

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

**FINANCIAL STATEMENTS**  
June 30, 2019 and 2018



OHIO AUDITOR OF STATE  
KEITH FABER



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We have reviewed the *Independent Auditor's Report* of the WCSU-FM, Central State University Radio, Greene County, prepared by Crowe LLP, for the audit period July 1, 2018 through June 30, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

January 7, 2020

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WCSU-FM  
Wilberforce, Ohio

FINANCIAL STATEMENTS  
June 30, 2019 and 2018

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of WCSU-FM, Central State University Radio Station (the "Station"), as of and for the year ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Station's financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Station as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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(Continued)

### **Emphasis of Matters**

As discussed in Note 1, the financial statements of the Station are intended to present the financial position, the changes in financial position and cash flows, of only that portion of the activities of Central State University that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of Central State University as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") on pages 3 to 5, the Schedule of the Station's Proportionate Share of the Net Pension Liability, the Schedule of the Station's Pension Contributions, the Schedule of the Station's Proportionate Share of the Net OPEB Liability, and the Schedule of the Station's OPEB Contributions on pages 22 through 24 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 on our consideration of the Station's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Station's internal control over financial reporting and compliance.



Crowe LLP

Columbus, Ohio  
December 20, 2019

WCSU-FM  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
June 30, 2019

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

### The Statement of Net Position

The statement of net position includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector institutions. Net position - the difference between assets plus deferred outflows and liabilities plus deferred inflows - is one way to measure the financial activities of the Station. Unrestricted net position decreased by \$289,883 during fiscal year 2019 and \$58,104 during fiscal year 2018 due to decreased revenue from the Corporation for Public Broadcasting and increased expenses.

Net investment in capital assets decreased by \$29,995 and by \$140,762 during 2019 and 2018 respectively, due to depreciation exceeding additions. Total net position decreased by \$319,878 and increased by \$82,568 during fiscal years 2019 and 2018, respectively.

Total assets decreased by \$16 during 2019 and increased by \$12,033 during 2018. The decrease in 2019 is primarily attributable to a decrease in capital assets held by the Station of \$29,995, offset by an increase in cash held by the Station of \$29,979. The increase in 2018 is primarily attributable to an increase of \$140,672 in capital assets held by the Station, offset by a decrease in cash held by the Station of \$102,747 and decrease in prepaid expenses of \$25,982.

Total liabilities increased by \$299,926 and \$89,271 in 2019 and 2018, respectively. The increase in 2019 was primarily attributed to increases in net pension liability of \$210,001, in accordance with GASB 68, and OPEB liability of \$50,878, in accordance with GASB 75, together with an increase in accounts payable of \$12,518 and an increase in deferred revenue of \$26,529. The increase in 2018 was primarily attributed to increases in net pension liability of \$45,460, in accordance with GASB 68, and OPEB liability of \$147,552, in accordance with GASB 75, together with an increase in accounts payable of \$20,873, offset by a decrease in deferred revenue of \$124,614.

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assets			
Current assets	\$ 348,737	\$ 318,758	\$ 447,397
Capital assets - net of depreciation	<u>131,969</u>	<u>161,964</u>	<u>21,292</u>
Total assets	<u>480,706</u>	<u>480,722</u>	<u>468,689</u>
Deferred outflows of resources	153,595	197,196	63,064
Liabilities			
Current liabilities	215,269	176,222	279,963
Net pension liability	<u>630,930</u>	<u>369,511</u>	<u>176,499</u>
Total liabilities	<u>845,659</u>	<u>545,733</u>	<u>456,462</u>
Deferred inflows of resources	40,658	64,323	89,997
Net position			
Net investment in capital assets	131,969	161,964	21,292
Unrestricted	<u>(383,985)</u>	<u>(94,102)</u>	<u>(35,998)</u>
Total net position	<u>\$ (252,016)</u>	<u>\$ 67,862</u>	<u>\$ (14,706)</u>

(Continued)

WCSU-FM  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
June 30, 2019

**Statement of Revenue, Expenses, and Changes in Net Position**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Operating revenue			
Corporation for Public Broadcasting	\$ 102,963	\$ 258,360	\$ 78,318
State Network Commission and private grants	30,644	30,442	38,532
Contributions	6,860	7,500	1,248
Contributed services	105,250	60,840	84,292
Non-operating revenue			
Net investment income	13,217	15,306	18,821
University support	<u>657,856</u>	<u>514,516</u>	<u>476,573</u>
Total revenue	916,790	886,964	697,784
Operating expenses			
Program services			
Programming and production	469,916	211,523	245,340
Broadcasting and engineering	105,250	60,840	84,292
Program information and promotion	67,131	30,218	35,049
Support services			
Management and general	<u>594,371</u>	<u>365,543</u>	<u>388,299</u>
Total operating expenses	<u>1,236,688</u>	<u>668,124</u>	<u>752,980</u>
Increase (decrease) in net position	(319,878)	218,840	(55,196)
Net position - beginning of year	67,862	(14,706)	40,490
Adjustment for change in accounting principal	-	<u>(136,272)</u>	-
Net position – beginning of year (as restated)	<u>67,862</u>	<u>(150,978)</u>	40,490
Net position - end of year	<u>\$ (252,016)</u>	<u>\$ 67,862</u>	<u>\$ (14,706)</u>

Operating revenue decreased by \$111,425 or 31.19 percent during fiscal year 2019; Corporation for Public Broadcasting (CPB) decreased by \$155,397 (60.15 percent), State Network Commission increased by \$202 (0.67 percent), contributions decreased by \$640 (8.53 percent) and contributed services increased by \$44,410 (72.99 percent).

Operating revenue decreased by \$154,752 or 76.46 percent during fiscal year 2018; Corporation for Public Broadcasting (CPB) increased by \$180,042 (229.89 percent), State Network Commission decreased by \$8,090 (21.00 percent), contributions increased by \$6,252 (500.96 percent) and contributed services decreased by \$23,452 (27.82 percent).

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WCSU-FM  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
June 30, 2019

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**Statement of Cash Flows**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Cash used in operating activities	\$ (210,980)	\$ (186,789)	\$ (133,797)
Cash provided by noncapital financing activities	227,742	228,341	172,641
Cash used in capital and related financing activities	-	(159,605)	-
Cash flows from investing activities	<u>13,217</u>	<u>15,306</u>	<u>18,821</u>
Increase in cash	29,979	(102,747)	57,665
Cash - beginning of year	<u>318,758</u>	<u>421,505</u>	<u>363,840</u>
Cash - end of year	<u>\$ 348,737</u>	<u>\$ 318,758</u>	<u>\$ 421,505</u>

The Station consumed \$210,980 and \$186,789 in operating activities in 2019 and 2018, respectively. The primary operating cash receipts consist of grants and contracts of \$166,996 and \$171,868 for 2019 and 2018, respectively. Cash outlays include payments for wages and to vendors of \$377,976 and \$358,477 for 2019 and 2018, respectively. The primary noncapital financing activities consist of support from the University.

For 2018, the primary capital and related financing activities consist of cash used to purchase capital assets.

**Economic Factors that Will Affect the Future**

In 2019 the University created a new satellite broadcast station located at the Central State University's Dayton location, 840 Germantown Street, Dayton Ohio. The University anticipates with the addition of its new Dayton based satellite station broadcast the University will effectively increase its local visibility and accessibility to the Dayton and Montgomery County communities and their local corporate, not-for-profit, private and individual marketplace of philanthropic supporters. Additionally, through the establishment of this new local satellite broadcast, community involvement and local student enrollments will be positively impacted.

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See accompanying notes to financial statements.

WCSU-FM  
STATEMENTS OF NET POSITION  
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Current assets		
Cash held by the University	\$ 170,165	\$ 144,751
Cash held by the Foundation	<u>178,572</u>	<u>174,007</u>
Total current assets	348,737	318,758
Capital assets - net	<u>131,969</u>	<u>161,964</u>
Total assets	<u>480,706</u>	<u>480,722</u>
<b>Deferred outflows of resources</b>		
Pension	138,033	186,338
OPEB	<u>15,562</u>	<u>10,858</u>
Total deferred outflows of resources	153,595	197,196
<b>Liabilities and net position</b>		
Current liabilities		
Unearned revenue	153,314	126,785
Accounts payable	<u>61,955</u>	<u>49,437</u>
Total current liabilities	215,269	176,222
Non-current liabilities		
Net pension liability	431,960	221,959
OPEB liability	<u>198,430</u>	<u>147,552</u>
Total non-current liabilities	<u>630,390</u>	<u>369,511</u>
Total liabilities	<u>845,659</u>	<u>545,733</u>
<b>Deferred inflows of resources</b>		
Pension	6,231	53,331
OPEB	<u>34,427</u>	<u>10,992</u>
Total deferred inflows of resources	<u>40,658</u>	<u>64,323</u>
<b>Net position</b>		
Unrestricted	(383,985)	(94,102)
Net investment in capital assets	<u>131,969</u>	<u>161,964</u>
Total net position	<u>\$ (252,016)</u>	<u>\$ 67,862</u>

See accompanying notes to financial statements.

WCSU-FM  
 STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
 Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Support and revenue</b>		
Corporation for Public Broadcasting	\$ 102,963	\$ 258,360
State Network Commission	30,644	30,442
Contributions	6,860	7,500
Contributed services	<u>105,250</u>	<u>60,840</u>
Total support and revenue	245,717	357,142
<b>Expenses</b>		
Program services		
Programming and production	469,916	211,523
Broadcasting and engineering	105,250	60,840
Program information and promotion	67,131	30,218
Support services		
Management and general	<u>594,371</u>	<u>365,543</u>
Total expenses	<u>1,236,668</u>	<u>668,124</u>
<b>Operating loss</b>	(990,951)	(310,982)
<b>Non-operating revenue</b>		
Net investment income	13,217	15,306
University support	<u>657,856</u>	<u>514,516</u>
Total non-operating revenue	<u>671,073</u>	<u>529,822</u>
<b>Increase/(decrease) in net position</b>	(319,878)	218,840
Net position - beginning of year	<u>67,862</u>	<u>(150,978)</u>
<b>Net position - end of year</b>	<u>\$ (252,016)</u>	<u>\$ 67,862</u>

See accompanying notes to financial statements.

WCSU-FM  
STATEMENTS OF CASH FLOWS  
Years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>		
Proceeds from grants and contracts	\$ 166,996	\$ 171,688
Payments to employees	(301,766)	(267,004)
Payments to vendors	<u>(76,210)</u>	<u>(91,473)</u>
Net cash used in operating activities	(210,980)	(186,789)
<b>Cash flows from noncapital financing activities</b>		
University support	227,742	228,341
<b>Cash flows from capital and related financing activities</b>		
Purchase of capital assets	-	(159,605)
<b>Cash flows from investing activities</b>		
Interest on investments	<u>13,217</u>	<u>15,306</u>
<b>Increase in cash</b>	29,979	(102,747)
<b>Cash - beginning of year</b>	<u>318,758</u>	<u>421,505</u>
<b>Cash - end of year</b>	<u>\$ 348,737</u>	<u>\$ 318,758</u>
<b>Reconciliation of operating loss to net cash from operating activities</b>		
Operating loss	\$ (990,951)	\$ (310,982)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	29,995	18,933
Donated facilities and administrative support from University	430,114	286,175
Changes in assets and liabilities:		
Prepaid expenses	-	25,892
Accounts payable	12,518	20,873
Pension expense	280,815	(103,066)
Unearned revenue	<u>26,529</u>	<u>(124,614)</u>
<b>Net cash used in operating activities</b>	<u>\$ (210,980)</u>	<u>\$ (186,789)</u>

See accompanying notes to financial statements.

WCSU-FM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

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

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

The financial statements of the Station have been prepared on the accrual basis of accounting whereby revenue is recognized when earned and expenses are recorded when the related liability has been incurred. These statements are intended to present the financial position, the changes in financial position and cash flows, of only that portion of the activities of Central State University that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of Central State University as of June 30, 2019 and 2018, and the changes in its financial position and its cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

Cash held by the University: The financial records for WCSU-FM are maintained as a part of the operations of the University. Separate fund account activities are maintained to account for the operations of WCSU-FM. Consequently, funds deposited on account for WCSU-FM are reflected in the financial statements as cash held by the University.

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

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

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WCSU-FM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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WCSU-FM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

**NOTE 2 - CAPITAL ASSETS**

Capital assets activity for the years ended June 30, 2019 and 2018 are summarized as follows:

	2019			
	Beginning Balance	Additions	Retirements	Ending Balance
Office equipment	\$ 26,982	\$ -	\$ -	\$ 26,982
Telecommunications equipment	<u>628,479</u>	<u>-</u>	<u>-</u>	<u>628,479</u>
Total	655,461		-	655,461
Less accumulated depreciation:				
Office equipment	16,074	1,983	-	18,057
Telecommunications equipment	<u>477,423</u>	<u>28,012</u>	<u>-</u>	<u>505,435</u>
Total accumulated depreciation	<u>493,497</u>	<u>29,995</u>	<u>-</u>	<u>523,492</u>
Capital assets - net	<u>\$ 161,964</u>	<u>\$ (29,995)</u>	<u>\$ -</u>	<u>\$ 131,969</u>
	2018			
	Beginning Balance	Additions	Retirements	Ending Balance
Office equipment	\$ 15,082	\$ 11,900	\$ -	\$ 26,982
Telecommunications equipment	<u>480,774</u>	<u>147,705</u>	<u>-</u>	<u>628,479</u>
Total	495,856	159,605	-	655,461
Less accumulated depreciation:				
Office equipment	15,082	992	-	16,074
Telecommunications equipment	<u>459,482</u>	<u>17,941</u>	<u>-</u>	<u>477,423</u>
Total accumulated depreciation	<u>474,564</u>	<u>18,933</u>	<u>-</u>	<u>493,497</u>
Capital assets - net	<u>\$ 21,292</u>	<u>\$ 140,672</u>	<u>\$ -</u>	<u>\$ 161,964</u>

(Continued)

WCSU-FM  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

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**NOTE 3 - CORPORATION FOR PUBLIC BROADCASTING GRANTS**

WCSU-FM receives grant funding from the Corporation for Public Broadcasting (CPB) to assist in the operations of WCSU-FM. The CPB grants consist of a Radio Community Service Grant (CSG), which is unrestricted in its use, and a National Program Production and Acquisition Grant (NPPAG), which is restricted to national programming activities. Recognition of the CPB grant revenue is deemed unearned until expenses are incurred. Any unused grant amounts at the end of the spending period must be returned to the granting agency. During 2019 and 2018 no unused funds were returned to the CPB. There were no amounts due to the CPB at 2019 or 2018.

**NOTE 4 - STATE NETWORK COMMISSION GRANT AND CONTRIBUTED SERVICES**

WCSU-FM receives unrestricted radio station funding through E-Tech Ohio (OET). For the years ended June 30, 2019 or 2018, WCSU-FM received cash support of \$30,644 and \$30,442, respectively. WCSU-FM received in-kind contributed services support from OET of \$105,250 and \$60,840 during 2019 and 2018, respectively.

**NOTE 5 - UNIVERSITY SUPPORT ALLOCATION**

The operations of WCSU-FM are supported primarily by the general revenue of the University. The University effectively covers all operating costs of WCSU-FM in excess of direct support received through grant awards and contributions attributable to WCSU-FM's operations. The University's support allocation totaled \$227,742 and \$228,341 in direct support for 2019 and 2018, respectively, and \$430,114 and \$286,175 in indirect administrative support and donated facilities for 2019 and 2018, respectively.

**NOTE 6 - LONG-TERM LIABILITIES**

Long-term liability activity for the years ended June 30, 2019 and 2018 is summarized in the table below. Beginning balance for 2018 is restated to reflect the impact of the adoption of GASB Statement No. 75, as described in Note 1.

<u>2019</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reduction</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Net pension liability	\$ 221,959	\$ 210,001	\$ -	\$ 431,960	\$ -
OPEB	<u>147,552</u>	<u>50,878</u>	<u>-</u>	<u>198,430</u>	<u>-</u>
	<u>\$ 369,511</u>	<u>\$ 260,879</u>	<u>\$ -</u>	<u>\$ 630,390</u>	<u>\$ -</u>
<u>2018</u>	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reduction</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Net pension liability	\$ 176,499	\$ 45,460	\$ -	\$ 221,959	\$ -
OPEB	<u>136,272</u>	<u>11,280</u>	<u>-</u>	<u>147,552</u>	<u>-</u>
	<u>\$ 312,771</u>	<u>\$ 56,740</u>	<u>\$ -</u>	<u>\$ 369,511</u>	<u>\$ -</u>

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(Continued)

**NOTE 7 - RETIREMENT PLANS**

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

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

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

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

OPERS Combined Plans offers features of both a defined benefit plan and a member-directed or defined contribution plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit along with disability and survivor benefits.

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

OPERS Benefits

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

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

State and Local members in transition groups A and B are eligible for retirement benefits at age 60 with 5 years of service credit or at age 55 with 25 or more years of service credit. Group C for State and Local is eligible for retirement at age 57 with 25 years of service or at age 62 with 5 years of service.

Under the Traditional Plan, for Groups A and B, the annual benefit is based on 2.2% of final average salary multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. Final average salary represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. Under the Combined Plan, the benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's final average salary for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's final average salary and the first 35 years of

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(Continued)

**NOTE 7 - RETIREMENT PLANS** (Continued)

service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

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

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

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

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

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(Continued)

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**NOTE 7 - RETIREMENT PLANS** (Continued)

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

OPERS Contributions

Employer and member contribution rates are established by the OPERS Board subject to limits per Chapter 145 of the Ohio Revised Code. Under the OPERS plans, the employee contribution rate for the years ended June 30, 2019 and 2018 is 10% for all employees with the exception of law enforcement. The law enforcement contribution rate was 12.6% through December 31, 2013 and increased to 13% effective January 1, 2014. The employer contribution rate is 14% for all employees with the exception of law enforcement whose rate is 18.1%. For Member-Directed Plans, for the years ended June 30, 2019 and 2018, 13.23% was paid into the member's member-directed account and the remaining .77% was paid to OPERS, as required by state legislation, to cover unfunded liabilities.

The Station's contributions to OPERS were \$30,906 and \$26,942 for the fiscal years ended June 30, 2019 and 2018 respectively. The Station's contributions were equal to the required contributions for each year as set by state statute.

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

At June 30, 2019 and 2018, the Station reported a liability of \$431,960 and \$221,959, respectively for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of December 31, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Station's proportion of the net pension liability was based on the Station's long-term share of contributions to OPERS relative to the total projected long-term employer contributions received from all of OPERS' participating employers. At December 31, 2018 and 2017, the Station's proportion was 0.00158% and 0.00141%, respectively, representing a 0.00017% increase in proportionate share. At December 31, 2017 and 2016, the Station's proportion was 0.00141% and 0.00078% respectively, representing a 0.00063% increase in proportionate share.

The net pension liability and asset for the Traditional Pension Plan and Combined Plan, respectively, were measured as of December 31, 2019 and 2018, and the total pension liabilities were determined by an actuarial valuation as of that date.

For the year ended June 30, 2019 and 2018, the Station recognized pension expense of \$211,206 and \$(114,480), respectively. At June 30, 2019 and 2018, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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(Continued)

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NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

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**NOTE 7 - RETIREMENT PLANS (Continued)**

<u>2019</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 78	\$ 6,231
Changes of assumptions	37,943	-
Net difference between projected and actual earnings on pension plan investments	59,014	-
Changes in proportion and differences between the difference between actual and proportionate share of contributions	25,471	-
Station contributions subsequent to the measurement date	<u>15,527</u>	<u>-</u>
Total	<u>\$ 138,033</u>	<u>\$ 6,231</u>
<u>2018</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 245	\$ 5,263
Changes of assumptions	26,757	-
Net difference between projected and actual earnings on pension plan investments	-	48,068
Changes in proportion and differences between the difference between actual and proportionate share of contributions	144,784	-
Station contributions subsequent to the measurement date	<u>14,552</u>	<u>-</u>
Total	<u>\$ 186,338</u>	<u>\$ 53,331</u>

For 2018, deferred outflows of resources includes the Station's proportionate share of the effects of changes in assumptions resulting from OPERS experience study for the period 2011 through 2015. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the expected rate of investment return from an 8.0% actuarially assumed rate of return down to 7.5%, for the defined benefit investments.

At June 30, 2019, the Station reported \$15,527 as deferred outflows of resources related to pensions resulting from Station contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPERS pensions will be recognized in pension expense as follows:

2020	\$ 55,854
2021	24,182
2022	6,024
2023	30,259
2024	(20)
Thereafter	(24)

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(Continued)

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 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019 and 2018

**NOTE 7 - RETIREMENT PLANS** (Continued)

Actuarial Assumptions

OPERS Actuarial Assumptions

The total pension liability in the December 31, 2018 and 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2018</u>	<u>2017</u>
Inflation	3.25%	3.25%
Salary increases (average, including inflation)	3.25%-10.75%	3.25%-10.75%
Investment rate of return	7.20%	7.50%
Cost of living adjustment (simple)	3.00%	3.00%

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

The actuarial assumptions used in the December 31, 2018 and 2017 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2011 and 2010, respectively.

The allocation of investment assets within the Defined Benefit portfolio is approved by the OPERS Board as outlined in the annual investment plan. The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2017 and 2016 and the long-term expected real rates of return:

<u>Asset Class Return</u>	<u>2018 Target Allocation</u>	<u>2018 Long-Term Expected Real Rate of Return</u>
Fixed income	23.00%	2.79%
Domestic equity	19.00	6.21
International equity	20.00	7.83
Real estate	10.00	4.90
Private equity	10.00	10.81
Other	18.00	5.50
Total	100.00%	

(Continued)

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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 7 - RETIREMENT PLANS (Continued)**

<u>Asset Class Return</u>	<u>2017 Target Allocation</u>	<u>2017 Long-Term Expected Real Rate of Return</u>
Fixed income	23.00%	2.20%
Domestic equity	19.00	6.37
International equity	20.00	7.88
Real estate	10.00	5.26
Private equity	10.00	8.97
Other	<u>18.00</u>	5.26
Total	<u>100.00%</u>	

Discount rate: The discount rate used to measure OPERS total pension liability was 7.2% and 7.5% as of December 31, 2018 and December 31, 2017 respectively. The projection of cash flows used to determine the discount rates assumed that employee and University contributions will be made at the statutory contribution rates. Based on those assumptions, the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Station's proportionate share of the net pension liability to changes in the discount rate: The following presents the Station's proportionate share of the OPERS pension plans net pension liability calculated using the discount rate of 7.2% and 7.5% at December 31, 2018 and December 31, 2017 respectively, as well as what the Station's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

<u>2019</u>	<u>1% Decrease (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Station's proportionate share of the net pension liability	\$ 639,381	\$ 431,960	\$ 259,664
<u>2018</u>	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Station's proportionate share of the net pension liability	\$ 395,329	\$ 221,959	\$ 77,299

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

(Continued)

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 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019 and 2018

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**NOTE 8 – DEFINED BENEFIT OPEB PLANS**

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

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional and Combined Plans was 0% in 2018 and 1.0% in 2017. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The portion of the Station's fiscal year 2019, 2018 and 2017 contributions required and made to OPERS used to fund post-retirement benefits was \$0, \$984 and \$490, respectively.

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

OPERS OPEB Costs

At June 30, 2019, the Station reported a liability of \$198,430 for its proportionate share of the OPERS net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total pension liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Station's proportion of the net OPEB liability was based on the Station's long-term share of contributions to OPERS relative to the total projected long-term employer contributions received from all of OPERS' participating employers. At December 31, 2018 and 2017, the Station's proportion was 0.0000072% and 0.0000094%, respectively, representing a decrease in proportionate share of 0.0000022%.

The net OPEB liability and asset for the Traditional Pension Plan and Combined Plan, respectively, were measured as of December 31, 2018, and the total OPEB liabilities were determined by an actuarial valuation as of that date.

For the years ended June 30, 2019 and 2018, the Station recognized OPEB expense of \$69,609 and \$11,413, respectively. At June 30, 2019, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>2019</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 67	\$ 538
Changes of assumptions	6,398	-
Net difference between projected and actual earnings on OPEB plan investments	9,097	-
Changes in proportion and differences between the difference between actual and proportionate share of contributions	<u>-</u>	<u>33,989</u>
 Total	 <u>\$ 15,562</u>	 <u>\$ 34,427</u>

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(Continued)

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 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019 and 2018

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**NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)**

<u>2018</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 115	\$ -
Changes of assumptions	10,743	-
Net difference between projected and actual earnings on OPEB plan investments	-	10,992
	<hr/>	<hr/>
Total	<u>\$ 10,858</u>	<u>\$ 10,992</u>

Amounts reported as deferred outflows and inflows of resources related to OPERS OPEB will be recognized in OPEB expense as follows for the year ended June 30, 2019:

2020	\$ (9,017)
2021	(3,941)
2022	(1,506)
2023	(4,401)

Actuarial Assumptions

OPERS Actuarial Assumptions

The total OPEB liability in the December 31, 2018 and 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2018</u>
Single Discount Rate	3.96%
Investment rate of return	6.00%
Wages inflation	3.25%
Municipal Bond Rate	3.71%
Projected Salary increases 3.25%	3.25% to 10.75% (includes wage inflation at 3.25%)
Health Care Cost Trends 2029	10.00% initial, 3.25% ultimate in

	<u>2017</u>
Single Discount Rate	3.85%
Investment rate of return	6.50%
Wages inflation	3.25%
Municipal Bond Rate	3.31%
Projected Salary increases 3.25%	3.25% to 10.75% (includes wage inflation at 3.25%)
Health Care Cost Trends	7.50% initial, 3.25% ultimate in 2028

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(Continued)

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 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019 and 2018

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**NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)**

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The actuarial assumptions used in the December 31, 2018 and 2017 valuations were based on the results of an actuarial experience study for the 2-year periods ending December 31, 2015. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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

<u>Asset Class Return</u>	<u>2018 Target Allocation</u>	<u>2018 Long-Term Expected Real Rate of Return</u>
Fixed income	34.0%	2.42%
Domestic equity	21.0	6.21
International equity	22.0	7.83
Real estate	6.0	5.98
Other	<u>17.0</u>	5.57
Total	<u>100.00%</u>	
	<u>2017 Target Allocation</u>	<u>2017 Long-Term Expected Real Rate of Return</u>
<u>Asset Class Return</u>		
Fixed income	34.0%	1.88%
Domestic equity	21.0	6.37
International equity	22.0	7.88
Real estate	6.0	5.91
Other	<u>17.0</u>	5.39
Total	<u>100.00%</u>	

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(Continued)

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 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019 and 2018

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**NOTE 8 – DEFINED BENEFIT OPEB PLANS (Continued)**

Discount rate:

OPERS discount rate

A single discount rate of 3.96% and 3.85% was used to measure the OPERS OPEB liability on the measurement date of December 31, 2018 and 2017 respectively. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and 6.50% and a municipal bond rate of 3.71% and 3.31% based on an index of 20-year general obligation bonds with an average AA credit rating at December 31, 2018 and 2017, respectively. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031 as of December 31, 2018 and through 2034 as of December 31, 2017. As a result, the long-term expected rate of return on health care investments was applied to projected costs through 2031 at December 31, 2018 and 2034 at December 31, 2017, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the University's proportionate share of the OPERS net OPEB liability to changes in the discount rate and health care trend rates: The following table presents the OPEB liability calculated using the single discount rate of 3.96% and 3.85% respectively, and the expected net OPEB liability if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

2019

	<u>1% Decrease</u> <u>(2.96%)</u>	<u>Current</u> <u>Discount</u> <u>Rate (3.96%)</u>	<u>1% Increase</u> <u>(4.96%)</u>
Sensitivity of Station's proportionate share of the net OPEB liability to changes in discount rate	\$ 253,866	\$ 198,430	\$ 154,344
	<u>1% Decrease</u>	<u>Current</u> <u>Rate</u>	<u>1% Increase</u>
Sensitivity of Station's proportionate share of the net OPEB liability to changes in the health care cost trend rate	\$ 190,735	\$ 198,430	\$ 207,294

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(Continued)

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 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019 and 2018

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**NOTE 8 – DEFINED BENEFIT OPEB PLANS** (Continued)

<u>2018</u>	<u>1% Decrease</u> <u>(2.85%)</u>	<u>Current</u> <u>Discount</u> <u>Rate (3.85%)</u>	<u>1% Increase</u> <u>(4.85%)</u>
Sensitivity of Station's proportionate share of the net OPEB liability to changes in discount rate	\$ 195,936	\$ 147,552	\$ 108,283
Sensitivity of Station's proportionate share of the net OPEB liability to changes in the health care cost trend rate	<u>1% Decrease</u>	<u>Current</u> <u>Rate</u>	<u>1% Increase</u>
	\$ 141,109	\$ 147,552	\$ 154,066

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

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 REQUIRED SUPPLEMENTARY INFORMATION  
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SCHEDULE OF THE STATION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Station's proportion of the collective net pension liability (asset)	0.00158%	0.00141%	0.00078%	0.00128%	0.00115%
Stations proportionate share of the collective net pension liability (asset)     \$	431,960	\$ 221,959	\$ 176,499	\$ 221,150	\$ 138,297
Station's covered payroll	221,300	192,441	114,029	168,198	146,751
Station's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	195.19%	115.34%	154.78%	131.48%	94.24%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	84.66%	77.38%	81.19%	84.00%

The Station implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The schedule is intended to show information for 10 years.

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 REQUIRED SUPPLEMENTARY INFORMATION  
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SCHEDULE OF THE STATION'S PENSION CONTRIBUTIONS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 30,906	\$ 26,942	\$ 15,964	\$ 23,548	\$ 20,546
Contributions in relation to the statutorily required contribution	30,906	26,942	15,964	23,548	20,546
Annual contribution deficiency	-	-	-	-	-
College's covered payroll	221,300	192,441	114,029	168,198	146,751
Contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percent of the employer's covered payroll	13.97%	14.00%	14.00%	14.00%	14.26%

Notes to required supplemental information:

The Station implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The schedule is intended to show information for 10 years.

WCSU-FM  
 REQUIRED SUPPLEMENTARY INFORMATION  
 June 30, 2019

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

	<u>2019</u>
Station's proportion of the collective OPEB liability (asset) - Traditional	0.0000072%
Station's proportionate share of the collective OPEB liability (asset)	\$ 198,430
Station's covered payroll	\$ 221,300
Station's proportionate share of the collective OPEB liability as a percentage of the employer's covered payroll	89.67%
Plan fiduciary net position as a percentage of the total OPEB liability	74.91%
	<u>2018</u>
Station's proportion of the collective OPEB liability (asset) - Traditional	0.0000094%
Station's proportionate share of the collective OPEB liability (asset)	\$ 147,552
Station's covered payroll	192,441
Station's proportionate share of the collective OPEB liability as a percentage of the employer's covered payroll	76.67%
Plan fiduciary net position as a percentage of the total OPEB liability	84.85%

SCHEDULE OF THE STATION'S OPEB CONTRIBUTIONS

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

The Station implemented GASB No. 75 in fiscal year 2018. The information above is presented for as many years as available. The schedule is intended to show information for 10 years.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of WCSU-FM, Central State University Radio Station (the "Station"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Station's financial statements, and have issued our report thereon dated December 20, 2019.

As discussed in Note 1, the financial statements of the Station are intended to present the financial position, the changes in financial position and cash flows, of only that portion of the activities of Central State University that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of Central State University as of June 30, 2019, and the changes in its financial position and its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2019-001 that we consider to be a material weakness.

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(Continued)

## **Compliance and Other Matters**

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

## **Station's Response to Finding**

The Station's response to the finding identified in our audit is described in the accompanying Schedule of Findings. The Station's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

  
Crowe LLP

Columbus, Ohio  
December 20, 2019

WCSU-FM  
SCHEDULE OF FINDINGS  
June 30, 2019

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**FINDING 2019-001 – INTERNAL CONTROLS OVER FINANCIAL REPORTING**

Criteria:	The Station should have internal controls over the financial reporting process designed to ensure that the financial statements are presented in accordance with accounting principles generally accepted in the United States of America.
Condition:	A material audit adjustment was recorded to correct the pension and OPEB liability, deferred items and expense amounts.
Context:	During the financial statement preparation process, the Station used an inaccurate base allocation when calculating the pension and OPEB liability, deferred items and expense for the amounts to be recorded on the Station financial statements.
Effect:	The condition noted above has the potential to lead to misstatements, errors, or misclassifications in the financial statements.
Cause:	The Station used an inaccurate base allocation when calculating the pension and OPEB liability, deferred items and expense.
Repeat Finding:	No
Recommendation:	We recommend that the Station have an independent review of the pension and OPEB calculations to identify any errors.
Response:	In future years the Station's pension and OPEB liability, deferred items and expense calculations will be prepared independently at the same time as the University's pension and OPEB liability, deferred items and expense calculations.

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# OHIO AUDITOR OF STATE KEITH FABER



**CENTRAL STATE UNIVERSITY-WCSU-FM**

**GREENE COUNTY**

## **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 21, 2020**