

WOUB Center for Public Media

A Public Media Entity
(A Department of Ohio University)

Financial Statements as of and for the
Years Ended June 30, 2020 and 2019 and
Independent Auditor's Report

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
WOUB Center for Public Media
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We have reviewed the *Independent Auditor's Report* of the WOUB Center for Public Media, Athens County, prepared by Crowe LLP, 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 WOUB Center for Public Media is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

January 7, 2021

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WOUB Center for Public Media

Contents

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-15
Financial Statements	
Statements of Net Position	16
Statements of Revenue, Expenses, and Changes in Net Position	17
Statements of Cash Flows	18-19
Notes to Financial Statements	20-39
Required Supplementary Information	40
Schedule of the Center's Proportionate Share of the Net Pension and Net OPEB Liability/(Asset), and the Schedule of Center Contributions	41-45
Supplementary Information	46
Combining Statement of Revenues, Expenses and Changes in Net Position	47
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>	48-49

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
WOUB Center for Public Media
Athens, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of WOUB Center for Public Media (the "Center"), a department of Ohio University, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Center's 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, whether due to fraud or error.
misstatement

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WOUB Center for Public Media as of June 30, 2020, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Center are intended to present the financial position, the changes in financial position and cash flows, of only that portion of the activities of Ohio University that is attributable to the transactions of the Center. They do not purport to, and do not, present fairly the financial position of Ohio University as of June 30, 2020, and the changes in its financial position and its cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Predecessor Auditor

The financial statements of WOUB Center for Public Media as of June 30, 2019, were audited by other auditors whose report dated December 18, 2019, expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and the Schedule of the Center's Proportionate Share of the Net Pension Liability and Net OPEB Liability/(Asset), and the Schedule of Center Contributions be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by 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.

Supplementary Information

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

The Combining Statement of Revenues, Expenses and Changes in Net Position is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Revenues, Expenses and Changes in Net Position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020 on our consideration of WOUB Center for Public Media's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WOUB Center for Public Media's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WOUB Center for Public Media's internal control over financial reporting and compliance.



Crowe LLP

Columbus, Ohio
December 22, 2020

WOUB Center for Public Media

Management's Discussion and Analysis

The discussion and analysis of WOUB Center for Public Media's (WOUB or the "Center") financial statements provides an unaudited overview of the Center's financial activities for the fiscal years ended June 30, 2020, 2019, and 2018. Management has prepared the financial statements and the related note disclosures along with this discussion and analysis. Responsibility for the completeness and fairness of this information rests with the Center's management.

Using This Report

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

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

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

Financial Highlights

In the current year, revenue decreased by \$806,590, or 9.4% and expenses increased \$541,435 or 6.9%. Included in the current year's increase in expenses is an increase of \$365,848 in expense related to the change in pension and OPEB expenses arising from GASB Nos. 68 and 75. Net position decreased \$630,510 in fiscal year 2020.

WOUB Center for Public Media

Management's Discussion and Analysis (Continued)

Changes in net position represents the Center's results for the year and are summarized for the years ended June 30, 2020, 2019 and 2018 as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenue	\$ 6,021,622	\$ 6,284,282	\$ 6,311,239
Operating expenses excluding adjustments for unfunded pension & OPEB	<u>8,119,953</u>	<u>7,944,366</u>	<u>7,482,294</u>
Subtotal	(2,098,331)	(1,660,084)	(1,171,055)
Nonoperating revenue	<u>1,754,843</u>	<u>2,298,773</u>	<u>2,238,554</u>
Increase (decrease) in net position excluding adjustments for unfunded pension & OPEB	(343,488)	638,689	1,067,499
Adjustment for changes in unfunded pension and OPEB liabilities not included in total expenses above	<u>(287,022)</u>	<u>78,826</u>	<u>687,575</u>
Increase (Decrease) in Net Position	<u>\$ (630,510)</u>	<u>\$ 717,515</u>	<u>\$ 1,755,074</u>

Statements of Net Position

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

Accounts receivable - Ohio University represents amounts available in the cash account of the University for the benefit of the Center. All of the Center's receipts and disbursements are recorded in this account. The amounts are \$18,714,250, \$19,305,337, and \$18,871,321 for the University for the years ended June 30, 2020, 2019, and 2018, respectively.

WOUB Center for Public Media

Management's Discussion and Analysis (Continued)

The following chart depicts the breakdown of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for the Center as of June 30, 2020, 2019, and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets:			
Current assets:			
Accounts receivable and prepaid expenses	\$ 91,543	\$ 3,907	\$ 593,959
Accounts receivable - Ohio University	18,714,250	19,305,337	18,871,321
Noncurrent assets	4,032,237	3,789,200	3,372,654
Total assets	<u>22,838,030</u>	<u>23,098,444</u>	<u>22,837,934</u>
Deferred outflows of resources	704,352	843,860	781,480
Liabilities:			
Current liabilities	439,450	364,752	760,513
Noncurrent liabilities	3,443,576	3,565,123	3,597,486
Total liabilities	<u>3,883,026</u>	<u>3,929,874</u>	<u>4,357,999</u>
Deferred inflows of resources	726,378	448,942	415,442
Net position	<u>\$ 18,932,978</u>	<u>\$ 19,563,488</u>	<u>\$ 18,845,973</u>

The net position is further displayed as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net investment in capital assets	\$ 4,025,133	\$ 3,782,018	\$ 3,372,654
Unrestricted	14,907,845	15,781,470	15,473,319
Total net position	<u>\$ 18,932,978</u>	<u>\$ 19,563,488</u>	<u>\$ 18,845,973</u>

The Center's share of cash accounts decreased from a receivable position of \$19,305,337 at fiscal year end 2019 to a receivable position of \$18,714,250 from the University at fiscal year end 2020. This balance is mainly composed of proceeds from the FCC Spectrum Auction from fiscal year 2017 that were transferred to capital and endowment funds within the University for reinvestment into new equipment and construction for future Center endeavors.

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), the Center (through the University) is required to carry its proportionate share of the net liability for the pension plans in which it participates and also carry its proportionate share of the net OPEB liability/asset. The unfunded pension and OPEB liabilities/asset will change each year based on the University's proportionate share of contributions to total contributions of all participating employers to the plans. The net pension and OPEB liabilities/asset are determined by actuarial valuations as of the measurement dates of the retirement plans. The effect of changes in the net pension and OPEB liabilities/asset due to differences between projected and actual investment earnings, differences between expected and actual experience, change in assumptions about economic and demographic factors, and change in the employer's proportionate share of net pension and OPEB liabilities/asset

WOUB Center for Public Media

Management's Discussion and Analysis (Continued)

result in changes to deferred outflows of resources and deferred inflows of resources. The current year impact from these factors is a decrease in net position of \$287,022. Deferred outflows of resources relating to pensions decreased for fiscal year 2020, while deferred inflows of resources relating to pensions increased. The net OPEB liability/asset and corresponding deferred outflows and inflows relating to OPEB were recorded for the first time in fiscal year 2018, as required by GASB No. 75. Deferred outflows of resources and deferred inflows of resources relating to OPEB increased in fiscal year 2020 (see details in Note 7).

Participation in the FCC Spectrum Auction

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

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

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

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

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

Statements of Revenue, Expenses, and Changes in Net Position

The statements of revenue, expenses, and changes in net position present the Center's results of operations for the years ended June 30, 2020 and 2019.

Operating Revenue

Charges for goods and services are recorded as operating revenue. In addition, certain grants are classified as operating revenue if they are not for capital purchases and are provided as a contract for services. Essentially, this means that the Center is required by the grant to provide goods or services to the grantor of equal value to the value of the services or dollars received. Operating revenue includes an annual community service grant from the Corporation for Public Broadcasting (the "corporation") and

WOUB Center for Public Media

Management's Discussion and Analysis (Continued)

the State of Ohio, administered through an annual grant from the Broadcast Education Media Commission. Operating revenue also includes donated use of facilities and administrative support from its licensee (the "University"). Total operating revenue is \$6,021,622, \$6,284,282, and \$6,311,239 for the years ended June 30, 2020, 2019, and 2018, respectively. Total operating revenue decreased \$262,660 or 4.2% compared to fiscal year 2019.

Nonoperating Revenue

Certain grants are also classified as nonoperating revenue if the Center is not required under the grant agreement to provide goods or services to the grantor of equal value to the services or dollars received. Total nonoperating revenue is \$1,754,843, \$2,298,773, and \$2,238,554 for the years ended June 30, 2020, 2019, and 2018, respectively. Included in this amount is in-kind contributions of \$969,128, \$1,060,266, and \$891,874 for the years ended June 30, 2020, 2019, and 2018, respectively. Overall, nonoperating revenue was down \$543,930 or 23.7%, compared to fiscal year 2019.

Total Revenue

The following depicts total revenue by source for the years ended June 30, 2020, 2019, and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Support from Ohio University	\$ 3,273,197	\$ 3,770,660	\$ 3,248,304
Grants and contracts	2,105,552	2,214,967	2,690,003
In-kind support	969,128	1,060,266	891,874
Sales, services and other	642,873	298,655	372,932
Private gifts	536,751	626,733	690,628
Investment income, net	248,964	611,774	656,052
Total revenue by source	<u>\$ 7,776,465</u>	<u>\$ 8,583,055</u>	<u>\$ 8,549,793</u>

Total Expenses

Operating expenses have been incurred to vendors and employees for providing goods or services for the overall operations of the Center. In addition, depreciation expense of \$503,349, \$477,359, and \$414,816 for the years ended June 30, 2020, 2019 and 2018, respectively, is shown as an operating expense. Operating expenses increased 6.9% primarily due to adjustments for GASB 75 and GASB 68.

WOUB Center for Public Media

Management's Discussion and Analysis (Continued)

The following depicts operating expenses for the Center for the years ended June 30, 2020, 2019, and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Program and support services	\$ 7,903,626	\$ 7,388,181	\$ 6,379,903
Depreciation	503,349	477,359	414,816
Total operating expenses	<u>\$ 8,406,975</u>	<u>\$ 7,865,540</u>	<u>\$ 6,794,719</u>

Change in Net Position

Total change in net position is as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenue	\$ 6,021,622	\$ 6,284,282	\$ 6,311,239
Nonoperating revenue	1,754,843	2,298,773	2,238,554
Expenses	<u>(8,406,975)</u>	<u>(7,865,540)</u>	<u>(6,794,719)</u>
Increase (decrease) in net position	(630,510)	717,515	1,755,074
Beginning net position	<u>19,563,488</u>	<u>18,845,973</u>	<u>17,090,899</u>
Ending net position	<u>\$ 18,932,978</u>	<u>\$ 19,563,488</u>	<u>\$ 18,845,973</u>

Statements of Cash Flows

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

WOUB Center for Public Media

Management's Discussion and Analysis (Continued)

The three categories of presentation and their respective amounts for the years ended June 30, 2020, 2019, and 2018 are as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net cash provided by (used in):			
Operating activities	\$ (630,338)	\$ 82,232	\$ 18,550,291
Noncapital financing activities	536,751	626,733	690,628
Capital and related financing activities	(746,464)	(886,723)	(1,336,842)
Investing activities	248,964	611,774	656,052
Net increase (decrease) in cash	(591,087)	434,016	18,560,129
Cash - Beginning of year	19,305,337	18,871,321	311,192
Cash - End of year	<u>\$ 18,714,250</u>	<u>\$ 19,305,337</u>	<u>\$ 18,871,321</u>

Capital Assets

The Center made certain additions to capital assets during fiscal year 2020. These capital asset additions included replacement of outdated broadcast equipment and upgrades to spectrum channels. More detailed information about the Center's capital assets is presented in Note 2 to the financial statements.

Economic Outlook and Items of Interest

Fiscal year 2020 turned into a year unlike any other and the WOUB Center for Public Media ("WOUB") continued to be a valuable part of the southeastern Ohio and western West Virginia area. Local and state news, along with national news related to the spread of the COVID-19 pandemic was at the forefront on the FM radio network, television broadcasts, AM station, online and social media platforms. Podcast and local news projects told the stories of our local area and brought localization of national issues and conversations, while maintaining local content via traditional broadcast. WOUB continues to extend the expertise of Ohio University to the local community and beyond. Topics from COVID-19, to racism in America, and healthcare led the way with ongoing discussions of the falling Appalachian economy, due in part to the local and statewide shutdowns.

WOUB provided the following key services to the local area:

1. As the pandemic began to spread, WOUB television and radio began broadcasting Ohio Governor Mike DeWine's daily press conferences from the state capital in Columbus. Beginning March 16, 2020 until June 5th, 2020, WOUB television carried the updates on its primary HD channel, including twenty straight days in a row, when public areas were being shut down as experts learned more about the spread. As a "new normal" began to set in, WOUB radio continued for many more weeks with broadcasting the governor's updates.

WOUB Center for Public Media

Management's Discussion and Analysis (Continued)

2. 105 episodes of local television news production and 22 episodes of area high school sports highlights.
3. Digital video content received 1.4M views on WOUB's YouTube channel in fiscal year 2020 (compared to 684.8K in fiscal year 2019) with 2,000 additional subscribers.
4. Podcast production continued in a rapid growth pattern, generating 322,851 visitors over multiple platforms in fiscal year 2020, (compared to 121,180 in fiscal year 2019).
5. Continued partnerships (The Ohio Valley ReSource, Nelsonville Music Festival, The Voinovich School of Leadership and Public Affairs, Barbara Gerald's Institute for Storytelling and Social Impact, Athens County Library System, as well as Perry County and St. Clairsville Public Library) to create content for and about the region. New K-12 educational partnerships within Ohio University and the Ohio Museum of Discovery led to additional community impact events.
6. The ability to cover news events online during the pandemic led to a large growth of users to the WOUB website. Page views on the site increased 127% from fiscal year 2019 to nearly 3M in fiscal year 2020, with a 47% increase in unique views during that same period.
7. WOUB's locally produced radio music content continues to improve and expand the diversity of artists and song writers to introduce new content to the broadcast coverage area.
8. WOUB introduced a new local livestream via YouTubeTV greatly expanding its coverage area for "cord cutters" within the region.
9. WOUB Radio was able to partner with Ohio University's professional theater, Tantrum Theater, to broadcast *Objects in the Mirror*, an acclaimed new play by local playwright Charles Smith. Originally scheduled for live theater in April 2020, the release of the play became a victim of COVID-19 safety protocols. Instead, the theater group was able to transition the play into a radio drama which was then broadcast.
10. Once K-12 schools reached the end of their final semesters, many in the WOUB area were left to conduct virtual only graduation programs. The WOUB service area includes many of the poorest counties in Ohio, and many households do not have access to broadband services in order to live-stream video. In order to assist in showcasing graduating seniors throughout the area, WOUB offered schools a half-hour television broadcast slot to produce content in celebration of their senior class. Thirteen area high schools participated in the service, and broadcast of their programs (available for free over-the-air) took place over a three-week period.

WOUB's local services have a deep impact in the local listening and viewing area. With the expansion to seven unique television programming streams, WOUB broadcasts more than 61,300 hours of content to an area not all served by traditional commercial television. Social media and digital platforms have allowed for direct conversations with listeners and viewers as it relates to content and local/national news. Regional partnerships allow for content creation and local voices to be heard while showcasing both the arts and the culture of the region.

WOUB Center for Public Media

Management's Discussion and Analysis (Continued)

Financial Highlights

Fiscal year 2020 launches the start of what could be years of challenging financial times, just like all other University units. As COVID-19 began to impact businesses, events and individuals, cancellations of memberships and underwriting led to a reduction of just over \$80K in those lines from the previous year. University announced projected deficits, announced four months prior to COVID-19, along with lower revenue results during the pandemic may require all University units, including WOUB, to realign and reassess activities moving forward.

Still, there were opportunities for public media entities to receive emergency funding from the Corporation for Public Broadcasting (CPB) through CPB's allocation of federal Cares Act funds, which WOUB was able to benefit from. The goal is to carry those initial funds into the following fiscal year as revenues look to be even more restricted moving forward.

Production/Broadcast Highlights

WOUB's broadcast master control was replaced and a new system went online in December 2019. Although staff did not realize how useful it would become so soon, the new system, including design elements, enabled a number of staff to work off site. That is, no individual needed to sit in a "master control center" in order to maintain the operation of the television broadcast signal. This proved to be more than useful as in mid-March 2020, the University requested that staff, faculty and students work remotely wherever possible for the safety of all involved. The television broadcast staff maintained all operations remotely through the rest of fiscal year 2020.

WOUB News: WOUB news coverage has evolved from just traditional broadcast to include YouTube, Facebook, Twitter, Instagram and online access to content. WOUB relies on college students (who typically leave for the summer) to support production efforts, yet summer of fiscal year 2020 saw television newscasts continue thanks fully to WOUB's new college paid internship program. While television news created 105 new episodes and was trending upward in the number of episodes produced and broadcast, COVID-19 and the University's move to remote learning saw the disappearance of student reporters and production staff that allow the program to be created.

FM Radio: The WOUB Public Media FM Radio Network is a five-station system covering more than 30 counties in three states. Listeners can tune in to high quality programming from NPR, PRI and WOUB while at the same time remaining informed with news from their own area from our 60 local news updates per week, available on-air locally and globally via streaming. WOUB FM continues to produce high quality and engaging local music content with an average week consisting of 33 hours of locally produced programming.

AM Radio: Serving primarily the immediate Athens's area, WOUB AM broadcasts local discussion content along with volunteer host driven music accounting for more than 73 hours of local content in a typical week.

Podcasts:

WOUB Center for Public Media

Management's Discussion and Analysis (Continued)

#457SEO Podcast: Launched in October 2016, WOUB's small team of journalists are dedicated to researching, writing, gathering and producing accurate information on behalf of its audiences in southeast Ohio including "Can Marijuana Grow the #457SEO Economy?"

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

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

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

Live from Jorma Kaukonen's Fur Peace Ranch Podcast: Hosted by Grammy nominee and Rock & Roll Hall of fame member Jorma Kaukonen (*Jefferson Airplane, Hot Tuna*) introduces each program's featured artist in a series of concerts recorded at the Fur Peace Ranch guitar camp in Meigs County, Ohio. An eclectic blend of performances including blues, folk, Americana, rock, bluegrass, and jazz.

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

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

Lifespan Podcast: launched in September 2018, you'll hear stories about encounters with the health care system. Each show contains stories bound by a common theme – a person's personal journey

WOUB Center for Public Media

Management's Discussion and Analysis (Continued)

through a particular type of medical trauma. The stories are deeply personal. Some stories reflect a person's response to treatment and other stories simply reflect on the aftermath of an illness. Even when multiple people are describing their experiences with the same disease, condition or treatment, each account is unique.

WOUB News Partnerships:

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

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

WOUB Sports:

As a part of WOUB news coverage, the WOUB sports team covers all Ohio University athletic programs and tells their stories on-air, online and via social media including an hour-long weekly radio sports talk program for the region. Four stations of the WOUB-FM network broadcast Ohio University football and men's basketball games (when available), while baseball and women's basketball games are broadcast via WOUB's AM radio station.

Gridiron Glory: In its 21st season, *Gridiron Glory* continues to cover area high school football across the broadcast area. Maintaining the excellence established through the years, *Gridiron Glory* airs live every Friday night during football season, *Gridiron Glory* tells the stories of each week's action – and more. As in past years, this season consisted of 13 weeks of broadcasts culminated with an hour-long week 14 live special.

Hardwood Heroes: Now in its eight season, *Hardwood Heroes* has a focus on boys and girls high school basketball. The program starts online in the fall, moves to television for eight weeks during conference play and finally back to extensive online coverage for any team advancing in the state tournament. This season of *Hardwood Heroes* wrapped up March 8th, one week prior to the beginning of statewide closure of K-12 schools due to the COVID-19 pandemic.

Our Town Documentary Production:

The *Our Town* productions are a series of sixty-minute feature documentaries that discover the heritage and spirit of local cities within WOUB's viewing area. To date, six documentaries have been produced: *Our Town: Lancaster*, *Our Town: Pomeroy*, *Our Town: Nelsonville*, *Our Town: Jackson*, *Our Town: Athens*, and *Our Town: Morgan County*. Each documentary presents fascinating stories of the towns' history,

WOUB Center for Public Media

Management's Discussion and Analysis (Continued)

personalities and unique contributions to the region, state, and nation. The fiscal year 2020 production was *Our Town: Gallipolis*. These documentaries become community events with advance public screenings in their location with local support making them possible. However, in fiscal year 2020, the March community screening was not able to be held due to COVID-19. WOUB found safe and effective ways to share this feature documentary in fiscal year 2021.

The WOUB Learning Lab:

WOUB Public Media has rebuilt a formal preschool and K-12 education department, extending learning objectives within the broadcast content directly to teachers, students and day-care providers. These services were formerly provided by an external agency (ETSEO – Educational Technology for South East Ohio). With the closing of ETSEO, WOUB Public Media took on the formal education deliverables and became one of eight Educational Technology agencies in Ohio. This allows WOUB Learning Lab to continue to provide educational resources to schools in the area and also to provide Educational Outreach to parents and learners of all ages.

Services include Ohio Ready to Learn workshops for family childcare and based providers. Workshops for fiscal year 2020 were retooled mid-year in order for them to be delivered virtually, adhering to COVID-19 safety protocols.

The Learning Lab also conducts K-12 teacher professional development and engages in area activities that promotes student engagement and learning including broadcast television premiere advance screenings, multi-age coding events, “Unconferences” (informal gatherings of teachers who share their best practices with other educators), and partnering with the local Museum of Discovery for “Discovery (and Discovery Jr.)” lab events.

Community Events:

Fiscal year 2020 saw the addition to the WOUB staff, a position of Community Engagement Manager. One of the key roles of this new position is to work with the communities in the WOUB coverage area to extend learning, create partnerships, and showcase the resources that WOUB has that can support the local area.

A few of these events from Fiscal year 2020 include:

1. WOUB as a primary sponsor of the “2019 Impact Ohio Southeast Regional Conference.” This full day event brought together state of Ohio key government officials and business leaders to meet with community members to discuss issues important to the region.
2. A film screening and panel discussion surrounding “Boys and Men Healing,” about the effects of male child sexual abuse and the importance of healing, speaking out, and advocating for ending the cycle of the sexual abuse of boys.
3. Adding a “community giveback” option during WOUB fundraisers. Instead of a donor selecting a thank-you gift, they can pledge for WOUB staff members to be active in service to the local communities in the coverage area. In fiscal year 2020, WOUB staff participated with a local food pantry in assisting them with a drive-through food distribution program to those 200% below the poverty line. WOUB staff also participated in Friday Night Life,

WOUB Center for Public Media

Management's Discussion and Analysis (Continued)

providing meals to those in need through Good Works, Athens. Unfortunately, these “hands on” projects also became victims of the pandemic and social distancing requirements.

Summary

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

WOUB Center for Public Media

Statements of Net Position

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Assets and Deferred Outflows of Resources		
Current Assets		
Prepaid expenses	\$ 91,543	\$ 3,907
Accounts receivable - Ohio University	18,714,250	19,305,337
Total current assets	<u>18,805,793</u>	<u>19,309,244</u>
Noncurrent Assets		
Net OPEB asset	7,104	7,182
Capital assets, net	4,025,133	3,782,018
Total noncurrent assets	<u>4,032,237</u>	<u>3,789,200</u>
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	503,417	779,393
Deferred outflows of resources related to OPEB	200,935	64,467
Total deferred outflows of resources	<u>704,352</u>	<u>843,860</u>
Total assets and deferred outflows of resources	<u><u>\$ 23,542,382</u></u>	<u><u>\$ 23,942,304</u></u>
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 309,780	\$ 212,896
Unearned revenue	129,670	151,856
Total current liabilities	<u>439,450</u>	<u>364,752</u>
Noncurrent Liabilities		
Accrued compensated absences	183,025	174,572
Net pension liability	2,524,552	2,812,019
Net OPEB liability	735,999	578,531
Total noncurrent liabilities	<u>3,443,576</u>	<u>3,565,123</u>
Total liabilities	<u>3,883,026</u>	<u>3,929,874</u>
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	457,824	243,876
Deferred inflows of resources related to OPEB	268,554	205,066
Total deferred inflows of resources	<u>726,378</u>	<u>448,942</u>
Net Position		
Net investment in capital assets	4,025,133	3,782,018
Unrestricted	14,907,845	15,781,470
Total net position	<u>18,932,978</u>	<u>19,563,488</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 23,542,382</u></u>	<u><u>\$ 23,942,304</u></u>

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

WOUB Center for Public Media

Statements of Revenue, Expense, and Changes in Net Position

	Year Ended June 30	
	2020	2019
Operating Revenue		
Federal grants and contracts	\$ 11,137	\$ 97,016
State grants and contracts	848,971	822,468
Community service grants	1,245,444	1,295,483
Support from Ohio University	3,273,197	3,770,660
Sales, Services and Other	642,873	298,655
Total operating revenue	6,021,622	6,284,282
Operating Expenses		
Programming and support services	7,903,626	7,388,181
Depreciation	503,349	477,359
Total operating expenses	8,406,975	7,865,540
Operating Loss	(2,385,353)	(1,581,258)
Nonoperating Revenue		
Private gifts	1,505,879	1,686,999
Investment income, net	248,964	611,774
Total nonoperating revenue	1,754,843	2,298,773
Increase (Decrease) in Net Position	(630,510)	717,515
Net Position - Beginning of year	19,563,488	18,845,973
Net Position - End of year	<u>\$ 18,932,978</u>	<u>\$ 19,563,488</u>

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

WOUB Center for Public Media

Statements of Cash Flows

	Year Ended June 30	
	2020	2019
Cash Flows from Operating Activities		
Grants and contracts	\$ 2,105,552	\$ 2,214,967
Support from Ohio University	3,273,197	3,770,660
Payments to suppliers	(3,103,098)	(2,987,582)
Payments to or on behalf of employees	(3,547,612)	(3,212,718)
Payments for scholarships and fellowships	(1,250)	(1,750)
Sales, services and other	642,873	298,655
Net cash provided by (used in) operating activities	(630,338)	82,232
Cash Flows from Noncapital Financing Activities		
Gifts for other-than-capital purposes	536,751	626,733
Cash Flows from Capital Financing Activities		
Purchases of capital assets	(746,464)	(886,723)
Cash Flows from Investing Activities		
Investment income, net	248,964	611,774
Net Increase (Decrease) in Cash Equivalents	(591,087)	434,016
Cash Equivalents - Beginning of year	19,305,337	18,871,321
Cash Equivalents - End of year	\$ 18,714,250	\$ 19,305,337

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

WOUB Center for Public Media

Statements of Cash Flows (Continued)

	Year Ended June 30	
	2020	2019
Reconciliation of Operating Loss to Net Cash		
Provided by Operating Activities		
Operating loss	\$ (2,385,353)	\$ (1,581,258)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	503,349	477,359
In-kind gifts	969,128	1,060,266
Changes in assets and deferred outflows of resources and liabilities and deferred inflows of resources:		
Accounts receivable	-	590,052
Prepaid expenses	(87,636)	-
Net OPEB Asset	78	(7,182)
Deferred outflows of resources related to pensions	275,976	(59,939)
Deferred outflows of resources related to OPEB	(136,468)	(2,441)
Net Pension Liability	(287,467)	278,358
Net OPEB Liability	157,468	(321,124)
Deferred inflows of resources related to pensions	213,948	(91,692)
Deferred inflows of resources related to OPEB	63,488	125,192
Accounts payable and accrued liabilities	88,958	(502,903)
Unearned revenue	(22,186)	105,368
Accrued compensated absences	16,379	12,175
Net cash provided by (used in) operating activities	<u>\$ (630,338)</u>	<u>\$ 82,231</u>

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

Note 1 - Organization and Summary of Significant Accounting Policies

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

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

The Center is not a separate legal entity and operates as a department of the University. The accompanying separate financial statements of the Center are prepared solely to meet the reporting requirements of the Corporation for Public Broadcasting, a major funding organization. These financial statements include only the activities of the Center and therefore, they are not intended to present fairly the financial position, change in net position, and cash flows of the University in conformity with accounting principles generally accepted in the United States of America. For a more extensive disclosure of significant accounting policies, refer to the University’s financial statements available by contacting the Ohio University Controller’s Office, 204 West Union Street Office Center, Athens, OH 45701.

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

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

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

WOUB Center for Public Media

Notes to Financial Statements (Continued) June 30, 2020 and 2019

affect certain amounts reported in the financial statements. The estimates and assumptions are based on currently available information and actual results could differ from those estimates.

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

Accounts Receivable - Accounts receivable from the University for both fiscal years 2019 and 2020 include the amount of \$14.1M held at the University as board-designated endowment investments. This endowment investment is actively generating investment income which is distributed to the Center. All amounts are deemed to be collectible; therefore, no allowance has been established as of June 30, 2020 or 2019.

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

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

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

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

Deferred Outflows and Deferred Inflows of Resources - In addition to assets and liabilities, the statements of net position report a separate section for deferred outflows and inflows of resources. These separate financial statement elements represent a consumption (outflows) and acquisition (inflows) of net position that apply to future periods and so will not be recognized as an outflow of resources (expense/expenditure) or inflow of resources (revenue) until that time. The Center's deferred outflows and inflows of resources are related to its pensions and other postemployment benefits (OPEB) (see Note 7 for more information). The Center recorded total deferred outflows of resources of \$704,352 and \$843,860 at June 30, 2020 and 2019, respectively, and total deferred inflows of resources of \$726,378 and \$448,942 at June 30, 2020 and 2019, respectively.

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

WOUB Center for Public Media

Notes to Financial Statements (Continued) June 30, 2020 and 2019

Certain employees are also eligible for compensatory time off in lieu of overtime pay. This is either used or paid out upon separation. The liability incurred is recorded at year end in the statements of net position and the change over the prior year is recorded as a component of operating expense in the statements of revenue, expense, and changes in net position.

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

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

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

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

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

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

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

WOUB Center for Public Media

Notes to Financial Statements (Continued) June 30, 2020 and 2019

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

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

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

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

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

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

Recent Accounting Pronouncements

Reporting for Leases - In June 2017, GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Center is currently evaluating the impact of this standard. The provisions of this statement are effective for the Center's financial statements for the year ending June 30, 2022.

Reporting for Interest Costs Incurred before the End of a Construction Period - Effective July 1, 2018, the Center adopted Governmental Accounting Standards Board (GASB) Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the

WOUB Center for Public Media

Notes to Financial Statements (Continued) June 30, 2020 and 2019

period incurred. As a result, interest cost incurred before the end of a construction period is not capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The standard was adopted prospectively and resulted in increased interest expense during periods of construction.

Note 2 - Capital Assets

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

The following tables present the changes in the various capital asset categories for the years ended June 30, 2020 and 2019:

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

WOUB Center for Public Media

Notes to Financial Statements (Continued) June 30, 2020 and 2019

	Balance July 1, 2018	Additions	Transfers	Retirements	Balance June 30, 2019
Capital assets not being depreciated -					
Land	\$ 69,235	\$ -	\$ -	\$ -	\$ 69,235
Construction in progress	842,219	15,082	(814,708)	-	42,593
Total capital assets not being depreciated	911,454	15,082	(814,708)	-	111,828
Capital assets being depreciated:					
Infrastructure	5,861,312	274,990	233,449	-	6,369,751
Buildings	3,054,061	1,824	41,208	-	3,097,093
Machinery and equipment	8,472,527	594,826	540,052	(401,696)	9,205,709
Total capital assets being depreciated	17,387,900	871,641	814,708	(401,696)	18,672,553
Total capital assets	18,299,354	886,723	814,708	(401,696)	18,784,381
Less accumulated depreciation:					
Infrastructure	5,034,746	214,435	-	-	5,249,181
Buildings	2,556,443	46,848	-	-	2,603,291
Machinery and equipment	7,335,511	216,076	-	(401,696)	7,149,891
Total accumulated depreciation	14,926,700	477,359	-	(401,696)	15,002,363
Total capital assets being depreciated - Net	2,461,200	394,282	814,708	-	3,670,190
Capital assets - Net	\$ 3,372,654	\$ 409,364	\$ -	\$ -	\$ 3,782,018

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

WOUB Center for Public Media

Notes to Financial Statements (Continued) June 30, 2020 and 2019

Note 3 - Accounts Payable and Accrued Liabilities

The fiscal year 2020 Accounts Payable and Accrued Liabilities balance includes accrued expense associated with the University's early retirement and voluntary separation incentive plans. This expense is offset by corresponding revenue received from the University.

Accounts payable and accrued liabilities as of June 30, 2020 and 2019 consist of the following:

	2020	2019
Accounts payable	\$ 45,617	\$ 152,735
Accrued payroll	233,468	37,392
Accrued compensated absences - Current portion	30,695	22,769
Total	<u>\$ 309,780</u>	<u>\$ 212,896</u>

Note 4 - Accrued Compensated Absences

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

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

The estimated liability for accrued vacation and compensatory time at June 30, 2020 and 2019 was \$181,029 and \$163,792, respectively.

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

The estimated liability for accrued sick leave at June 30, 2020 and 2019 was \$32,691 and \$33,549, respectively.

WOUB Center for Public Media

Notes to Financial Statements (Continued) June 30, 2020 and 2019

Compensated absences at June 30, 2020 and 2019 are summarized as follows:

	Beginning Balance	Additions	Ending Balance	Current Portion
For the year ended:				
June 30, 2020	\$ 197,341	\$ 16,379	\$ 213,720	\$ 30,695
June 30, 2019	185,166	12,175	197,341	22,769

Note 5 – Support from Ohio University

The operations of WOUB Center for Public Media are supported in part by the general revenue of the University. The University provides for the general operating costs of WOUB operations. The University's direct support amounted to \$2,602,646 and \$3,100,105 for the years ended June 30, 2020 and 2019, respectively. In addition, the University provided \$670,551 and \$670,555 in indirect administrative support during fiscal years 2020 and 2019, respectively. The indirect administrative support revenue was calculated using the "basic method" rate of 1.07% and 1.04% for the fiscal years ended 2020 and 2019, respectively.

Note 6 - Nonfederal Financial Support (NFFS)

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

A "contribution" is cash, property, or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be an entity except the federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation, or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcast station or for the production, acquisition, distribution, or dissemination of educational television or radio program and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station. However, to eliminate distortions in the TV CSG grant program precipitated by extraordinary infusions of new capital investments in DTV, all capital contributions received for the purpose of acquiring new equipment or upgrading existing or building new facilities, regardless of source or form of the contribution, are not included in calculating the 2020 or 2019 NFFS. This change excludes all revenue received for any capital purchases.

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

WOUB Center for Public Media

Notes to Financial Statements (Continued) June 30, 2020 and 2019

Reported NFFS for WOUB was \$5,579,562 and \$5,538,516 for fiscal years 2020 and 2019, respectively.

Note 7 - Retirement Plans

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

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

The employee and employer rates are the same for ARP employees as the retirement system under which they would otherwise be covered. However, for those who would otherwise be covered by STRS Ohio and who instead elect the ARP, 4.47% of the employer contribution goes to the STRS Ohio retirement system and for those who would otherwise be covered by OPERS and instead elect the ARP, 2.44% goes to the OPERS systems at June 30, 2020 and 2019. The Center's contributions each year are equal to its required contributions. Member contributions are set at the maximums authorized by the ORC.

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

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

WOUB Center for Public Media

Notes to Financial Statements (Continued) June 30, 2020 and 2019

The plans' 2019 contribution rates on covered payroll to each system are as follows:

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

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

Plan	Employer Contributions - for the years ended June 30			
	2020		2019	
	Pension	OPEB	Pension	OPEB
STRS Ohio	\$ 16,311	\$ -	\$ 16,832	\$ -
OPERS	202,768	-	203,157	-
ARP	68,633	-	65,796	-
	<u>\$ 287,712</u>	<u>\$ -</u>	<u>\$ 285,785</u>	<u>\$ -</u>

Benefits Provided

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

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

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

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

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

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

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

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

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

Each retirement system issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment healthcare plans. Interested parties may obtain a copy of the STRS Ohio report by making a written request to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling toll free 888-227-7877, or by visiting the STRS Ohio website at www.strsoh.org. The OPERS report may be obtained by making a written request to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Net Pension Liability, Deferrals, and Pension Expense - At June 30, 2020 and 2019, the Center reported a liability for its allocated share of the University's net pension liability of both STRS Ohio and OPERS. For June 30, 2020, the net pension liability was measured as of June 30, 2019 for the STRS Ohio plan and December 31, 2019 for the OPERS plan. For June 30, 2019, the net pension liability was measured as of June 30, 2018 for the STRS Ohio plan and December 31, 2018 for the OPERS plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The University's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

WOUB Center for Public Media

Notes to Financial Statements (Continued) June 30, 2020 and 2019

At June 30, 2020 and 2019, the University's proportionate share of the net pension liability for OPERS was 0.92% and 0.80%, respectively. At June 30, 2020 and 2019, the University's proportionate share of the net pension liability for STRS Ohio was 0.91% and 0.96%, respectively. The amount the University allocated to the Center is based on total retirement contributions for the Center's employees as a percentage of the total retirement contributions for the University. At June 30, 2020 and 2019, the Center's allocation of the University's proportion was 0.66% and 0.65%, respectively.

For the years ended June 30, 2020 and 2019, the Center's proportionate shares of the net pension liability are as follows:

Plan	Measurement Date	Net Pension Liability		Proportionate Share		Percent Change 2019-20	Percent Change 2018-19
		2020	2019	2020	2019		
STRS Ohio	June 30	\$ 187,955	\$ 215,160	0.0008%	0.0010%	-0.0001%	0.0001%
OPERS	December 31	2,336,597	2,596,859	0.0119%	0.0095%	0.0024%	-0.0054%
		<u>\$ 2,524,552</u>	<u>\$ 2,812,019</u>				

For the years ended June 30, 2020 and 2019, the Center recognized pension expense of \$490,169 and \$412,512 respectively.

For the years ended June 30, 2020 and 2019, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,352	\$ 23,297	\$ 32,225	\$ 29,702
Changes in assumptions	221,408	-	370,442	-
Net difference between projected and actual earnings on pension plan investments	-	307,025	196,253	83,552
Changes in proportion and differences between the Center's contributions and proportionate share of contributions	114,443	127,502	20,769	130,622
Center's contributions subsequent to the measurement date	156,214	-	159,704	-
Total	<u>\$ 503,417</u>	<u>\$ 457,824</u>	<u>\$ 779,393</u>	<u>\$ 243,876</u>

WOUB Center for Public Media

Notes to Financial Statements (Continued) June 30, 2020 and 2019

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

Years Ending June 30	Amount
2021	\$ 70,730
2022	(55,825)
2023	(23,433)
2024	(101,687)
2025	(127)
Thereafter	(279)
	<u>\$ (110,621)</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 (2021).

Net OPEB Liability/(Asset), Deferrals, and OPEB Expense - At June 30, 2020, the Center reported a liability/(asset) for its proportionate share of the net OPEB liability/(asset) of both STRS Ohio and OPERS. For June 30, 2020, the net OPEB liability/(asset) was measured as of June 30, 2019 for the STRS Ohio plan, and December 31, 2019 for the OPERS plan. For June 30, 2019, the net OPEB liability/(asset) was measured as of June 30, 2018 for the STRS Ohio plan, and December 31, 2018 for the OPERS plan. The total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of those dates, except OPERS which used an actuarial valuation dated December 31, 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/(asset) would be based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. For the plan years ended June 30, 2019 and 2018, STRS Ohio did not allocate employer contributions to the OPEB plan. Therefore, STRS Ohio's calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB. For the plan years ended December 31, 2019 and 2018, OPERS allocated 0% of the total 14% employer contributions to the OPEB plan. Therefore, OPERS' calculation of the employers' proportionate share is based on total contributions to the plan for both pension and OPEB.

At June 30, 2020 and 2019, the University's proportionate share of the net OPEB liability for OPERS was 0.91% and 0.79%, respectively. At June 30, 2020 and 2019, the University's proportionate share of the net OPEB (asset) for STRS Ohio was 0.91% and 0.96%, respectively. The amount the University allocated to the Center is based on total retirement contributions for the Center's employees as a percentage of the total retirement contributions for the University. At June 30, 2020 and 2019, the Center's allocation of the University's proportion was 0.66% and 0.65%, respectively.

WOUB Center for Public Media

Notes to Financial Statements (Continued) June 30, 2020 and 2019

For the years ended June 30, 2020 and 2019, the Center's proportionate share of the net OPEB liability/(asset) is as follows:

Plan	Measurement Date	Net OPEB Liability/ (Asset)		Proportionate Share		Percent Change 2019-20	Percent Change 2018-19
		2020	2019	2020	2019		
STRS Chio	June 30	\$ (7,104)	\$ (7,182)	0.0004%	0.0004%	-0.00002%	-0.00145%
CPERS	December 31	735,999	578,531	0.0053%	0.0044%	0.00089%	-0.00316%
		<u>\$ 728,895</u>	<u>\$ 571,349</u>				

For the years ended June 30, 2020 and 2019, the Center recognized OPEB expense of \$84,565 and (\$205,553).

For the years ended June 30, 2020 and 2019, the Center reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,033	\$ 80,807	\$ 11,990	\$ 7,688
Changes in assumptions	133,198	108,973	21,668	137,210
Net difference between projected and actual earnings on OPEB investments	-	48,419	30,809	11,501
Changes in proportion and differences between the Center's contributions and proportionate share of contributions	58,704	30,355	-	48,667
Total	<u>\$ 200,935</u>	<u>\$ 268,554</u>	<u>\$ 64,467</u>	<u>\$ 205,066</u>

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

Years Ending June 30	Amount
2021	\$ 10,886
2022	7,407
2023	(23,358)
2024	(40,536)
2025	(21,972)
Thereafter	(46)
	<u>\$ (67,619)</u>

Actuarial Assumptions - The total pension liability and OPEB liability/(asset) in the actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement as of June 30, 2020:

	STIRS Ohio	OPERS
Valuation date - Pension	June 30, 2019	December 31, 2019
Valuation date - OPEB	June 30, 2019	December 31, 2018, rolled forward to December 31, 2019
Actuarial cost method	Entry age normal	Individual entry age
Cost of living adjustments	0%	Pre-1/7/2013 retirees: 3.0% simple; Post-1/7/2013 retirees: 1.4% simple through 2020, then 2.15% simple
Salary increases, including inflation	2.5% - 12.5%	3.25% - 10.75%
Inflation	2.5%	3.25%
Investment rate of return - Pension	7.45%, net of investment expenses, including inflation	7.2%, net of investment expense, including inflation
Investment rate of return - OPEB	7.45%, net of investment expenses, including inflation	6.0%, net of investment expenses, including inflation
Health care cost trend rates	4.93% - 9.62% initial, 4.0% ultimate	10.5% initial, 3.5% ultimate in 2030
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2015
Mortality basis	RP-2014 Annuitant and Disabled Mortality Tables with varying percentage of rates through age ranges (healthy retirees) and with 90% of rates for males and 100% of rates for females (disabled), projected forward generationally using mortality improvement scale MP-2016	RP-2014 Healthy Annuitant/Disabled mortality table (MP-2015 mortality improvement scale)

The following actuarial assumptions, applied to all periods included in the measurement as of June 30, 2019, were as follows:

	STIRS Ohio	OPERS
Valuation date - Pension	July 1, 2018	December 31, 2018
Valuation date - OPEB	June 30, 2018	December 31, 2017
Actuarial cost method	Entry age normal	Individual entry age
Cost of living	None	3.0 percent simple through 2018, then 2.15 percent simple
Salary increases, including inflation	2.50 percent - 12.50 percent	3.25 percent - 10.75 percent
Inflation	2.50 percent	3.25 percent
Investment rate of return - Pension	7.45 percent, net of investment expense, including inflation	7.20 percent, net of investment expense, including inflation
Investment rate of return - OPEB	7.45 percent, net of investment expense, including inflation	6.00 percent, net of investment expense, including inflation
Health care cost trend rates	Minus 5.23 percent - 9.62 percent initial, 4.0 percent ultimate	10.00 percent initial, 3.25 percent ultimate in 2029
Experience study date	Period of 5 years ended June 30, 2016	Period of 5 years ended December 31, 2015
Mortality basis	RP-2014 Annuitant and Disabled Mortality Tables with varying percentage of rates through age ranges (healthy retirees) and with 90% of rates for males and 100% of rates for females (disabled), projected forward generationally using mortality improvement scale MP-2016	RP-2014 Healthy Annuitant/Disabled mortality table (MP-2015 mortality improvement scale)

Discount Rate - The discount rates used to measure the total pension liabilities at June 30, 2020 were 7.45% for STRS Ohio and 7.20% for OPERS and were unchanged from June 30, 2019. 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, each 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 rates used to measure the total OPEB liabilities/(assets) at June 30, 2020 were 7.45% for STRS Ohio and 3.16% for OPERS. The discount rates used to measure the total OPEB liabilities/(assets) at June 30, 2019 were 7.45% for STRS Ohio and 3.96% for OPERS. 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/(asset). At plan years June 30, 2019 and 2018 for STRS Ohio and plan year December 31, 2019 for OPERS, fiduciary net position was projected to be available to make all projected future benefit payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability/(asset). The municipal bond rate of 2.75%, based on the Fidelity 20-year Municipal GO AA Index, was used. At plan year December 31, 2018 for OPERS, the fiduciary net position was projected to become insufficient to make all projected future benefit payments for current 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 and the Fidelity 20-year Municipal General Obligation AA Index rate of 3.71% at December 31, 2018.

For OPERS the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2034. As a result, the actuarial assumed 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.

The long-term expected rate of return on pension plan and OPEB plan 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 (geometric for STRS Ohio) real rates of return for each major asset class are summarized in the following tables:

WOUB Center for Public Media

Notes to Financial Statements (Continued) June 30, 2020 and 2019

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

* Includes inflation of 2.25%

STRS Ohio - as of 7/1/18			OPERS - as of 12/31/18				
Investment Category	Target Allocation	Long-term Expected	Defined Benefit Portfolio		Health Care Portfolio		
		Real Rate of Return*	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return	
Domestic Equity	28.00%	7.35%	Domestic Equities	19.00%	6.21%	21.00%	6.21%
International Equity	23.00%	7.55%	International Equities	20.00%	7.83%	22.00%	7.83%
Alternatives	17.00%	7.09%	Private Equity	10.00%	10.81%	-	-
Fixed Income	21.00%	3.00%	Fixed Income	23.00%	2.79%	34.00%	2.42%
Real Estate	10.00%	6.00%	Real Estate	10.00%	4.90%	-	-
Liquidity Reserves	1.00%	2.25%	REITs	-	-	6.00%	5.98%
			Other Investments	18.00%	5.50%	17.00%	5.57%
	<u>100.00%</u>			<u>100.00%</u>		<u>100.00%</u>	

* Includes inflation of 2.25%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Center, calculated using the discount rate listed below, as well as what the Center's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Plan	2020		Current Discount Rate		2019	
	% Decrease		% Increase		% Decrease	% Increase
STRS Ohio	6.45%	\$ 274,677	7.45%	\$ 187,956	8.45%	\$ 114,542
OPERS	6.20%	3,880,352	7.20%	2,336,596	8.20%	950,610
		<u>\$ 4,155,029</u>		<u>\$ 2,524,552</u>		<u>\$ 1,065,152</u>
STRS Ohio	6.45%	\$ 314,213	7.45%	\$ 215,160	8.45%	\$ 131,325
OPERS	6.20%	3,848,747	7.20%	2,596,859	8.20%	1,557,228
		<u>\$ 4,162,960</u>		<u>\$ 2,812,019</u>		<u>\$ 1,688,553</u>

WOUB Center for Public Media

Notes to Financial Statements (Continued)

June 30, 2020 and 2019

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate - The following presents the net OPEB liability/(asset) of the Center, calculated using the discount rate listed below, as well as what the Center's net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2020							
Plan	% Decrease		Current Discount Rate	% Increase			
STRS Ohio	6.45%	\$ (6,062)	7.45%	\$ (7,104)	8.45%	\$ (7,981)	
OPERS	2.16%	963,173	3.16%	735,999	4.16%	554,107	
		<u>\$ 957,111</u>		<u>\$ 728,895</u>		<u>\$ 546,126</u>	
2019							
Plan	% Decrease		Current Discount Rate	% Increase			
STRS Ohio	6.45%	\$ (6,156)	7.45%	\$ (7,182)	8.45%	\$ (8,045)	
OPERS	2.96%	740,157	3.96%	578,531	4.96%	449,996	
		<u>\$ 734,001</u>		<u>\$ 571,349</u>		<u>\$ 441,951</u>	

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rate - The following presents the net OPEB liability/(asset) of the Center, calculated using the health care cost trend rate listed below, as well as what the Center's net OPEB liability/(asset) would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

2020			
Plan	% Decrease	Current Trend Rate	% Increase
STRS Ohio	\$ (8,056)	\$ (7,104)	\$ (5,939)
OPERS	714,281	735,999	757,441
	<u>\$ 706,225</u>	<u>\$ 728,895</u>	<u>\$ 751,502</u>
2019			
Plan	% Decrease	Current Trend Rate	% Increase
STRS Ohio	\$ (7,996)	\$ (7,182)	\$ (6,355)
OPERS	556,094	578,531	604,373
	<u>\$ 548,098</u>	<u>\$ 571,349</u>	<u>\$ 598,018</u>

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

Payable to the Pension Plan and OPEB Plan - At June 30, 2020, the Center reported a payable of \$13,084 and \$0 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2020. At June 30, 2019, the Center reported a payable of \$12,881 and \$0 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2019.

Changes in Assumptions - STRS Ohio changed the trend rate for OPEB from -5.32%-9.62% initial and 4% ultimate at June 30, 2018 to 4%-9.62% initial and 4% ultimate at June 30, 2019. During the plan year ended December 31, 2019, OPERS increased the discount rate from 3.16% to 3.96%. In addition, the OPERS trend rate was changed from 10% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.5% ultimate in 2030.

Changes Between Measurement Date and Report Date – On January 15, 2020, the OPERS Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements, nor are they reflected in the December 31, 2019 measurement date health care valuation. However, these changes are expected to decrease the associated OPEB liability calculation for the measurement date of December 31, 2020.

Defined Contribution Plans - The ARP is a defined contribution pension plan, under IRS Section 401(a), and established by Ohio Amended Substitute House Bill 586 (ORC 3305.02) on March 31, 1998, for public institutions of higher education. The University's board of trustees adopted the University's plan on April 18, 1998. Full-time employees are eligible to choose a provider, in lieu of STRS Ohio or OPERS, from the list of seven providers currently approved by the Ohio Department of Insurance and who hold agreements with the University. Employee and employer contributions equal to those required by STRS Ohio and OPERS are required for the ARP, less any amounts required to be remitted to the state retirement system in which the employee would otherwise have been enrolled.

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS Ohio or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of seven private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. That amount is 4.47% for STRS Ohio and 2.44% for OPERS for the years ended June 30, 2020 and 2019. The employer also contributes what would have been the employer's contribution under STRS Ohio or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with immediate plan vesting.

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

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

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

OPERS provides retirement, disability, and survivor benefits as well as postemployment healthcare coverage to qualifying members of its plans. A portion of each employer's contribution to OPERS is allocated for funding of postretirement health care. The portion of employer contributions, for all employers, allocated to health care was 0% during calendar year 2019.

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

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

The Board allocates employer contributions to the Health Care Stabilization Fund from which healthcare benefits are paid. Effective July 1, 2014, the Board discontinued allocating 1% of employer contributions to the Health Care Stabilization Fund. The balance in the Health Care Stabilization Fund was \$3.9 billion as of June 30, 2019.

For the fiscal year ended June 30, 2019, net healthcare costs paid by STRS Ohio were \$489.2 million. There were 157,418 eligible benefit recipients.

Required Supplementary Information

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

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

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

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

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

WOUB Center for Public Media

Required Supplementary Information (Continued)

Schedule of Center's Pension Contributions

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

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

Notes to Required Supplementary Information – Pension Plans

Changes in benefit terms: There were no changes in benefit terms affecting the STRS Ohio and OPERS plans for the plan years ended June 30, 2019 and December 31, 2019, respectively.

Changes in assumptions:

- STRS Ohio: During the plan year ended June 30, 2017, there were changes to several assumptions for STRS Ohio. The cost-of-living adjustment dropped from 2.00% to 0.00%. The wage inflation dropped from 2.75% to 2.50%. The investment rate of return decreased from 7.75% to 7.45%. The mortality tables used changed from RP-2000 to RP-2014.

WOUB Center for Public Media

Required Supplementary Information (Continued)

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

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

Schedule of the Center's Pension Contributions – OPERS. The OPERS pension contribution is presented net of OPEB allocation starting in 2017. 2017 OPEB allocation was higher compared to 2018 consequently, the OPERS net pension contribution was lower in 2017. 2016 and 2015 OPERS contribution numbers were not adjusted to exclude OPEB allocation. There was no OPEB allocation in 2020 or 2019.

WOUB Center for Public Media

Required Supplementary Information (Continued)

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

Plan Year	Center's proportion of the net OPEB liability/(asset)	Center's proportionate share of the net OPEB liability/(asset)	Center's covered payroll	Center's proportionate share of the net OPEB liability/(asset), as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability/(asset)
STRS Ohio					
2020	0.0053%	\$ (7,104)	\$ 116,696	-6.1%	77.4%
2019	0.0004%	(7,182)	136,861	-5.2%	176.0%
2018	0.0019%	75,984	149,246	50.9%	47.1%
OPERS					
2020	0.0053%	\$ 735,999	\$ 1,349,191	54.6%	47.8%
2019	0.0044%	578,531	1,376,714	42.0%	46.3%
2018	0.0076%	823,670	1,419,629	58.0%	54.1%

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

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

WOUB Center for Public Media

Required Supplementary Information (Continued)

Schedule of Center's OPEB Contributions

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

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

Notes to Required Supplementary Information – OPEB

Changes in benefit terms: There were no significant changes in benefit terms affecting the STRS Ohio and OPERS plans for the plan years ended June 30, 2019 and December 31, 2019, respectively.

Changes in assumptions:

- STRS Ohio: During the plan year ended June 30, 2018 the health care cost trend rates decreased from 6.00% to 11.00% initial and 4.50% ultimate to minus 5.23% to 9.62% initial and 4% ultimate and the discount rate increased from 4.13% to 7.45%. During the plan year ended June 30, 2019 the health care trend rates changed to 4%-9.62% initial and 4% ultimate.
- OPERS: During the plan year ended December 31, 2018, the long-term investment return assumption for the Health Care portfolio was reduced from 6.50% to 6.00%. During the plan year ended December 31, 2019, OPERS increased the discount rate from 3.16% to 3.96%. In addition, the OPERS trend rate was changed from 10% initial, 3.25% ultimate in 2029 to 10.5% initial, 3.5% ultimate in 2030.

Supplementary Information

WOUB Center for Public Media

Combining Statements of Revenues, Expenses and Changes in Net Position June 30, 2020 and 2019

	June 30, 2020			June 30, 2019		
	Television	Radio	Total	Television	Radio	Total
Operating Revenue						
Federal grants and contracts	\$ 9,247	\$ 1,890	\$ 11,137	\$ 94,467	\$ 2,549	\$ 97,016
State grants and contracts	735,779	113,192	848,971	722,180	100,288	822,468
Community service grants	1,064,596	180,848	1,245,444	1,083,170	212,313	1,295,483
Support from Ohio University	2,548,198	725,000	3,273,198	3,037,313	733,347	3,770,660
Sales, Services and Other	442,101	200,772	642,873	170,986	127,669	298,655
Total operating revenue	4,799,921	1,221,702	6,021,623	5,108,116	1,176,166	6,284,282
Operating Expenses						
Programming and support services	6,032,753	1,870,873	7,903,626	5,441,815	1,946,366	7,388,181
Depreciation	387,579	115,770	503,349	367,566	109,793	477,359
Total operating expenses	6,420,331	1,986,643	8,406,975	5,809,381	2,056,159	7,865,540
Operating (Loss)	(1,620,411)	(764,941)	(2,385,352)	(701,265)	(879,993)	(1,581,258)
Nonoperating Revenue						
Private gifts	983,625	522,254	1,505,879	1,072,781	614,218	1,686,999
Investment income, net	248,639	325	248,964	610,692	1,082	611,774
Total nonoperating revenue	1,232,264	522,579	1,754,843	1,683,473	615,300	2,298,773
Increase (Decrease) in Net Position	(388,147)	(242,363)	(630,510)	982,207	(264,692)	717,515
Net Position - Beginning of year	15,854,291	3,709,197	19,563,488	14,872,085	3,973,888	18,845,973
Net Position - End of year	<u>\$ 15,466,143</u>	<u>\$ 3,466,835</u>	<u>\$ 18,932,978</u>	<u>\$ 15,854,291</u>	<u>\$ 3,709,197</u>	<u>\$ 19,563,488</u>

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

Board of Trustees
WOUB Center for Public Media
Athens, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of WOUB Center for Public Media (the "Center"), a department of Ohio University, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the Center's basic financial statements, and have issued our report thereon dated December 22, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Columbus, Ohio
December 22, 2020

OHIO AUDITOR OF STATE KEITH FABER



WOUB CENTER FOR PUBLIC MEDIA

ATHENS 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 1/19/2021

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