

# **Central Michigan University Public Broadcasting Network**

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**Consolidated Financial Report  
with Other Supplementary Information  
June 30, 2024**

# Central Michigan University Public Broadcasting Network

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## **Independent Auditor's Report**

To the Board of Trustees  
Central Michigan University Public  
Broadcasting Network  
c/o Central Michigan University

### **Opinion**

We have audited the consolidated financial statements of Central Michigan University Public Broadcasting Network (the "Network"), a department of Central Michigan University (the "University"), as of and for the years ended June 30, 2024 and 2023 and the related notes to the consolidated financial statements, which collectively comprise the Network's basic consolidated financial statements, as listed in the table of contents.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Michigan University Public Broadcasting Network as of June 30, 2024 and 2023 and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Delta College WUCX-FM, which represents 2.81 percent, 1.20 percent, and 5.86 percent of the assets, net position, and revenue, respectively, of the Network. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Delta College WUCX-FM, is based solely on the report of the other auditors.

### **Basis for Opinion**

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

### **Emphasis of Matter**

We draw attention to Note 1, which explains that these consolidated financial statements of Central Michigan University Public Broadcasting Network are intended to present the financial position, changes in financial position, and cash flows of only that portion of the University's business-type activities that are attributable to the transactions of the department. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2024 and 2023; the changes in its financial position; or the changes in its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

To the Board of Trustees  
Central Michigan University Public  
Broadcasting Network  
c/o Central Michigan University

### ***Auditor's Responsibilities for the Audits of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Network'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified in the table of contents, be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic consolidated 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 consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated 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.

To the Board of Trustees  
Central Michigan University Public  
Broadcasting Network  
c/o Central Michigan University

***Other Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the Network's basic consolidated financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic consolidated 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 consolidated financial statements or to the basic consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic consolidated financial statements as a whole.

*Plante & Moran, PLLC*

December 16, 2024

# Central Michigan University Public Broadcasting Network

## Management's Discussion and Analysis - Unaudited

This section of Central Michigan University Public Broadcasting Network's (the "Network") annual consolidated financial report presents our discussion and analysis of the financial performance of the television and radio stations for the fiscal year ended June 30, 2024, with selected comparative information for the years ended June 30, 2023, and 2022. This discussion has been prepared by management along with the consolidated financial statements and related note disclosures and should be read in conjunction with, and is qualified in its entirety by, the consolidated financial statements and notes. The discussion and analysis is designed to focus on current activities, resulting changes, and current known facts. The consolidated financial statements, notes, and this discussion are the responsibility of management.

### Reporting Entity

Central Michigan University (the "University") operates the not-for-profit Network through the Department of Public Broadcasting under licenses granted to the board of trustees of the University. The assets, liabilities, and net position of the Network, excluding the Delta College portion, are included in the financial statements of Central Michigan University. The stations in the Network are identified by the following call letters:

WCMU-DT and WCMU-FM, Mount Pleasant  
WCMV-DT, Cadillac  
WCMW-DT, Manistee  
WCML-DT and WCML-FM, Alpena  
WUCX-FM, Bay City

WCMW-FM, Harbor Springs  
WCMB-FM, Oscoda  
WCMZ-FM, Sault Sainte Marie  
WWCM-FM, Standish  
WCMV-FM, Leland

WUCX-FM, Bay City, is licensed to the University and is operated jointly by Central Michigan University and Delta College. The financial statements of Delta College WUCX-FM have been audited separately and have been combined with the Network in these consolidated financial statements. Inter-organizational transactions have been eliminated. See Note 14 for disclosures related to Delta College WUCX-FM's financial statements.

Only WCMU-DT and WCMU-FM are funded by the Corporation for Public Broadcasting (CPB). However, the operations of all of the stations (including Delta College WUCX-FM) have been combined for financial reporting purposes, as allowed by the CPB. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB) and the Corporation for Public Broadcastings' *Principles of Accounting and Financial Reporting for Public Telecommunications Entities*.

On April 30, 2020, Central Michigan University acquired WFCX-FM from Northern Michigan Radio, Inc. The call letters were immediately changed to WCMV-FM. The purchase price of \$500,000 primarily included the FCC license, antenna, transmitter and transmitter building. The station was incorporated into the Network and carries the same programming as the other stations. The acquisition expanded the radio coverage area into Traverse City and surrounding areas in northern Michigan. The purchase was financed by a loan from Central Michigan University to the Network which is being repaid over five years at an annual interest rate of 5.0%.

# Central Michigan University Public Broadcasting Network

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## Management's Discussion and Analysis - Unaudited (Continued)

### Factors Influencing Future Periods

WCMU experienced a fire at the transmitter site in Atlanta, MI midway through the third quarter of fiscal year 2024. The building and its contents were a total loss including transmitters for WCMU-FM 91.7 and WCMU-TV channel 6. The fire occurred on February 28, 2024. Local officials responsible for investigating the fire were unable to determine the cause. Expenses and commitments to restore the Atlanta site total \$0.48 million through the end of fiscal year 2024. In June of 2024, the Network received \$1.6 million for the recovery effort through its insurance claim, with the possibility of receiving more funding in the future.

The fire delayed some, but not all, of the Network repairs WCMU had hoped to accomplish before the end of fiscal year 2024. As part of these delays the Network will continue to decommission obsolete gear, catch up on deferred maintenance and continue to repair and improve its extensive transmission and tower infrastructure through fiscal year 2025. This will include the rebuilding of a permanent transmitter building in Atlanta, MI.

March 2024 was a busy month on the federal funding front for public broadcasting. Congress passed the remainder of its fiscal year 2024 appropriation bills which included:

\$535 million for the Corporation for Public Broadcasting (CPB) in the advance appropriation for fiscal year 2026: This maintains the increases in funding that public media secured in the past three years.

\$60 million for Interconnection: This is a funding increase for the system of \$40 million. The interconnection system connects public media stations with each other and with national programming services. For example, NPR manages and operates the Public Radio Satellite System (PRSS), which is the public radio interconnection system. The PRSS provides a secure and essential delivery of content and services to public radio stations.

\$40 million for the Next Generation Warning System (NGWS): This funding supports the replacement of essential emergency alerting infrastructure and equipment at public media stations.

\$31 million for Ready to Learn: Ready To Learn is a program that uses public television's educational content to help children ages 2–8 develop literacy, math, and science skills. The program focuses on children from low-income families.

March 2024 also saw the release of the President's fiscal year budget request. The President proposed increasing the two-year advance funding for the Corporation for Public Broadcasting (CPB) with a request of \$595 million for fiscal year 2027. The budget request also recommends \$60 million for Interconnection. The Next Generation Warning System is not included, though CPB is seeking Congressional support for \$56 million in fiscal year 2025 funding for that program.

As the Network closed fiscal year 2024 the House Labor-HHS Appropriations Subcommittee passed the fiscal year 2025 appropriations bill by voice vote, with no amendments. The bill proposes the elimination of 50 programs previously funded by Congress, including the two-year advance appropriation for the Corporation for Public Broadcasting (CPB) and interconnection. The bill now moves forward to the full Appropriations Committee, where it will be considered on July 10, 2025.

# Central Michigan University Public Broadcasting Network

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## Management's Discussion and Analysis - Unaudited (Continued)

The Network is forward funded by two years from the Corporation for Public Broadcasting. The CPB provides Community Service Grants (CSG) to qualified stations. The CPB is a vital source of funding for the nation's public radio and TV stations in their efforts to serve local communities. In April of 2024, the Network was contacted by the Deputy Inspector General to initiate a routine audit of the WCMU TV and FM financial reports for fiscal year 2022 and 2023. The audit is ongoing and the results are unknown as to the effect of future funding.

The Network understands the need to increase memberships to generate additional revenue to cover increased costs for doing business. The total number of members increased in fiscal year 2024 to 15,213 compared to 14,266 in fiscal year 2023. There were 5,897 sustaining members, paying monthly for fiscal year 2024 compared to 5,597 in fiscal year 2023. Traditionally, sustainers contribute at higher levels and stay on the file longer than one-time donors. Both are important to the financial health of the Network.

In fiscal year 2024, the Network spent the remaining \$358,118 received from the American Rescue Plan. The Network continues to work on initiatives that generate more revenue in an effort to be more financially independent. This includes further investment in support from Allegiance Group + Pursuant which assists the Network's fundraising strategy for letter, email, and newsletter campaigns.

The salary threshold for overtime exemption in the United States is set to increase at the start of fiscal year 2025 to \$43,888 per year as of July 1, 2024. This threshold is set to increase significantly once again to \$58,656 per year on January 1, 2025. These increases could have an impact on the Network's budget and result in further salary compression.

The Network signed a new three-year commitment in fiscal year 2024 to participate in the MLC or Michigan Learning Channel. MLC is a partnership between the public television stations serving Michigan. Member stations received a \$0.25 million share of the state appropriation of \$5 million dollars in support of the MLC, secured by originating station WDET. Generally speaking, the funds are intended to be used to hire an Education Coordinator to support educators and parents in our coverage area with valuable educational resources. The funding can also be used to support the broadcast of the MLC channel. This will be WCMU's fourth year participating with the broadcast/streaming television channel. Due to the transmitter fire on February 28, 2024, the network requested a one-year extension to use these funds. The network may need to draw from these funds to purchase a new television transmitter to fully return the MLC to viewers across northeast lower Michigan. Once the Network is certain of its technical needs, it will pursue hiring an Education Coordinator.

The Network is exploring the addition of a fifth broadcast/streaming television channel, with a hopeful launch in the 3rd quarter of fiscal year 2025. The Network anticipates this service will reach and represent an underserved population in the state of Michigan. The network will pursue strategic partnerships to build staffing capacity to add local content relevant to this culturally rich community.

The Network is in its seventh year of partnership with community newspapers across the WCMU coverage area. CMU journalism students have been placed in community newspaper newsrooms to produce local reports from The Cadillac News, The Midland Daily News, Alpena News, and the Traverse City Record-Eagle. The interns report for their assigned community papers and also WCMU Public Radio. They craft web versions of their stories for the websites of both WCMU and their newspaper. The program has led to several of our students being hired by community newspapers across the state including our internship partners.



# Central Michigan University Public Broadcasting Network

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## Management's Discussion and Analysis - Unaudited (Continued)

An additional news reporter position was added to the Network in 2022 through a grant with Report for America. This reporter is embedded in the Cheboygan community and reports on rural environmental issues in the region, with a focus on water. This position is renewable over three years if both the Network newsroom and Report for America corps member agree to continue the relationship. The Network is heading into its third year as a Report for America newsroom and WCMU is receiving reimbursement for 20% of the position's salary. The Network is responsible for sourcing a portion of the position's salary from the communities we serve and intends to roll the position into its regular staffing budget at the conclusion of Report for America funding.

### Using the Financial Report

The Network's consolidated financial report includes three financial statements: the consolidated statement of net position, the consolidated statement of revenues, expenses, and changes in net position, and the consolidated statement of cash flows. The consolidated financial statements present focus on the financial condition, the results of operations, and cash flows of the Network as a whole. These consolidated financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statements.

The consolidated statement of net position includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the services or goods/products are provided and expenses and liabilities are recognized when others provide the service or product, regardless of when cash is exchanged.

The consolidated statement of revenues, expenses, and changes in net position presents the revenue earned and the expenses incurred during the year. Activities are reported as either operating, nonoperating or other revenue. The utilization of long-lived assets, referred to as capital assets, is reflected in the consolidated financial statements as depreciation, which amortizes the cost of an asset over its expected useful life. The right-to use assets, referred to as lease assets, is reflected as amortization, which depreciates the value of the asset over the shorter of the lease term or the estimated useful life of the underlying asset.

The consolidated statement of cash flows presents the information related to cash inflows and outflows summarized by operating, capital and noncapital financing, and investing activities. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the Network during the year.

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# Central Michigan University Public Broadcasting Network

## Management's Discussion and Analysis - Unaudited (Continued)

### Consolidated Statement of Net Position

	2024	2023	2022
Current assets	\$ 10,744,879	\$ 7,913,404	\$ 7,553,173
Noncurrent assets:			
Lease assets, Net	730,025	831,340	861,815
Capital assets, Net	5,773,082	6,116,255	7,252,227
Other	10,008,366	9,957,699	9,301,151
Total assets	27,256,352	24,818,698	24,968,366
Deferred outflows of resources	144,323	176,402	90,173
Current liabilities	460,519	421,372	396,777
Noncurrent liabilities	1,342,852	1,476,661	1,494,490
Total liabilities	1,803,371	1,898,033	1,891,267
Deferred inflows of resources	3,018,106	3,242,020	2,854,509
Total net position	<u>\$ 22,579,198</u>	<u>\$ 19,855,047</u>	<u>\$ 20,312,763</u>

**Current assets** consist of cash and cash equivalents, receivables, and prepaid expenses. Current assets totaled \$10.7 million at June 30, 2024 as compared to \$7.9 million at June 30, 2023 and \$7.5 million at June 30, 2022.

#### Fiscal year 2024 compared to 2023

- Cash and cash equivalents increased \$2.8 million mainly due to \$1.6 million in insurance proceeds received in fiscal year 2024 and an increase in contributions

#### Fiscal year 2023 compared to 2022

- Cash and cash equivalents increased \$0.5 million mainly due to the completion of the TV Master Control operations and the TV Production Control rebuild project causing a decrease in related purchases.

**Noncurrent assets** include capital assets, net of accumulated depreciation, leased assets, net of accumulated amortization, and endowment investments at fair value. Noncurrent assets totaled \$16.5 million at June 30, 2024 as compared to \$16.9 million at June 30, 2023 and \$17.5 million at June 30, 2022.

#### Fiscal year 2024 compared to 2023

- Capital assets net of accumulated depreciation decreased \$0.3 million due to the retirement of depreciable assets related to the Atlanta transmitter fire in combination with the purchase of capitalized equipment offset by annual depreciation expense. Refer to Note 3 for details regarding capital assets.

#### Fiscal year 2023 compared to 2022

- Capital assets net of accumulated depreciation decreased \$1.1 million primarily due to the disposal of obsolete equipment. Refer to Note 3 for details regarding capital assets. Other noncurrent assets increased \$0.6 million primarily due to an increase in long-term receivables and endowment investment appreciation resulting from favorable market conditions.

# Central Michigan University Public Broadcasting Network

## Management's Discussion and Analysis - Unaudited (Continued)

**Current Liabilities** include accounts payable, accrued payroll, unearned revenue, the current portion of the long-term obligations payable within the next twelve months, and the current portion of the long-term lease obligations payable within the next twelve months. Current liabilities totaled \$0.5 million at June 30, 2024 as compared to \$0.4 million at June 30, 2023 and \$0.4 million at June 30, 2022. Current liabilities increased primarily to an increase in unearned grant revenue.

**Noncurrent liabilities** include compensated absences for employees, long-term debt, long-term lease liability and net pension and net OPEB liability as required by GASB 68 and GASB 75, respectively. Noncurrent liabilities totaled \$1.3 million at June 30, 2024 as compared to \$1.5 million at June 30, 2023 and \$1.5 million at June 30, 2022. Noncurrent liabilities decreased primarily due to a decrease in Delta College's net pension and OPEB liability. Refer to Note 14 for details regarding Delta College.

**Net position** represents the difference between the Network's assets and deferred outflows of resources and liabilities and deferred inflows of resources. Total net position at June 30 is summarized as follows:

	2024	2023	2022
Restricted - Nonexpendable	\$ 2,841,837	\$ 2,832,678	\$ 2,823,068
Restricted - Expendable	2,495,948	2,190,475	1,917,123
Unrestricted	11,564,992	8,916,980	8,591,188
Net investment in capital assets	5,676,421	5,914,914	6,981,384
Total net position	<u>\$ 22,579,198</u>	<u>\$ 19,855,047</u>	<u>\$ 20,312,763</u>

### Fiscal year 2024 compared to 2023

- Net position increased \$2.7 million. Restricted - nonexpendable remained consistent with fiscal year 2023. Restricted - expendable increased \$0.3 million due to an increase in the market value of endowment investments. Unrestricted increased \$2.6 million due to \$1.6 million in insurance proceeds received in fiscal year 2024 and an increase in pledges. Net investment in capital assets decreased \$0.2 million due to the retirement of depreciable assets related to the Atlanta transmitter fire in combination with the purchase of capitalized equipment offset by annual depreciation expense. Refer to Note 3 for details regarding capital assets.

### Fiscal year 2023 compared to 2022

- Net position decreased \$0.5 million. Restricted - nonexpendable remained consistent with fiscal year 2022. Restricted - expendable increased \$0.3 million due to an increase in the market value of endowment investments. Unrestricted increased \$0.3 million due to a decrease in purchases related to the completion of the TV Master Control operations and the TV Production Control rebuild project. Net investment in capital assets decreased \$1.1 million primarily due to the disposal of obsolete equipment.

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# Central Michigan University Public Broadcasting Network

## Management's Discussion and Analysis - Unaudited (Continued)

### Consolidated Statement of Revenues, Expenses, and Changes in Net Position

	2024	2023	2022
<b>Operating Revenues</b>			
University support - Operating	\$ 2,744,537	\$ 2,569,414	\$ 2,536,071
Community service grants	1,463,633	1,476,520	1,417,746
Outreach grants	27,900	88,027	89,106
Contributions and underwriting	3,644,766	2,965,531	2,965,367
Other operating revenues	157,005	195,386	218,316
Total operating revenues	8,037,841	7,294,878	7,226,606
<b>Operating Expenses</b>	7,820,029	8,036,833	6,777,728
<b>Operating Income (Loss)</b>	217,812	(741,955)	448,878
<b>Nonoperating Revenues (Expenses)</b>			
Investment income (loss) - Net of expenses	519,184	366,399	(392,047)
Interest on capital assets related debt	(38,630)	(48,281)	(53,028)
Other nonoperating revenue	2,023,025	(94,068)	368,411
Total nonoperating revenues (expenses)	2,503,579	224,050	(76,664)
<b>Income (Loss) Before Other</b>	2,721,391	(517,905)	372,214
<b>Other</b>			
Capital grants/contracts	-	55,264	49,655
Additions to permanent endowments	2,760	4,925	40,200
<b>Total Other</b>	2,760	60,189	89,855
<b>Increase (Decrease) in Net Position</b>	2,724,151	(457,716)	462,069
<b>Net Position</b>			
<b>Net Position - Beginning of year</b>	19,855,047	20,312,763	19,850,694
<b>Net Position - End of year</b>	<b>\$ 22,579,198</b>	<b>\$ 19,855,047</b>	<b>\$ 20,312,763</b>

**Operating revenues** for fiscal years ended June 30, 2024, 2023, and 2022 were \$8.0 million, \$7.3 million, and \$7.2 million, respectively.

#### Fiscal year 2024 compared to 2023

- Contributions increased \$0.6 million due to an increase in donor contributions. All other operating revenues remained consistent with fiscal year 2023.

#### Fiscal year 2023 compared to 2022

- Community service grants increased \$0.1 million due to an increase in grant funding. All other operating revenues remained consistent with fiscal year 2022.

# Central Michigan University Public Broadcasting Network

## Management's Discussion and Analysis - Unaudited (Continued)

**Operating expenses** for fiscal year 2024 totaling \$7.8 million include compensation and benefits of \$2.7 million, supplies of \$4.0 million, utilities of \$0.4 million, and depreciation and amortization of \$0.7 million.

A comparative summary of the Network's expenses for the years ended June 30 is as follows:

	2024	2023	2022
Compensation and benefits	\$ 2,727,628	\$ 2,820,123	\$ 2,914,146
Supplies	4,045,018	4,067,256	2,721,213
Utilities	348,864	357,306	341,438
Depreciation and amortization	698,519	792,148	800,931
Total operating expenses	<u>\$ 7,820,029</u>	<u>\$ 8,036,833</u>	<u>\$ 6,777,728</u>

### Fiscal year 2024 compared to 2023

- Compensation and benefits decreased by \$0.1 million due to vacant positions.
- Depreciation and amortization decreased by \$0.1 million due to retirement of depreciable asset related to the Atlanta transmitter fire on February 28, 2024.
- Supplies and utilities remained consistent with fiscal year 2023.

### Fiscal year 2023 compared to 2022

- Supplies increased \$1.3 million as a result of normalization of supplies expenses due to the one time gain recorded in fiscal year 2022 after the final Michigan Public School Employee's Retirement System (MPERS) employee retired from public broadcasting.
- Compensation and benefits decreased by \$0.1 million due to fewer employees utilizing the benefit program in 2023.
- Utilities and depreciation and amortization remained consistent with fiscal year 2022.

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# Central Michigan University Public Broadcasting Network

## Management's Discussion and Analysis - Unaudited (Continued)

### Consolidated Statement of Cash Flows

	2024	2023	2022
Cash received from operations	\$ 6,729,537	\$ 6,160,498	\$ 6,146,799
Cash expended for operations	(5,742,548)	(6,008,166)	(7,052,732)
Net cash provided (used) by operating activities	986,989	152,332	(905,933)
Net cash provided by noncapital financing activities	2,760	4,925	43,438
Net cash provided (used) by capital financing activities	1,521,259	82,252	(13,616)
Net cash provided by investing activities	290,867	259,779	239,591
Net increase (decrease) in cash and cash equivalents	2,801,875	499,288	(636,520)
Cash and cash equivalents at beginning of year	6,891,337	6,392,049	7,028,569
Cash and cash equivalents at end of year	\$ 9,693,212	\$ 6,891,337	\$ 6,392,049

### Summary

The Network operated within available resources during the year. Major sources of revenue to fund operations included the general University support, contributions and underwriting, and support from the Corporation for Public Broadcasting. Expenses were limited to correspond with available revenue.

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# Central Michigan University Public Broadcasting Network

## Consolidated Statement of Net Position

	Year Ended June 30	
	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 9,693,212	\$ 6,891,337
Accounts receivable	56,821	144,565
Pledges receivable - Net	625,600	475,743
Lease receivable - Current portion	177,650	165,710
Prepaid expenses	191,596	236,049
Total current assets	10,744,879	7,913,404
Noncurrent assets:		
Lease receivable	3,027,687	3,205,337
Endowment investments (Note 2)	6,980,679	6,752,362
Lease assets - Net (Note 13)	730,025	831,340
Capital assets - Net (Note 3)	5,773,082	6,116,255
Total noncurrent assets	16,511,473	16,905,294
Total assets	27,256,352	24,818,698
<b>Deferred Outflows of Resources</b>	144,323	176,402
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities (Note 4)	104,102	135,595
Accrued payroll (Note 4)	83,396	95,298
Unearned revenue	262,017	17,842
Long-term liabilities - Current portion (Note 5)	5,971	6,664
Lease liabilities - Current portion (Note 13)	5,033	60,251
Current portion due to CMU (Note 6)	-	105,722
Total current liabilities	460,519	421,372
Noncurrent liabilities:		
Long-term liabilities (Note 5)	96,869	91,857
Lease liabilities (Note 13)	821,653	866,708
Net pension liability (Note 8 & 14)	432,070	490,151
Net OPEB liability (Note 8 & 14)	(7,740)	27,945
Total noncurrent liabilities	1,342,852	1,476,661
Total liabilities	1,803,371	1,898,033
<b>Deferred Inflows of Resources</b>	3,018,106	3,242,020
<b>Net Position</b>		
Net investment in capital assets	5,676,421	5,914,914
Restricted for:		
Nonexpendable	2,841,837	2,832,678
Expendable	2,495,948	2,190,475
Unrestricted	11,564,992	8,916,980
<b>Total net position</b>	<b>\$ 22,579,198</b>	<b>\$ 19,855,047</b>

# Central Michigan University Public Broadcasting Network

## Consolidated Statement of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30	
	2024	2023
<b>Revenues</b>		
Operating revenues:		
University appropriations - Operations	\$ 1,407,061	\$ 1,422,300
University additional support - Operations	31,109	31,720
University administrative support - Operations	1,306,367	1,115,394
Contributions and pledges, net of allowance	3,243,479	2,548,646
Community service grants	1,463,633	1,476,520
Outreach grants	27,900	88,027
Program underwriting and pledges	396,287	411,885
Production underwriting	5,000	5,000
Rents and royalties	39,739	75,489
In-kind support	89,820	99,986
Other operating revenues	27,446	19,911
Total operating revenues	8,037,841	7,294,878
<b>Expenses</b>		
Operating expenses:		
Programming and local production	2,616,704	2,774,188
Broadcasting	2,123,729	1,946,080
Program information	462,299	510,254
Fundraising	1,242,788	1,202,158
Management and general	675,990	812,005
Depreciation and amortization	698,519	792,148
Total operating expenses	7,820,029	8,036,833
<b>Operating Income (Loss)</b>	217,812	(741,955)
<b>Nonoperating Revenues (Expenses)</b>		
Investment income (loss), net of expenses	519,184	366,399
Interest on capital assets related debt	(38,630)	(48,281)
(Loss) gain on disposal of capital assets	(78,104)	(442,556)
Insurance Proceeds	1,685,000	-
Other nonoperating revenues	416,129	348,488
Total nonoperating revenues (expenses)	2,503,579	224,050
<b>Income (Loss) Before Other</b>	2,721,391	(517,905)
<b>Other</b>		
Capital grants/contracts	-	55,264
Additions to permanent endowments	2,760	4,925
<b>Total Other</b>	2,760	60,189
<b>Increase (Decrease) in Net Position</b>	2,724,151	(457,716)
<b>Net Position</b>		
Net Position - Beginning of year	19,855,047	20,312,763
<b>Net Position - End of year</b>	<b>\$ 22,579,198</b>	<b>\$ 19,855,047</b>



# Central Michigan University Public Broadcasting Network

## Consolidated Statement of Cash Flows

	Year Ended June 30	
	2024	2023
<b>Cash Flows from Operating Activities</b>		
Grants from CPB	\$ 1,463,633	\$ 1,476,520
Research grants and contracts	268,278	29,237
Payments to suppliers	(2,696,661)	(2,846,541)
Payments for utilities	(351,059)	(356,439)
Payments to employees	(2,000,680)	(2,084,584)
Payments for benefits	(694,146)	(720,602)
Contributions	3,073,987	2,675,090
Underwriting	420,922	435,521
Rents and royalties	34,611	67,553
General University support	1,438,170	1,454,020
Administrative University support	(2)	-
Other receipts	29,936	22,557
Net cash provided by operating activities	986,989	152,332
<b>Cash Flows from Noncapital Financing Activities</b>		
Private gifts for endowment purposes	2,760	4,925
Net cash provided by noncapital financing activities	2,760	4,925
<b>Cash Flows from Capital Financing Activities</b>		
Capital grants/contracts received	55,264	-
Principal paid on capital debt	(105,722)	(100,687)
Interest paid on capital debt	(1,332)	(10,321)
Principal paid on leases	(726)	710
Interest paid on leases	(37,298)	(37,960)
Other receipts leases	302,141	266,267
Purchases of capital assets	(403,568)	(68,257)
Proceeds from the disposal of capital assets	27,500	32,500
Insurance proceeds	1,685,000	-
Net cash provided by capital financing activities	1,521,259	82,252
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales and maturities of investments	54,307	40,480
Investment income	110,064	107,360
Purchases of investments	(52,391)	(41,084)
Endowment pool investments net proceeds (purchases)	178,887	153,023
Net cash provided by investing activities	290,867	259,779
<b>Net Increase in Cash and Cash Equivalents</b>	2,801,875	499,288
<b>Cash and Cash Equivalents - Beginning of year</b>	6,891,337	6,392,049
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 9,693,212</b>	<b>\$ 6,891,337</b>

# Central Michigan University Public Broadcasting Network

## Consolidated Statement of Cash Flows

	Year Ended June 30	
	2024	2023
<b>Reconciliation of Net Operating Income to Net Cash Provided (Used) by Operating Activities</b>		
Operating Income (Loss)	\$ 217,812	\$ (741,955)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization expense	698,519	792,148
Other non-cash transactions	-	-
Change in assets and liabilities:		
Receivables - Net	(144,877)	133,625
Prepaid expenses	44,453	59,320
Accounts payable and accrued liabilities	(31,493)	2,412
Accrued payroll	(11,902)	10,121
Unearned revenue	244,175	(59,829)
Compensated absences	1,148	(9,450)
Net pension liability	(58,081)	154,488
Deferred outflows / inflows of resources - Pension	48,945	(164,732)
Net OPEB liability	(35,685)	6,970
Deferred outflows / inflows of resources - OPEB	10,804	(32,817)
Other obligations	3,171	2,031
Net cash provided by operating activities	<u>\$ 986,989</u>	<u>\$ 152,332</u>

# Central Michigan University Public Broadcasting Network

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## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 1 - Industry Information and Significant Accounting Policies

**Reporting Entity** - Central Michigan University, Mount Pleasant, Michigan (the "University" or CMU) operates the not-for-profit television and radio stations of Central Michigan University Public Broadcasting Network (the "Network"), through the Department of Public Broadcasting under licenses granted to the board of trustees of the University. These stations are identified by the following call letters:

WCMU-DT and WCMU-FM, Mount Pleasant  
WCMV-DT, Cadillac  
WCMW-DT, Manistee  
WCML-DT and WCML-FM, Alpena  
WUCX-FM, Bay City  
WCMW-FM, Harbor Springs  
WCMB-FM, Oscoda  
WCMZ-FM, Sault Sainte Marie  
WWCM-FM, Standish  
WCMV-FM, Leland

WUCX-FM, Bay City, is operated jointly by Central Michigan University and Delta College. For 2024 and 2023, the financial statements of Delta College WUCX-FM have been audited separately and combined with Central Michigan University Public Broadcasting Network in these consolidated financial statements. Interorganizational transactions have been eliminated. See Note 14 for disclosures related to Delta College WUCX-FM financial statements.

Only WCMU-DT and WCMU-FM are funded by the Corporation for Public Broadcasting (CPB). However, the operations of all of the stations have been combined for financial reporting purposes, as allowed by the CPB.

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**Note 1 - Industry Information and Significant Accounting Policies (Continued)**

**Basis of Presentation** - The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB) and the Corporation for Public Broadcastings' *Principles of Accounting and Financial Reporting for Public Telecommunications Entities*.

The Network follows the "business-type" activities requirements of 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*. This statement requires the following components of the Network's consolidated financial statements:

- Management's discussion and analysis
- Basic consolidated financial statements including a Consolidated Statement of Net Position, Consolidated Statement of Revenues, Expenses, and Changes in Net Position, and Consolidated Statement of Cash Flows for the Network as a whole
- Notes to the consolidated financial statements

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

- Net investment in capital assets: Capital assets, net of accumulated depreciation, leased assets, net of accumulated amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted:
  - Nonexpendable - Net position subject to externally imposed constraints that they be maintained permanently by the Network. Such assets include the Network's permanent endowment funds.
  - Expendable - Net position whose use by the Network is subject to externally imposed constraints that can be fulfilled by actions of the Network pursuant to those constraints or that expire by the passage of time.
- Unrestricted: Net positions that are not subject to externally imposed constraints. Unrestricted net positions may be designated for specific purposes by action of management or the board or may otherwise be limited by contractual agreements with outside parties.

# Central Michigan University Public Broadcasting Network

## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 1 - Industry Information and Significant Accounting Policies (Continued)

**Basis of Accounting** - The accompanying consolidated financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting.

**Use of Estimates** - The preparation of consolidated 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 amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

#### Summary of Significant Accounting Policies

**Cash and Cash Equivalents and Investments** - Cash and cash equivalents and marketable securities are held by Central Michigan University or Delta College funds. The amounts reflected in the accompanying consolidated statement of net position represent the amounts due to the Network from the University's pooled cash and investments. Investments are stated at fair value.

**Accounts Receivable** - Accounts receivable at June 30, 2024 and 2023 include tower rent-related receivables, lease receivables, grant receivables and receivables for services performed. Accounts receivable are deemed fully collectible.

**Leased Assets** - Right-to-use assets are stated at the present value of payments expected to be made during the lease term using a discount rate.

Amortization is provided for leased assets over the shorter of the lease term or the estimated useful life of the underlying asset.

**Capital Assets** - Institutional capital assets are stated at cost when purchased and at appraised value for other acquisitions. Building additions and improvements with a cost in excess of \$50,000 are capitalized if the life of the building is extended. Equipment with a cost in excess of \$5,000 with a useful life greater than one year is capitalized. Donated capital assets are recorded at their acquisition value as of the date received.

Depreciation is provided for capital assets on a straight-line basis over the estimated useful life of the property as follows:

Classification	Life
Buildings and Improvements more than \$100,000	40 years
Buildings and Improvements \$50,000 to \$100,000	10 years
Intangible Assets	40 years or indefinite
Equipment - Digital TV	20 years
Equipment	8 years
Vehicles	4 years

# Central Michigan University Public Broadcasting Network

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## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 1 - Industry Information and Significant Accounting Policies (Continued)

**Unearned Revenue** - Unearned revenue represents tower lease revenue and grant revenue that will be recognized by the Network during the year in which it is earned.

**Administrative Support** - Administrative support from the University consists of that portion of the indirect costs incurred by the University and attributable to the Network's operations (such as personnel services, purchasing, and payables). Administrative support is calculated and recorded as revenue and expense using methods mandated by the CPB.

**Revenue Recognition** - Revenue is recognized when earned and expenditures are recognized when the service is provided. Restricted grant revenue is recognized only to the extent expended. Operating revenue of the Network consists of general appropriations from the University, contributions, community service grants from the CPB, outreach grants, underwriting and auxiliary enterprise revenue. Nonoperating revenue of the Network consists of investing activities, capital contributions, capital grants, and lease revenue and expenses. Restricted and unrestricted resources are spent and tracked at the station level within the guidelines of donor restrictions.

**Contributions and Pledges** - Voluntary nonexchange transactions (pledges) are recognized in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB Statement No. 33 requires recognition of the entire pledge in the first period that use is permitted and all applicable eligibility requirements have been satisfied. Such pledges are recorded net of allowance for uncollectible pledges.

**Pensions and Other Post-Employment Benefits (OPEB)** - For purposes of measuring the net pension and other post-employment benefit (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS 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. Related plan investments are reported at fair value.

**Compensated Absences** - Network 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 based upon the nature of separation (death, retirement or termination). Certain limitations have been placed on the hours of vacation that employees may accumulate and carry over for payment at death, retirement or termination. Unused hours exceeding these limitations are forfeited.

**Note 1 - Industry Information and Significant Accounting Policies (Continued)**

**Deferred Outflows of Resources** - In addition to assets, the consolidated statement of net position reports a separate section for deferred outflows of resources. This separate consolidated financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Network's deferred outflows of resources related to the net pension liability were \$118,685 and \$141,637 as of June 30, 2024 and 2023, respectively. The Network's deferred outflows of resources related to the net other post-employment benefits (OPEB) liability were \$25,638 and \$35,465 as of June 30, 2024 and 2023, respectively. See Notes 8 and 14 for more information.

**Deferred Inflows of Resources** – In addition to liabilities, the consolidated statement of net position reports a separate section for deferred inflows of resources. This separate consolidated financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Network's deferred inflows of resources related to the net pension liability were \$97,888 and \$71,895 as of June 30, 2024 and 2023, respectively. The Network's deferred inflows of resources related to the net OPEB liability were \$68,355 and \$66,678 as of June 30, 2024 and 2023, respectively. See Notes 8 and 14 for more information. At June 30, 2024 and 2023, respectively, deferred inflows related to leasing agreements was \$2,851,863 and \$3,103,447. See Note 13 for additional information on leases.

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# Central Michigan University Public Broadcasting Network

## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 2 - Cash and Cash Equivalents and Endowment Investments

The Network considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Network's deposits and investments are included on the consolidated statement of net position under the following classifications as of June 30:

	2024	2023
Cash and cash equivalents	\$ 9,693,212	\$ 6,891,337
Endowment investments	6,980,679	6,752,362
Total	<u>\$ 16,673,891</u>	<u>\$ 13,643,699</u>

The above amounts are classified by GASB Statement No. 3 in the following categories at June 30:

	2024	2023
Deposits in pooled accounts (checking accounts, savings accounts, and certificates of deposit)	\$ 9,693,212	\$ 6,891,337
Investments in pooled accounts	6,980,679	6,752,362
Total	<u>\$ 16,673,891</u>	<u>\$ 13,643,699</u>

**Deposits in Pooled Accounts** - The University invests and manages cash collectively by pooling cash reserves, including cash of the Network. It is not practicable to determine the amount reflected in the accounts of the banks (without recognition of checks written but not cleared, or of deposits in transit) or the amount of federal depository insurance that is applicable to the Network's portion of the pooled deposits as of June 30, 2024 or 2023. A portion of the Network's cash is deposited in interest-bearing accounts.

**Endowment Investments in Pooled Accounts** - The Network has received certain contributions that have been designated for use as endowments. Such assets are pooled with and held within the University's Endowment Fund and are invested in brokerage account cash money funds, U.S. Treasury bills, notes and bonds, and debt and equity securities. The Network's investments are stated at fair value based upon market quotations. At June 30, 2024 and 2023, the fair value of the Network's investments was \$6,980,679 and \$6,752,362, respectively. Information as to amount by investment type and associated risks is included in the notes to the financial statements for Central Michigan University and Delta College.

**Donor-restricted Endowments** - Under Michigan Law set forth in the Uniform Prudent Management of Institutional Funds Act, as adopted in Michigan in 2009 (UPMIFA), the University Board acts in a fiduciary capacity as trustee of its endowment funds. The UPMIFA requires the University Board to exercise its fiduciary duties prudently and consider both the charitable purposes and needs of the University and the purposes of the specific endowment regarding current expenditures and preservation of purchasing power of the funds. Endowment realized and unrealized appreciation is reported consistently with the net position categorization of the related endowment, net of spending policy distributions.



# Central Michigan University Public Broadcasting Network

## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 3 - Capital Assets

	Beginning Balance July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024
Land	\$ 197,598	\$ -	\$ -	\$ 197,598
Buildings	7,280,839	-	53,177	7,227,662
Furniture and equipment	12,548,680	64,218	1,408,564	11,204,334
Intangible assets	731,548	-	-	731,548
Construction in progress	-	339,350	-	339,350
<b>Total</b>	<b>20,758,665</b>	<b>403,568</b>	<b>1,461,741</b>	<b>19,700,492</b>
Less accumulated depreciation:				
Buildings	4,724,283	117,348	53,177	4,788,454
Furniture and equipment	9,690,798	543,509	1,330,460	8,903,847
Intangible assets	227,329	7,780	-	235,109
<b>Total</b>	<b>14,642,410</b>	<b>668,637</b>	<b>1,383,637</b>	<b>13,927,410</b>
<b>Capital assets - Net</b>	<b>\$ 6,116,255</b>	<b>\$ (265,069)</b>	<b>\$ 78,104</b>	<b>\$ 5,773,082</b>

  

	Beginning Balance July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023
Land	\$ 197,598	\$ -	\$ -	\$ 197,598
Buildings	7,280,839	-	-	7,280,839
Furniture and equipment	14,851,091	103,932	2,406,343	12,548,680
Intangible assets	731,548	-	-	731,548
Construction in progress	35,675	(35,675)	-	-
<b>Total</b>	<b>23,096,751</b>	<b>68,257</b>	<b>2,406,343</b>	<b>20,758,665</b>
Less accumulated depreciation:				
Buildings	4,606,061	118,222	-	4,724,283
Furniture and equipment	11,018,914	635,671	1,963,787	9,690,798
Intangible assets	219,549	7,780	-	227,329
<b>Total</b>	<b>15,844,524</b>	<b>761,673</b>	<b>1,963,787</b>	<b>14,642,410</b>
<b>Capital assets - Net</b>	<b>\$ 7,252,227</b>	<b>\$ (693,416)</b>	<b>\$ 442,556</b>	<b>\$ 6,116,255</b>

On February 28, 2024, a fire damaged capital assets at the Network's broadcasting site in Atlanta, Michigan. A building and the broadcasting equipment inside and around the building were declared a complete loss. The broadcasting tower, also on the site, was inspected and determined to have not been damaged. Service capacity for the tower has temporarily declined due to the loss of the building and broadcasting equipment required to fully utilize the tower's capability. The Network intends to restore the site and replace the building and equipment in order to return operation to full capacity. The capital assets which were destroyed were written off and had an acquisition value of \$1.2 million and accumulated depreciation of \$1.1 million for a reported loss of approximately \$0.1 million as of June 30, 2024. Reconstruction is ongoing and insurance proceeds of \$1.6 million have been received to date.

# Central Michigan University Public Broadcasting Network

## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 4 - Accounts Payable, Accrued Liabilities, and Accrued Payroll

Accounts payable and accrued liabilities represent amounts due at June 30 for goods and services received prior to the end of the fiscal year. Accounts payable, accrued liabilities, and accrued payroll at June 30 were as follows:

	2024	2023
Vendors	\$ 104,102	\$ 135,595
Accrued payroll	83,396	95,298
Total	\$ 187,498	\$ 230,893

### Note 5 - Long-term Liabilities

Long-term liabilities at June 30 were as follows:

	Beginning Balance July 1, 2023	Change	Ending Balance June 30, 2024	Current Portion
Compensated absences	\$ 95,721	\$ 1,148	\$ 96,869	\$ -
Other obligations	2,800	3,171	5,971	5,971
Total	\$ 98,521	\$ 4,319	\$ 102,840	\$ 5,971

	Beginning Balance July 1, 2022	Change	Ending Balance June 30, 2023	Current Portion
Compensated absences	\$ 105,171	\$ (9,450)	\$ 95,721	\$ 3,864
Other obligations	769	2,031	2,800	2,800
Total	\$ 105,940	\$ (7,419)	\$ 98,521	\$ 6,664

Other obligations represent the value of outstanding advertising credits issued by the Network.

### Note 6 – Due to CMU

The Network acquired WCFX-FM from Northern Michigan Radio, Inc on April 30, 2020. The call letters were immediately changed to WCMV-FM. The purchase price was \$500,000 and included primarily the FCC license, antenna, transmitter and transmitter building. The station was incorporated into the Network and carries the same programming as the other stations. The acquisition expanded the radio coverage area into Traverse City and surrounding areas in northern Michigan. The purchase was financed by a loan from Central Michigan University to the Network which is being repaid over five years at an annual interest rate of 5.0%. The Network paid \$105,722 against the \$500,000 principal and \$1,332 in interest during the year ended June 30, 2024 to payoff the loan to Central Michigan University.

# Central Michigan University Public Broadcasting Network

## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 7 - Operating Expenses

Operating expenses by natural classification at June 30 were as follows:

	2024	2023
Salaries, wages, and benefits	\$ 2,727,628	\$ 2,820,123
Supplies and support services	4,393,882	4,424,562
Depreciation and amortization	698,519	792,148
Total operating expenses	\$ 7,820,029	\$ 8,036,833

### Note 8 - Retirement Plans

The information in this note pertains to the retirement plans offered by the University to employees of the Network who work at Central Michigan University. Delta College employees of WUCX-FM, which is operated jointly by Central Michigan University and Delta College, are covered under the Delta College retirement plans. See Note 14 for more information on Delta College.

The Network's employees are included in retirement plans funded by the University either through the Teachers Insurance and Annuity Association (TIAA) or the Michigan Public School Employees Retirement System. See the notes to the University's financial statements for details of these plans.

Total retirement expense for the Network for the years ended June 30, 2024 and 2023 was \$218,180 and \$244,376, respectively.

**Michigan Public School Employees Retirement System** - The Network, through the University, participates in the Michigan Public School Employees Retirement System (MPERS or the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers some employees of the University and therefore, some of the employees of the Network. Employees hired on or after January 1, 1996 cannot participate in MPERS unless they were previously enrolled in the plan at another participating university or college.

The Michigan Public School Employees Retirement System issues a publicly available financial report that is available on the web at <http://www.michigan.gov/orsschools>.

As of June 30, 2024 and 2023 the Network had no employees eligible to participate in the MPERS plan.

# Central Michigan University Public Broadcasting Network

## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 9 - Nonfederal Financial Support (NFFS)

The CPB allocates a portion of its funds annually to public broadcasting entities based on a base grant amount and NFFS, which is defined by CPB. NFFS is defined as the total value of cash and the fair market value of services received as contributions or payments and meeting all the respective criteria for each. Calculated in accordance with CPB guidelines, the combined Network reported total NFFS of \$6,287,106 and \$5,381,689 for the years ended June 30, 2024 and 2023, respectively.

### Note 10 - Indirect Administrative Support

Indirect support from Central Michigan University consists of allocations of the University's institutional support and facility operation costs that benefit the Network. The fair value of this support is recognized as operating revenue in the consolidated statement of revenues, expenses, and changes in net position under University administrative support for operations and also in operating expenses. The combined value of this support included in the consolidated statement of revenues, expenses, and changes in net position was \$1,306,367 and \$1,115,394 for the years ended June 30, 2024 and 2023, respectively.

### Note 11 - Corporation for Public Broadcasting Community Service Grants

The Network receives funding through a Community Service Grant from the Corporation for Public Broadcasting (CPB). The amount received and expended during fiscal years 2024, 2023 and 2022 were as follows;

Year of Grant	Grant Received	Amount Expended 2024	Amount Expended 2023	Amount Expended 2022	Uncommitted Balance at June 30
2024	\$ 1,463,633	\$ 1,463,633			\$ -
2023	1,476,520		\$ 1,476,520		-
2022	1,417,746			\$ 1,417,746	-

### Note 12 - Contingencies

In the normal course of its activities, the Network is a party in various legal and administrative actions. The Network has not experienced significant losses or costs, short of the transmitter fire February 28, 2024. After taking into consideration legal counsel's evaluation of pending actions and information relative to potential future claims based on past events, the Network is of the opinion that the outcome thereof will not have a material effect on the consolidated financial statements.

# Central Michigan University Public Broadcasting Network

## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 13 - Lease and SBITA Commitments

#### Lessee Agreements and Subscription-Based Information Technology Arrangements

The Network leases certain assets from various third parties. The assets leased include land and buildings with payments generally fixed monthly. The Network also has a requirement to report subscription-based information technology arrangements (SBITA) for the right-to-use various information technology software. As of June 30, 2024 and 2023, the Network had no subscription-based information technology arrangements to report.

Lease assets, net of amortization, consist of the following as of June 30, 2024:

	Beginning Balance July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024
Leased assets				
Land	\$ 337,674	\$ -	\$ 85,125	\$ 252,549
Buildings	585,091	-	-	585,091
Total	922,765	-	85,125	837,640
Less accumulated amortization:				
Land	44,826	14,348	13,692	45,482
Buildings	46,599	15,534	-	62,133
Total	91,425	29,882	13,692	107,615
Leased assets - Net	<u>\$ 831,340</u>	<u>\$ (29,882)</u>	<u>\$ 71,433</u>	<u>\$ 730,025</u>

Lease assets, net of amortization, consist of the following as of June 30, 2023:

	Beginning Balance July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023
Leased assets				
Land	\$ 337,674	\$ -	\$ -	\$ 337,674
Buildings	585,091	-	-	585,091
Total	922,765	-	-	922,765
Less accumulated amortization:				
Land	29,884	14,942	-	44,826
Buildings	31,066	15,533	-	46,599
Total	60,950	30,475	-	91,425
Leased assets - Net	<u>\$ 861,815</u>	<u>\$ (30,475)</u>	<u>\$ -</u>	<u>\$ 831,340</u>

# Central Michigan University Public Broadcasting Network

## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 13 - Lease and SBITA Commitments (Continued)

Future principal and interest payments related to the Network's lease liability at June 30, 2024 are as follows:

	Principal	Interest	Total
2025	\$ 5,033	\$ 33,787	\$ 38,820
2026	6,077	33,563	39,640
2027	7,188	33,298	40,486
2028	8,371	32,985	41,356
2029	9,631	32,622	42,253
2030-2034	69,997	155,689	225,686
2035-2039	115,379	137,121	252,500
2040-2044	114,209	112,108	226,317
2045-2049	119,921	89,264	209,185
2050-2054	183,887	58,615	242,502
2055-2059	186,993	14,964	201,957
Total	<u>\$ 826,686</u>	<u>\$ 734,016</u>	<u>\$ 1,560,702</u>

### Lessor Agreements

The Network leases certain assets to various third parties. The assets leased include buildings with payments generally fixed monthly.

At June 30, 2024 and June 30, 2023, the Network recognized the following lease revenue and lease interest revenue related to its lessor agreements:

	June 30, 2024	June 30, 2023
Lease Revenue	\$ 242,740	\$ 223,201
Lease Interest Revenue	\$ 141,714	\$ 125,287

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**Note 14 - Delta College WUCX-FM**

The following notes are taken directly from Delta College WUCX-FM's financial statements and are presented in their entirety to provide additional information regarding Delta College's financial information.

**Significant Accounting Policies**

**Reporting Entity**

WUCX-FM (the Station) is a nonprofit public radio station, operated as a separate organizational unit of Delta College (College), a community college located in University Center, Michigan. The Station has operated since 1989 under a Joint Operating Agreement with Central Michigan University's public radio station, WCMU-FM, which maintains the broadcast license granted by the Federal Communications Commission. The Station's financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America as applicable to public colleges and universities outlined in Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, as required by the Corporation for Public Broadcasting (CPB).

Significant accounting policies followed by the Station are described below to enhance the usefulness of the financial statements to the reader:

**Accrual Basis**

The financial statements of the Station have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenditures are recognized when the related liabilities are incurred and certain measurement and matching criteria are met.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of all highly liquid investments with an initial maturity of three months or less when purchased.

**Investments**

Investments are recorded at fair value, based on quoted market prices.

**Capital Assets**

Capital assets are recorded at cost or, if acquired by gift, at the acquisition value as of the date of acquisition. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is calculated on capital assets using the straight-line method over the estimated useful lives of the assets. *The American Health Association's Estimated Useful Lives of Depreciable Hospital Assets* was utilized as a guide in establishing useful lives of the Station's capital assets.

**Note 14 - Delta College WUCX-FM (Continued)**

**Compensated Absences**

Compensated absences represent the accumulated liability to be paid under the Station's current vacation policy. Under the Station's policy, employees accrue vacation on a bi-weekly basis at a rate that is dependent on the employee's pay class.

**Pensions and OPEB (Postemployment Benefits Other Than Pensions)**

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Revenue Recognition**

Restricted grant revenue is recognized only to the extent expended.

**Gifts and Pledges**

Gifts are recorded when received. Voluntary nonexchange transactions (pledges) are recognized in accordance with the GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB Statement No. 33 requires recognition of the entire pledge in the first period that use is permitted and all applicable eligibility requirements have been satisfied. Such pledges are recorded at their discounted present value, net of allowance for uncollectible pledges. The Station has no pledges receivable recorded at June 30, 2024 or 2023.

**Donated Facilities and Administrative Support**

Donated facilities from Delta College consist of office and studio space together with related occupancy cost, and are recorded in revenue and expense based on methods mandated by CPB. Administrative support from Delta College consists of allocated costs such as financial, administrative, and personnel services and certain other institutional support expenses incurred by the College on behalf of the Station.

**Operating Activities**

The Station's policy for defining operating activities as reported on the Statement of Revenue, Expenses and Changes in Net Position are those that generally result from the provision of public broadcasting services. Revenue restricted by donors to use for capital improvements, and revenue and expenses that result from financing and investing activities are recorded as nonoperating revenue and expenses.



# Central Michigan University Public Broadcasting Network

## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 14 - Delta College WUCX-FM (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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### Cash and Cash Equivalents and Investments

The Station considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Station's deposits and investments are included on the Statement of Net Position under the following classifications as of June 30:

	2024	2023
Cash and cash equivalents	\$ 562,956	\$ 452,559
Long-term investments	165,281	150,456
Total	<u>\$ 728,237</u>	<u>\$ 603,015</u>

The above amounts are classified in the following categories at June 30:

	2024	2023
Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 562,956	\$ 452,559
Investments in securities and similar vehicles	165,281	150,456
Total	<u>\$ 728,237</u>	<u>\$ 603,015</u>

#### Cash and Cash Equivalents

Delta College invests and manages cash collectively by pooling cash reserves, including cash of the Station. It is not practical to determine the amount reflected in the accounts of the banks (without recognition of checks written but not cleared, or of deposits in transit) or the amount of federal depository insurance that is applicable to the Station's portion of the pooled deposits as of June 30, 2024 or 2023. A portion of the Station's cash is deposited in interest-bearing accounts.

#### Investments

The Station has received certain contributions that have been designated for use as quasi-endowments. During the years ended June 30, 2024 and 2023, the Station also received contributions restricted for a permanent endowment. Such assets are pooled with and held within the Delta College Endowment Fund, and are invested in brokerage account cash and money funds, U.S. Treasury bills, notes and bonds, debt and equity securities and alternative investment funds. The Station's investments are stated at fair value based upon market prices. At June 30, 2024 and 2023, respectively, the fair value of the Station's investments is \$165,281 and \$150,456. Information as to amounts by investment type, associated risks and fair value measurements is included in the notes to the financial statements for Delta College.

# Central Michigan University Public Broadcasting Network

## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 14 - Delta College WUCX-FM (Continued)

#### Capital Assets

The following tables present the changes in the various capital asset class categories:

Year Ended June 30, 2024:	Estimated Useful Life	Beginning Balance	Additions/Depreciation	Deletions	Ending Balance
Capital Assets:					
Buildings	40 years	\$ 80,531	\$ -	\$ -	\$ 80,531
Furniture and equipment	5-20 years	125,341	-	-	125,341
Total Capital Assets		205,872	-	-	205,872
Less Accumulated Depreciation:					
Buildings		51,361	1,620	-	52,981
Furniture and equipment		108,452	5,820	-	114,272
Total Accumulated Depreciation		159,813	\$ 7,440	\$ -	167,253
Capital Assets, Net		\$ 46,059			\$ 38,619

Year Ended June 30, 2023:	Estimated Useful Life	Beginning Balance	Additions/Depreciation	Deletions	Ending Balance
Capital Assets:					
Buildings	40 years	\$ 80,531	\$ -	\$ -	\$ 80,531
Furniture and equipment	5-20 years	125,341	-	-	125,341
Total Capital Assets		205,872	-	-	205,872
Less Accumulated Depreciation:					
Buildings		49,741	1,620	-	51,361
Furniture and equipment		102,632	5,820	-	108,452
Total Accumulated Depreciation		152,373	\$ 7,440	\$ -	159,813
Capital Assets, Net		\$ 53,499			\$ 46,059

#### Unrestricted Net Position

The Station has designated the use of unrestricted net position (deficit) as follows as of June 30:

	2024	2023
Designated for funds functioning as endowments	\$ 84,600	\$ 78,673
Unrestricted – MPSERS Pension Liability	(411,273)	(420,409)
Unrestricted – MPSERS OPEB Liability	(34,977)	(59,858)
Unrestricted and unallocated	512,803	393,964
Total Unrestricted Net Position (Deficit)	\$ 151,153	\$ (7,630)

**Note 14 - Delta College WUCX-FM (Continued)**

**Retirement Plans**

The Station's employees are included in a retirement plan funded by Delta College either through MPSERS, or the Optional Retirement Plan (ORP), a defined contribution plan, administered by TIAA-CREF. Prior to July 1, 2010, the MPSERS plan was strictly a defined benefit plan. Effective July 1, 2010, new MPSERS members participate in a hybrid plan which is both a defined benefit and defined contribution plan.

**MPSERS Defined Benefit Plan**

At June 30, 2024 and 2023, respectively, the Station reported a liability of \$432,070 and \$490,151 for its share of the College's proportionate share of the net pension liability of MPSERS. At June 30, 2024 and 2023, respectively, the Station also reported a negative liability of \$7,740 and a positive liability of \$27,945 for its share of the College's proportionate share of the net OPEB liability of MPSERS, for a total net pension and OPEB liability of \$424,330 as of June 30, 2024 and \$518,096 as of June 30, 2023. The net pension and OPEB liability at June 30, 2024 was measured as of September 30, 2023, and the total pension and OPEB liability used to calculate the net pension and OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2022. The College's proportion of the net pension and OPEB liability was based on a projection of its long-term share of contributions to the pension and OPEB plans relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2023, the College's pension proportion was .29745%, a decrease of .00634% from its proportion measured as of September 30, 2022, which was .30379%. At September 30, 2023, the College's OPEB proportion was .30487%, a decrease of .00267% from its proportion measures as of September 20, 2022, which was .30754%. The Station's calculated share of the net pension and OPEB liability was based on its proportionate share of the College's covered employee payroll, as measured by the Station's MPSERS contributions.

For the years ended June 30, 2024 and 2023, respectively, the Station recognized MPSERS retirement expense of negative \$4,857 and positive \$16,421. For the two respective years, the Station reported deferred outflows of resources of \$118,685 and \$141,637 and deferred inflows of resources of \$97,888 and \$71,895 related to the MPSERS pension and deferred outflows of resources of \$25,638 and \$34,765 and deferred inflows of resources of \$68,355 and \$66,678 related to the MPSERS OPEB.

The Station reported deferred outflows of resources related to pension contributions subsequent to the measurement date of \$46,499 and \$51,359, respectively, as of June 30, 2024 and 2023, that will be recognized as a reduction of the net pension liability in the Station's respective subsequent fiscal year. The Station also reported deferred inflows of resources related to pension rate stabilization appropriations received subsequent to the measurement date of \$24,592 and \$33,274, respectively as of June 30, 2024 and 2023, that will be recognized as revenue in the respective subsequent fiscal year. The Station reported deferred outflows of resources related to OPEB contributions subsequent to the measurement date of \$8,289 and \$7,540, as of June 30, 2024 and 2023, respectively, that will be recognized as a reduction of the net OPEB liability in the Station's respective subsequent fiscal year.

# Central Michigan University Public Broadcasting Network

## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 14 - Delta College WUCX-FM (Continued)

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

Recognized in Year Ending June 30,	Pension	OPEB
2025	\$ (5,367)	\$ (17,417)
2026	(3,024)	(15,830)
2027	14,480	(6,205)
2028	(7,199)	(5,469)
2029	-	(4,050)
Thereafter	-	(2,035)
Total	\$ (1,110)	\$ (51,006)

The discount rate used to measure the total pension liability at June 30, 2024 and 2023 was 6.00% for the Basic, MIP, Pension Plus, and Pension Plus 2 Plans using the September 30, 2023 and 2022 valuation years, respectively.

The following presents the net pension liability of the Station, which was calculated using the aforementioned discount rates, as well as what the Station's net pension liability would be if it were calculated using a discount rate that is 1.0% point lower or 1.0% point higher than the current rates:

	Net Pension Liability at 1.0% Decrease	Net Pension Liability at Current Discount Rate	Net Pension Liability at 1.0% Increase
June 30, 2024	\$ 583,726	\$ 432,070	\$ 305,812
June 30, 2023	\$ 646,817	\$ 490,151	\$ 361,051

The discount rate used to measure the total OPEB liability for the years ending June 30, 2024 and 2023 was 6.00% for the September 30, 2023 and 2022 valuation years, respectively. The healthcare cost rate for the year ending June 30, 2024 ranged from 6.25% to 7.50% and for the year ending June 30, 2023 ranged from 5.25% to 7.75%. The following presents the net OPEB liability of the Station, which was calculated using the aforementioned rate, as well as what the Station's net OPEB liability would be if it were calculated using a discount and healthcare cost rate that is 1.0% point lower or 1.0% point higher than the current rate:

	Net OPEB Liability at 1.0% Decrease	Net OPEB Liability at Current Rate	Net OPEB Liability at 1.0% Increase
Discount Rate June 30, 2024	\$ (8,024)	\$ (7,740)	\$ 21,288
Current Healthcare Cost Rate June 30, 2024	\$ 21,322	\$ (7,740)	\$ (6,960)
Discount Rate June 30, 2023	\$ 46,874	\$ 27,945	\$ 12,004
Current Healthcare Cost Rate June 30, 2023	\$ 11,702	\$ 27,945	\$ 46,178

# Central Michigan University Public Broadcasting Network

## Notes to Consolidated Financial Statements June 30, 2024 and 2023

### Note 14 - Delta College WUCX-FM (Continued)

#### ORP Defined Contribution Plan

The Station had no ORP covered payroll for the years ended June 30, 2024 and 2023.

#### Additional Information

For additional information concerning the Station's retirement plans, refer to Delta College's June 30, 2024 audited financial statements.

#### Community Service Grants

The Station operates under a Joint Operating Agreement with Central Michigan University's public radio station, WCMU-FM. This agreement allows the Station to share in annual funding from WCMU-FM's Community Service Grant from the CPB. The Station's share of CPB Community Service Grants received and expended during recent fiscal years was as follows:

Year of Grant	Grants Received	Expended 2024	Expended 2023	Expended 2022	Uncommitted Balance at June 30
2024	\$29,818	\$29,818			\$ -
2023	29,761		\$29,761		-
2022	25,648			\$25,648	-

#### NonFederal Financial Support (NFFS)

The CPB allocates a portion of its funds annually to public broadcasting entities, primarily based on NFFS, which is defined by CPB. NFFS is defined as the total value of cash and the fair market value of services received as contributions or payments and meeting all the respective criteria for each.

Calculated in accordance with CPB guidelines, the Station reported total NFFS of \$521,956 and \$497,473 for the years ended June 30, 2024 and 2023, respectively.

#### Indirect Administrative Support

Indirect support from Delta College consists of allocations of the College's institutional support and facility operation costs that benefit the Station. It is calculated based upon the ratio of the Station's operating costs to the College's total institutional support and facility operation costs. The fair value of this support is recognized as operating revenue in the Statements of Revenue, Expenses and Changes in Net Position under donated facilities and administrative support from Delta College and also in operating expenses. The value of this support included in the Statements of Revenue, Expenses and Changes in Net Position was approximately \$63,000 and \$55,000, respectively, for the years ended June 30, 2024 and 2023.

**Note 15 – New Accounting Pronouncements**

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires the 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 the fiscal year ending June 30, 2025. The effect of this new statement has not yet been determined.

In December 2023, the Government Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the year ending June 30, 2025. The effect of this new statement has not yet been determined.

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which requires governments to limit topics in management disclosure and analysis ("MD&A") to (1) overview of the financial statements, (2) financial summary, (3) detailed analyses, (4) significant capital asset and long-term financing activity, and (5) currently known facts, decisions, or conditions. It also provides clarification on what constitutes nonoperating revenues and expenses for proprietary funds. The provisions of this statement are effective for the year ending June 30, 2026. The effect of this new statement has not yet been determined.

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## **Required Supplementary Information**

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# Central Michigan University Public Broadcasting Network

## Required Supplementary Information

Required Supplementary Information  
Schedule of Proportionate Share of Net Pension Liability and Contributions for Michigan Public School  
Employees' Retirement System (MPERS), and Notes to Required Supplementary Information  
WUCX-FM  
Delta College  
June 30, 2024

	2023	2022	2021	2020	September 30,		2017	2016	2015	2014
					2019	2018				
<u>Schedule of Proportionate Share of Net Pension Liability</u>										
WUCX-FM's proportion of the net pension liability:										
As a percentage	0.00133%	0.00130%	0.00142%	0.00135%	0.00135%	0.00137%	0.00138%	0.00128%	0.00125%	0.00114%
Amount	\$ 432,070	\$ 490,151	\$ 335,663	\$ 465,125	\$ 447,271	\$ 412,593	\$ 358,064	\$ 318,609	\$ 305,394	\$ 251,699
WUCX-FM's covered payroll	\$ 137,728	\$ 129,089	\$ 125,316	\$ 116,434	\$ 115,948	\$ 117,322	\$ 116,159	\$ 106,778	\$ 106,470	\$ 94,385
WUCX-FM's proportionate share of the net pension liability, as a percentage of the Station's covered payroll	313.7%	379.7%	267.9%	399.5%	385.8%	351.7%	308.3%	298.4%	286.8%	266.7%
MPERS fiduciary net position, as a percentage of the total non-university net pension liability	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

	2024	2023	2022	2021	June 30,		2018	2017	2016	2015
					2019	2018				
<u>Schedule of Contributions for MPERS</u>										
WUCX-FM's statutorily required contributions	\$ 48,113	\$ 59,011	\$ 44,377	\$ 38,761	\$ 34,995	\$ 36,056	\$ 38,046	\$ 30,370	\$ 29,503	\$ 20,001
WUCX-FM's contributions in relation to statutorily required contribution	48,113	59,011	44,377	38,761	34,995	36,056	38,046	30,370	29,503	20,001
WUCX-FM's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WUCX-FM's covered payroll	\$ 142,163	\$ 129,978	\$ 126,879	\$ 113,860	\$ 111,048	\$ 117,077	\$ 118,236	\$ 110,438	\$ 105,485	\$ 92,513
WUCX-FM's contributions as a percentage of covered payroll	33.8%	45.4%	35.0%	34.0%	31.5%	30.8%	32.2%	27.5%	28.0%	21.6%

### Notes to Required Supplementary Information

Changes of benefit terms:

There were no changes of benefit terms from September 30, 2014 through September 30, 2023.

Changes of assumptions:

The discount rate for the September 30 valuation date was:  
8.00% for 2014-2016; 7.50% for 2017; 7.05% for 2018; 6.80% for 2019-2021; and 6.00% for 2022-2023.



# Central Michigan University Public Broadcasting Network

## Required Supplementary Information

Required Supplementary Information  
Schedule of Proportionate Share of Net OPEB Liability and Contributions for Michigan Public School  
Employees' Retirement System (MPERS), and Notes to Required Supplementary Information  
WUCX-FM  
Delta College  
June 30, 2024

	2023	2022	2021	September 30, 2020	2019	2018	2017
<u>Schedule of Proportionate Share of Net OPEB Liability</u>							
WUCX-FM's proportion of the net OPEB liability:							
As a percentage	0.00137%	0.00132%	0.00137%	0.00131%	0.00132%	0.00137%	0.00139%
Amount	\$ (7,740)	\$ 27,945	\$ 20,975	\$ 69,927	\$ 94,859	\$ 109,206	\$ 122,778
WUCX-FM's covered payroll	\$ 137,728	\$ 129,089	\$ 125,316	\$ 116,434	\$ 115,948	\$ 117,322	\$ 116,159
WUCX-FM's proportionate share of the net OPEB liability, as a percentage of the Station's covered payroll	-5.6%	21.6%	16.7%	60.1%	81.8%	93.1%	105.7%
MPERS fiduciary net position, as a percentage of the total non-university net OPEB liability	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

	2024	2023	2022	June 30, 2021	2020	2019	2018
<u>Schedule of Contributions for MPERS</u>							
WUCX-FM's statutorily required contributions	\$ 10,659	\$ 10,076	\$ 9,977	\$ 9,196	\$ 8,749	\$ 9,090	\$ 8,529
WUCX-FM's contributions in relation to statutorily required contribution	<u>10,659</u>	<u>10,076</u>	<u>9,977</u>	<u>9,196</u>	<u>8,749</u>	<u>9,090</u>	<u>8,529</u>
WUCX-FM's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WUCX-FM's covered payroll	\$ 142,163	\$ 129,978	\$ 126,879	\$ 113,860	\$ 111,048	\$ 117,077	\$ 118,236
WUCX-FM's contributions as a percentage of covered payroll	7.5%	7.8%	7.9%	8.1%	7.9%	7.8%	7.2%

### Notes to Required Supplementary Information

Changes of benefit terms: There were no changes of benefit terms from September 30, 2017 to September 30, 2023.

Changes of assumptions: The discount rate for the September 30 valuation date was:  
7.50% for 2017; 7.15% for 2018; 6.95% for 2019-2021; and 6.00% for 2022-2023.

## **Other Supplementary Information**

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# Central Michigan University Public Broadcasting Network

## Consolidating Statement of Net Position Year Ended June 30, 2024

	Television	Radio	CMU Combined Total	Delta College WUCX-FM	Radio Combined Total	CMU and Delta Combined Total
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 8,168,924	\$ 961,332	\$ 9,130,256	\$ 562,956	\$ 1,524,288	\$ 9,693,212
Accounts receivable	23,332	33,489	56,821	-	33,489	56,821
Pledges receivable - Net	420,511	205,089	625,600	-	205,089	625,600
Lease receivable - Current portion	133,705	43,945	177,650	-	43,945	177,650
Prepaid expenses	78,775	112,821	191,596	-	112,821	191,596
Total current assets	8,825,247	1,356,676	10,181,923	562,956	1,919,632	10,744,879
Noncurrent assets:						
Lease receivable	2,319,713	707,974	3,027,687	-	707,974	3,027,687
Endowment investments	5,110,919	1,704,479	6,815,398	165,281	1,869,760	6,980,679
Lease assets - Net	70,965	659,060	730,025	-	659,060	730,025
Capital assets - Net	4,473,766	1,260,697	5,734,463	38,619	1,299,316	5,773,082
Total noncurrent assets	11,975,363	4,332,210	16,307,573	203,900	4,536,110	16,511,473
Total assets	20,800,610	5,688,886	26,489,496	766,856	6,455,742	27,256,352
Deferred Outflows of Resources	-	-	-	144,323	144,323	144,323
<b>Liabilities</b>						
Current liabilities:						
Accounts payable and accrued liabilities	38,783	33,203	71,986	32,116	65,319	104,102
Accrued payroll	42,949	22,411	65,360	18,036	40,447	83,396
Unearned revenue	260,292	1,725	262,017	-	1,725	262,017
Long-term liabilities - Current portion	2,929	3,042	5,971	-	3,042	5,971
Lease Liabilities - Current portion	2,694	2,339	5,033	-	2,339	5,033
Total current liabilities	347,647	62,720	410,367	50,152	112,872	460,519
Noncurrent liabilities:						
Long-term liabilities	54,095	42,774	96,869	-	42,774	96,869
Lease liabilities	73,087	748,566	821,653	-	748,566	821,653
Net pension liability	-	-	-	432,070	432,070	432,070
Net OPEB liability	-	-	-	(7,740)	(7,740)	(7,740)
Total noncurrent liabilities	127,182	791,340	918,522	424,330	1,215,670	1,342,852
Total liabilities	474,829	854,060	1,328,889	474,482	1,328,542	1,803,371
Deferred Inflows of Resources	2,149,720	702,143	2,851,863	166,243	868,386	3,018,106
<b>Net Position</b>						
Invested in capital assets - Net of related debt	4,468,950	1,168,852	5,637,802	38,619	1,207,471	5,676,421
Restricted for:						
Nonexpendable	2,535,354	225,801	2,761,155	80,682	306,483	2,841,837
Expendable	2,128,128	367,820	2,495,948	-	367,820	2,495,948
Unrestricted	9,043,629	2,370,210	11,413,839	151,153	2,521,363	11,564,992
Total net position	\$ 18,176,061	\$ 4,132,683	\$ 22,308,744	\$ 270,454	\$ 4,403,137	\$ 22,579,198

# Central Michigan University Public Broadcasting Network

## Consolidating Statement of Revenues, Expenses, and Changes in Net Position Year Ended June 30, 2024

			CMU Combined Total	Delta College WUCX-FM	Radio Combined Total	CMU and Delta Combined Total
Revenues	Television	Radio				
Operating revenues:						
University appropriations - Operations	\$ 604,312	\$ 608,984	\$ 1,213,296	\$ 193,765	\$ 802,749	\$ 1,407,061
University additional support - Operations	20,342	10,767	31,109	-	10,767	31,109
University administrative support - Operations	757,079	486,239	1,243,318	63,049	549,288	1,306,367
Contributions and pledges, net of allowance	2,130,344	951,174	3,081,518	161,961	1,113,135	3,243,479
Community service grants	1,185,910	277,723	1,463,633	-	277,723	1,463,633
Outreach grants	16,470	11,430	27,900	-	11,430	27,900
Program underwriting and pledges	60,461	283,985	344,446	51,841	335,826	396,287
Production underwriting	5,000	-	5,000	-	-	5,000
Rents and royalties	39,178	561	39,739	-	561	39,739
In-kind support	41,227	48,593	89,820	-	48,593	89,820
Other operating revenues	11,102	16,344	27,446	-	16,344	27,446
Total operating revenues	4,871,425	2,695,800	7,567,225	470,616	3,166,416	8,037,841
Expenses						
Operating expenses:						
Programming and local production	1,443,844	1,002,638	2,446,482	170,222	1,172,860	2,616,704
Broadcasting	1,254,147	790,095	2,044,242	79,487	869,582	2,123,729
Program information	321,180	141,119	462,299	-	141,119	462,299
Fundraising	767,868	445,612	1,213,480	29,308	474,920	1,242,788
Management and general	322,175	281,824	603,999	71,991	353,815	675,990
Depreciation and amortization	579,726	111,353	691,079	7,440	118,793	698,519
Total operating expenses	4,688,940	2,772,641	7,461,581	358,448	3,131,089	7,820,029
Operating Income (Loss)	182,485	(76,841)	105,644	112,168	35,327	217,812
Nonoperating Revenues (Expenses)						
Investment income, net of expenses	355,647	117,963	473,610	45,574	163,537	519,184
Interest on capital assets related debt	(6,477)	(32,153)	(38,630)	-	(32,153)	(38,630)
Insurance Proceeds	1,095,250	589,750	1,685,000	-	589,750	1,685,000
Loss on disposal of capital assets	(75,349)	(2,755)	(78,104)	-	(2,755)	(78,104)
Other nonoperating revenues	316,035	100,094	416,129	-	100,094	416,129
Total Nonoperating Revenues (Expenses)	1,685,106	772,899	2,458,005	45,574	818,473	2,503,579
(Loss) Income Before Other	1,867,591	696,058	2,563,649	157,742	853,800	2,721,391
Other						
Additions to permanent endowments	130	130	260	2,500	2,630	2,760
Total Other	130	130	260	2,500	2,630	2,760
Before Transfers	1,867,721	696,188	2,563,909	160,242	856,430	2,724,151
Transfers (out) in	(22,039)	22,039	-	-	22,039	-
(Decrease) Increase in Net Position	1,845,682	718,227	2,563,909	160,242	878,469	2,724,151
Net Position						
Net Position - Beginning of year	16,330,379	3,414,456	19,744,835	110,212	3,524,668	19,855,047
Net Position - End of year	\$ 18,176,061	\$ 4,132,683	\$ 22,308,744	\$ 270,454	\$ 4,403,137	\$ 22,579,198