS

Plan year end

December 31, 2017

WBGU's proportion of the plan's collective net pension liability:	
As a percentage	0.0032%
Amount	\$ 503,205
WBGU's covered payroll	\$ 901,315
WBGU's proportionate share of the plan's collective pension liability (amount) as a percentage of the University's covered payroll	55.83%
Fiduciary net position as a percentage of the total pension liability	84.85%

## Schedule of Contributions

2018  
OPERS

December 31, 2017

Statutorily required contribution	\$ 132,200
Contributions in relation to the actuarially determined contractually required contribution	\$ 132,200
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 957,312
Contributions as a percentage of covered payroll	13.81%

## Schedule of Pension Funding Progress

2017  
OPERS

Plan year end

December 31, 2016

WBGU's proportion of the plan's collective net pension liability:	
As a percentage	0.0031%
Amount	\$ 711,869
WBGU's covered payroll	\$ 897,763
WBGU's proportionate share of the plan's collective pension liability (amount) as a percentage of the University's covered payroll	79.29%
Fiduciary net position as a percentage of the total pension liability	77.38%

## Schedule of Contributions

2017  
OPERS

December 31, 2016

Statutorily required contribution	\$ 120,942
Contributions in relation to the actuarially determined contractually required contribution	\$ 120,942
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 874,882
Contributions as a percentage of covered payroll	13.82%

## Schedule of Pension Funding Progress

2016  
OPERS

Plan year end

December 31, 2015

WBGU's proportion of the plan's collective net pension liability:	
As a percentage	0.0032%
Amount	\$ 553,986
WBGU's covered payroll	\$ 1,003,876
WBGU's proportionate share of the plan's collective pension liability (amount), as a percentage of the University's covered payroll	55.18%
Fiduciary net position as a percentage of the total pension liability	81.19%

## Schedule of Contributions

2016  
OPERS

December 31, 2015

Statutorily required contribution	\$ 126,782
Contributions in relation to the actuarially determined contractually required contribution	\$ 126,782
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 919,095
Contributions as a percentage of covered payroll	13.79%

## Schedule of Pension Funding Progress

2015  
OPERS

Plan year end

December 31, 2014

WBGU's proportion of the plan's collective net pension liability:	
As a percentage	0.3400%
Amount	\$ 409,644
WBGU's covered payroll	\$ 1,154,672
WBGU's proportionate share of the plan's collective pension liability (amount), as a percentage of the University's covered payroll	35.48%
Fiduciary net position as a percentage of the total pension liability	86.53%

## Schedule of Contributions

2015  
OPERS

December 31, 2014

Statutorily required contribution	\$ 150,884
Contributions in relation to the actuarially determined contractually required contribution	\$ 150,884
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 1,099,481
Contributions as a percentage of covered payroll	13.72%

Notes to required supplementary information:

*Changes of benefit terms.*

There were no changes in benefit terms affecting the OPERS plan.

*Changes of assumptions.*

During the plan year ended December 31, 2018, the discount rate was reduced from 7.5 percent to 7.2 percent.

During the plan year ended December 31, 2016, there were changes to several assumptions for OPERS. The wage inflation dropped from 3.75 percent to 3.25 percent. The projected salary increase range changed from 4.25-10.05 percent to 3.25-10.75 percent. The mortality tables used changed from RP-2000 to RP-2014.

## Schedule of OPEB Funding Progress

2020  
OPERS

December 31, 2019

Plan year end

WBGU's proportion of the plan's collective net OPEB liability:	
As a percentage	0.0025%
Amount	346,890
WBGU's covered payroll	970,038
WBGU's proportionate share of the plan's collective OPEB liability (amount) as a percentage of the University's covered payroll	35.76%
Fiduciary net position as a percentage of the total OPEB liability	47.80%

## Schedule of Contributions

2020  
OPERS

December 31, 2019

Statutorily required contribution	-
Contributions in relation to the actuarially determined contractually required contribution	-
Contribution deficiency (excess)	-
Covered payroll	968,429
Contributions as a percentage of covered payroll	0.00%

## Schedule of OPEB Funding Progress

2019  
OPERS

December 31, 2018

Plan year end

WBGU's proportion of the plan's collective net OPEB liability:	
As a percentage	0.0026%
Amount	337,451
WBGU's covered payroll	979,283
WBGU's proportionate share of the plan's collective OPEB liability (amount) as a percentage of the University's covered payroll	34.46%
Fiduciary net position as a percentage of the total OPEB liability	46.33%

## Schedule of Contributions

2019  
OPERS

December 31, 2018

Statutorily required contribution	-
Contributions in relation to the actuarially determined contractually required contribution	-
Contribution deficiency (excess)	-
Covered payroll	1,000,734
Contributions as a percentage of covered payroll	0.00%

## Schedule of OPEB Funding Progress

2018

OPERS

December 31, 2017

Plan year end

WBGU's proportion of the plan's collective net OPEB liability:	
As a percentage	0.0026%
Amount	281,385
WBGU's covered payroll	900,265
WBGU's proportionate share of the plan's collective OPEB liability (amount) as a percentage of the University's covered payroll	31.26%
Fiduciary net position as a percentage of the total OPEB liability	77.25%

## Schedule of Contributions

2018

OPERS

December 31, 2017

Statutorily required contribution	10,148
Contributions in relation to the actuarially determined contractually required contribution	10,148
Contribution deficiency (excess)	-
Covered payroll	957,312
Contributions as a percentage of covered payroll	1.06%

## Notes to required supplemental information:

*Changes of benefit terms:*

There were no benefit changes affecting the OPERS plan for the plan years ended December 31, 2019 and December 31, 2018.

*Changes of assumptions:*

OPERS: During the plan year ended December 31, 2019, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.0 percent initial and 3.25 percent ultimate to 10.5 percent initial and 3.5 percent ultimate. The discount rate was reduced from 3.96 percent to 3.16 percent.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with *Government Auditing Standards*

### **Independent Auditor's Report**

To Management, the Audit Committee,  
and the Board of Trustees  
WBGU-TV

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of WBGU-TV (the "Station"), a public telecommunications department within Bowling Green State University, which comprise the statements of net position as of June 30, 2020 and the related statements of revenue, expenses, and changes in net position and cash flows for the year then ended, and related notes to the financial statements and have issued our report thereon dated October 27, 2020.

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

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

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

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

#### **Compliance and Other Matters**

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

To Management and the the Audit Committee,  
and the Board of Trustees  
WBGU-TV

**Purpose of This Report**

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

*Plante & Moran, PLLC*

October 27, 2020



# OHIO AUDITOR OF STATE KEITH FABER



**BOWLING GREEN STATE UNIVERSITY – WBGU-TV**

**WOOD COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 12/15/2020**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)