

WCSU-FM
GREENE COUNTY
REGULAR AUDIT
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
WCSU-FM, Central State University Radio
1400 Brush Row Road
Wilberforce, Ohio 45384

We have reviewed the *Independent Auditor's Report* of the WCSU-FM, Central State University Radio, Greene County, prepared by Crowe LLP, for the audit period July 1, 2021 through June 30, 2022. 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. Central State University 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

March 14, 2024

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WCSU-FM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY CENTRAL STATE UNIVERSITY)
Wilberforce, Ohio

FINANCIAL STATEMENTS
June 30, 2022 and 2021

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WCSU-FM
Wilberforce, Ohio

FINANCIAL STATEMENTS
June 30, 2022 and 2021

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED	4
FINANCIAL STATEMENTS	
STATEMENTS OF NET POSITION	7
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION.....	8
STATEMENTS OF CASH FLOWS.....	9
NOTES TO FINANCIAL STATEMENTS	10
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF THE STATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	25
SCHEDULE OF THE STATION'S PENSION CONTRIBUTIONS.....	26
SCHEDULE OF THE STATION'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/ASSET	27
SCHEDULE OF THE STATION'S OPEB CONTRIBUTIONS	28
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	29
SCHEDULE OF FINDINGS	31
SCHEDULE OF PRIOR YEAR FINDINGS	32

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INDEPENDENT AUDITOR'S REPORT

Management and the Board of Trustees
Central State University
Wilberforce, Ohio

Report on the Audit of the Financial Statements***Opinion***

We have audited the financial statements of WCSU-FM, Central State University Radio Station (the "Station"), a department of Central State University, as of and for the years ended June 30, 2022 and 2021, and the related notes to the 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 respective financial position of the Station, a department of Central State University as of June 30, 2022 and 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. 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 Central State University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1, the financial statements of the Station of Central State University are intended to present the financial position, the changes in financial position and, where applicable, cash flows, of only that portion of the activities of Central State University that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of Central State University as of June 30, 2022 and 2021, and the changes in its financial position and its cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

(Continued)

Responsibilities of Management for the Financial Statements

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

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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Central State University'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.

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 and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2024 on our consideration of the Station's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Station's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Station's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Columbus, Ohio
March 7, 2024

WCSU-FM
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
June 30, 2022

The purpose of the annual report is to provide readers with financial information about the activities and financial condition of WCSU-FM (the "Station"), which is owned and operated by Central State University (the "University"). The report consists of three financial statements that provide information on the radio station: the statement of net position, the statement of revenue, expenses, and changes in net position, and the statement of cash flows. These statements begin on page 6 and should be read in conjunction with the notes to the financial statements. The following summary and management's discussion of the results are intended to provide the readers with an overview of the financial statements.

The Statement of Net Position

The statement of net position includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector institutions. Net position - the difference between assets plus deferred outflows and liabilities plus deferred inflows - is one way to measure the financial activities of the Station. The Unrestricted net position decreased by \$92,691 during fiscal year 2022 due to decreased CARES Act related revenue and increased by \$362,998 during fiscal year 2021 due to increased revenue from the Corporation for Public Broadcasting and decreased expenses.

Net investment in capital assets decreased by \$37,717 during 2022 and by \$39,315 during 2021, due to depreciation exceeding additions. Total net position decreased by \$130,408 and increased by \$323,683 during fiscal years 2022 and 2021, respectively.

Total assets decreased by \$156,634 during 2022 and increased by \$214,890 during 2021. The decrease in 2022 of \$156,634 is primarily attributable to a decrease in Federal Cares Act related funds held for the Station and a decrease in capital assets held by the Station of \$37,717. The increase of \$214,890 in 2021 is primarily attributable to an increase in Federal Cares Act related cash held by the Station.

Total liabilities decreased by \$3,869 in 2022 and decreased by \$206,039 in 2021. The decrease in 2022 was primarily attributed to decreases in net pension liability of \$56,491, in accordance with GASB 68, and Accounts Payable of \$20,080, offset by an increase in Deferred Revenue of \$72,702. The decrease in 2021 was primarily attributed to decreases in net pension liability of \$107,710, in accordance with GASB 68, and OPEB liability of \$181,031 in accordance with GASB 75, together with an increase in accounts payable of \$27,076 and a increase in deferred revenue of \$55,626.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets			
Current assets	\$ 547,920	\$ 666,837	\$ 412,632
Capital assets - net of depreciation	<u>71,544</u>	<u>109,261</u>	<u>148,576</u>
Total assets	<u>619,464</u>	<u>776,098</u>	<u>561,208</u>
Deferred outflows of resources	61,100	50,311	110,152
Liabilities			
Current liabilities	290,220	237,598	154,896
Net pension liability	<u>103,758</u>	<u>160,249</u>	<u>448,990</u>
Total liabilities	<u>393,978</u>	<u>397,847</u>	<u>603,886</u>
Deferred inflows of resources	169,953	181,521	144,116
Net position			
Net investment in capital assets	71,544	109,261	148,576
Unrestricted	<u>45,089</u>	<u>137,780</u>	<u>(225,218)</u>
Total net position	<u>\$ 116,633</u>	<u>\$ 247,041</u>	<u>\$ (76,642)</u>

(Continued)

WCSU-FM
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
June 30, 2022

Statement of Revenue, Expenses, and Changes in Net Position

The statement of revenue, expenses, and changes in net position presents the operating results of the Station.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenue			
Corporation for Public Broadcasting	\$ 53,004	\$ 313,615	\$ 290,306
State Network Commission and private grants	38,593	26,945	24,441
Contributions & Private Grants	11,570	7,530	4,259
Contributed services	112,047	97,005	96,203
Non-operating revenue			
Net investment income	(28,141)	35,967	10,778
University support	<u>386,966</u>	<u>345,222</u>	<u>507,507</u>
Total revenue	574,039	826,284	933,494
Operating expenses			
Program services			
Programming and production	216,985	123,409	233,874
Broadcasting and engineering	112,047	97,005	96,203
Program information and promotion	30,998	17,630	33,411
Support services			
Management and general	<u>344,417</u>	<u>264,557</u>	<u>394,632</u>
Total operating expenses	<u>704,447</u>	<u>502,601</u>	<u>758,120</u>
Increase (decrease) in net position	(130,408)	323,683	175,374
Net position - beginning of year	<u>247,041</u>	<u>(76,642)</u>	<u>(252,016)</u>
Net position - end of year	<u>\$ 116,633</u>	<u>\$ 247,041</u>	<u>\$ (76,642)</u>

Operating revenue decreased by \$229,881 or 51.65 percent during fiscal year 2022; Corporation for Public Broadcasting (CPB) decreased by \$260,611 (83.10 percent) due to FY21 Revenue including CARES Act funding passed down by CPB to WCSU, State Network Commission increased by \$11,648 (43.23 percent), contributions increased by \$4,040 (53.65 percent) and contributed services increased by \$15,042 (15.51 percent).

Operating revenue increased by \$29,886 or 7.20 percent during fiscal year 2021; Corporation for Public Broadcasting (CPB) increased by \$23,309 (8.03 percent), State Network Commission increased by \$2,504 (10.25 percent), contributions increased by \$3,271 (76.80 percent) and contributed services increased by \$802 (0.83 percent).

(Continued)

WCSU-FM
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
June 30, 2020

Statement of Cash Flows

The statement of cash flows provides information about cash receipts and cash payments during the year. Cash consists of the Station's share of University and Foundation pooled cash and investments.

	<u>2022</u>	<u>2021</u>	2020
Cash (used in) provided by operating activities	\$ (252,186)	\$ 44,241	\$ (109,973)
Cash provided by noncapital financing activities	142,264	155,241	219,012
Cash used in capital and related financing activities	-	-	(55,922)
Cash flows (used in) provided by investing activities	<u>(28,141)</u>	<u>35,967</u>	<u>10,778</u>
Increase / (Decrease) in cash	(138,063)	235,449	63,895
Cash - beginning of year	<u>648,081</u>	<u>412,632</u>	<u>348,737</u>
Cash - end of year	<u>\$ 510,018</u>	<u>\$ 648,081</u>	<u>\$ 412,632</u>

The Station consumed \$252,186 in operating activities in 2022 and generated \$44,241 in operating activities in 2021. The primary operating cash receipts consist of grants and contracts of \$175,868 and \$403,716 for 2022 and 2021, respectively. Cash outlays include payments for wages and to vendors of \$428,054 and \$359,475 for 2022 and 2021, respectively. The primary noncapital financing activities consist of support from the University.

Economic Factors that Will Affect the Future

The Dayton campus recording studio is now operational. Due to limited staffing and security concerns, a certified audio technician producer is available one day a week to provide professional support to community members. We plan to install electronic keypads to improve security and monitoring and when more community members are properly trained, the facility to increase daily usage.

Plans are also underway to install a digital media studio/lab to provide student experiential learning in video production as well as full production services for local community organizations such as Greene County Public Health, NAACP and local news organizations. Preparation for installation should begin in the Summer 2023 and completion of the studio/lab is estimated by January 2024. With qualified professional staff, this project will serve to increase student enrollment and retention.

WCSU-FM
STATEMENTS OF NET POSITION
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Due from University	\$ 352,910	\$ 435,468
Due from Foundation	157,108	212,613
Net OPEB asset	<u>37,902</u>	<u>18,756</u>
Total current assets	547,920	666,837
Capital assets - net	<u>71,544</u>	<u>109,261</u>
Total assets	<u>619,464</u>	<u>776,098</u>
Deferred outflows of resources		
Pension	50,105	14,037
OPEB	<u>10,995</u>	<u>36,274</u>
Total deferred outflows of resources	<u>61,100</u>	<u>50,311</u>
Liabilities and net position		
Current liabilities		
Unearned revenue	243,912	171,210
Accounts payable	<u>46,308</u>	<u>66,388</u>
Total current liabilities	290,220	237,598
Non-current liabilities		
Net pension liability	<u>103,758</u>	<u>160,249</u>
Total non-current liabilities	<u>103,758</u>	<u>160,249</u>
Total liabilities	<u>393,978</u>	<u>397,847</u>
Deferred inflows of resources		
Pension	130,793	124,215
OPEB	<u>39,160</u>	<u>57,306</u>
Total deferred inflows of resources	<u>169,953</u>	<u>181,521</u>
Net position		
Unrestricted	45,089	137,780
Net investment in capital assets	<u>71,544</u>	<u>109,261</u>
Total net position	<u>\$ 116,633</u>	<u>\$ 247,041</u>

See accompanying notes to financial statements.

WCSU-FM
 STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
 Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Support and revenue		
Corporation for Public Broadcasting	\$ 53,004	\$ 313,615
State Network Commission	38,593	26,945
Contributions	11,570	7,530
Contributed services	<u>112,047</u>	<u>97,005</u>
Total support and revenue	215,214	445,095
 Expenses		
Program services		
Programming and production	216,985	123,409
Broadcasting and engineering	112,047	97,005
Program information and promotion	30,998	17,630
Support services		
Management and general	<u>344,417</u>	<u>264,557</u>
Total expenses	<u>704,447</u>	<u>502,601</u>
 Operating loss	 (489,233)	 (57,506)
 Non-operating revenue		
Net investment income	(28,141)	35,967
University support	<u>386,966</u>	<u>345,222</u>
Total non-operating revenue	<u>358,825</u>	<u>381,189</u>
 Increase/(decrease) in net position	 (130,408)	 323,683
 Net position - beginning of year	 <u>247,041</u>	 <u>(76,642)</u>
 Net position - end of year	 <u>\$ 116,633</u>	 <u>\$ 247,041</u>

See accompanying notes to financial statements.

WCSU-FM
STATEMENTS OF CASH FLOWS
Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Proceeds from grants and contracts	\$ 175,868	\$ 403,716
Payments to employees	(273,310)	(256,525)
Payments to vendors	<u>(154,744)</u>	<u>(102,950)</u>
Net cash (used in) provided by operating activities	(252,186)	44,241
Cash flows from noncapital financing activities		
University support	<u>142,264</u>	<u>155,241</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	<u>-</u>	<u>-</u>
Cash flows from investing activities		
Interest on investments	<u>(28,141)</u>	<u>35,967</u>
Increase (decrease) in cash	(138,063)	235,449
Cash - beginning of year	<u>648,081</u>	<u>412,632</u>
Cash - end of year	<u>\$ 510,018</u>	<u>\$ 648,081</u>
Reconciliation of operating loss to net cash from operating activities		
Operating loss	\$ (489,233)	\$ (57,506)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	37,717	39,315
Donated facilities and administrative support from University	244,703	189,981
Changes in assets and liabilities:		
Accounts payable	(20,080)	27,076
Pension and OPEB deferred inflows/outflows/liability/asset	(97,994)	(210,251)
Unearned revenue	<u>72,701</u>	<u>55,626</u>
Net cash used in operating activities	<u>\$ (252,186)</u>	<u>\$ 44,241</u>

See accompanying notes to financial statements.

WCSU-FM
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization: WCSU-FM (the "Station") is a radio station owned and operated by Central State University (the "University"), a state-supported, public university. WCSU-FM is located on the campus of the University in Wilberforce, Ohio.

Basis of Presentation: WCSU-FM reports as a "business-type activity," as defined by GASB Statement No. 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

The financial statements of the Station have been prepared on the accrual basis of accounting whereby revenue is recognized when earned and expenses are recorded when the related liability has been incurred. These statements are intended to present the financial position, the changes in financial position and cash flows, of only that portion of the activities of Central State University that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of Central State University as of June 30, 2022 and 2021, and the changes in its financial position and its cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Net Position Classifications: In accordance with GASB Statement No. 35 guidelines, WCSU-FM's resources are classified into the following two net position categories:

Net investment in capital assets: Capitalized physical assets net of accumulated depreciation.

Unrestricted: Resources that are not subject to externally imposed stipulations. Unrestricted resources may be designated for specific purposes by action of management, Board of Trustees, or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted resources are designated for Station programs, initiatives, and capital projects.

Operating Versus Non-Operating Revenue and Expenses: WCSU-FM defines operating activities as reported on the statement of revenue, expenses, and changes in net position as those that generally result from exchange transactions such as payments received for providing goods or services and payments made for goods or services received.

Income Taxes: Under Internal Revenue Code Section 501(c)(3), the operations of WCSU-FM are exempt from income taxes as part of the overall operations of the University as a political subdivision of the State of Ohio.

Due from University: The financial records for WCSU-FM are maintained as a part of the operations of the University. Separate fund account activities are maintained to account for the operations of WCSU-FM. Consequently, funds deposited on account for WCSU-FM are reflected in the financial statements as amounts due from the University.

Due from Foundation: WCSU-FM maintains a balance with the Central State University Foundation for the purpose of receiving contributions donated used in support of the radio station. The Foundation cash accounts are maintained as a pool and the funds deposited on account for WCSU-FM are reflected in the financial statements as amounts due from the Foundation.

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NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets: Capital assets are recorded at cost or, if acquired by gift, at acquisition value at the date of the gift. The University capitalizes all assets with a useful life greater than one year and a value in excess of \$5,000. When capital assets are sold or otherwise disposed of, the net carrying value of such assets is removed from the accounts and the net investment in capital assets component of net position is adjusted as appropriate. Capital assets, are depreciated on the straight-line method over their estimated useful lives, ranging from 5 to 15 years.

Unearned Revenue: Unearned revenue represents grant monies received from grants and contract sponsors that have not been earned.

Deferred Outflows and Inflows of Resources: Deferred outflows of resources represent the consumption of resources that are applicable to a future reporting period, but do not require further exchange of goods or services. Deferred inflows of resources represent the acquisition of resources that are applicable to a future resource period. Deferred outflows of resources in the Station's financial statements consist of differences between projections and actual experience, changes in assumptions and changes in proportionate share in the OPERS pension and OPEB plans as well as contributions subsequent to the measurement date of the plan and differences between projected and actual investment earnings on the pension plan. Deferred inflows of resources in the Station's financial statements consist of differences between projections and the actual experience in the OPERS pension and OPEB plans and difference in expected and actual investment earnings on the OPEB plan.

Pensions: For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Ohio Public Employees Retirement System (OPERS) and additions to/deductions from OPERS' fiduciary net position has been determined on the same basis as reported by the pension system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension system reports investments at fair value.

Other Postemployment Benefit Costs: For purposes of measuring the net other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPERS pension plan and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by the pension system. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The pension system reports investments at fair value.

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

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

(Continued)

WCSU-FM
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 2 - CAPITAL ASSETS

Capital assets activity for the years ended June 30, 2022 and 2021 are summarized as follows:

	2022			
	Beginning Balance	Additions	Retirements	Ending Balance
Office equipment	\$ 26,982	\$ -	\$ -	\$ 26,982
Building improvements	55,922	-	-	55,922
Telecommunications equipment	628,479	-	-	628,479
Total	711,383	-	-	711,383
Less accumulated depreciation:				
Office equipment	22,023	1,983	-	24,006
Building Improvements	18,640	9,320	-	27,960
Telecommunications equipment	561,459	26,414	-	587,873
Total accumulated depreciation	602,122	37,717	-	639,839
Capital assets - net	\$ 109,261	\$ 37,717	\$ -	\$ 71,544
	2021			
	Beginning Balance	Additions	Retirements	Ending Balance
Office equipment	\$ 26,982	\$ -	\$ -	\$ 26,982
Building improvements	55,922	-	-	55,922
Telecommunications equipment	628,479	-	-	628,479
Total	711,383	-	-	711,383
Less accumulated depreciation:				
Office equipment	20,040	1,983	-	22,023
Building Improvements	9,320	9,320	-	18,640
Telecommunications equipment	533,447	28,012	-	561,459
Total accumulated depreciation	562,807	39,315	-	602,122
Capital assets - net	\$ 148,576	\$ 39,315	\$ -	\$ 109,261

NOTE 3 - CORPORATION FOR PUBLIC BROADCASTING GRANTS

WCSU-FM receives grant funding from the Corporation for Public Broadcasting (CPB) to assist in the operations of WCSU-FM. The CPB grants consist of a Radio Community Service Grant (CSG), which is unrestricted in its use, and a National Program Production and Acquisition Grant (NPPAG), which is restricted to national programming activities. Recognition of the CPB grant revenue is deemed unearned until expenses are incurred. Any unused grant amounts at the end of the spending period must be returned to the granting agency. WCSU-FM returned unused funds of \$29,076 during 2022 and \$15,108 in funds were returned during 2021.

(Continued)

WCSU-FM
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 4 - STATE NETWORK COMMISSION GRANT AND CONTRIBUTED SERVICES

WCSU-FM receives unrestricted radio station funding through E-Tech Ohio (OET). For the years ended June 30, 2022 and 2021, WCSU-FM received cash support of \$30,920 and \$30,644, respectively. Additionally, WCSU-FM received in-kind contributed services support from OET of \$112,047 and \$97,005 during 2022 and 2021, respectively.

NOTE 5 - UNIVERSITY SUPPORT ALLOCATION

The operations of WCSU-FM are supported primarily by the general revenue of the University. The University effectively covers all operating costs of WCSU-FM in excess of direct support received through grant awards and contributions attributable to WCSU-FM's operations. The University's support allocation totaled \$142,261 and \$155,241 in direct support for 2022 and 2021, respectively, and \$244,705 and \$189,981 in indirect administrative support and donated facilities for 2022 and 2021, respectively.

NOTE 6 - LONG-TERM LIABILITIES

Long-term liability activity for the years ended June 30, 2022 and 2021 is summarized in the table below.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reduction</u>	<u>Ending Balance</u>	<u>Current Portion</u>
<u>June 30, 2022</u>					
Net pension liability	\$ 160,249	\$ -	\$ (56,491)	\$ 103,758	\$ -
<u>June 30, 2021</u>					
Net pension liability	\$ 267,959	\$ -	\$ (107,710)	\$ 160,249	\$ -

(Continued)

NOTE 7 - RETIREMENT PLANS

Station employees are provided with pensions through the Ohio Public Employees Retirement System (OPERS). OPERS is a statewide cost-sharing multiple employer defined benefit pension plan. Authority to establish and amend benefits for OPERS is authorized by Chapters 145 of the Ohio Revised Code. OPERS issues a publicly available financial report. The OPERS report can be obtained at <https://www.opers.org/investments/cafr.shtml>.

OPERS offers three separate retirement plans: a defined benefit plan, a defined contribution plan, and a combined plan.

OPERS Defined Benefit Plan pays service retirement benefits using a fixed formula based on age, years of service and salary. In addition to service retirement, participants are eligible for disability and survivor benefits.

OPERS Member-Directed Plan is an optional alternative retirement plan available to new members. Participants allocate both member and employer contributions in an investment account and benefits are based on the member's account value.

OPERS Combined Plans offers features of both a defined benefit plan and a member-directed or 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 along with disability and survivor benefits.

OPERS provides retirement, disability, annual cost-of-living adjustments, and survivor benefits for plan members and beneficiaries. The benefit provisions stated in the following paragraphs are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

OPERS Benefits

Under OPERS, retirement benefits are specific to each plan and members must meet the eligibility requirements based on their age and years of service within the plan. Retirement eligibility also varies by division and transition group.

Members who were eligible to retire under law in effect prior to SB 343 before January 7, 2023 are included in transition Groups A and B. Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013.

State and Local members in transition groups A and B are eligible for retirement benefits at age 60 with 5 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 5 years of service.

NOTE 7 - RETIREMENT PLANS (Continued)

Under the Traditional Plan, for Groups A and B, the annual benefit is based on 2.2% of final average salary 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. The final average salary 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. Under the Combined Plan, the benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's final average salary for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's final average salary and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Member-Directed participants must have attained the age of 55, have money on deposit in the Defined Contribution Plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. At retirement, members may select one of several distribution options for payment of the vested balance of their individual OPERS accounts.

The OPERS law enforcement program consists of two separate divisions: Law Enforcement and Public Safety. Both groups of members are eligible for special retirement options under the Traditional Pension Plan and are not eligible to participate in the Member-Directed or Combined plans. Public Safety Group members may file an application for full retirement benefits at age 48 or older with 25 or more years of credited service or 52 or older with 15 or more years of credited service for Groups A and B. Public Safety Group C is eligible for benefits at age 52 or older with 25 years or at age 56 or older with 15 years. Those members classified as Law Enforcement officers are eligible for full retirement at age 52 or older with 15 or more years of credited service for Group A. Law Enforcement Group B is eligible at age 48 or older with 25 years or at age 52 or older with 15 years of service. Law Enforcement Group C is eligible at age 48 or older with 25 years of service or at age 56 with 15 years of service. Annual benefits under both divisions are calculated by multiplying 2.5% of final average salary by the actual years of service for the first 25 years of service credit, and 2.1% of final average salary for each year of service over 25 years. In the Combined Plan, the benefit formula for the defined benefit component of the plan for state and local members in transition Groups A and B applies a factor of 1.0% to the member's FAS and the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. These options also permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

OPERS administers two disability plans for participants in the Traditional Pension and Combined plans. Members in the plan as of July 29, 1992, could elect coverage under either the original plan or the revised plan. All members who entered the System after July 29, 1992, are automatically covered under the revised plan. Under the original plan, a member who becomes disabled before age 60 and has completed 60 contributing months is eligible for a disability benefit. Benefits are funded by the employee and employer contributions and terminate if the member is able to return to work. The revised plan differs in that a member who becomes disabled at any age with 60 contributing months will be eligible for disability benefits until a determined age. The benefit is funded by reserves accumulated from employer contributions. Law Enforcement officers are immediately eligible for disability benefits if disabled by an on-duty illness or injury. Members participating in the Member-Directed Plan are not eligible for disability benefits.

(Continued)

WCSU-FM
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 7 - RETIREMENT PLANS (Continued)

Dependents of deceased members who participated in either the Traditional Pension Plan or the Combined Plan may qualify for survivor benefits if the deceased employee had at least one and a half years of service credit with the plan, and at least one quarter year of credit within the two and one-half years prior to the date of death. Law Enforcement and Public Safety personnel are eligible for survivor benefits immediately upon employment.

Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, an annual 3% cost-of-living adjustment is provided on the member's base benefit. Members retiring under the Combined Plan receive a 3% cost-of-living adjustment on the defined benefit portion of their benefit.

OPERS Contributions

Employer and member contribution rates are established by the OPERS Board subject to limits per Chapter 145 of the Ohio Revised Code. Under the OPERS plans, the employee contribution rate for the years ended June 30, 2022 and 2021 is 10% for all employees with the exception of law enforcement. The law enforcement employee contribution for the years ended June 30, 2022 and 2021 rate was 13.0%. The employer contribution rate is 14% for all employees except for law enforcement whose rate is 18.1%. For Member-Directed Plans, for the years ended June 30, 2022 and 2021, 13.23% was paid into the member's member-directed account and the remaining .77% was paid to OPERS, as required by state legislation, to cover unfunded liabilities.

The Station's contributions to OPERS were \$26,418 and \$25,436 for the fiscal years ended June 30, 2022 and 2021 respectively. The Station's contributions were equal to the required contributions for each year as set by state statute.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022 and 2021, the Station reported a liability of \$103,758 and \$160,249, respectively for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of December 31, 2021 and 2020, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Station's proportion of the net pension liability was based on the Station's long-term share of contributions to OPERS relative to the total projected long-term employer contributions received from all of OPERS' participating employers. At December 31, 2021 and 2020, the Station's proportion was 0.00119% and 0.00108%, respectively, representing a 0.00011% increase in proportionate share. At December 31, 2020 and 2019, the Station's proportion was 0.00108% and 0.00133%, respectively, representing a 0.00025% decrease in proportionate share.

The net pension liabilities were measured as of December 31, 2021 and 2020, and the total pension liabilities were determined by an actuarial valuation as of that date.

(Continued)

WCSU-FM
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 7 - RETIREMENT PLANS (Continued)

For the year ended June 30, 2022 and 2021, the Station recognized pension income of \$85,982 and \$16,972, respectively. At June 30, 2022 and 2021, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>June 30, 2022</u>		
Differences between expected and actual experience	\$ 5,663	\$ 2,700
Changes of assumptions	13,555	-
Net difference between projected and actual earnings on pension plan investments	-	128,093
Changes in proportion and differences between the difference between actual and proportionate share of contributions	16,346	-
Station contributions subsequent to the measurement date	<u>14,541</u>	<u>-</u>
Total	<u>\$ 50,105</u>	<u>\$ 130,793</u>
<u>June 30, 2021</u>		
Differences between expected and actual experience	\$ 77	\$ 6,988
Changes of assumptions	79	-
Net difference between projected and actual earnings on pension plan investments	-	63,171
Changes in proportion and differences between the difference between actual and proportionate share of contributions	-	54,057
Station contributions subsequent to the measurement date	<u>13,880</u>	<u>-</u>
Total	<u>\$ 14,037</u>	<u>\$ 124,215</u>

At June 30, 2022, the Station reported \$14,541 as deferred outflows of resources related to pensions resulting from Station contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPERS pensions will be recognized in pension expense as follows:

2022	\$ 11,736
2023	(43,157)
2024	(37,785)
2025	(25,611)
2026	(119)
Thereafter	(293)

(Continued)

WCSU-FM
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 7 - RETIREMENT PLANS (Continued)

Actuarial Assumptions

OPERS Actuarial Assumptions

The total pension liability in the December 31, 2021 and 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2021</u>	<u>2020</u>
Inflation	2.75%	3.25%
Salary increases (average, including inflation)	2.75% - 10.75%	3.25%-10.75%
Investment rate of return	6.9%	7.20%
Cost of living adjustment (simple)	3.0%	3.00%

Mortality rates are based on the RP-2014 Healthy Annuitant Mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above-described tables.

The actuarial assumptions used in the December 31, 2021 and 2020 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2014 and 2013, respectively.

The allocation of investment assets within the Defined Benefit portfolio is approved by the OPERS Board as outlined in the annual investment plan. The long term expected rate of return on defined benefit investment assets was 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. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2021 and 2020 and the long-term expected real rates of return:

<u>Asset Class Return</u>	<u>2021 Target Allocation</u>	<u>2021 Long-Term Expected Real Rate of Return</u>
Fixed income	24%	1.03%
Domestic equities	21	3.78
Real estate	11	3.66
Private equities	12	7.43
International equities	23	4.88
Other investments	<u>9</u>	5.77
Total	<u>100%</u>	

(Continued)

WCSU-FM
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 7 - RETIREMENT PLANS (Continued)

<u>Asset Class Return</u>	<u>2020 Target Allocation</u>	<u>2020 Long-Term Expected Real Rate of Return</u>
Fixed income	25%	1.32%
Domestic equities	21	5.64
Real estate	10	5.39
Private equities	12	10.42
International equities	23	7.36
Other investments	<u>9</u>	4.75
Total	<u>100%</u>	

Discount Rate: The discount rate used to measure OPERS total pension liability was 7.20% as of December 31, 2021 and December 31, 2020. The projection of cash flows used to determine the discount rates assumed that employee and University contributions will be made at the statutory contribution rates. Based on those assumptions, the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Station's proportionate share of the net pension liability to changes in the discount rate: The following presents the Station's proportionate share of the OPERS pension plans net pension liability calculated using the discount rate of 7.2% at December 31, 2021 and December 31, 2020, respectively, as well as what the Station's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<u>1% Decrease (6.2%)</u>	<u>Current Discount Rate (7.2%)</u>	<u>1% Increase (8.2%)</u>
<u>December 31, 2022</u>			
University's proportionate share of the net pension liability	\$ 279,831	\$ 103,758	\$ (42,717)
	<u>1% Decrease (6.2%)</u>	<u>Current Discount Rate (7.2%)</u>	<u>1% Increase (8.2%)</u>
<u>December 31, 2021</u>			
University's proportionate share of the net pension liability	\$ 307,263	\$ 160,249	\$ 38,039

Pension Plan Fiduciary Net Position: Detailed information about OPERS fiduciary net position is available in a separately issued financial report. The financial report for OPERS may be obtained at www.opers.org or by writing to Ohio Public Employees Retirement System, Director-Finance, 277 East Town Street, Columbus, Ohio 43215-4642.

(Continued)

WCSU-FM
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 8 – DEFINED BENEFIT OPEB PLANS

Ohio Public Employees Retirement System (OPERS): OPERS provides access to post-retirement health care coverage to age and service retirees with 20 or more years of qualifying Ohio service credit. Access to health care coverage for disability recipients and primary survivor recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB to its eligible members and beneficiaries. Authority to establish and amend benefits is provided per the Ohio Revised Code.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 0% in 2021 and 0% in 2020. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The portion of the University's fiscal year 2021, 2020 and 2019 contributions required and made to OPERS used to fund post-retirement benefits was \$0 in all three years.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

OPERS OPEB Costs

At June 30, 2022 and June 30, 2021, the Station reported a net asset of \$37,902 and \$18,756 respectively for its proportionate share of the OPERS net OPEB asset. The net OPEB liability was measured as of December 31, 2021 and December 31, 2020 respectively, and the total pension liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Station's proportion of the net OPEB liability was based on the Station's long-term share of contributions to OPERS relative to the total projected long-term employer contributions received from all of OPERS' participating employers. At December 31, 2021 and December 31, 2020, the University's proportion was 0.00044% and 0.00105% respectively, representing a decrease of 0.00062%. At December 31, 2020 and December 31, 2019, the University's proportion was 0.00105% and 0.00092% respectively, representing an increase of 0.00013%.

The net OPEB liability and asset for the Traditional Pension Plan and Combined Plan, respectively, were measured as of December 31, 2021 and 2020, and the total OPEB liabilities were determined by an actuarial valuation as of that date.

For the years ended June 30, 2022 and 2021, the Station recognized OPEB expense of \$(12,013) and \$123,456, respectively. At June 30, 2022, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>June 30, 2022</u>		
Differences between expected and actual experience	\$ -	\$ 5,749
Changes of assumptions	-	15,342
Net difference between projected and actual earnings on OPEB plan investments	-	18,069
Changes in proportion and differences between the difference between actual and proportionate share of contributions	<u>10,995</u>	<u>-</u>
Total	<u>\$ 10,995</u>	<u>\$ 39,160</u>

(Continued)

WCSU-FM
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>June 30, 2021</u>		
Differences between expected and actual experience	\$ -	\$ 16,926
Changes of assumptions	9,221	30,390
Net difference between projected and actual earnings on OPEB plan investments	-	9,990
Changes in proportion and differences between the difference between actual and proportionate share of contributions	27,053	-
	-	-
Total	\$ 36,274	\$ 57,306

Amounts reported as deferred outflows and inflows of resources related to OPERS OPEB will be recognized in OPEB expense as follows for the year ended June 30, 2022:

2022	\$ (16,675)
2023	(5,833)
2024	(3,413)
2025	(2,244)

Actuarial Assumptions

OPERS Actuarial Assumptions

The total OPEB liability (asset) in the December 31, 2021 and 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>2021</u>	
Single Discount Rate	6%
Investment rate of return	6%
Wages inflation	2.75%
Municipal Bond Rate	1.84%
Projected Salary increases	2.75% to 10.75% (includes wage inflation at 2.75%)
Health Care Cost Trends	5.5% initial, 3.5% ultimate in 2034
 <u>2020</u>	
Single Discount Rate	3.16%
Investment rate of return	6%
Wages inflation	3.25%
Municipal Bond Rate	2%
Projected Salary increases	3.25% to 10.75% (includes wage inflation at 0.00%)
Health Care Cost Trends	8.5% initial, 3.5% ultimate in 2030

(Continued)

WCSU-FM
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2022 and 2021

NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)

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.

The actuarial assumptions used in the December 31, 2021 and 2020 valuations were based on the results of an actuarial experience study for the 2-year periods ending December 31, 2018. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

The long-term expected rate of return is arithmetic and determined using a building block method in which best estimate ranges of expected future real rates of returns are developed for each major asset class. These ranges are combined to produce the long-term expected best estimates of arithmetical rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

<u>Asset Class Return</u>	<u>2021 Target Allocation</u>	<u>2021 Long-Term Expected Real Rate of Return</u>
Fixed income	34%	0.91%
Domestic equities	25	3.78
Real estate	7	3.71
International equities	25	4.88
Other investments	<u>9</u>	4.85
Total	<u>100%</u>	
<u>Asset Class Return</u>	<u>2020 Target Allocation</u>	<u>2020 Long-Term Expected Real Rate of Return</u>
Fixed income	34%	1.07%
Domestic equities	25	5.64
Real estate	7	6.48
International equities	25	7.36
Other investments	<u>9</u>	4.02
Total	<u>100%</u>	

(Continued)

WCSU-FM
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2022 and 2021

NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)

Discount Rate

OPERS discount rate

A single discount rate of 6.00% and 3.16% was used to measure the OPEB liability (asset) on the measurement date of December 31, 2021 and 2020, respectively. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate at December 31, 2020 was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the University's proportionate share of the OPERS net OPEB liability to changes in the discount rate and health care trend rates: The following table presents the OPEB liability calculated using the single discount rate of 6.00% at December 31, 2021 and 3.16% at December 31, 2020, and the expected net OPEB liability if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease</u> <u>(5.00%)</u>	<u>Current</u> <u>Discount</u> <u>Rate (6.00%)</u>	<u>1% Increase</u> <u>(7.00%)</u>
<u>2022</u>			
Sensitivity of Station's proportionate share of the net OPEB asset to changes in discount rate	\$ 22,290	\$ 37,902	\$ 50,860
	<u>1% Decrease</u>	<u>Current</u> <u>Rate</u>	<u>1% Increase</u>
Sensitivity of Station's proportionate share of the net OPEB asset to changes in the health care cost trend rate	\$ 38,311	\$ 37,902	\$ 37,416

(Continued)

WCSU-FM
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2022 and 2021

NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)

	<u>1% Decrease</u> <u>(2.16%)</u>	<u>Current</u> <u>Discount</u> <u>Rate (3.16%)</u>	<u>1% Increase</u> <u>(4.16%)</u>
<u>2021</u>			
Sensitivity of Station's proportionate share of the net OPEB liability to changes in discount rate	\$ 4,664	\$ 18,756	\$ 30,341
	<u>1% Decrease</u>	<u>Current</u> <u>Rate</u>	<u>1% Increase</u>
Sensitivity of Station's proportionate share of the net OPEB liability to changes in the health care cost trend rate	\$ 19,213	\$ 18,756	\$ 18,244

Pension Plan Fiduciary Net Position: Detailed information about OPERS fiduciary net position is available in the separately issued financial reports. Financial reports may be obtained at www.opers.org or by writing to Ohio Public Employees Retirement System, Director-Finance, 277 East Town Street, Columbus, Ohio 43215-4642.

WCSU-FM
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2022

SCHEDULE OF THE STATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Station's proportion of the collective net pension liability (asset)	0.00119%	0.00108%	0.00133%	0.00158%	0.00141%	0.00078%	0.00128%
Stations proportionate share of the collective net pension liability (asset)	\$ 103,758	\$ 160,249	\$ 267,959	\$ 431,960	\$ 221,959	\$ 176,499	\$ 221,150
Station's covered payroll	188,701	184,027	198,006	221,300	192,441	114,029	168,198
Station's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	54.99%	87.08%	135.13%	195.19%	115.34%	154.78%	131.48%
Plan fiduciary net position as a percentage of the total pension liability	198.54%	112.45%	73.89%	74.70%	84.66%	77.38%	81.19%

Notes to required supplemental information:

The Station implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The schedule is intended to show information for 10 years. The amounts presented for each fiscal year were determined as of December 31 that occurred prior.

(Continued)

WCSU-FM
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2022

SCHEDULE OF THE STATION'S PENSION CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 26,418	\$ 25,436	\$ 27,720	\$ 30,906	\$ 26,942	\$ 15,964	\$ 23,548
Contributions in relation to the statutorily required contribution	<u>26,418</u>	<u>25,436</u>	<u>27,720</u>	<u>30,906</u>	<u>26,942</u>	<u>15,964</u>	<u>23,548</u>
Annual contribution deficiency	-	-	-	-	-	-	-
College's covered payroll	\$ 188,701	\$ 184,027	\$ 198,006	\$ 221,300	\$ 192,441	\$ 114,029	\$ 168,198
Contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percent of the employer's covered payroll	14.00%	13.82%	14.00%	13.97%	14.00%	14.00%	14.00%

Notes to required supplemental information:

Note: The University implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The schedule is intended to show information for 10 years. The amounts presented for each fiscal year were determined as of December 31 that occurred prior.

(Continued)

WCSU-FM
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2022

SCHEDULE OF THE STATION'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/ASSET

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Station's proportion of the collective OPEB liability (asset) - Traditional	(0.00044)%	(0.00105)%	0.00092%	0.00072%	0.00094%
Station's proportionate share of the collective OPEB liability (asset)	\$ (37,902)	\$ (18,756)	\$ 181,031	\$ 198,430	\$ 147,552
Station's covered payroll	\$ 188,701	\$ 184,027	\$ 198,006	\$ 221,300	\$ 192,441
Station's proportionate share of the collective OPEB liability as a percentage of the employer's covered payroll	20.09%	10.19%	91.43%	89.67%	76.67%
Plan fiduciary net position as a percentage of the total OPEB liability	5.44%	96.07%	47.80%	74.91%	84.85%

Notes to required supplemental information:

Note: The University implemented GASB No. 75 in fiscal year 2018. The information above is presented for as many years as available. The schedule is intended to show information for 10 years. The amounts presented for each fiscal year were determined as of December 31 that occurred prior.

(Continued)

WCSU-FM
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2022

SCHEDULE OF THE STATION'S OPEB CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ -	\$ -	\$ -	\$ -	\$ 984
Contributions in relation to the statutorily required contribution	-	-	-	-	-
Annual contribution deficiency	-	-	-	-	-
College's covered payroll	\$ 188,701	\$ 184,027	\$ 198,006	\$ 221,300	\$ 192,441
Contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percent of the employer's covered payroll	N/A	N/A	N/A	N/A	0.0051%

Notes to required supplemental information:

Note: The University implemented GASB No. 75 in fiscal year 2019. The information above is presented for as many years as available. The schedule is intended to show information for 10 years. The amounts presented for each fiscal year were determined as of December 31 that occurred prior.

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

Management and the Board of Trustees
Central State University
Wilberforce, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of WCSU-FM, Central State University Radio Station (the "Station"), a department of Central State University, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Station's financial statements, and have issued our report thereon dated March 7, 2024.

As discussed in Note 1, the financial statements of the Station of Central State University are intended to present the financial position, the changes in financial position and, where applicable, cash flows, of only that portion of the activities of Central State University that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of Central State University as of June 30, 2022, and the changes in its financial position and its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

(Continued)

Report on 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*.

Central State University's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Central State University's response to the finding identified in our audit and described in the accompanying schedule of findings. Central State University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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


Crowe LLP

Columbus, Ohio
March 7, 2024

WCSU-FM
SCHEDULE OF FINDINGS
June 30, 2022

FINDING 2022-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING

Criteria:	The Station should have internal controls over the financial reporting process designed to ensure that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America.
Condition:	Internal controls over financial reporting were not established by the Station to ensure that complete and accurate financial statements were prepared.
Context:	Material adjusting and reclassification entries were necessary as a result of audit procedures.
Effect:	The financial statements required audit adjustments and reclassifications and additional footnote disclosures to be added.
Cause:	The Station did not establish internal controls over financial reporting.
Repeat Finding:	No
Recommendation:	We recommend the Station establish internal controls over financial reporting to ensure financial statements prepared by management are complete and accurate.
Response:	<p>The Station concurs with the finding. Management is realigning the accounting area to ensure all staff are knowledgeable and trained in the closing and reporting process.</p> <p>Periodic reviews and monthly reconciliations will be performed and verified by upper management.</p> <p>Management will improve documentation of the year-end closing process to make sure all adjustments have been processed in a timely manner. This documentation is being developed and will be incorporated into the monthly financial statement reviews. These new monthly financial statement review meetings will strengthen the financial process and reduce the number of year-end adjusting entries and corrections to the financial ledger.</p>

WCSU-FM
SCHEDULE OF PRIOR YEAR FINDINGS
June 30, 2022

FINDING 2021-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING

Criteria: The Station should have internal controls over the financial reporting process designed to ensure that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

Condition: Internal controls over financial reporting were not established by the Station to ensure that complete and accurate financial statements were prepared

Status: Not Corrected. See finding 2022-01

OHIO AUDITOR OF STATE KEITH FABER



CENTRAL STATE UNIVERSITY - WCSU-FM

GREENE 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 3/26/2024

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