WBGU-TV

(A Public Telecommunications Entity
Operated by Bowling Green State University)

WOOD COUNTY
FINANCIAL REPORT
WITH SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Trustees
WBGU-TV
1851 N Research Drive
Bowling Green, Ohio 43403

We have reviewed the *Independent Auditor's Report* of the WBGU-TV, Wood County, prepared by Forvis Mazars, LLP, for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

December 12, 2024

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Contents

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Independent Auditor's Report

Board of Trustees
WBGU-TV
Bowling Green, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WBGU-TV (the "Station"), a public telecommunications department within Bowling Green State University (the "University"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Station, as of June 30, 2024, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements of WBGU-TV are intended to present the financial position, changes in financial position, and cash flows of only that portion of the business-type activities that is attributable to the transactions of WBGU-TV. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2024, the changes in its financial position or its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WBGU-TV's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WBGU-TV's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2024, on our consideration of WBGU-TV's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WBGU-TV'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 WBGU-TV's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Cincinnati, Ohio
November 25, 2024

Overview of the Financial Statements and Financial Analysis

This section of the WBGU-TV annual financial report presents management's discussion and analysis of the financial performance of the television station during the fiscal years ended June 30, 2024 and 2023. This discussion is unaudited and provides an overview of the financial activities and should be read in conjunction with the accompanying financial statements and footnotes.

Using the Annual Financial Statements

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

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

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

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

Noteworthy Financial Activity

- Investment income increased approximately $87,000 in fiscal year 2024 as market conditions continued to be favorable.
- WBGU-TV completed an approximate $670,000 project to upgrade one of its towers.

Condensed Statements of Net Position as of June 30, 2024 and 2023

	2024	2023
Assets		
Current assets	$ 3,551,378	$ 4,179,724
Noncurrent assets:		
Capital assets	2,034,378	1,455,197
Other	2,224,498	1,982,058
Total noncurrent assets	4,258,876	3,437,255
Total assets	7,810,254	7,616,979
Deferred outflows of resources	233,587	348,927
Liabilities		
Current liabilities	1,288,212	1,296,785
Noncurrent liabilities	844,534	922,019
Total liabilities	2,132,746	2,218,804
Deferred inflows of resources	222,355	157,943
Net position		
Net investment in capital assets	2,034,378	1,455,197
Unrestricted	1,567,607	2,239,245
Restricted for:		
Nonexpendable endowments	1,057,144	1,057,144
Expendable	1,029,611	837,573
Total net position	$ 5,688,740	$ 5,589,159

The Statement of Net Position for 2023 was restated to reflect the current and noncurrent portions of WBGU-TV's lease receivable, consistent with the presentation of 2024.

Current assets consist of cash and cash equivalents, receivables and prepaid expenses. Current assets totaled approximately $3,551,000 at June 30, 2024 as compared to approximately $4,180,000 at June 30, 2023.

Fiscal year 2024 compared to 2023

- The current portion of lease receivables increased approximately $12,000 due to an extension of a tower lease.
- Grants receivable increased approximately $47,000 due to the timing of payments received from sponsor organizations.
- Increases in lease receivables and grants receivables were offset by a decrease in cash and cash equivalents of approximately $708,000 due primarily to funds expended for the tower upgrade project.

Noncurrent assets include capital assets, net of accumulated depreciation, the noncurrent portion of lease receivables, endowment investments at fair value and pension and other postemployment benefit ("OPEB") assets. Noncurrent assets totaled approximately $4,259,000 at June 30, 2024 as compared to approximately $3,437,000 at June 30, 2023.

Fiscal year 2024 compared to 2023

- The current portion of lease receivables increased approximately $50,000 due to an extension of a tower lease.
- Capital assets increased by approximately $745,000 due to a tower upgrade project and camera equipment purchases and was reduced by approximately $166,000 of depreciation expense.
- Endowment investments increased by approximately $159,000 due to favorable market conditions in 2024.
- Pension and OPEB assets increased by approximately $33,000, related to GASB Statements No. 68 and 75.

Total liabilities include accounts payable, accrued expenses, unearned revenue, accrued compensated balances, and pension and OPEB obligations. Total liabilities were approximately $2,133,000 at June 30, 2024 as compared to approximately $2,219,000 at June 30, 2023.

Fiscal year 2024 compared to 2023

- Pension and OPEB obligations decreased by approximately $62,000, directly related to GASB Statements No. 68 and 75.
- Accrued compensated absences decreased by approximately $28,000, due to the timing of vacation leave usage and fluctuations in the volume of sick leave payouts from year to year.

Net position presents the difference between WBGU-TV's assets and liabilities. Total net position totaled approximately $5,689,000 at June 30, 2024 as compared to $5,589,000 at June 30, 2023.

Fiscal year 2024 compared to 2023

- The unrestricted net position for 2024 decreased approximately $672,000 primarily due to funds used to upgrade a tower and to purchase additional camera equipment.
- The investment in capital assets net position increased approximately $579,000 due a tower upgrade project and camera equipment purchases.
- The restricted expendable net position increased by approximately $192,000 due to market gains related to favorable market performance during 2024 and the pension and OPEB assets of approximately $33,000 at June 30, 2024.

Condensed Statements of Revenues, Expenses, and Changes in Net Position for the Years Ended June 30, 2024 and 2023

	2024	2023
Operating revenue:		
Contributions and memberships	$ 411,558	$ 425,224
Contributed services	481,877	415,562
Fees and services	506,317	621,673
Grants and contracts	1,668,196	1,499,752
Total operating revenue	3,067,948	2,962,211
Operating expenses:		
Program services	3,280,057	3,116,345
Supporting services	1,101,088	1,056,327
Total operating expenses	4,381,145	4,172,672
Operating loss	(1,313,197)	(1,210,461)
Nonoperating revenue:		
Operating subsidies	471,094	419,057
Donated facilities and support	559,859	654,894
Investment income	381,825	294,332
Total nonoperating revenue	1,412,778	1,368,283
Change in net position	99,581	157,822
Net position at the beginning of year	5,589,159	5,431,337
Net position at the end of year	$ 5,688,740	$ 5,589,159

Total operating revenue for the fiscal years ended June 30, 2024 and 2023 was approximately $3,068,000 and $2,962,000, respectively.

Fiscal year 2024 compared to 2023

- Grants and contracts increased approximately $168,000 due to timing of grant activity.
- Fees and services decreased by approximately $115,000 due to fewer revenue-generating events and activities in 2024.
- Contributed services increased approximately $66,000 due to increased in-kind services received in 2024.

Total operating expenses for the fiscal years ended June 30, 2024 and 2023 were approximately $4,381,000 and $4,173,000, respectively.

Fiscal year 2024 compared to 2023

- Program services increased approximately $164,000, primarily due to increased personnel costs as staff retired and new staff joined the organization.
- Supporting services increased approximately $45,000 primarily due to increased personnel and software costs.

Total nonoperating revenue for the fiscal years ended June 30, 2024 and 2023 was approximately $1,413,000 and $1,368,000, respectively.

Fiscal year 2024 compared to 2023

- Investment income increased approximately $87,000 due to favorable market conditions in 2024.
- Support from the University through operating subsidies and indirect administrative costs decreased approximately $43,000 from the previous year.

Capital Assets

WBGU-TV had approximately $2,034,000 and $1,455,000 invested in capital assets as of June 30, 2024 and 2023, respectively. The most significant impact on the carrying amounts for each year is related to the purchase of new assets and offset by depreciation expense. Depreciation of approximately $166,000 was offset by purchases of capital assets of approximately $745,000, resulting in an increase of approximately $579,000 from the prior year.

Condensed Statements of Cash Flows
for the Years Ended June 30, 2024 and 2023

	2024	2023
Cash provided (used) by:		
Operating activities	$ (656,679)	$ (505,002)
Noncapital financing activities	471,094	354,547
Capital financing activities	(745,349)	(43,399)
Investing activities	222,805	187,556
Net decrease in cash and cash equivalents	(708,129)	(6,298)
Cash and cash equivalents at beginning of year	4,089,501	4,095,799
Cash and cash equivalents at end of year	$ 3,381,372	$ 4,089,501

WBGU-TV cash inflows from operations were from grants, contributions, memberships and from fees and services. Cash outflows consist of amounts paid to vendors and employees.

Cash inflows from noncapital financing activities were from operating subsidies received from the University.

Cash outflows from capital financing activities in 2024 consists of capital asset purchases mentioned previously in the capital assets section. In 2023, cash outflows from capital financing includes the receipt of a capital grant of $90,000, which offset the cost of its capital acquisitions.

Cash inflows from investing activities is WBGU-TV's investment income.

Economic Factors Affecting the Future of WBGU-TV

WBGU-TV has not been unaffected by the ongoing inflation. While our membership contributions have remained stable, fundraising efforts continue to be a challenge. The pandemic-related state funding has concluded, but WBGU-TV, in partnership with the other Ohio public television stations, is advocating for additional state support to sustain our educational programming and outreach. Our primary focus for the upcoming year will continue to be securing funding from significant donors and corporate partners.

WBGU-TV
Statement of Net Position
June 30, 2024

Assets		
Current assets:		
Cash and cash equivalents	$	3,381,372
Receivables:		
Accounts receivable		23,758
Grants and contracts		62,372
Lease receivable		77,203
Prepaid expenses		6,673
Total current assets		3,551,378
Noncurrent assets:		
Lease receivable (net of current portion)		137,743
Endowment investments		2,053,737
Net pension asset		8,107
Net OPEB asset		24,911
Capital assets, net		2,034,378
Total noncurrent assets		4,258,876
Total assets		7,810,254
Deferred outflows of resources		
Pension		212,202
OPEB		21,385
Total deferred outflows of resources		233,587
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses		38,821
Unearned revenue		1,146,374
Current portion of accrued compensated absences		103,017
Total current liabilities		1,288,212
Noncurrent liabilities:		
Accrued compensated absences (net of current portion)		117,388
Net pension liability		727,146
Total noncurrent liabilities		844,534
Total liabilities		2,132,746
Deferred inflows of resources		
Pension		1,140
OPEB		14,813
Leases		206,402
Total deferred inflows of resources		222,355
Net position:		
Net investment in capital assets		2,034,378
Unrestricted		1,567,607
Restricted for:		
Non-expendable endowments		1,057,144
Expendable		1,029,611
Total net position	$	5,688,740

See accompanying notes.

WBGU-TV
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2024

Revenues		
Operating revenue:		
Contributions and memberships	$	411,558
Contributed services		481,877
Fees and services:		
Public broadcasting services		237,161
Business and industry		269,156
State and local grants		622,593
Private and other grants		1,045,603
Total operating revenues		3,067,948
Expenses		
Operating expenses:		
Program services:		
Programming and production		1,709,141
Broadcasting		1,418,363
Public information and promotion		152,553
Supporting services:		
Management and general		540,206
Fundraising and membership development		560,882
Total operating expenses		4,381,145
Operating loss		(1,313,197)
Nonoperating revenue:		
Operating subsidies		471,094
Donated facilities and support		559,859
Investment income, net		381,825
Net nonoperating revenue		1,412,778
Change in net position		99,581
Net position		
Net position at the beginning of year		5,589,159
Net position at the end of year	$	5,688,740

See accompanying notes.

WBGU-TV
Statement of Cash Flows
Year Ended June 30, 2024

Cash flows from operating activities		
Contributions and memberships	$	459,194
Fees and services		445,246
Grants		1,622,859
Payments to vendors for supplies and services		(1,308,007)
Payments to employees and benefits		(1,875,971)
Net cash used in operating activities		(656,679)
Cash flows from noncapital financing activities		
Operating subsidies		471,094
Net cash provided by noncapital financing activities		471,094
Cash flows from capital financing activities		
Purchase of capital assets		(745,349)
Net cash used in capital financing activities		(745,349)
Cash flows from investing activities		
Investment income		222,805
Net cash provided by investing activities		222,805
Net decrease in cash and cash equivalents		(708,129)
Cash and cash equivalents at beginning of year		4,089,501
Cash and cash equivalents at end of year	$	3,381,372
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$	(1,313,197)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Indirect administrative support		559,859
Depreciation expense		166,168
Pension expense		30,662
OPEB income		(4,967)
Lease income		(3,688)
Accounts receivable		(13,435)
Grants and contracts		(47,298)
Prepaid expenses		(6,673)
Accounts payable and accrued expenses		1,928
Accrued compensated absences		(27,999)
Unearned revenue		1,961
Net cash used in operating activities	$	(656,679)
Supplemental disclosures of noncash information:		
Donated services and support		481,877

See accompanying notes.

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

Nature of Operations

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

Basis of Presentation

WBGU-TV follows all applicable Governmental Accounting Standards Board ("GASB") pronouncements. The accompanying financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for publicly owned colleges and universities and are presented in accordance with the reporting model as prescribed by GASB. WBGU-TV follows the "business-type" activities as defined by GASB. This approach requires the following components of WBGU-TV's financial statements:

- Management's discussion and analysis

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

As required by GASB, resources are classified for accounting and reporting purposes into the following four net position categories:

- *Net investment in capital assets:* This represents WBGU-TV's total investment in capital assets, net of accumulated depreciation.

- *Unrestricted:* Unrestricted net position represent resources derived from sales and services provided by WBGU-TV. These resources are used for transactions relating to the obligations of WBGU-TV and may be used at the discretion of the Board of Trustees to meet current expenses for any purpose.

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

- *Restricted for non-expendable endowments:* Restricted non-expendable endowments are gifts that have been received for endowment purposes, the corpus of which cannot be expended.

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

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

Pension

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

Other Postemployment Benefit Costs

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

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

Deferred Outflows/Inflows of Resources

Deferred Outflows: In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. WBGU-TV reports deferred outflows of resources for certain pension-related and OPEB-related amounts, such as change in expected and actual experience, changes in assumptions, and certain contributions made to the plan subsequent to the measurement date (see Note 7 for more details).

Deferred Inflows: In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. WBGU-TV reports deferred inflows of resources for certain pension-related, OPEB-related and lease-related amounts, such as the difference between projected and actual earnings of the plan's investments (see Notes 1 & 7 for more details).

Cash and Cash Equivalents

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

Accounts Receivable

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

Unearned Revenue

Unearned revenue includes amounts received from grant and contract sponsors that have not been earned as well as contributions received for the production of programs that have not been broadcast yet.

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

Use of Estimates

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

Endowment Investments

Endowment funds are administered by the Foundation and are commingled with other Foundation endowment funds in its pooled investment portfolio. Earned investment income is allocated to each fund based on its share of the total funds invested in the pool. The unrestricted donor contributions to the endowment are recorded as non-operating revenues in the statement of revenues, expenses, and changes in net position. Investments in cash equivalents, corporate stocks, equity securities, corporate bond funds and mutual funds are recorded at their current fair values based on quoted market prices in active markets for identical assets. For other investments for which there is no active market, generally referred to as "alternative investments", fair values are initially based on valuations determined by the investment managers using audited net asset values ("NAV") as of their most recent audited financial statements, adjusted for cash receipts, cash disbursements, and other anticipated income or loss through year end. The NAVs of the investment funds are determined on the accrual basis of accounting in conformity with GAAP. The managers utilize standard valuation procedures and policies to assess the fair value of the underlying investment holdings to derive NAV. Foundation management has performed considerable independent review of valuations reported by investment managers and determined that NAV is a reasonable and prudent estimate of fair value. Alternative investments are not readily marketable, and their estimated value is subject to uncertainty. Therefore, there may be a material difference between their estimated value and the value that would have been used had a readily determinable fair value for such investments existed. Some of the investments have time limitations on liquidation. These vary from six months to the term of the limited partnership, trust or fund. During this period, unless certain events occur, liquidation will be unable to occur.

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

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

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

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

WBGU-TV records the annual income of the endowment as non-operating revenue that is restricted for expenditure upon meeting donor stipulations. The net appreciation on investments of donor-restricted endowments that are available for expenditure was $159,020 in 2024.

The Foundation has adopted a spending policy with respect to amounts available for distribution on all endowed funds. The spending policy provides for a range of 3 percent to 7 percent of the three-year rolling average market value of endowed fund balances, with the Foundation Board of Directors approving 4 percent for 2024.

The Foundation has adopted a policy of charging an administrative fee on all endowed funds, unless prohibited by the guidelines of the funds. The fee is based on the prior three-year average market value balance for the endowed funds and certain non-endowed funds. The administrative fee charged to WBGU-TV amounted to $30,774 in 2024 and has been netted with the investment income included in non-operating revenues on the statement of revenues, expenses, and changes in net position.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or estimated acquisition value at the date of donation in the case of gifts. For equipment, WBGU-TV's capitalization policy includes all items with a cost of $10,000 or more and an estimated useful life of greater than one year. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

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

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

Capital Asset Impairment

WBGU-TV evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital asset has occurred. If a capital asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss. No asset impairment was recognized during the year ended June 30, 2024.

Leases

WBGU-TV is a lessor for noncancelable leases of tower space. WBGU-TV recognizes a lease receivable and a deferred inflow of resources in its financial statements.

At the commencement of a lease, WBGU-TV initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how WBGU-TV determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

WBGU-TV uses the University's estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

WBGU-TV monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Revenue Recognition

All revenues from programmatic sources are considered to be operating revenues. Included in non-operating revenues are University support and investment income.

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

In-Kind Contributions and Donated Personal Services of Volunteers

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

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

The value of donated personal services of volunteers has been excluded from both revenue and expense. The volunteer support for the year ended June 30, 2024 consisted of:

	Hours	Total
Programming and production	155	$ 5,191
Public information	60	2,009
Fundraising	33	1,105
Management and general	189	6,330
Total	437	$ 14,635

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

Administrative Support and Donated Facilities from the University

Administrative support and donated facilities are calculated and recorded as both revenue and expense using the standard method, as defined by the Corporation for Public Broadcasting. Donated facilities and administrative support from the University consists of allocated overhead costs related to financial, student, and development department costs and certain other expenses incurred by the University on behalf of WBGU-TV. All support received from the University is recorded as non-operating revenues.

Income Taxes

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

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

Functional Allocation of Expenses

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

Upcoming Pronouncements

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for WBGU-TV's financial statements for the year ending June 30, 2025.

In April 2024, the GASB issued GASB Statement No. 103, *Financial Reporting Model Improvement*, which builds upon the requirements in GASB Statement No. 34. This statement revises the requirements for management's discussion and analysis (MD&A), combines extraordinary items and special items into one category of "unusual or infrequent items," defines operating and nonoperating revenue, and updates presentation of the Statement of Revenues, Expenses, and Changes in Net Position to include a subtotal for operating income (loss) and noncapital subsidies. The provisions of this statement are effective for WBGU-TV's financial statements for the year ending June 30, 2026.

2. Cash and Investments

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

The cash balance as of June 30, 2024 are pooled funds that are held and managed by the University and Foundation.

2. Cash and Investments (continued)

Endowment investments represent WBGU-TV's share of pooled investment funds held and managed by the Foundation. The values of these investments held by the Foundation as of June 30, 2024 are as follows:

WBGU-TV Silver Anniversary	$ 1,486,794
WBGU-TV Programming Endowment Fund	58,909
WBGU-TV Equipment	32,931
The Younger Family Fund	387,301
Jorgen Larsen WBGU-TV Programming Fund	87,802
Total	$ 2,053,737

3. Capital Assets

The property and equipment reported below are titled to the University but are utilized by WBGU-TV. Capital asset and accumulated depreciation activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 40,000	$ -	$ -	$ 40,000
Construction in progress	133,399	-	133,399	-
Total non-depreciable capital assets	173,399	-	133,399	40,000
Capital assets being depreciated:				
Buildings	3,028,462	670,426	-	3,698,888
Equipment	2,864,528	208,322	342,848	2,730,002
Total depreciable capital assets	5,892,990	878,748	342,848	6,428,890
Total capital assets	6,066,389	878,748	476,247	6,468,890
Less accumulated depreciation				
Buildings	2,066,720	69,746	-	2,136,466
Equipment	2,544,472	96,422	342,848	2,298,046
Total accumulated depreciation	4,611,192	166,168	342,848	4,434,512
Total capital assets, net	$ 1,455,197	$ 712,580	$ 133,399	$ 2,034,378

4. Leases

WBGU-TV leases tower space to various third parties. Payments are generally fixed monthly. In accordance with GASB Statement No. 87, *Leases*, the University recorded leases receivable and deferred inflows of resources based on the present value of expected cash receipts over the term of the respective leases. The University recognized deferred inflows of resources of lease revenue of $82,681 and interest income of $9,184 for the year ended June 30, 2024. Below is a schedule of future payments that are included in the measurement of the lease receivable:

	Principal	Interest	Total
2025	$ 77,203	$ 7,360	$ 84,563
2026	56,848	5,003	61,851
2027	59,216	3,023	62,239
2028	21,679	934	22,613
Totals	$ 214,946	$ 16,320	$ 231,266

5. Accounts Payable and Accrued Expenses

The composition of accounts payable and accrued expenses at June 30, 2024 was as follows:

Accounts payable	$ 15,037
Accrued payroll	23,784
Total	$ 38,821

6. Compensated Absences

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

WBGU-TV follows the University's policy for accruing the sick leave liability. WBGU-TV accrues the sick leave liability for those employees who are currently eligible to receive termination payments along with other employees who are expected to become eligible to receive such payments. This liability is calculated using the termination method that is set forth in GASB Statement No. 16, *Accounting for Compensated Absences*. Under the termination method, WBGU-TV utilizes the University's calculated rate, sick leave termination cost per hour worked, which is based on the University's actual historical experience of sick leave payouts of terminated employees. This ratio is then applied to the total years-of-service for WBGU-TV's current employees.

6. Compensated Absences (continued)

Compensated absences for June 30, 2024, are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
Vacation pay	$ 151,181	$ 82,296	$ 98,249	$ 135,228	$ 98,309
Sick leave	97,223	-	12,046	85,177	4,708
Total	$ 248,404	$ 82,296	$ 110,295	$ 220,405	$ 103,017

7. Employee Benefit Plans

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

OPERS offers three separate retirement plans:

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

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

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

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

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

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

7. Employee Benefit Plans (continued)

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 30 years) and from attaining the age of 48 to 62, depending on when the employee became a member. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. Member retirement benefits are calculated on a formula that considers years of service (5-30 years), age (48-62 years), and final average salary, using a factor ranging from 1.0 percent to 2.5 percent.

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

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

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

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

Under Ohio law, postemployment healthcare benefits under OPERS are permitted, but not mandated; therefore, a portion of employer contributions is set aside for funding postemployment health care. Effective January 1, 2018, the portion of employer contributions allocated to health care decreased to 0 percent, as recommended by the OPERS actuary. Payment amounts vary depending on the number of covered dependents and coverage selected.

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

Contributions – State retirement law requires contributions by covered employees and their employers, and Chapter 3307 of the Ohio Revised Code ("ORC") limits the maximum rate of contributions. The retirement boards of the systems individually set contributions rates within the allowable limits. The adequacy of employer contribution rates is determined annually by actuarial valuation using the entry age normal cost method. Under these provisions, each University's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability. Member contributions are set at the maximums authorized by the ORC. The OPERS plan employer contribution rate for 2024 was 14 percent and the member contribution rate was 10 percent.

7. Employee Benefit Plans (continued)

WBGU-TV receives an allocation of the University's required and actual contributions to the plan. Employer contributions to the OPERS retirement plan for the year ended June 30, 2024 were $166,177.

Net Pension Liability, Deferrals, and Pension Expense – At June 30, 2024, WBGU-TV reported a net liability for its proportionate share of the University's net pension liability of OPERS. For the year ended June 30, 2024, the net pension liability was measured as of December 31, 2023. 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. WBGU-TV's proportion of the net pension liability was based on WBGU-TV's employee payroll expense as a percentage of the University's total payroll expense.

Plan	Measurement Date	Net Pension Liability (Asset)	Proportionate Share	Percent Change 2023-2024
OPERS - traditional	December 31	$ 727,146	0.0028%	5.3982%
OPERS - combined and member directed	December 31	(8,107)	0.0025%	4.7061%
		$ 719,039		

For the year ended June 30, 2024 WBGU-TV recognized pension expense of $196,839 related to OPERS. WBGU-TV reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12,801	$ (774)
Changes of assumptions	300	-
Net difference between projected and actual earnings on pension plan investments	148,092	-
Changes in proportion and differences between WBGU-TV contributions and proportionate share of contributions	14,574	(366)
WBGU-TV contributions subsequent to the measurement date	36,435	-
Total	$ 212,202	$ (1,140)

7. Employee Benefit Plans (continued)

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

Year Ended June 30	Total
2025	$ 47,104
2026	53,359
2027	94,636
2028	(20,925)
2029	215
Thereafter	238
Total	$ 174,627

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

Net OPEB Asset, Deferrals, and OPEB Expense – At June 30, 2024, WBGU-TV reported an asset for its proportionate share of the net OPEB asset of OPERS. For June 30, 2024, the net OPEB asset was measured as of December 31, 2023 for the OPERS plan. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation dated December 31, 2022, 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 asset is based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined, except as noted below. WBGU-TV's proportion of the net OPEB asset was based on WBGU-TV's employee payroll expense as a percentage of the University's total payroll expense.

For plan year ending December 31, 2023, OPERS did not allocate 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.

Plan	Measurement Date	Net OPEB Asset	Proportionate Share	Percent Change 2023-2024
OPERS	December 31	$ 24,911	0.0028%	4.9826%

7. Employee Benefit Plans (continued)

For the year ended June 30, 2024, WBGU-TV recognized an OPEB reduction of expense of $4,967. WBGU-TV reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (3,545)
Changes of assumptions	6,413	(10,709)
Net difference between projected and actual earnings on pension plan investments	14,960	-
Changes in proportion and differences between WBGU-TV contributions and proportionate share of contributions	12	(559)
Total	$ 21,385	$ (14,813)

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

Year Ended June 30	Total
2025	$ (980)
2026	958
2027	11,645
2028	(5,051)
Total	$ 6,572

7. Employee Benefit Plans (continued)

Actuarial Assumptions – The total pension liability and OPEB asset is based on the results of an actuarial valuation and were determined using the following actuarial assumptions for 2023, applied to all periods included in the measurement for fiscal year ended June 30, 2024.

	OPERS
Valuation date – Pension	December 31, 2023
Valuation date – OPEB	December 31, 2022
Actuarial cost method	Individual entry age
Cost of living	2.05 percent - 3.00 percent
Salary increases, including inflation	2.75 percent - 10.75 percent
Inflation	2.75 percent
Investment and discount rate of return – Pension	6.90 percent, net of pension plan investment expense, including inflation
Investment and discount rate of return – OPEB	6.00 percent, investment rate of return, net of pension plan investment expenses, including inflation; single discount rate of 5.70% and municipal bond rate of 3.77%
Health care cost trend rates	5.50 percent initial, 3.50 percent ultimate in 2038
Experience study date	Period of 5 years ended December 31, 2020
Mortality basis	Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

7. Employee Benefit Plans (continued)

Pension Discount Rate – The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for OPERS was 6.90 percent for the plan year ended December 31, 2023.

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

> *OPERS – OPEB Discount Rate:* The discount rate used to measure the total OPEB asset was 5.70 percent for the plan year ended December 31, 2023. At December 31, 2023, the plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments for current active and inactive employees. Therefore, a blended rate was used, which consisted of the long-term expected rate of return on OPEB plan investments (6.00 percent) for the funded benefit payments and Fidelity Index's 20-Year Municipal GO AA Index of 3.77 percent as of December 31, 2023.

7. Employee Benefit Plans (continued)

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

	OPERS as of 12/31/23			
	Defined Benefit Portfolio		Health Care Portfolio	
Investment Category	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	24.00%	2.85%	37.00%	2.82%
Domestic Equity	21.00%	4.27%	25.00%	4.27%
Real Estate	13.00%	4.46%	0.00%	0.00%
Private Equity	15.00%	7.52%	0.00%	0.00%
International Equity	20.00%	5.16%	25.00%	5.16%
Risk Parity	2.00%	4.38%	3.00%	4.38%
REITs	0.00%	0.00%	5.00%	4.68%
Other Investments	5.00%	3.46%	5.00%	2.43%
Total	100.00%		100.00%	

7. Employee Benefit Plans (continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Date – The following presents the net pension liability (asset) of WBGU-TV, calculated using the discount rate listed below, as well as what WBGU-TV's net pension liability (asset) would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
OPERS – traditional	5.90%	$ 1,144,723	6.90%	$ 727,146	7.90%	$ 379,843
OPERS – combined and member directed	5.90%	(4,937)	6.90%	(8,107)	7.90%	(10,613)
		$ 1,139,786		$ 719,039		$ 369,230

Sensitivity of the Net OPEB Asset to Changes in the Discount Date – The following presents the net OPEB asset of WBGU-TV, calculated using the discount rate listed below, as well as what WBGU-TV's net OPEB asset would be if it were calculated using a discount rate that is 1.00 percentage point lower or 1.00 percentage point higher than the current rate:

Plan	1.00 Percent Decrease		Current Discount Rate		1.00 Percent Increase	
OPERS	4.70%	$ 13,690	5.70%	$ (24,911)	6.70%	$ (56,886)

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

Plan	1.00 Percent Decrease	Current Discount Rate	1.00 Percent Increase
OPERS	$ (25,945)	$ (24,911)	$ (23,737)

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

7. Employee Benefit Plans (continued)

Benefit changes – There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date for OPERS.

Changes since the measurement date – There were no significant changes since the measurement date.

Payable to the Pension Plan – At June 30, 2024, WBGU-TV reported a payable of $10,947 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

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

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of seven private providers approved by the Ohio Department of Higher Education. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. That amount is 2.24 precent for OPERS for the year ended June 30, 2024. The employer also contributes what would have been the employer's contribution under OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with immediate plan vesting. The ARP does not provide disability benefits, survivor benefits, or postretirement health care. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options. For the year ended June 30, 2024, employee contributions totaled $6,328, and WBGU-TV recognized ARP pension expense of $8,859.

8. Corporation for Public Broadcasting Grants

The Corporation for Public Broadcasting ("CPB") is a private, non-profit grant-making organization responsible for funding more than 1,000 television and radio stations. WBGU-TV receives grant funds from the CPB to assist in the operations of the station. During 2024, the grant funds recorded as revenue were as follows:

Community Service Grant	$ 956,673
USSG Grant	67,416
Interconnection Grant	15,360
Total	$ 1,039,449

9. Nonfederal Financial Support

The Corporation for Public Broadcasting 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 purposes of acquiring new equipment or upgrading existing or building new facilities regardless of source or form of the contribution are not included in calculating the NFFS. This change excludes all revenues received for any capital purchases.

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

Reported NFFS was $2,569,306 for 2024.

10. University Support

The WBGU-TV operations are supported in part by the general revenues of the University. The University provides for the general operating costs of WBGU-TV's operations. The University's direct support for the year ended June 30, 2024 amounted to $471,094. In addition, the University provided for the year ended June 30, 2024 $559,859 of indirect administrative support. Indirect administrative support revenue was calculated using the standard method, as defined by the Corporation for Public Broadcasting.

11. Contingencies

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

Required Supplemental Information

Schedule of Pension Funding Progress:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
OPERS:										
WBGU's proportion of the net pension liability	0.0028%	0.0026%	0.0038%	0.0032%	0.0030%	0.0030%	0.0032%	0.0031%	0.0032%	0.0034%
WBGU's proportionate share of the net pension liability	$ 719,039	$ 772,517	$ 318,674	$ 464,484	$ 596,050	$ 816,720	$ 503,205	$ 711,869	$ 553,986	$ 409,644
WBGU's covered payroll	$ 1,060,818	$ 1,023,357	$ 937,586	$ 937,527	$ 970,038	$ 979,283	$ 901,315	$ 897,763	$ 1,003,876	$ 1,154,672
WBGU's proportionate share of the net pension liability as a percentage of its covered payroll	67.78%	75.49%	33.99%	49.54%	61.45%	83.40%	55.83%	79.29%	55.18%	35.48%
Fiduciary net position as a percentage of the total pension liability	79.39%	76.07%	93.01%	86.88%	82.17%	74.91%	84.85%	77.38%	81.19%	86.53%

The net pension asset related to the OPERS combined and member directed plans has been netted with the net pension liability related to the OPERS traditional plan, for presentation in the Required Supplemental Information schedules.

Schedule of Contributions:

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
OPERS:										
Contractually required contribution	$ 166,177	$ 147,489	$ 134,861	$ 122,990	$ 133,309	$ 136,726	$ 132,200	$ 120,942	$ 126,782	$ 150,884
Contributions in relation to the contractually required contribution	$ 166,177	$ 147,489	$ 134,861	$ 122,990	$ 133,309	$ 136,726	$ 132,200	$ 120,942	$ 126,782	$ 150,884
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
WBGU's covered payroll	$ 1,099,482	$ 1,022,154	$ 1,024,559	$ 896,195	$ 968,429	$ 1,000,734	$ 957,312	$ 874,882	$ 919,095	$ 1,099,481
Contributions as a percentage of covered payroll	15.11%	14.43%	13.16%	13.72%	13.77%	13.66%	13.81%	13.82%	13.79%	13.72%

Notes to required supplementary information:

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

Changes of assumptions: During the plan year ended December 31, 2023, there were no changes to key assumptions.

During the plan year ended December 31, 2021, there were changes to several assumptions for OPERS. The discount rate was reduced from 7.50 percent to 6.90 percent. The wage inflation dropped from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent. The experience study changed from the 5 year period ended December 31, 2015 to the 5 year period ended December 31, 2020. The mortality tables used changed from RP-2014 to PUB-2010.

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

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

Schedule of OPEB Funding Progress:

	2024	2023	2022	2021	2020	2019	2018
OPERS:							
WBGU's proportion of the net OPEB liability/(asset)	0.0028%	0.0026%	0.0014%	0.0010%	0.2500%	0.0026%	0.0026%
WBGU's proportionate share of the net OPEB liability/(asset)	$ (24,911)	$ 16,577	$ (45,286)	$ (17,583)	$ 346,890	$ 337,451	$ 281,385
WBGU's covered payroll	$ 1,060,818	$ 1,023,357	$ 937,586	$ 937,527	$ 970,038	$ 979,283	$ 901,315
WBGU's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	-2.35%	1.62%	-4.83%	-1.88%	35.76%	34.46%	31.22%
Fiduciary net position as a percentage of the total OPEB liability/(asset)	107.76%	94.79%	128.23%	115.57%	47.08%	47.08%	77.25%

Schedule of Contributions:

	2024	2023	2022	2021	2020	2019	2018
OPERS:							
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,148
Contributions in relation to the contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,148
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
WBGU's covered payroll	$ 1,099,482	$ 1,022,154	$ 1,024,559	$ 896,195	$ 968,429	$ 1,000,734	$ 957,312
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.06%

Notes to required supplemental information:

Changes of benefit terms: There were no benefit changes affecting the OPERS plan.

Changes of assumptions: During the plan year ended December 31, 2023, the discount rate increased from 5.22 percent to 5.70 percent.

During the plan year ended December 31, 2022, the health care cost trend rate changed to 5.50% initial, 3.5% ultimate in 2036 from 5.50% initial, 3.5% ultimate in 2034 in 2021. In addition, the discount rate was reduced from 6.00 percent to 5.22 percent.

During the plan year ended December 31, 2021, there were changes to several assumptions for OPERS. The experience study changed from the 5-year period ended December 31, 2015 to the 5-year period ended December 31, 2020. The municipal bond rate decreased from 2.00 percent to 1.84 percent. Wage inflation decreased from 3.25 percent to 2.75 percent. The projected salary increase range changed from 3.25-10.75 percent to 2.75-10.75 percent. Health care cost trend rate decreased from 8.50 percent initial, 3.50 percent ultimate in 2035 to 5.50 percent initial, 3.50 percent ultimate in 2034.

During the plan year ended December 31, 2020, there were changes to several assumptions for OPERS. The health care cost trend rates decreased from 10.5 percent initial and 3.5 percent ultimate to 8.5 percent initial and 3.5 percent ultimate. The discount rate was increased from 3.16 percent to 6.00 percent.

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

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

Independent Auditor's Report

Board of Trustees
WBGU-TV
Bowling Green, 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 (*Government Auditing Standards*), the business-type activities of WBGU-TV (the "Station"), a telecommunications department within Bowling Green State University (the "University"), as of and for the year ended June 30, 2024, which collectively comprise the Station's basic financial statements, and have issued our report thereon dated November 25, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Forvis Mazars, LLP

Cincinnati, Ohio
November 25, 2024

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OHIO AUDITOR OF STATE
KEITH FABER

BOWLING GREEN STATE UNIVERSITY - WBGU-TV

WOOD COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 12/24/2024

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