WMUK-FM

A Public Telecommunications Entity Operated
by Western Michigan University

Financial Report
June 30, 2024

WMUK-FM

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Independent Auditor's Report

To the Board of Trustees
Western Michigan University
WMUK-FM

Opinion

We have audited the financial statements of the business-type activities of WMUK-FM (the "Station"), a department of Western Michigan University, as of and for the years ended June 30, 2024 and 2023 and the related notes to the financial statements, which collectively comprise the Station's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of WMUK-FM, a department of Western Michigan University, as of June 30, 2024 and 2023 and the changes in its financial position and, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Station and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our 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 financial statements present only the Station, a department of Western Michigan University, and do not purport to, and do not, present fairly the financial position of Western Michigan University as of June 30, 2024 and 2023 and the changes in its financial position and, where applicable, 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 Financial Statements

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

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

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To the Board of Trustees
Western Michigan University
WMUK-FM

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the 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 Station's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station'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 schedule of changes in the total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Plante & Moran, PLLC

February 11, 2025

The following discussion and analysis of WMUK-FM's ("WMUK" or the "Station") financial statements provides an overview of the Station's activities for the year ended June 30, 2024 and 2023. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the Station's management.

This annual financial report includes the report of independent auditors, management's discussion, and analysis ("MD&A"), the basic financial statements, notes to the financial statements, and required supplementary information.

FINANCIAL HIGHLIGHTS

In the fiscal year ended June 30, 2024, the Station's revenues exceeded expenses, creating an increase in net position of $25,880. In the fiscal year ended June 30, 2023, revenues exceeded expenses, creating an increase in net position of $65,690. In the fiscal year ended June 30, 2022, revenues exceeded expenses, creating an increase in net position of $103,034.

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

The following is a summary of the major components of the net position and operating results of the Station for the year ended June 30:

Assets	2024	2023	2022
Current assets	$ 940,846	$ 906,150	$ 866,089
Leased asset	-	3,201	21,795
Capital assets	972,978	991,360	1,017,245
Total Assets	$ 1,913,824	$ 1,900,711	$ 1,905,129
Deferred Outflow of Resources	$ 30,736	$ 32,739	$ 37,910
Liabilities			
Current liabilities	$ 88,548	$ 86,639	$ 122,102
Noncurrent liabilities	227,946	216,452	267,364
Total Liabilities	$ 316,494	$ 303,091	$ 389,466
Deferred Inflow of Resources	$ 67,304	$ 95,477	$ 84,381
Net Position			
Net investment in capital assets	$ 972,978	$ 991,360	$ 1,016,624
Restricted - expendable	70,335	68,215	128,929
Unrestricted	517,449	475,307	323,639
Total Net Position	$ 1,560,762	$ 1,534,882	$ 1,469,192

Operating Results for the Year Ended June 30

	2024	2023	2022
Operating revenues			
Grants and contracts	$ 139,813	$ 156,150	$ 151,680
Contributions through fund-raising projects	485,505	486,903	410,457
Other operating revenues	245,313	168,976	160,890
Total operating revenues	870,631	812,029	723,027
Operating expenses	2,014,105	1,877,626	1,580,946
Net operating loss	$ (1,143,474)	$ (1,065,597)	$ (857,919)
Non-operating revenues (expenses)			
Appropriations and support from WMU	$ 1,169,354	$ 1,131,367	$ 775,561
Other nonoperating revenues (expenses)	-	(80)	185,392
Total nonoperating revenues	$ 1,169,354	$ 1,131,287	$ 960,953
Change in net position	$ 25,880	$ 65,690	$ 103,034
Net Position - Beginning of year	1,534,882	1,469,192	1,366,158
Net Position - End of year	$ 1,560,762	$ 1,534,882	$ 1,469,192

ASSETS

An asset is a resource with economic value that the Station owns and controls with the expectation that it will provide a future benefit. Current assets increased $34,696 fiscal year 2024 and increased $40,061 fiscal year 2023. The increase in fiscal year 2024 was largely due to an increase in cash. The increase was offset somewhat by a decrease in accounts receivable and pledges receivable. The increase in fiscal year 2023 was due to an increase in accounts receivable, accounts receivable from WMUF (a pending biannual transfer) and pledges receivable. The increase was offset somewhat by a decrease in cash and prepaid expenses.

LIABILITIES

A liability is the Station's financial debt that arises during its business operations. Total liabilities increased $13,403 in fiscal year 2024 and decreased $86,375 in fiscal year 2023. The increase in fiscal year 2024 can be primarily attributed to the increase in the other postemployment (OPEB) liabilities and unearned revenue. That increase was offset somewhat by a decrease in accounts payable. The decrease in fiscal year 2023 was mainly attributed to a decrease in other postemployment liabilities and unearned revenue. That decrease was offset somewhat by an increase in accrued wages and compensated absences.

OPERATING REVENUES

Operating revenues include all transactions that result in the sales and/or receipts from services, such as underwriting, as well as certain gifts and grants from government and private sources that directly further the Station's public broadcasting mission. A significant source of operating revenue is $485,505 in contributions through fund-raising projects for the year ended June 30, 2024. This is compared to contributions of $486,903 and $410,457 for the years ended June 30, 2023 and 2022, respectively. Revenue for underwriting services totaled $177,601 in 2024, $148,866 in 2023 and $144,190 in 2022. Grant revenue totaled $139,813 for the year ended June 30, 2024. This is compared to grant revenue of $156,150 and $151,680 for the years ended June 30, 2023 and 2022, respectively. A majority of this amount is from the Corporation for Public Broadcasting.

OPERATING EXPENSES

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the Station. Operating expenses totaled $2,014,105 for the year ended June 30, 2024. Operating expenses totaled $1,877,822 and $1,580,946 for the years ended June 30, 2023 and 2022, respectively. Salaries, wages, and benefits were $1,076,844 for the year ended June 30, 2024. Salaries, wages, and benefits were $978,305 and $891,425 for the years ended June 30, 2023 and June 30, 2022, respectively. The increase in operating expenses in fiscal year 2024 were partially due to an increase in program services expenses and underwriting expense, partially offset by a decrease in broadcasting expense.

NONOPERATING REVENUES (EXPENSES)

Nonoperating revenues and expenses are all revenue sources and expenses that are primarily nonexchange in nature. They consist of direct and indirect support from Western Michigan University, direct and indirect administrative support, and calculated interest liability on the leased asset. Nonoperating revenues (expenses) during fiscal year 2024 increased by a net amount of approximately $38,067 from fiscal year 2023. The increase is primarily due to an increase in indirect administrative support. Nonoperating revenues (expenses) during fiscal year 2023 increased by a net amount of approximately $171,000 from fiscal year 2022. The increase is primarily due to an increase in development, direct and indirect administrative support.

STATEMENT OF CASH FLOWS

Another way to assess the financial health of the Station is to look at the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows helps users assess an entity's net cash flow and its ability to meet obligations as they come due.

CASH FLOWS FOR THE YEAR ENDED JUNE 30

	2024	2023	2022
Cash (used in) provided by:			
Operating activities	$ (691,955)	$ (884,521)	$ (674,020)
Noncapital financing activities	815,595	831,804	520,659
Capital financing activities	(12,941)	(18,000)	(165,000)
Net increase (decrease) in cash	$ 110,699	$ (70,717)	$ (318,361)
Cash - beginning of year	636,525	707,242	1,025,603
Cash - end of year	$ 747,224	$ 636,525	$ 707,242

The most significant components of cash flows used in operating activities are payments to suppliers and payments to employees. Net cash used in operating activities was $691,955 for the year ended June 30, 2024. This is compared to $884,521 and $674,020 the years ended June 30,2023 and 2022, respectively. The net cash provided by noncapital financing was $815,595 for the year ended June 30, 2024. The net cash provided by noncapital financing was $831,804 and $520,659 for the years ended June 30, 2023, and 2022, respectively. Net cash used in capital and related financing activities was $12,941 in 2024 and $18,000 in 2023. This included the required interest payment calculations on leased assets related to the implementation of GASB 87 (see Note 5 "Leases"). This also included an equipment purchase of $8,441.

CAPITAL ASSETS AND LEASED ASSETS

At June 30, 2024, the Station had $972,978 invested in capital assets, net of accumulated depreciation of $987,953. Depreciation and amortization charges totaled $30,034 for the current fiscal year and $44,479 for the year ended June 30, 2023. Details of capital asset and leased asset amounts are shown below.

	2024	2023	2022
Land	$ 20,000	$ 20,000	$ 20,000
License	150,000	150,000	150,000
Transmitter, antenna, and tower	851,060	851,060	851,060
Equipment	939,871	931,430	931,430
Leased asset	-	37,290	37,290
Total	$ 1,960,931	$ 1,989,780	$ 1,989,780

Additional details regarding the Stations' capital assets, leased assets, and any related debt can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S OUTLOOK

The Management of WMUK-FM (the "Station," collectively WMUK 102.1 FM and WKDS 89.9 FM) considered the following factors and indicators when planning next year's operations:

1. For the year ending June 30, 2024, the Station financial position remained largely unchanged, with an operating budget surplus of $54,703 versus $46,954 in the prior year. This was a continued recovery from post-pandemic negative impacts to membership and underwriting revenue that fell off sharply during the pandemic years. The majority of the budget surplus can be attributed to a large recovery of accounts receivables for underwriting, combined with slightly better than projected revenues and conservative budget spending. As in the prior year, membership revenue again held remarkably consistent despite an industry-wide retraction due to shifts in listening and giving patterns related to both the pandemic and competition from digital platforms. Underwriting revenue improved slightly, with revenues exceeding projections – buttressed by the aforementioned recovery of past-due accounts via accounts receivables. Our target for major giving was not achieved, however. The Station's licensee (Western Michigan University) continues to be a highly critical source of funding to maintain our public service mission. Further, WMUK-FM's three endowments showed modest growth in the fiscal year, with one of those endowments being set up in the same year (a quasi-endowment via the WMU Foundation). The sections below provide more detail on the above financial challenges and improvements experienced in fiscal year 2024, as well as providing an outlook for FY2025.

2. The Station experienced generally positive financial indicators during the fiscal year (FY2024), including the following factors:

    a. Anticipated contributions through fundraising modestly exceeded projections for end of year, despite continued declines in terrestrial listening and individual giving across the public radio industry as a whole (as noted in the prior year's management remarks).
    b. Continued strong support from the Office of the Provost / Academic Affairs, of which WMUK is a unit.
    c. Low staff turnover compared to prior fiscal years, including the addition of a part-time grants manager.
    d. Recovery of uncollected underwriting (advertising) cash payments via accounts receivable.
    e. Strong returns on endowed funds, due to growth in investment markets. (See #4 below.)
    f. Our equipment endowment fund defrayed a major asset expense from our operating activities.
    g. Higher than expected cash rollover at year end, with a fund balance of $215,961.

3. Challenges faced during the fiscal year (FY2024) were similar to those in the prior year, including the following factors:

    a. Slower than anticipated growth in cultivated major donor contributions, which is a targeted revenue stream for the Station for the subsequent year.
    b. Higher than anticipated operational costs due to economy-wide inflationary pressures, this includes cost of living increases for staff and programming increases.

c. As noted in the above section, membership revenue continued to be a concern, as the Station requires increasingly larger donations from a declining pool of donors. This is a pattern occurring nationally across the public broadcasting system.

4. As noted above, thanks to strong market returns, the Station grew its base of endowment funds received from donors via estate gifts/bequests. As of June 30, 2024, an endowment from the Kalamazoo Community Foundation from the David R. Fletcher Trust grew to $95,796, which represents a 19% increase since the fund was established in April 2023 (with an initial value of $80,206). Additionally, in FY2024, the Western Michigan University Foundation received a generous $181,854 endowed gift benefitting the Station, from the estate of Dr. Erlinda Rolls. (See Note 11 for more information). Yield on these investments is generally allowed to compound in the endowment, with only one fund (Equipment Endowment) drawn down on an as-needed basis, as was the case in FY2024 for one purchase to replace failing broadcast infrastructure equipment (an HD digital broadcast encoder).

5. In FY2024, the 24-month lease between WMUK-FM and Kalamazoo Public Schools (KPS) for use of the broadcast tower and facilities of the latter for WKDS 89.9 FM (Classical WMUK) ended. However, both parties have agreed to a month-to-month lease extension on a temporary basis. As of the publication of these financial statements, Station management is currently negotiating relocation of our WKDS broadcast antenna and transmitter to a new lease site. This new lease location will provide improved signal coverage at a significantly lower operational cost to the Station. We have tentatively targeted completion of this move for FY2025, upon which we will terminate the lease with KPS in favor of a new lease with the new lessor (pending WMU Board of Trustees approval).

6. In FY2024, the Station hired a part-time Grants Manager, and results in this personnel investment have been positive for FY2025 with grants from foundations and donors providing a significant source of funding for our news reporting work.

7. For FY2026 and forward, WMUK-FM will be shifting towards Major Giving as a significant source of revenue growth. Across the public broadcasting system, the consensus has emerged that major giving is an untapped area that may help to offset volatile trends in underwriting and membership income. Small to mid-market stations such as our own are particularly well-positioned for growth in this area, and Kalamazoo has an established community of philanthropists who have deep capacity for giving. And they have demonstrated a willingness to make transformational gifts when transformational asks are combined with active and coordinated cultivation. WMUK has made in-roads in this area, but a significant increase in staff time towards major giving will be needed, with much of that strategy aligning with an overall focus on core investments improving our endowments, facilities upgrades and audience expansion.

8. Station Management's financial outlook for FY2025 is mixed. At time of publication, we project an overall year-over-year decrease of approximately $32,550 in station-generated revenues by current fiscal year end. This will likely result in a modest budget deficit by year-end, requiring a drawdown in cash reserves. Our financial outlook is informed by several factors, outlined below:

    a. Erosion of listenership due to shifts in audience listening patterns nationally will continue to negatively impact the Station's ability to generate membership revenue. As mentioned above, part of this shift is due to post-pandemic changes in listening habits but may also be attributed to strong competition from another

NPR station significantly overlapping with WMUK. Another factor is increased demand for non-linear digital listening by younger audiences – further drawing away listenership from traditional FM and on-line audio streaming.

b. The above changes in listening will likely result in greater challenges in membership revenue development, requiring greater Station investments in marketing and acquisition for smaller relative return.
c. Only modest growth in underwriting revenue, unlikely to offset declines in membership.
d. Uncertain major giving revenue (excluding endowments) for FY2025 based on current commitments from major donors.
e. Declining carryforward revenue from FY2024, with greater need to draw on cash reserves than has been the case in prior years, largely due to general increases in operating costs which we partially attribute to inflationary trends, increases in compensation due to cost-of-living adjustments, marketing investments and audit costs.
f. Unanticipated revenue from newly established endowments (see #4).
g. Reduced leasehold costs for WKDS-FM (see #5).
h. Increased grant revenue through higher than projected Community Service Grant support from the Corporation for Public Broadcasting (CPB), and the hiring of a part-time grants manager position in the prior year (see #6).

A final concern is the question of continued CPB funding in light of the current administration in Washington, which has expressed a desire to eliminate this funding. CPB funding constitutes approximately 10% of station operating support, and CPB provides additional ancillary support for the Station that would be costly or impossible to replace (e.g. music royalty payments, funding opportunities for collaboration or emergency alert systems, etc.). WMUK will continue to monitor the situation closely and educate our elected officials on the public service the Station provides Kalamazoo and surrounding communities, and the critical importance of CPB funding in serving that mission.

Beyond this, station management's primary goal continues to be a focus on restoring cash reserves, largely through a significant shift towards major giving. Our secondary focus continues to be on activities that will grow WMUK's member revenue base through increased listenership opportunities.

STATEMENT OF NET POSITION
JUNE 30, 2024 AND 2023

	2024	2023
Assets and Deferred Outflow of Resources		
Current Assets		
Cash	$ 747,224	$ 636,525
Accounts Receivable	17,615	45,259
Accounts Receivable from WMUF	172,820	211,649
Pledges receivable - Net	2,987	11,832
Prepaid expenses	200	885
Total current assets	$ 940,846	$ 906,150
Noncurrent Assets		
Leased asset - Net	$ -	$ 3,201
Capital assets - Net	972,978	991,360
Total noncurrent assets	$ 972,978	$ 994,561
Total Assets	$ 1,913,824	$ 1,900,711
Deferred Outflows of Resources		
OPEB related outflows	$ 30,736	$ 32,739
Liabilities, Deferred Inflows of Resources, and Net Position		
Current Liabilities		
Accounts payable	$ 7,516	$ 16,008
Accrued wages	48,726	44,073
Current portion of lease liability	-	4,496
Current portion of total OPEB liability	7,001	7,862
Unearned revenue	25,305	14,200
Total current liabilities	$ 88,548	$ 86,639
Noncurrent liabilities		
Accrued compensated absences	$ 42,010	$ 41,180
Total OPEB liability -Net of current position	185,936	175,272
Total noncurrent liabilities	$ 227,946	$ 216,452
Total Liabilities	$ 316,494	$ 303,091
Deferred Inflow of Resources		
OPEB related inflows	$ 67,304	$ 95,477
Net Position		
Net investment in capital assets	$ 972,978	$ 991,360
Restricted - expendable	70,335	68,215
Unrestricted	517,449	475,307
Total Net Position	$ 1,560,762	$ 1,534,882

See accompanying notes to the financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Operating Revenues		
Corporation for Public Broadcasting Support		
Community Service Grant	$ 139,813	$ 156,150
Underwriting	177,601	148,866
Contributions through fund-raising projects	485,505	486,903
Other	67,712	20,110
Total Operating Revenues	$ 870,631	$ 812,029
Operating Expenses		
Program services		
Programming and production	$ 903,636	$ 788,094
Broadcasting	185,902	192,119
Program information	78,090	55,657
Underwriting	196,477	151,336
Support Services		
Management and general	334,022	354,162
Fundraising	285,944	291,779
Depreciation and amortization	30,034	44,479
Total operating expenses	$ 2,014,105	$ 1,877,626
Net operating loss	$ (1,143,474)	$(1,065,597)
Non-Operating Revenues (Expenses):		
Western Michigan University		
General appropriation	$ 10,049	$ 82,915
Direct general fund staff support	805,546	748,889
Indirect administrative support	349,544	297,943
Annual value of building facilities	4,219	1,620
Interest on leased asset	(4)	(80)
Total non-operating income (expenses)	$ 1,169,354	$ 1,131,287
Change in net position	$ 25,880	$ 65,690
Net Position, Beginning of Year	1,534,882	1,469,192
Net Position, End of Year	$ 1,560,762	$ 1,534,882

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash Flows from Operating Activities		
Grants and Contracts	$ 139,813	$ 156,150
Payments to Suppliers	(570,859)	(521,192)
Payments to Employees	(1,079,963)	(967,863)
Contributions	494,350	391,889
Other	324,704	56,495
Net cash used in operating activities	$ (691,955)	$ (884,521)
Cash Flows from Noncapital Financing Activities		
General appropriations from WMU	$ 815,595	$ 831,804
Net cash provided by noncapital financing sources	$ 815,595	$ 831,804
Cash Flows from Capital and Related Financing Activities		
Lease principal payments	$ (4,496)	$ (17,920)
Interest paid on lease obligations	(4)	(80)
Equipment Purchase	(8,441)	-
Net cash used in capital financing activities	$ (12,941)	$ (18,000)
Net Change in Cash	$ 110,699	$ (70,717)
Cash - Beginning of year	636,525	707,242
Cash - End of year	$ 747,224	$ 636,525
Reconciliation of Operating Loss to Net Cash:		
Operating loss	$(1,143,474)	$(1,065,597)
Adjustments to reconcile operating loss to net cash flows from operating activities		
Depreciation and amortization	30,034	44,479
Expense allocations to WMU	353,763	299,759
(Increase) Decrease in assets:		
Accounts Receivable	27,644	(20,487)
Accounts receivable from WMUF	38,829	(86,648)
Pledges receivable - Net	8,845	(8,366)
Prepaid expenses	685	4,723
(Decrease) Increase in liabilities:		
Accounts payable	(8,492)	291
Accrued wages	4,653	5,242
Compensated absences	830	5,200
Unearned underwriting	11,105	(27,370)
Total OPEB Liability and deferrals	(16,377)	(35,551)
Net Cash used in operating activities	$ (691,955)	$ (884,325)

See accompanying notes to the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies applied in the preparation of the accompanying financial statements follows:

Organization

WMUK-FM (the "Station") is a department of Western Michigan University ("University" or "WMU") primarily devoted to providing public radio programming to listeners across West Michigan and Northern Indiana. The Station broadcasts primarily NPR news and information on WMUK 102.1 FM, and classical programming on WKDS 89.9 FM (Classical WMUK). The Station also provides students with opportunities for hands-on training in radio broadcasting and digital media.

Basis of Presentation

The financial statements have been prepared in accordance with guidelines set forth by the Corporation for Public Broadcasting and with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The Station, as part of the University, follows the "business-type" activities reporting requirements of GASB No. 34.

Basis of Accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting.

Accounts Receivable

Based on the Station's collection history and management's estimate, there was no allowance for doubtful accounts recorded for the years ended June 30, 2024 and 2023. Accounts receivable from WMUF reflect contributions received by Western Michigan University Foundation ("WMUF") for the benefit of the WMUK-FM that had yet to be transferred to the Station as of the fiscal year end. Doubtful pledges are netted against the pledges receivables total as a percentage, and therefore not included as a separate entry.

In-Kind Contributions

Support and revenues from Western Michigan University consist of certain direct and allocated expenses incurred by the University on behalf of the Station.

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Capital Assets

Capital Assets acquired for the exclusive or predominant use by the Station have been capitalized at cost. Physical assets, with the exception of land, are depreciated on the straight-line method over the estimated useful lives of the respective assets. Estimated service lives are as follows:

Description	Estimated Lives
Land	20 years
Transmitter, antenna and tower	50 years
Equipment	3 - 15 years

Net Position

Station resources are classified for accounting and financial reporting purposes into the following net position categories:

1. Net Investment in Capital Assets – Consists of capital assets, including leased assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any debt and lease liabilities that are attributable to those assets.

2. Restricted Expendable – Net position subject to externally imposed stipulations as to use. This net position is restricted to use for the benefit of the Station according to grant and donor restrictions.

3. Unrestricted – Net position which is available for use of the Station and not subject to externally imposed stipulations as to use.

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 Station consists of contributions, community service grants from the Corporation for Public Broadcasting (CPB), grants, underwriting, and auxiliary enterprise revenue. Nonoperating revenue of the Station consists of general appropriations from the University, development support, investing activities through endowment funds, and capital contributions. Restricted and unrestricted resources are spent and tracked at the station level within the guidelines of donor restrictions.

Operating and Nonoperating Revenue

Revenues are classified as either operating or nonoperating according to standards issued by GASB. Operating revenues include grants, underwriting and other exchange transactions. Gifts and contributions are also included in this category.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Nonoperating revenues include certain significant revenue streams that may be relied upon for operations, including University allocations.

Unearned Revenue

Unearned revenue represents underwriting revenue and unexpended contributions that will be recognized by the Station during the year in which it is earned and all applicable eligibility requirements have been satisfied.

Contributions and Pledges

Contributions are recorded when received. 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.

Pension and Other Post-Employment Benefit (OPEB) Expenses

As a department of Western Michigan University, the Station participates in a postemployment benefit plan described in Note 8. The non-cash change in OPEB liabilities for this plan are reported with the salaries, wages, and benefits and allocated functionally for presentation within the statement of revenues, expenses, and changes in net position.

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The Station reports deferred outflows of resources related to the total OPEB liability. More detailed information can be found in Note 8.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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 Station reports deferred inflows of resources related to the total OPEB liability. More detailed information can be found in Note 8.

NOTE 2. CASH

The Station's cash is accounted for in the same method the University accounts for cash and investments. The University uses the "pooled cash" method of accounting for substantially all of its cash and investments. External investment managers are provided with an investment policy statement, as set forth by the Board of Trustees. A complete classification of the University's cash and investments is contained in the University's annual financial report.

NOTE 3. PLEDGES RECEIVABLE

Pledges receivable represent amounts promised by donors for the benefit of the Station. A portion of these donations are solicited by the Station and collected by WMUF. The balance is presented net of a discount to present value and an allowance for uncollectible contributions. Those pledges that are expected to be collected over a period greater than one year are discounted to present value using the yield on a comparable Treasury bill at the time the commitment is made. As of June 30, 2024 and 2023 there were no pledges expected to be collected over a period greater than one year. The balance of pledges receivable has a general valuation allowance of $157 and $623 at June 30, 2024 and June 30, 2023, respectively, or approximately 5%, based on historical collection history. Pledges deemed uncollectible are charged against the allowance for uncollectible contributions in the period in which the determination is made. Sustaining and installment pledges, except for recurring payroll deductions from WMU employees, are recorded as contributions upon receipt and are therefore not included in pledges receivable.

	2024	2023
Pledges expected to be collected within 1 year	$3,144	$12,455
Less allowance for uncollectible contributions	(157)	(623)
Pledges receivable - net	$2,987	$11,832

NOTE 4. CAPITAL ASSETS

The following table presents the changes in the various capital asset class categories for the year ended June 30, 2024:

	Beginning Balance	Additions	Disposals/ Reclass	Ending Balance
Capital assets not being depreciated:				
Land	$ 20,000	$ -	$ -	$ 20,000
License	150,000	-	-	150,000
Subtotal	$ 170,000	$ -	$ -	$ 170,000
Capital assets being depreciated:				
Trasmitter, antenna, and tower	$ 851,060	$ -	$ -	$ 851,060
Equipment	931,430	8,441	-	939,871
Subtotal	$ 1,782,490	$ 8,441	$ -	$ 1,790,931
Total capital assets	$ 1,952,490	$ 8,441	$ -	$ 1,960,931
Less: Accumulated depreciation				
Transmitter, antenna, and tower	$ 509,873	$ 10,547	$ -	$ 520,420
Equipment	451,257	16,276	-	467,533
Subtotal	$ 961,130	$ 26,823	$ -	$ 987,953
Net capital assets being depreciated	$ 821,360	$(18,382)	$ -	$ 802,978
Net capital assets	$ 991,360			$ 972,978

NOTE 4. CAPITAL ASSETS, CONTINUED

The following table presents the changes in the various capital asset class categories for the year ended June 30, 2023:

	Beginning Balance	Additions	Disposals/ Reclass	Ending Balance
Capital assets not being depreciated:				
Land	$ 20,000	$ -	$ -	$ 20,000
License	150,000	-	-	150,000
Subtotal	$ 170,000	$ -	$ -	$ 170,000
Capital assets being depreciated:				
Trasmitter, antenna, and tower	$ 851,060	$ -	$ -	$ 851,060
Equipment	931,430	-	-	931,430
Subtotal	$ 1,782,490	$ -	$ -	$ 1,782,490
Total capital assets	$ 1,952,490	$ -	$ -	$ 1,952,490
Less: Accumulated depreciation				
Transmitter, antenna, and tower	$ 499,326	$ 10,547	$ -	$ 509,873
Equipment	435,919	15,338	-	451,257
Subtotal	$ 935,245	$ 25,885	$ -	$ 961,130
Net capital assets being depreciated	$ 847,245	$(25,885)	$ -	$ 821,360
Net capital assets	$ 1,017,245			$ 991,360

NOTE 5. LEASES

In September 2021, WMU entered a 24-month tower and studio lease as lessee, on behalf of WMUK, with Kalamazoo Public Schools. The lease is for operation of WKDS-FM. An initial lease liability was recorded in the amount of $37,290. As of June 30, 2024 and 2023, the value of the lease liability was $0 and $4,496, respectively. WMU is required to make monthly fixed principal and interest payments of $1,500. The lease has an interest rate of 0.5610%. Interest is calculated only for GASB 87 compliance purposes, the lease agreement itself does not include interest nor does the Station pay interest to the lessor.

NOTE 6. DONATED AND IN-KIND EXPENSES BY FUNCTION

The value of indirect expenses provided by the University broken down by function for the year ended June 30:

	2024	2023
Management and general	$ 58,972	$ 57,613
Broadcasting	36,295	32,609
Programming and production	159,537	128,203
Program information	13,787	9,054
Underwriting	34,688	24,619
Fundraising	50,484	47,465
	$353,763	$299,563

Additionally, in the years ended June 30, 2024 and 2023, professional services with a fair value of $17,503 and $20,110, respectively, were donated and recorded in management and general. Underwriting trades of $56,065 and $44,514 respectively, were recorded in underwriting.

NOTE 7. NONFEDERAL FINANCIAL SUPPORT (NFFS)

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

NOTE 7. NONFEDERAL FINANCIAL SUPPORT (NFFS), CONTINUED

A “contribution” is cash, property, or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be any entity except the federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation, or appropriation; (3) the purpose must be for the construction or operation of a noncommercial, educational public broadcast station or for the production, acquisition, distribution, or dissemination of educational television or radio program and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcasting station.

A “payment” is cash, property, or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source must be a state or local government or agency thereof, or an educational institution; (2) the form of the payment must be an appropriation or contract payment in exchange for specific materials or services related to public broadcasting; (3) the purpose must be for services or materials with respect to the provision of educational or institutional television or radio programs; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcasting station.

Calculated in accordance with CPB guidelines, the Station reported total NFFS of $1,876,767 and $1,786,784 for the year ended June 30, 2024 and June 30, 2023, respectively.

NOTE 8. RETIREMENT PLANS

Defined Contribution Plan

The Station offers all employees eligible for benefits the opportunity to participate in the TIAA- CREF plan through Western Michigan University. Funding for the plan consists of an employer contribution of 11 percent of covered compensation for employees hired before January 1, 2013. For participating employees hired on or after January 1, 2013, the Station contributes 9 percent of covered compensation. The Station contribution increases to 10 percent if the employee contributes at least 1 percent but less than 2 percent, and to 11 percent if the employee contributes 2 percent or more. The Station has no liability beyond its contribution. Benefits vest immediately for eligible salaried employees and vest after a five-year period for eligible hourly nonexempt participants. The Station's contributions for the years ended June 30, 2024 and 2023 were approximately $84,000 and $65,000, respectively.

Other Postemployment Benefits (OPEB)

Plan Description – The Station, through Western Michigan University, provides other postemployment benefits (OPEB) to retired employees, their spouses, and dependent children. Benefits are provided to all retired faculty, academic, and support staff that retired at the age of 55 or older and had provided 10 years or more of service to the Station for employees hired on or before September 1, 2010. Employees who are professional and support staff hired after September 1, 2010 pay 100 percent of the premium upon retirement and must be at the age of 60 or older and have provided 15 or more years of service to the Station.

This is a single-employer defined benefit plan administered by the University. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the plan through employer contributions (or by the employer if not funded through the plan).

Benefits Provided – The Station OPEB plan provides retiree life insurance, health, and dental care benefits, including prescription drug coverage to retired employees, their spouses, and dependent children. Benefits are provided through the University's self-insurance program and the full cost of benefits is covered by the plan.

Contributions – Retiree healthcare costs are paid by the Station on a "pay-as-you-go" basis. The Station has no obligation to make contributions in advance of when the insurance premiums are due for payment. For fiscal years ended June 30, 2024 and 2023, the Station made payments for postemployment health benefit premiums of $8,207 and $8,266, respectively. Retirees or their surviving spouses are required to make annual contributions of between $1,638 to $16,047, depending on their age and if their spouses or dependents are covered.

NOTE 8. RETIREMENT PLANS, CONTINUED

Total OPEB Liability – The June 30, 2024 total OPEB liability was measured as of June 30, 2023 and was determined by an actuarial valuation performed as of January 1, 2023, which used update procedures to roll forward the estimated liability to June 30, 2023, the measurement date. The June 30, 2023 total OPEB liability has a measurement date of June 30, 2022, based on an actuarial valuation performed as of January 1, 2022, which used update procedures to roll forward the liability to June 30, 2022.

Changes in the total OPEB liability during the measurement year were as follows:

	Increase (decrease) Total OPEB Liability	
	2024	2023
Balance as of July 1	$ 183,134	$ 234,952
Changes for the fiscal year		
Service cost	2,489	4,078
Interest on the total OPEB liability	6,711	5,201
Changes of benefit terms	-	(15,787)
Differences between expected and actual experience	3,580	-
Changes of assumptions	5,230	(37,044)
Benefit payments	(8,207)	(8,266)
Net Changes	$ 9,803	$ (51,818)
Balance as of June 30	$ 192,937	$ 183,134

The Station was assigned approximately .12 percent and .12 percent of the University's total OPEB Liability of $158 million and $157 million at June 30, 2024 and 2023, respectively.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54 percent to 3.64 percent as of June 30, 2023 and a change in the discount rate from 2.16 percent to 3.54 percent as of June 30, 2022. The maximum healthcare cost trend rate increased from 6.05% as of June 30, 2022 to 7.82% as of June 30, 2023. The percentage of University employees eligible for subsidized healthcare benefits at retirement assumed to elect coverage increased from 60% to 65%. The percentage of University employees assumed to elect spouse coverage at retirement decreased from 30 percent to 20 percent for male employees and from 10 percent to 0 percent for female employees as of June 30, 2022.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the years ended June 30, 2024, and 2023, the Station recognized OPEB recovery of $16,367 and OPEB recovery of $35,551, respectively.

NOTE 8. RETIREMENT PLANS, CONTINUED

At June 30, 2024 and 2023, the Station reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resource	Deferred Inflow of Resources	Deferred Outflows of Resource	Deferred Inflow of Resources
Differences between expected and actual experience	$ 1,344	$ (10,713)	$ 1,807	$ (13,880)
Changes of assumptions	22,390	(56,591)	23,070	(81,597)
Total amortized deferral	$ 23,734	$ (67,304)	$ 24,877	$ (95,477)
Station contributions subsequent to the measurement date	7,002	-	7,862	-
Total	$ 30,736	$ (67,304)	$ 32,739	$ (95,477)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the total OPEB liability and therefore will not be included in future OPEB expense):

Year ending June 30	Amount
2025	(19,299)
2026	(6,412)
2027	(4,409)
2028	(6,155)
2029	(7,396)
Thereafter	101
Total	$ (43,570)

Actuarial Assumptions – The total OPEB liability as of June 30, 2023 is based on the results of an actuarial valuation as of January 1, 2023 and rolled forward. The total OPEB liability as of June 30, 2022 is based on the results of an actuarial valuation as of January 1, 2022 and rolled forward.

The total OPEB liability was determined using the following actuarial assumptions as of June 30, 2023:

Actuarial cost method - Entry age normal cost actuarial cost method

Discount rate – 3.65%

20-year municipal bond rate – 3.65%, based on the rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2023

Salary increases - 3.00%

NOTE 8. RETIREMENT PLANS, CONTINUED

Healthcare participation rate - 65.00%

Healthcare Cost Trend Rate - 4.50% - 7.82%

Mortality basis - PUB-2010 General Employees headcount-weighted Mortality Tables, projected generationally from 2010 with MP-2021

The total OPEB liability was determined using the following actuarial assumptions as of June 30, 2022:

Actuarial cost method - Entry age normal cost actuarial cost method

Discount rate – 3.54%

20-year municipal bond rate – 3.54% based on the rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2022

Salary increases - 3.00%

Healthcare participation rate - 60.00%

Healthcare Cost Trend Rate - 4.50% - 6.05%

Mortality basis - PUB-2010 General Employees Classification Headcount-Weighted Mortality Table projected generationally from 2010 with MIP-2021

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2021 through December 31, 2023 for medical and dental and vision costs were based on Blue Cross Blue Shield renewal rates furnished by the University effective January 1, 2024.

Discount Rate – The discount rate used to measure the total OPEB liability was 3.65 percent and 3.54 percent as of June 30, 2023 and 2022, respectively. The discount rate is based on the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2023 and June 30, 2022.

NOTE 8. RETIREMENT PLANS, CONTINUED

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Station, calculated using the discount rate, as well as what the Station's total OPEB 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:

	2024	
1.00% decrease (2.65%)	Current Discount Rate (3.65%)	1.00% increase (4.65%)
$ 221,931	$ 192,937	$ 169,173

	2023	
1.00% decrease (2.54%)	Current Discount Rate (3.54%)	1.00% increase (4.54%)
$ 210,452	$ 183,134	$ 160,789

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the total OPEB liability of the Station, calculated using the healthcare cost trend rate, as well as what the Station's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2024	
1.00% decrease	Current Healthcare Cost Trend	1.00% increase
$ 167,727	$ 192,937	$ 224,136

	2023	
1.00% decrease	Current Healthcare Cost Trend	1.00% increase
$ 159,040	$ 183,134	$ 213,102

NOTE 9. COMMITMENT AND CONTINGENCIES

In the normal course of its activities, the Station is a party in various legal and regulatory actions. The Station believes that the outcome of these actions will not have a material effect on the financial statements.

NOTE 10. ENDOWMENTS

The Western Michigan University Foundation, a discretely presented component unit of WMU holds certain endowments for the benefit of the Station, including a Quasi endowment and donor restricted funds. The purpose of the endowments include support for general programming, operations, and equipment or maintenance needs. The pooled value of the endowment as of June 30, 2024 and 2023 was $299,951 and $117,521. Initial contributions are not recorded by the Station and instead are recorded as contribution revenue at the Foundation. The Station records contribution revenue as distributions are received from the Foundation. The Station recorded contribution revenue of $8,441 and $0 during the year ended June 30, 2024 and 2023, respectively related to distributions from the endowments.

An endowment is held for the benefit of the Station by Kalamazoo Community Foundation. The stated purpose of the endowment is to support WMUK-FM's general programming and operations. The value of the endowment at bequest was $80,206, with the value of the endowment as of June 30, 2024 and 2023 was $95,206 and $82,780 respectively.

NOTE 11. UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The Station is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

NOTE 11. UPCOMING ACCOUNTING PRONOUNCEMENTS, CONTINUED

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government 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 the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The Station is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following:

a. Management's discussion and analysis (MD&A);
    i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
        1) Overview of the Financial Statements,
        2) Financial Summary,
        3) Detailed Analyses,
        4) Significant Capital Asset and Long-Term Financing Activity,
        5) Currently Known Facts, Decisions, or Conditions;
    ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
    iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
b. Unusual or infrequent items;
c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
    i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
    ii. Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses and defines subsidies;

NOTE 11. UPCOMING ACCOUNTING PRONOUNCEMENTS, CONTINUED

d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI;

The Station is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

NOTE 12. SUBSEQUENT EVENTS

The Station has evaluated subsequent events through February 11, 2025, the date the financial statements were available to be issued.

Required Supplementary Information

Schedule of Changes in the Total OPEB Liability and Related Ratios

WMUK-FM OPEB Plan through Western Michigan University (amounts were determined as of June 30 of each fiscal year):

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	$ 2,489	$ 4,078	$ 5,622	$ 6,295	$ 7,073	$ 10,411	$ 28,227
Interest cost	6,711	5,201	5,472	10,261	11,255	14,889	22,776
Changes of benefit terms	-	(15,787)	-	-	-	-	-
Differences between expected and actual experience	3,580	-	(5,475)	(2,403)	5,146	-	(90,437)
Changes of assumptions	5,230	(37,044)	(116,082)	69,721	(146,464)	(77,733)	(254,713)
Benefit payments	(8,207)	(8,266)	(6,145)	(7,085)	(8,807)	(11,390)	(12,796)
Net change in total OPEB Liability	$ 9,803	$ (51,818)	$ (116,608)	$ 76,789	$ (131,797)	$ (63,823)	$ (306,943)
Total OPEB Liability (beginning)	183,134	234,952	351,560	274,771	406,568	470,391	777,334
Total OPEB Liability (ending)	$ 192,937	$ 183,134	$ 234,952	$ 351,560	$ 274,771	$ 406,568	$ 470,391
Covered payroll	$ 199,404	$ 185,560	$ 181,034	$ 290,366	$ 272,213	$ 343,657	$ 393,196
Total OPEB Liability as a percentage of payroll	103.35%	101.32%	117.16%	121.07%	100.94%	118.31%	119.63%
Proportionate share of the University's OPEB Liability	0.12%	0.12%	0.11%	0.16%	0.15%	0.22%	0.25%

Notes to Required Supplementary Information:

Benefit Changes – There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions – There were no significant changes of assumptions for the single-employer plan for each of the reported plan years ended June 30, except for the following:

2024: The discount rate used in the June 30, 2023 actuarial valuation increased from 3.54 percent to 3.65 percent.

2023: The discount rate used in the June 30, 2022 actuarial valuation increased from 2.16 percent to 3.54 percent.

2022: The discount rate used in the June 30, 2021 actuarial valuation decreased from 2.21 percent to 2.16 percent. The percentage of employees assumed to elect spouse coverage at retirement decreased from 50 percent to 30 percent for male employees and 10 percent for female employees.

2021: The discount rate used in the June 30, 2020 actuarial valuation decreased from 3.50 percent to 2.21 percent.

2020: The discount rate used in the June 30, 2019 actuarial valuation decreased from 3.87 to 3.50 percent. The mortality basis changed to the PUB2010 general employees classification headcount-weighted mortality table projected using scale MP-2018 from the RP-2014 aggregate mortality table projected using scale MP- 2016.

2019: The discount rate used in the June 30, 2018 actuarial valuation increased from 3.58 percent to 3.87.