

# Financial Statements

## 2023-2024



WNMU-TV & WNMU-FM  
Northern Michigan University

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WNMU-TV AND WNMU-FM

June 30, 2024

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## **Board of Trustees**

Terms ending December 31 in year shown

Stephen E. Young  
*Chair*  
Lansing  
2026

Alexis M. Hart  
*Vice Chair*  
Royal Oak  
2024

Lisa I. Fittante  
Kingsford  
2024

Melissa A. Holmquist  
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2026

Brigitte R. LaPointe-Dunham  
Baraga  
2030

Steven W. Lindberg  
Marquette  
2028

Gregory J. Seppanen  
Marquette  
2028

Greg M. Toutant  
Marquette  
2030

Brock F. Tessman  
President of the University  
*Ex Officio*

## **Executive Officers**

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Brock F. Tessman  
President

R. Gavin Leach  
Vice President for Finance & Administration and  
Treasurer of the Board of Trustees

Anne P. Dahlman  
Provost/Vice President for Academic Affairs

## **Station/Financial Management**

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Patrick J. Lakenen  
General Manager

Tammy S. Wixtrom Johnson  
WNMU-FM Station Manager

Robert S. Thomson  
WNMU-TV Station Manager

Jamie R. Beauchamp  
Controller

Rebecca J. Schneiderhan  
Assistant Controller

Laura J. Ingalls  
Business Manager

## INDEPENDENT AUDITORS' REPORT

December 12, 2024

Board of Trustees  
WNMU-TV and WNMU-FM  
Marquette, Michigan

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the business-type activities of **WNMU-TV and WNMU-FM**, departments of Northern Michigan University (the "University"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise WNMU-TV's and WNMU-FM's basic financial statements as listed in the table of contents.

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

#### *Basis for Opinions*

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

#### *Emphasis of Matter*

As discussed in Note A, the financial statements of WNMU-TV and WNMU-FM are intended to present the financial position, changes in financial position, and changes in cash flows of only that portion of the University's business-type activities that are attributable to the transactions of the departments. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2024; the changes in its financial position; or the changes in its cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are 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.

### ***Independent Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WNMU-TV's and WNMU-FM'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.

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise WNMU-TV's and WNMU-FM's basic financial statements. The accompanying schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of functional expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Predecessor Auditor***

The financial statements of WNMU-TV and WNMU-FM, departments of Northern Michigan University, as of June 30, 2023 were audited by other auditors whose report dated December 14, 2023, expressed unmodified opinions on those statements.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024, on our consideration of WNMU-TV's and WNMU-FM's internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WNMU-TV's and WNMU-FM's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WNMU-TV's and WNMU-FM's internal control over financial reporting and compliance.

*Rehmann Lohman LLC*

## MANAGEMENT'S DISCUSSION AND ANALYSIS WNMU-TV

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This section of WNMU-TV's (the "television station") financial report presents our discussion and analysis of the financial performance of the television station during the fiscal year ended June 30, 2024. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with and is qualified in its entirety by the financial statements and footnotes. The financial statements, footnotes, and this discussion are the responsibility of management.

### Reporting Entity

Northern Michigan University (the "University" or "NMU") operates a public television station, WNMU-TV, and a public radio station, WNMU-FM. The assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for WNMU-TV and WNMU-FM include accounts extracted from the principal financial statements of the University and accounts of the Northern Michigan University Foundation (the "Foundation") specifically designated for WNMU-TV and WNMU-FM. The Foundation is an independent corporation formed for the purpose of receiving funds for the sole benefit of the University, which is presented as a discretely presented component unit of the University. Included in the operation of the Foundation are fundraising activities specifically designated for WNMU-TV and WNMU-FM. All accounts and transactions between the University and the Foundation have been eliminated.

### Using the Financial Report

This financial report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. The financial statements presented focus on the financial condition of the television station, the results of operations, and cash flows taken as a whole.

The Statements of Net Position includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The Statements of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. Under the reporting model, general appropriations from the University, gifts, and community service grants are reported as operating revenues and results in the television station showing operating income of \$658,600 for the year ended June 30, 2024, and of \$749,400 for the year ended June 30, 2023. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The Statements of Cash Flows presents information related to cash inflows and outflows summarized by operating, noncapital financing, capital and related financing, and investing activities.

### Financial Highlights

Net position for the year ended June 30, 2024 of \$6,615,300 increased \$671,800 from the prior year balance of \$5,943,500. Investment in capital assets of \$1,513,800 decreased by \$147,200 as a result of depreciation. Unrestricted and restricted net position of \$5,101,500 increased by \$819,000 from the prior year total of \$4,282,500.

For the year ending June 30, 2024, operating revenues of \$2,379,400 increased \$86,700 from the prior year total of \$2,292,700. The increase of \$86,700 included an increase in other grants of \$250,000, community service grants from the Corporation for Public Broadcasting (CPB) of \$59,800, other donated services of \$57,300, and contributions of \$11,900, and decreases in general appropriations from Northern Michigan University of \$286,600, other operating revenues of \$5,500, and facilities and support provided by Northern Michigan University of \$200. Non-operating revenues of \$13,200 increased by \$3,400 from the prior year of \$9,800. The increase of \$3,400 related solely to an increase in investment income.



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**WNMU-TV**  
**(continued)**

**Financial Highlights (continued)**

For the year ending June 30, 2023, operating revenues of \$2,292,700 increased \$165,400 from the prior year total of \$2,127,300. The increase of \$165,400 included increases in general appropriations from Northern Michigan University of \$288,100, contributions of \$25,200, community service grants from the Corporation for Public Broadcasting of \$25,000, and other operating revenues of \$6,900, and decreases in other grants of \$83,300, facilities and support provided by Northern Michigan University of \$51,200, and other donated services of \$45,300. Non-operating revenues of \$9,800 decreased by \$116,200 from the prior year of \$126,000. The decrease of \$116,200 included an increase in investment income of \$24,100; and decreases in capital grants of \$12,400 and federal grants of \$127,900.

For the year ending June 30, 2024, operating expenses of \$1,720,800 increased by \$177,500 from the prior year total of \$1,543,300. The net increase of \$177,500 resulted from increases in salaries, wages, and benefits of \$84,000, professional services of \$19,300, rental and maintenance of equipment of \$24,600, and program production costs of \$56,400, a decrease in supplies of \$5,700, and a decrease in all other costs of \$1,100.

For the year ending June 30, 2023, operating expenses of \$1,543,300 decreased by \$218,600 from the prior year total of \$1,761,900. The net decrease of \$218,600 resulted from decreases in salaries, wages, and benefits of \$94,000, professional services of \$8,400, rental and maintenance of equipment of \$17,800, program production costs of \$45,700, indirect costs of \$51,200, and an all other costs of \$3,500; and an increase in depreciation expense of \$2,000.

**CONDENSED FINANCIAL INFORMATION**

**Condensed Statements of Net Position**

	<b>June 30</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>			
Current assets	\$4,988,226	\$4,265,352	\$3,883,382
Noncurrent assets:			
Capital	1,513,791	1,661,014	1,474,916
Other	179,832	116,507	125,574
Total noncurrent assets	1,693,623	1,777,521	1,600,490
Total assets	6,681,849	6,042,873	5,483,872
<b>Deferred outflows of resources</b>			
Deferred pension and OPEB amounts	1,602	6,150	50,515
Total deferred outflows of resources	1,602	6,150	50,515
<b>Liabilities</b>			
Current liabilities	56,942	52,135	62,577
Noncurrent liabilities	2,964	42,591	199,449
Total liabilities	59,906	94,726	262,026
<b>Deferred inflows of resources</b>			
Deferred lease amounts	7,933	9,066	12,277
Deferred pension and OPEB amounts	286	1,731	75,773
Total deferred inflows of resources	8,219	10,797	88,050
<b>Net position</b>			
Net investment in capital assets	1,513,791	1,661,014	1,474,916
Restricted	1,118,880	994,722	977,760
Unrestricted	3,982,655	3,287,764	2,731,635
Total net position	\$6,615,326	\$5,943,500	\$5,184,311

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**WNMU-TV**  
**(continued)**

**Condensed Financial Information (continued)**

**Condensed Statements of Net Position (continued)**

Cash and cash equivalents and investments of \$5,064,200 for fiscal year 2024 increased by \$1,068,200 from the prior year total of \$3,996,000 at June 30, 2023. At June 30, 2022, cash and cash equivalents and investments were \$3,958,600. Investment in physical plant of \$1,513,800 for fiscal year 2024, \$1,661,000 for fiscal year 2023, and \$1,474,900 for fiscal year 2022 was the largest noncurrent asset of WNMU-TV. Accrued payroll and benefits of \$45,700 for fiscal year 2024, \$42,600 for fiscal year 2023 and \$36,500 for fiscal year 2022 was the largest current liability. Net pension liabilities of \$3,000 for fiscal year 2024, \$42,600 for fiscal year 2023, and \$199,400 for fiscal year 2022 was the only noncurrent liability in each respective year.

Current assets at June 30, 2024 of \$4,988,200 were sufficient to cover current liabilities of \$56,900 as the current ratio is 87.7 dollars in current assets to every one dollar in current liabilities. Current assets of \$4,265,400 at June 30, 2023, and \$3,883,400 at June 30, 2022 were sufficient to cover current liabilities of \$52,100 and \$62,600 respectively. The current ratio was 81.9 at June 30, 2023 and 62.0 at June 30, 2022.

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<b>June 30</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Operating revenues			
Appropriations, facilities, and support from NMU	\$616,034	\$902,828	\$665,931
Contributions	424,942	413,031	387,854
Grants and contracts	1,196,368	886,548	944,812
Other operating revenue	142,078	90,289	128,731
Total operating revenues	2,379,422	2,292,696	2,127,328
Operating expenses	(1,720,836)	(1,543,323)	(1,761,936)
Operating income	658,586	749,373	365,392
Non-operating revenues			
Capital Grants			12,430
Federal grants			127,894
Other non-operating income and expenses	13,240	9,816	(14,316)
Net non-operating revenues and expenses	13,240	9,816	126,008
Total increase in net position	671,826	759,189	491,400
Net position			
Net position – beginning of year	5,943,500	5,184,311	4,692,911
Net position – end of year	<u>\$6,615,326</u>	<u>\$5,943,500</u>	<u>\$5,184,311</u>

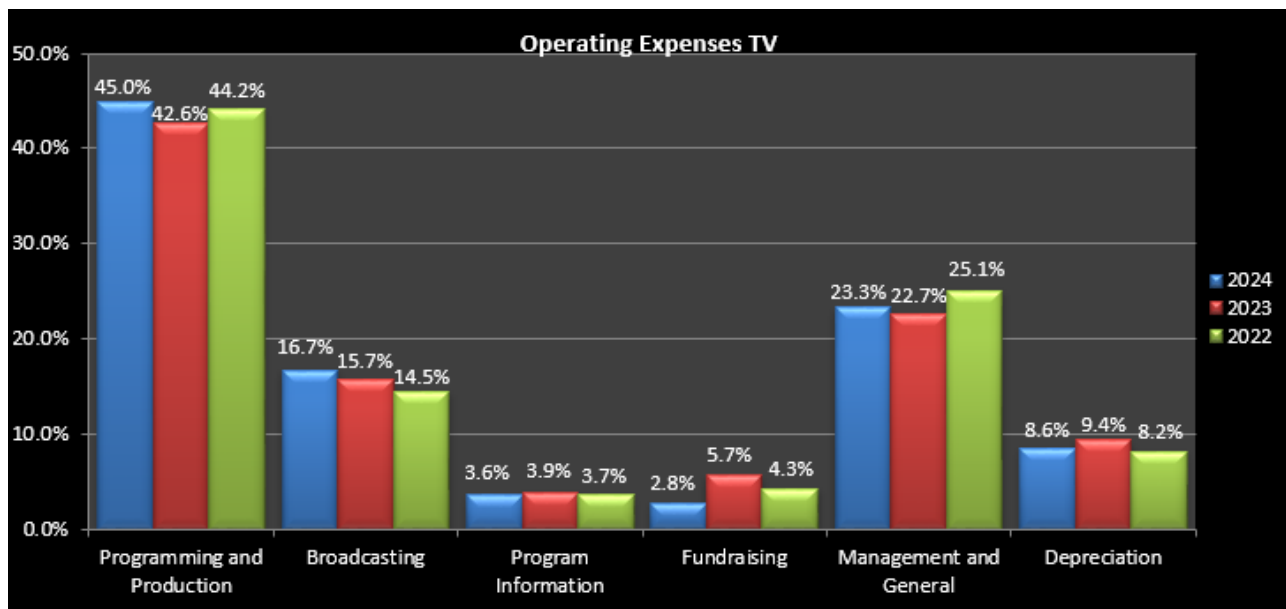
Total operating revenues were \$2,379,400 for fiscal year 2024, \$2,292,700 for fiscal year 2023 and \$2,127,300 for fiscal year 2022. The most significant source of operating revenue was Community Service grants from the Corporation for Public Broadcasting of \$946,400 for fiscal year 2024, \$886,500 for fiscal year 2023 and \$861,500 for fiscal year 2022.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**WNMU-TV**  
**(continued)**

**Condensed Financial Information (continued)**

**Condensed Statements of Revenues, Expenses and Changes in Net Position (continued)**

Operating expenses were \$1,720,800 for fiscal year 2024, \$1,543,300 for fiscal year 2023 and \$1,761,900 for fiscal year 2022. Salaries, wages, and benefits are the most significant expense at \$610,400 for fiscal year 2024, \$526,400 for fiscal year 2023, and \$620,500 for fiscal year 2022. Program acquisition costs were \$384,400 for fiscal year 2024, \$386,900 for fiscal year 2023, and \$391,700 for fiscal year 2022.



**Other**

General appropriations from NMU totaled \$384,100 for fiscal year 2024, \$670,800 for fiscal year 2023, and \$382,700 for fiscal year 2022. Contributions from viewers and businesses totaled \$424,900 for fiscal year 2024, \$413,000 for fiscal year 2023, and \$387,900 for fiscal year 2022. The coverage area for WNMU-TV consists primarily of the Upper Peninsula of Michigan and northeastern Wisconsin.

**Condensed Statements of Cash Flows**

	<b>June 30</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Cash provided (used) by:			
Operating activities	\$1,054,896	\$359,442	\$350,423
Capital activities		(331,803)	38,828
Investing activities	4,536	6,700	8,732
Net increase in cash and cash equivalents	1,059,432	34,339	397,983
Cash and cash equivalents – beginning of year	3,893,610	3,859,271	3,461,288
Cash and cash equivalents – end of year	<u>\$4,953,042</u>	<u>\$3,893,610</u>	<u>\$3,859,271</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**WNMU-TV**  
**(continued)**

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## **Capital Plan**

Throughout this reporting period, WNMU-TV maintained normal broadcast operations and produced local programming to inform, entertain and educate the local viewing audience. Program offerings proved to be especially important for viewers as they looked for a reliable source to help navigate issues and topics relevant to our local community.

In September, WNMU-TV assisted with the Vandament Arena renovation project. The project included a new multi-facility fiber broadcast infrastructure that will allow a single control room to produce high quality broadcasts and streaming from the Vandament Arena, the Berry Events Center, and has the capacity to expand to other facilities as needed. This minimizes broadcast equipment duplication and allows for high quality remote productions for the University and public broadcast communities. This also expands essential hands-on experiential learning opportunities for students using industry standard technology.

For the upcoming year, our capital plan focuses on critical upgrades and initiatives to enhance our broadcasting capabilities and ensure compliance with industry standards. One project is to upgrade our broadcast air chain infrastructure that sends our radio and TV signals to the main transmitter tower. These infrastructure upgrades are essential for ensuring signal quality, minimizing downtime, aligning with broadcast technology advancements, and ultimately enhancing the listener and viewer experience. These upgrades will also allow us to improve our critical emergency alerting capabilities as a local primary station in Michigan's Emergency Alert System plan.

The air chain infrastructure project also aligns with our commitment of transitioning to ATSC 3.0 digital broadcast standard. Also referred to as NextGen TV in the consumer market, this digital upgrade treats all broadcast content as data and permits new web and internet datacasting which will be advantageous to NMU's instructional mission. This next-generation broadcast conversion will also position us at the forefront of technological advancements, allowing for enhanced video and audio quality, as well as new interactive features for our audience. The change will also allow WNMU-TV to implement new emergency messaging capabilities for public safety enhancement.

Next, we are preparing to invest in LED tower lighting to improve safety and increase energy efficiency for our Ely Township transmission tower. Upgrading to LED technology not only aligns with sustainability goals but also reduces long-term operational costs including tower painting and costly incandescent lamp replacements. Through these targeted investments, we aim to strengthen our infrastructure and stay current with technological standards, ensuring our broadcasting service remains relevant and impactful in the community.

## **Factors Impacting Future Periods**

There are several key factors impacting WNMU-TV's financial future in the upcoming year. Annual giving to WNMU-TV remains relatively steady from the previous year. Fundraising from underwriters and personal contributions increased slightly even as inflation became a concern. We will continue monitoring the local and national economy trends and be mindful of their influence on our underwriters and personal contributions.

WNMU-TV remains an active partner of the Michigan Learning Channel along with five other Michigan public media stations. The Michigan Learning Channel is a statewide initiative to provide instructional television and online resources to support and enhance education efforts for K-12 students. As a participant in this statewide effort, WNMU-TV will once again receive funding to expand its educational outreach. We are hopeful that the success and momentum of this initiative ensures future annual funding.

WNMU-TV and broadcasting in general are facing a change in how viewers choose and acquire media. There is an increase in digital mediums and streaming options with a correlative decrease in linear mediums such as over the air and cable broadcast. As a result, the station has been working with the Public Broadcasting Service to meet viewers where they are. This effort is a combination of using PBS' own streaming platform, Passport, and negotiating deals with streaming providers to carry WNMU-TV as a part of their regional channel lineups. In addition, streaming agreements were recently negotiated to include WNMU-TV on Local Now, Hulu Live, and YouTube TV streaming platforms. This is an area that is evolving rapidly that will require diligent attention and allow new ways of reaching viewers for the foreseeable future.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**WNMU-TV**  
**(concluded)**

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**Factors Impacting Future Periods (continued)**

WNMU-TV continues to promote student internships and directed studies that provide NMU students with practical learning experiences without direct cost to the station. These connections leverage the station's facilities and staff to aid in fulfilling the University's academic mission. New opportunities are being explored to include more students in other departments.

Recruitment and retention continue to be an area of focus. Due to recent retirements and an increasingly transient workforce, WNMU-TV has undergone a slight uptick of employee turnover. Efforts are underway to increase staff retention by providing more professional development opportunities, establishing hybrid work options, and regular personal one-on-one and group specific meetings to increase the engagement and investment of all staff and administration.

With the help of the NMU Foundation, WNMU-TV will continue developing plans for attracting major giving, planned giving, legacy giving, and corporate support. These have the potential to help fund special projects that will improve the station's viewer profile, provide modern facilities for station operations, and provide enriching, educational, and engaging programming for the community. We also continue to explore ways to engage donors in contributing to programs that will serve students involved with multi-media learning opportunities.

Station management continues its strong affiliation with the teaching and learning mission of the University and continues to develop a strong sports broadcasting program for students. WNMU-TV staff provide internship and employment opportunities for students interested in television production and has focused on partnering with other University departments to develop a program that creates not only engaging programming, but training opportunities that serve the needs of student production staff. In addition, the GLIAC and CCHA sports conferences are spearheading conference wide adoption of higher quality sports production. This ensures that students are keeping up with industry production standards as they transition to the workforce.

WNMU-TV closely monitors its federal grants and the status of legislative appropriations. The station also takes a conservative approach when factoring Corporation for Public Broadcasting grants into its budget and looks for ways to increase local fundraising and underwriting. WNMU-TV will be closely monitoring the criteria and timeline for upcoming grants which could provide a funding opportunity to replace some of the oldest and outdated broadcast infrastructure equipment. The management team remains committed to growing the number of station viewers with refreshed program offerings and local production projects that involve a wider base of community members.

## MANAGEMENT'S DISCUSSION AND ANALYSIS WNMU-FM

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This section of WNMU-FM's (the "radio station") financial report presents our discussion and analysis of the financial performance of the radio station during the fiscal year ended June 30, 2024. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with and is qualified in its entirety by the financial statements and footnotes. The financial statements, footnotes, and this discussion are the responsibility of management.

### Reporting Entity

Northern Michigan University (the "University" or "NMU") operates a public television station, WNMU-TV, and a public radio station, WNMU-FM. The assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for WNMU-TV and WNMU-FM include accounts extracted from the principal financial statements of the University and accounts of the Northern Michigan University Foundation (the "Foundation") specifically designated for WNMU-TV and WNMU-FM. The Foundation is an independent corporation formed for the purpose of receiving funds for the sole benefit of the University, which is presented as a discretely presented component unit of the University. Included in the operation of the Foundation are fundraising activities specifically designated for WNMU-TV and WNMU-FM. All accounts and transactions between the University and the Foundation have been eliminated.

### Using the Financial Report

This financial report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*. The financial statements presented focus on the financial condition of the radio station, the results of operations, and cash flows of the radio station as a whole.

The Statements of Net Position includes all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The Statements of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. Under the reporting model general appropriations from Northern Michigan University, gifts, and community service grants are reported as operating revenues and results in the radio station showing operating income of \$444,600 for the year ended June 30, 2024, and \$216,900 for the year ended June 30, 2023. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The Statements of Cash Flows presents information related to cash inflows and outflows summarized by operating, noncapital financing, capital and related financing, and investing activities.

### Financial Highlights

Net position for the year ended June 30, 2024 of \$1,323,500 increased by \$447,800 over the prior year balance of \$875,700. Net investment in capital assets of \$52,400 decreased \$9,300 from the prior year total of \$61,700. Unrestricted and restricted net position of \$1,271,100 increased by \$457,100 from the prior year total of \$814,000.

For the year ending June 30, 2024, operating revenues of \$846,000 decreased \$65,600 from the prior year total of \$911,600. Contributions from listeners of \$409,000 decreased by \$15,800 from the prior year total of \$424,800. General appropriations and Facilities and Support provided by Northern Michigan University of \$259,300 decreased by \$55,500 from the prior year total of \$314,800. Other donated services and in-kind contributions of \$2,100 decreased \$600 from the prior year total of \$2,700. The community service grants from the Corporation for Public Broadcasting (CPB) of \$164,000 increased by \$5,400 from the prior year total of \$158,600 and other operating revenues of \$11,700 increased by \$900 from the prior year total of \$10,800. Non-operating revenues of \$3,200 increased by \$800 from the prior year total of \$2,400. The increase of \$800 related solely to an increase in investment income.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**WNMU-FM**  
**(continued)**

**Financial Highlights (continued)**

For the year ending June 30, 2023, operating revenues of \$911,600 decreased \$10,700 from the prior year total of \$922,300. The community service grants from the Corporation for Public Broadcasting of \$158,600 increased by \$5,900 from the prior year total of \$152,700 and other operating revenues of \$10,800 increased by \$900 from the prior year total of \$9,900. Contributions from listeners of \$424,800 increased by \$14,700 from the prior year total of \$410,100. General appropriations from Northern Michigan University of \$196,800 increased by \$2,500 from the prior year total of \$194,300. Facilities and support provided by Northern Michigan University of \$118,100 decreased \$34,400 from the prior year total of \$152,500. Non-operating revenues of \$2,400 decreased by \$106,100 from the prior year total of \$108,500.

For the year ending June 30, 2024, operating expenses of \$401,400 decreased \$293,300 from the prior year total of \$694,700. The net decrease of \$293,300 resulted from decreases in salaries, wages, and benefits of \$216,100, repairs and maintenance of \$6,500, indirect costs of \$56,800, program acquisition costs of \$17,900, and increases in printing costs of \$2,800 and all other expenses of \$1,200.

For the year ending June 30, 2023, operating expenses of \$694,700 decreased \$126,700 from the prior year total of \$821,400. The net decrease of \$126,700 resulted from decreases in salaries, wages, and benefits of \$82,500, program acquisition costs of \$9,400, indirect costs of \$34,500, and all other expenses of \$300.

**CONDENSED FINANCIAL INFORMATION**

**Condensed Statements of Net Position**

	<b>June 30</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>			
Current assets	\$1,033,920	\$917,283	\$805,366
Noncurrent assets:			
Capital	52,413	61,732	72,399
Other	288,122	50,228	50,611
Total noncurrent assets	340,535	111,960	123,010
Total assets	1,374,455	1,029,243	928,376
 <b>Deferred outflows of resources</b>			
Deferred pension and OPEB amounts	6,632	18,010	49,669
Total deferred outflows of resources	6,632	18,010	49,669
 <b>Liabilities</b>			
Current liabilities	36,172	32,680	38,611
Noncurrent liabilities	12,271	124,723	196,307
Total liabilities	48,443	157,403	234,918
 <b>Deferred inflows of resources</b>			
Deferred lease amounts	7,933	9,067	12,277
Deferred pension and OPEB amounts	1,187	5,070	74,442
Total deferred inflows of resources	9,120	14,137	86,719
 <b>Net position</b>			
Net investment in capital assets	52,413	61,732	72,399
Restricted	444,819	200,449	194,060
Unrestricted	826,292	613,532	389,949
Total net position	\$1,323,524	\$875,713	\$656,408

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**WNMU-FM**  
**(continued)**

**Condensed Financial Information (continued)**

**Condensed Statements of Net Position (continued)**

Cash and cash equivalents and investments of \$1,005,700 for fiscal year 2024 increased by \$80,400 from the prior year total of \$925,300. Cash and investments at June 30, 2022 was \$809,300. Net OPEB asset of \$253,700 for fiscal year 2024 is the largest noncurrent asset of WNMU-FM. Investment in physical plant of \$61,700 for fiscal year 2023, and \$72,400 for fiscal year 2022 was the largest noncurrent asset of WNMU-FM. Accrued payroll and benefits of \$25,900 for fiscal year 2024, \$24,400 for fiscal year 2023, and 23,700 for fiscal year 2022 is the largest current liability. Net pension liability of \$12,300 for fiscal year 2024, \$124,700 for fiscal year 2023 and \$196,300 for fiscal year 2022 was the only noncurrent liability.

Current assets at June 30, 2024, of \$1,033,900 were sufficient to cover current liabilities of \$36,200 as the current ratio is 28.6 dollars in current assets to every one dollar in current liabilities. Current assets of \$917,300 at June 30, 2023, and \$805,400 at June 30, 2022 were sufficient to cover current liabilities of \$32,700 and \$38,600 respectively. The current ratio was 28.1 at June 30, 2023 and 20.9 at June 30, 2022.

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	<b>June 30</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Operating revenues			
Appropriations, facilities, and support from NMU	\$259,238	\$314,826	\$346,798
Contributions	408,950	424,761	410,125
Grants and contracts	164,017	158,554	152,742
Other operating revenue	13,796	13,463	12,638
Total operating revenues	<u>846,001</u>	<u>911,604</u>	<u>922,303</u>
Operating expenses	<u>401,435</u>	<u>694,693</u>	<u>821,356</u>
Operating income	444,566	216,911	100,947
Non-operating revenues (expenses)			
Federal grants			111,906
Other non-operating income (expenses)	3,245	2,394	(3,450)
Net non-operating revenues	<u>3,245</u>	<u>2,394</u>	<u>108,456</u>
Total increase in net position	<u>447,811</u>	<u>219,305</u>	<u>209,403</u>
Net position			
Net position—beginning of year	875,713	656,408	447,005
Net position—end of year	<u>\$1,323,524</u>	<u>\$875,713</u>	<u>\$656,408</u>

Total operating revenues for fiscal year 2024 were \$846,000, \$911,600 for fiscal year 2023, and \$922,300 for fiscal year 2022. Contributions from listeners and businesses, the largest source of operating revenues, totaled \$409,000 for fiscal year 2024, \$424,800 for fiscal year 2023, and \$410,100 for fiscal year 2022.

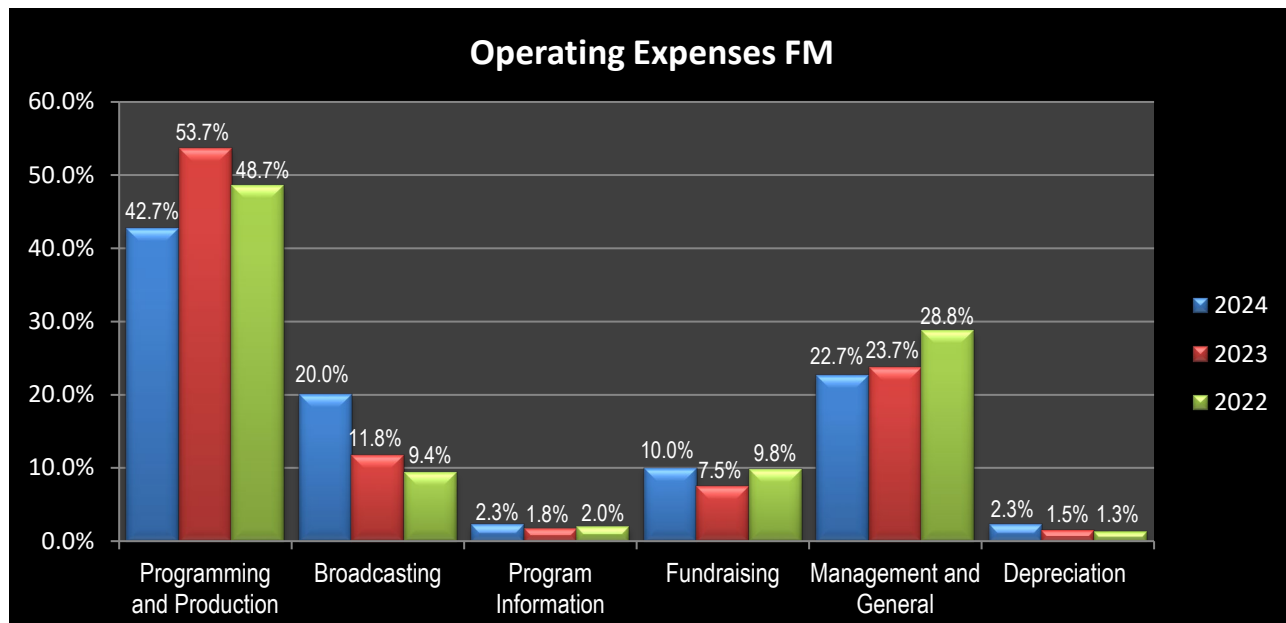


**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**WNMU-FM**  
**(continued)**

**Condensed Financial Information (continued)**

**Condensed Statements of Revenues, Expenses and Changes in Net Position (continued)**

Operating expenses were \$401,400 for fiscal year 2024, \$694,700 for fiscal year 2023 and \$821,400 for fiscal year 2022. Program acquisition costs were the most significant expense in fiscal year 2024 at \$120,800, and were \$138,800 for fiscal year 2023, and \$148,200 for fiscal year 2022. Salaries, wages, and benefits were \$95,200 for fiscal year 2024, and were the most significant expense the previous two fiscal years, at \$311,300 for fiscal year 2023, and \$393,900 for fiscal year 2022. Decrease in salaries, wages, and benefits in fiscal year 2024 was due to a substantial Michigan Public School Employees Retirement System (MPERS) credit.



**Other**

Community Service grants from the Corporation for Public Broadcasting totaled \$164,000 for fiscal year 2024, \$158,600 for fiscal year 2023 and \$152,700 for fiscal year 2022. The coverage area for WNMU-FM consists primarily of the Upper Peninsula of Michigan.

**Condensed Statements of Cash Flows**

	<b>June 30</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Cash provided (used) by:			
Operating activities	\$77,177	\$113,622	(\$58,651)
Investing activities	1,249	2,129	2,677
Net increase (decrease) in cash and cash equivalents	78,426	115,751	(55,974)
Cash and cash equivalents – beginning of year	900,196	784,445	840,419
Cash and cash equivalents – end of year	<u>\$978,622</u>	<u>\$900,196</u>	<u>\$784,445</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**WNMU-FM**  
**(continued)**

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### **Capital Plan**

Throughout this reporting period, WNMU-FM maintained normal broadcast operations and produced local programming to inform, entertain and educate the local viewing audience. Program offerings proved to be especially important for listeners as they looked for a reliable source to help navigate issues and topics relevant to our local community.

WNMU-FM continues with efforts to review its weekly programming lineup in order to build listener loyalty and increase contributions. The station is thoroughly investigating what program changes may better serve the news, arts, and entertainment needs of our loyal audience. WNMU-FM is also investigating the feasibility of adding either a new low-power transmitter or translator to the Marquette area to provide better reception for listeners in the station's city of license.

For the upcoming year, our capital plan focuses on critical upgrades and initiatives to enhance our broadcasting capabilities and ensure compliance with industry standards. One project is to upgrade our broadcast air chain infrastructure that sends our radio and TV signals to the main transmitter tower. These infrastructure upgrades are essential for ensuring signal quality, minimizing downtime, aligning with broadcast technology advancements, and ultimately enhancing the listener and viewer experience. These upgrades will also allow us to improve our critical emergency alerting capabilities as a local primary station in Michigan's Emergency Alert System plan.

Next, we are preparing to invest in LED tower lighting to improve safety and increase energy efficiency for our Ely Township transmission tower. Upgrading to LED technology not only aligns with sustainability goals but also reduces long-term operational costs including tower painting and costly incandescent lamp replacements. Through these targeted investments, we aim to strengthen our infrastructure and stay current with technological standards, ensuring our broadcasting service remains relevant and impactful in the community.

### **Factors Impacting Future Periods**

There are several key factors impacting WNMU-FM's financial future in the upcoming year. Annual giving to WNMU-FM remains relatively steady from the previous year. Fundraising from underwriters and personal contributions increased slightly even as inflation became a concern. We will continue monitoring the local and national economy trends and be mindful of their influence on our underwriters and personal contributions.

WNMU-FM and broadcasting in general are facing a change in how listeners choose and acquire media. There is an increase in digital mediums and streaming options with a correlative decrease in linear mediums such as over the air and cable broadcast. As a result, the station has been working with National Public Radio to adapt to listeners' needs. This effort is a combination of using NPR's own streaming platform and ensuring our station is available on personal smart speakers and providing our own Public Radio app for mobile and Bluetooth device listeners. This is an area that is evolving rapidly that will require diligent attention and allow new ways of reaching listeners for the foreseeable future.

WNMU-FM continues to promote student internships and directed studies that provide NMU students with practical learning experiences without direct cost to the station. These connections leverage the station's facilities and staff to aid in fulfilling the University's academic mission. New opportunities are being explored to include more students in other departments.

Recruitment and retention continue to be an area of focus. Due to recent retirements and an increasingly transient workforce, WNMU-FM has undergone a slight uptick of employee turnover. Efforts are underway to increase staff retention by providing more professional development opportunities, establishing hybrid work options, and regular personal one-on-one and group specific meetings to increase the engagement and investment of all staff and administration.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**WNMU-FM**  
**(concluded)**

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**Factors Impacting Future Periods (continued)**

With the help of the NMU Foundation, WNMU-FM will continue developing plans for attracting major giving, planned giving, legacy giving, and corporate support. These have the potential to help fund special projects that will improve the station's listener profile, provide modern facilities for station operations, and provide enriching, educational, and engaging programming for the community. We also continue to explore ways to engage donors in contributing to programs that will serve students involved with multi-media learning opportunities.

WNMU-FM closely monitors its federal grants and the status of legislative appropriations. The station also takes a conservative approach when factoring CPB grants into its budget and looks for ways to increase local fundraising and underwriting. WNMU-FM will be closely monitoring the criteria and timeline for upcoming grants which could provide a funding opportunity to replace some of the oldest and outdated broadcast infrastructure equipment. The management team remains committed to growing the number of station listeners with refreshed program offerings and local production projects that involve a wider base of community members.

**WNMU-TV**  
**Statements of Net Position**

	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$4,953,042	\$3,893,610
Accounts receivable	6,985	3,596
Interest receivable	206	229
Lease receivable	1,013	960
Other assets	26,980	366,957
<b>Total current assets</b>	<u>4,988,226</u>	<u>4,265,352</u>
<b>Noncurrent assets</b>		
Lease receivable-net of current portion	7,320	8,333
Long-term investments	111,141	102,436
Net OPEB asset	61,371	5,738
Capital assets, net	1,513,791	1,661,014
<b>Total noncurrent assets</b>	<u>1,693,623</u>	<u>1,777,521</u>
<b>Total assets</b>	<u>6,681,849</u>	<u>6,042,873</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred OPEB amounts	212	508
Deferred pension amounts	1,390	5,642
<b>Total deferred outflows of resources</b>	<u>1,602</u>	<u>6,150</u>
 <b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	3,341	4,447
Accrued payroll and benefits	45,733	42,552
Unearned revenue	7,868	5,136
<b>Total current liabilities</b>	<u>56,942</u>	<u>52,135</u>
<b>Noncurrent liabilities</b>		
Net pension liability	2,964	42,591
<b>Total noncurrent liabilities</b>	<u>2,964</u>	<u>42,591</u>
<b>Total liabilities</b>	<u>59,906</u>	<u>94,726</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred lease amounts	7,933	9,066
Deferred OPEB amounts	53	
Deferred pension amounts	233	1,731
<b>Total deferred inflows of resources</b>	<u>8,219</u>	<u>10,797</u>
 <b>NET POSITION</b>		
Investment in capital assets	1,513,791	1,661,014
Restricted		
Nonexpendable	36,721	34,746
Expendable	1,082,159	959,976
Unrestricted	3,982,655	3,287,764
<b>Total net position</b>	<u><u>\$6,615,326</u></u>	<u><u>\$5,943,500</u></u>

*The accompanying notes are an integral part of these financial statements.*

**WNMU-FM**  
**Statements of Net Position**

	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$978,622	\$900,196
Accounts receivable	11,794	1,453
Interest receivable	206	229
Lease receivable	1,013	960
Other assets	42,285	14,445
<b>Total current assets</b>	<u>1,033,920</u>	<u>917,283</u>
<b>Noncurrent assets</b>		
Lease receivable-net of current portion	7,320	8,333
Long-term investments	27,088	25,093
Net OPEB Asset	253,714	16,802
Capital assets, net	52,413	61,732
<b>Total noncurrent assets</b>	<u>340,535</u>	<u>111,960</u>
<b>Total assets</b>	<u>1,374,455</u>	<u>1,029,243</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred OPEB amounts	877	1,488
Deferred pension amounts	5,755	16,522
<b>Total deferred outflows of resources</b>	<u>6,632</u>	<u>18,010</u>
 <b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	3,263	3,412
Accrued payroll and benefits	25,892	24,357
Unearned revenue	7,017	4,911
<b>Total current liabilities</b>	<u>36,172</u>	<u>32,680</u>
<b>Noncurrent liabilities</b>		
Net pension liability	12,271	124,723
<b>Total noncurrent liabilities</b>	<u>12,271</u>	<u>124,723</u>
<b>Total liabilities</b>	<u>48,443</u>	<u>157,403</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred lease amounts	7,933	9,067
Deferred OPEB amounts	221	
Deferred pension amounts	966	5,070
<b>Total deferred inflows of resources</b>	<u>9,120</u>	<u>14,137</u>
 <b>NET POSITION</b>		
Investment in capital assets	52,413	61,732
Restricted		
Nonexpendable	27,088	25,093
Expendable	417,731	175,356
Unrestricted	826,292	613,532
<b>Total net position</b>	<u><u>\$1,323,524</u></u>	<u><u>\$875,713</u></u>

*The accompanying notes are an integral part of these financial statements.*

**WNMU-TV**  
**Statements of Revenues, Expenses, and Changes in Net Position**

	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>		
<b>Operating revenues</b>		
General appropriations from Northern Michigan University	\$384,143	\$670,753
Contributions	424,942	413,031
Other donated services and in-kind contributions	126,707	69,414
Facilities and support provided by Northern Michigan University	231,891	232,075
Community service grants from Corporation for Public Broadcasting	946,368	886,548
Other grants	250,000	
Other operating revenues	15,371	20,875
<b>Total operating revenues</b>	<u>2,379,422</u>	<u>2,292,696</u>
<b>EXPENSES</b>		
<b>Operating expenses</b>		
Program services:		
Programming and production	774,048	657,701
Broadcasting	288,054	241,956
Program information	61,141	60,363
Support services:		
Fundraising and membership development	48,650	86,940
Management and general	401,720	350,658
Depreciation	147,223	145,705
<b>Total operating expenses</b>	<u>1,720,836</u>	<u>1,543,323</u>
<b>Operating income</b>	<u>658,586</u>	<u>749,373</u>
<b>NON-OPERATING REVENUES</b>		
Investment income	13,240	9,816
<b>Net non-operating revenues</b>	<u>13,240</u>	<u>9,816</u>
<b>Increase in net position</b>	<u>671,826</u>	<u>759,189</u>
<b>NET POSITION</b>		
<b>Net position--beginning of year</b>	5,943,500	5,184,311
<b>Net position--end of year</b>	<u><u>\$6,615,326</u></u>	<u><u>\$5,943,500</u></u>

*The accompanying notes are an integral part of these financial statements.*

**WNMU-FM**  
**Statements of Revenues, Expenses, and Changes in Net Position**

	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>		
<b>Operating revenues</b>		
General appropriations from Northern Michigan University	\$197,858	\$196,752
Contributions	408,950	424,761
Other donated services and in-kind contributions	2,120	2,556
Facilities and support provided by Northern Michigan University	61,380	118,199
Community service grants from Corporation		
for Public Broadcasting	164,017	158,554
Other operating revenues	11,676	10,782
<b>Total operating revenues</b>	<u>846,001</u>	<u>911,604</u>
<b>EXPENSES</b>		
<b>Operating expenses</b>		
Program services:		
Programming and production	171,214	373,173
Broadcasting	80,126	81,816
Program information	9,202	12,186
Support services:		
Fundraising and membership development	40,258	52,124
Management and general	91,316	164,727
Depreciation	9,319	10,667
<b>Total operating expenses</b>	<u>401,435</u>	<u>694,693</u>
<b>Operating income</b>	444,566	216,911
<b>NON-OPERATING REVENUES</b>		
Investment income	3,245	2,394
<b>Net non-operating revenues</b>	<u>3,245</u>	<u>2,394</u>
<b>Increase in net position</b>	447,811	219,305
<b>NET POSITION</b>		
<b>Net position--beginning of year</b>	875,713	656,408
<b>Net position--end of year</b>	<u><u>\$1,323,524</u></u>	<u><u>\$875,713</u></u>

*The accompanying notes are an integral part of these financial statements.*

**WNMU-TV**  
**Statements of Cash Flows**

	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Grants and contracts	\$1,196,368	\$886,548
General appropriations from Northern Michigan University	384,143	670,753
Gifts and grants received for other than capital purpose	424,290	409,957
Payments to suppliers	(265,719)	(917,366)
Payments to employees	(699,402)	(710,350)
Other receipts	15,216	19,900
Net cash provided by operating activities	<u>1,054,896</u>	<u>359,442</u>
<b>Cash flows from capital and related financing activities</b>		
Purchase of capital assets		(331,803)
Net cash used in capital and related financing activities		<u>(331,803)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales and maturities of investments	109,158	119,333
Investment income	13,240	9,816
Purchase of investments	(117,862)	(122,449)
Net cash provided by investing activities	<u>4,536</u>	<u>6,700</u>
Net increase in cash and cash equivalents	1,059,432	34,339
Cash and cash equivalents--beginning of year	3,893,610	3,859,271
Cash and cash equivalents--end of year	<u><u>\$4,953,042</u></u>	<u><u>\$3,893,610</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income	\$658,586	\$749,373
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	147,223	145,705
Change in assets and liabilities:		
Receivables, net	326	(838)
Net deferred inflows	(1,133)	(3,211)
Other assets	339,977	(348,426)
Accounts payable	(1,106)	746
Accrued payroll	3,181	6,085
Payments to Early Retirement Incentive Plan		(14,680)
Net pension liability	(36,874)	(179,040)
Net OPEB asset	(55,284)	3,728
Net cash provided by operating activities	<u><u>\$1,054,896</u></u>	<u><u>\$359,442</u></u>

*The accompanying notes are an integral part of these financial statements.*



**WNMU-FM**  
**Statements of Cash Flows**

	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>		
Grants and contracts	\$164,017	\$158,554
General appropriations from Northern Michigan University	197,858	196,752
Gifts and grants received for other than capital purpose	402,818	425,162
Payments to suppliers	(261,361)	(250,672)
Payments to employees	(435,578)	(428,079)
Other receipts	9,423	11,905
Net cash provided by operating activities	<u>77,177</u>	<u>113,622</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales and maturities of investments	26,732	29,731
Investment income	3,245	2,394
Purchase of investments	(28,728)	(29,996)
Net cash provided by investing activities	<u>1,249</u>	<u>2,129</u>
Net increase in cash and cash equivalents	78,426	115,751
Cash and cash equivalents--beginning of year	900,196	784,445
Cash and cash equivalents--end of year	<u><u>\$978,622</u></u>	<u><u>\$900,196</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income	\$444,566	\$216,911
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	9,319	10,667
Change in assets and liabilities:		
Receivables, net	(7,251)	4,734
Net deferred inflows	(1,134)	(3,210)
Other assets	(27,840)	(303)
Accounts payable	(149)	1,582
Accrued payroll	1,535	639
Payments to Early Retirement Incentive Plan		(7,789)
Net pension liability	(105,789)	(101,018)
Net OPEB asset	(236,080)	(8,591)
Net cash provided by operating activities	<u><u>\$77,177</u></u>	<u><u>\$113,622</u></u>

*The accompanying notes are an integral part of these financial statements.*

**NOTES TO FINANCIAL STATEMENTS  
WNMU-TV AND WNMU-FM**

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**NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***BASIS OF PRESENTATION***

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). WNMU-TV and WNMU-FM (the “Stations”), departments of Northern Michigan University (the “University”) will follow the “business-type” activities requirements of GASB Statement No. 35, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments* and GASB 34, *Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges and Universities* and has the following components of the financial statements:

- Management’s discussion and analysis
- Basic financial statements including Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows for the WNMU-TV and WNMU-FM
- Notes to the financial statements
- Other required supplementary information and related notes

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

- Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- Restricted:
  - Nonexpendable -- Net position subject to externally imposed constraints that they be maintained permanently by the university. Such assets include the university's permanent endowment funds.
  - Expendable -- Net position whose use by the university is subject to externally imposed constraints that can be fulfilled by actions of the university pursuant to those constraints or that expire by the passage of time.
- Unrestricted: Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of management or the board or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic, research, and outreach programs and initiatives, postemployment benefits, operating and stabilization reserves, capital projects and capital asset renewals and replacements.

***GASB 96 Subscription-Based Information Technology Arrangements (SBITAs)***

This standard was effective for the University's fiscal year 2023 and addresses accounting and financial reporting issues regarding the right-to-use subscription assets (an intangible asset) and the corresponding subscription liability, and capitalization criteria for outlays other than subscription payments, including implementation costs. There was no significant impact to WNMU-TV or WNMU-FM's financial statements upon adoption of GASB 96.

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

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**NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

***BASIS OF PRESENTATION (continued)***

*GASB 101 Compensated Absences*

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

***REPORTING ENTITY***

The University operates a public television station, WNMU-TV, and a public radio station, WNMU-FM. The assets, liabilities, deferred outflows of resources, deferred inflows of resources, and fund balances for WNMU-TV and WNMU-FM include accounts extracted from the principal financial statements of the University and accounts of The Northern Michigan University Foundation (the Foundation) specifically designated for WNMU-TV and WNMU-FM. The Foundation is an independent corporation formed for the purpose of receiving funds for the sole benefit of the University. Included in the operation of the Foundation are fund raising activities specifically designated for WNMU-TV and WNMU-FM. The Foundation is a discretely presented component unit for the University's financial statements. For the purpose of reporting for WNMU-TV and WNMU-FM, the activity of the Foundation is combined for these financial statements. All accounts and transactions between the University and the Foundation have been eliminated.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

**Basis of Accounting**

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

Revenue is recognized when earned and expenses are recognized when the service is provided. Restricted grant revenue is recognized only to the extent expended. Restricted resources are spent and tracked at the WNMU-TV and WNMU-FM level within the guidelines of donor restrictions.

**Cash and Cash Equivalents and Investments**

Cash and cash equivalents are marketable securities held by the University or the Foundation. The amounts reflected in the accompanying statements of net position represent amounts due to the Stations from the University's and the Foundation's pooled cash and investments. Investments are stated at fair value.

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

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**NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Capital Assets**

Institutional physical properties are stated at cost when purchased and at appraised value for other acquisitions.

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

<u>Classification</u>	<u>Life</u>
Building, transmitter, antenna and tower	12 to 50 years
Equipment	5 to 15 years

Depreciation expense is \$147,223 and \$145,705 for 2024 and 2023, respectively, for WNMU-TV, and \$9,319 and \$10,667 for 2024 and 2023, respectively, for WNMU-FM. WNMU-TV and WNMU-FM capitalize assets with a cost of \$5,000 or greater, and an estimated useful life in excess of one year.

**Leases**

Lessor. WNMU-TV and WNMU-FM are lessors for non-cancellable leases of buildings and infrastructure. WNMU-TV and WNMU-FM recognize a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, WNMU-TV and WNMU-FM initially measure the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how WNMU-TV and WNMU-FM determine (1) the discount rate they use to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. WNMU-TV and WNMU-FM use their estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

WNMU-TV and WNMU-FM monitor changes in circumstances that would require a remeasurement of their lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Deferred Outflows of Resources**

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. WNMU-TV and WNMU-FM report deferred outflows of resources for certain pension and other postemployment benefits ("OPEB") related amounts, such as net difference between projected and actual earnings on plan investments, and certain contributions made to the plan subsequent to the measurement date. More detailed information for the pension and OPEB related amounts can be found in Note H.

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

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**NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)***

**Deferred Inflows of Resources**

In addition to liabilities, the Statements of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. WNMU-TV and WNMU-FM report deferred inflows of resources related to leases discussed in Note F. WNMU-TV and WNMU-FM also report deferred inflows of resources for net differences between projected and actual earnings on plan investments provided in its pension and OPEB plans and State appropriations for pensions and OPEB received subsequent to the measurement dates. More detailed information for the pension and OPEB related amounts can be found in Note H.

**Pension**

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

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

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

**Operating Revenues**

Operating revenues include activities that have the characteristics of exchange transactions, such as (1) operating grants received from the Corporation of Public Broadcasting; (2) tower lease rentals and fees for broadcasting services; (3) local grants for operations; (4) general appropriations from the University; (5) gifts, contributions, and donated services; and (5) facilities and support provided by the University. Facilities and support are allocated based on a ratio of Stations expenses and University expenses.

**Non-Operating Revenues**

Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as (1) investment income earned on endowed funds; and (2) capital grants.

**Operating Expenses**

Operating expenses include activities that have the characteristics of exchange transactions, such as (1) employee salaries and benefits; (2) program acquisitions; (3) utilities, supplies, and other services; and (4) depreciation expense.

**Non-Operating Expenses**

Nonoperating expenses include activities that have the characteristics of non-exchange transactions, such as capital gifts and contributions and gains or losses on asset disposal.

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

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**NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)***

**Compensated Absences**

Stations employees earn vacation benefits based, in part, on length of service. Vacation pay is fully vested when earned. Upon separation from service, employees are paid accumulated vacation. Certain limitations have been placed on the hours of vacation that employees may accumulate. Unused hours exceeding these limitations are forfeited.

**Unearned Revenue**

Unearned revenue consists primarily of prepaid underwriter contracts.

**Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates include but are not limited to assumptions based on historical trends and industry standards used in the actuarial valuations of the MPSERS pension and OPEB plans.

**Income Taxes**

The University is classified as a political subdivision of the State of Michigan under Internal Revenue Code Section 115(A) and is therefore exempt from Federal Income Taxes. Certain activities of the University, to the extent profitable, may be subject to taxation as unrelated business income under Internal Revenue Code Sections 511 to 514. The amount of the Stations net activity that is taxable in fiscal years 2024 and 2023 is nominal.

The Foundation is exempt from Federal Income Taxes under Internal Revenue Code Section 501(c)(3).

**Reclassifications**

Certain amounts as reported in the 2023 financial statements have been reclassified to conform with the 2024 presentation.

**NOTE B – CASH AND INVESTMENTS**

The Stations consider all highly liquid investments with a maturity of one year or less when purchased to be cash equivalents. The Stations' deposits and investments are included on the statements of net position under the following classification as of June 30:

	<u>WNMU-TV</u>		<u>WNMU-FM</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$4,953,042	\$3,893,610	\$978,622	\$900,196
Long-term investments	111,141	102,436	27,088	25,093
Total	<u>\$5,064,183</u>	<u>\$3,996,046</u>	<u>\$1,005,710</u>	<u>\$925,289</u>

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE B – CASH AND INVESTMENTS (continued)**

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

	WNMU-TV		WNMU-FM	
	2024	2023	2024	2023
Deposits in pooled accounts*	\$4,953,042	\$3,893,610	\$978,622	\$900,196
Endowment investments in pooled accounts	111,141	102,436	27,088	25,093
Total	<u>\$5,064,183</u>	<u>\$3,996,046</u>	<u>\$1,005,710</u>	<u>\$925,289</u>

\* Checking, savings, and money market accounts

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

**Endowment Investments in Pooled Accounts** – The Stations have received certain contributions that have been designated for use as endowments. Such assets are pooled with and held within the Foundation's Endowment Fund and are invested in brokerage account cash money funds, U.S. Treasury bills, notes and bonds, debt and equity securities, and separately managed accounts. The Stations' investments are stated at fair value based upon market quotations. At June 30, 2024 and 2023, the fair value of WNMU-TV's investments were \$111,141 and \$102,436 respectively and WNMU-FM's were \$27,088 and \$25,093, respectively. Information as to the amount of the investment by investment type and the associated risks is included in notes to the financial statements for the University.

**NOTE C – RECEIVABLES**

Receivables as of June 30 were as follows:

	WNMU-TV		WNMU-FM	
	2024	2023	2024	2023
Vendor	\$2,101	\$2,096	\$2,102	\$1
Business contributors	1,325	1,500	6,434	1,452
Pledges, net	3,559		3,258	
Interest	206	229	206	229
Leases	8,333	9,293	8,333	9,293
Total	<u>\$15,524</u>	<u>\$13,118</u>	<u>\$20,333</u>	<u>\$10,975</u>

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE D – CAPITAL ASSETS**

The following table summarizes, by major class of asset, the recorded costs of WNMU-TV's capital assets as of June 30, 2024:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
Transmitter building	\$147,806			\$147,806
Transmitter, antenna and tower	2,277,912			2,277,912
Equipment	1,346,739			1,346,739
Total at historical cost	3,772,457			3,772,457
Less accumulated depreciation for:				
Transmitter building	133,295			133,295
Transmitter, antenna and tower	1,058,529	\$109,443		1,167,972
Equipment	919,619	37,780		957,399
Total accumulated depreciation	2,111,443	147,223		2,258,666
Capital assets, net	\$1,661,014	(\$147,223)		\$1,513,791

The following table summarizes, by major class of asset, the recorded costs of WNMU-FM's capital assets as of June 30, 2024:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
Transmitter, antenna and tower	\$176,749			\$176,749
Equipment	144,859			144,859
Total at historical cost	321,608			321,608
Less accumulated depreciation for:				
Transmitter, antenna and tower	134,605	\$7,954		142,559
Equipment	125,271	1,365		126,636
Total accumulated depreciation	259,876	9,319		269,195
Capital assets, net	\$61,732	(\$9,319)		\$52,413

The following table summarize, by major class of asset, the recorded costs of WNMU-TV's capital assets as of June 30, 2023:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
Transmitter building	\$147,806			\$147,806
Transmitter, antenna and tower	2,277,912			2,277,912
Equipment	1,014,936	\$331,803		1,346,739
Total at historical cost	3,440,654	331,803		3,772,457
Less accumulated depreciation for:				
Transmitter building	133,295			133,295
Transmitter, antenna and tower	936,171	122,358		1,058,529
Equipment	896,272	23,347		919,619
Total accumulated depreciation	1,965,738	145,705		2,111,443
Capital assets, net	\$1,474,916	\$186,098		\$1,661,014



**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE D – CAPITAL ASSETS (continued)**

The following table summarizes, by major class of asset, the recorded costs of WNMU-FM's capital assets as of June 30, 2023:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
Transmitter, antenna and tower	\$176,749			\$176,749
Equipment	144,859			144,859
Total at historical cost	321,608			321,608
Less accumulated depreciation for:				
Transmitter, antenna and tower	125,304	\$9,301		134,605
Equipment	123,905	1,366		125,271
Total accumulated depreciation	249,209	10,667		259,876
Capital assets, net	72,399	(\$10,667)		\$61,732

Capital assets are capitalized at cost including ancillary charges necessary to place the asset into use. Interest expense on debt incurred for construction is included in the asset cost for the period of construction.

**NOTE E – PAYABLES**

Payables as of June 30 were as follows:

	<b>WNMU-TV</b>		<b>WNMU-FM</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Accrued payroll and benefits	\$45,733	\$42,552	\$25,892	\$24,357
Vendors	3,341	4,447	3,263	3,412
Total	\$49,074	\$46,999	\$29,155	\$27,769

**NOTE F – LEASES**

**Lessor** – WNMU-TV and WNMU-FM are involved in one agreement as a lessor that qualifies as a long-term lease agreement. Below is a summary of this agreement. This agreement qualifies as a long-term lease agreement as the lessor will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year. Total lease revenue for the years ended June 30, 2024 and 2023 was \$2,267 and \$6,421, respectively for WNMU-TV and WNMU-FM. The present values are discounted using an interest rate of 2.46 percent based on the University's 2021 borrowing rate.

	<b>Remaining Term of Agreements</b>
<b>Asset Type</b>	
Buildings and infrastructure	1 to 10 years

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE F – LEASES (continued)**

Lease receivable activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Lease receivable WNMU-TV	\$9,293		\$960	\$8,333
Lease receivable WNMU-FM	\$9,293		\$960	\$8,333

Lease receivable activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Lease receivable WNMU-TV	\$12,450		\$3,157	\$9,293
Lease receivable WNMU-FM	\$12,450		\$3,157	\$9,293

**NOTE G – OPERATING EXPENSES**

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

	<b>WNMU-TV</b>		<b>WNMU-FM</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Salaries, wages and benefits	\$610,425	\$526,443	\$95,244	\$311,320
Supplies and support services	578,794	484,311	176,041	233,953
Program acquisition	384,394	386,864	120,831	138,753
Depreciation	147,223	145,705	9,319	10,667
Total	\$1,720,836	\$1,543,323	\$401,435	\$694,693

**NOTE H – RETIREMENT PLANS**

WNMU-TV and WNMU-FM, as part of the University, participate in two retirement plans: Teachers Insurance and Annuities Association TIAA and the Michigan Public School Employees' Retirement System (System or MPERS). University employees hired after January 1, 1996 can only participate in TIAA based on changes in State of Michigan (State) legislation during 1995.

The University does not provide health care benefits to retirees under the TIAA plan. Group medical, prescription drug, dental and vision are provided to retirees as part of the University's participation in MPERS.

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE H – RETIREMENT PLANS (continued)**

**Teachers Insurance and Annuities Association (TIAA)**

The TIAA plan is a defined contribution retirement plan. Substantially all full-time employees of the University are eligible to participate in the TIAA plan. Employee benefits vest immediately. The University contributes a specified percentage of employee wages, as defined by the appropriate labor contract, and has no liability beyond its own contribution.

WNMU-TV and WNMU-FM's contributions to the TIAA plan are as follows for the year ended June 30:

	<b>2024</b>	<b>2023</b>	<b>2022</b>
WNMU-TV Contributions	\$53,397	\$47,219	\$38,620
WNMU-TV Covered Payroll	472,610	420,789	378,519
WNMU-FM Contributions	20,685	18,902	16,528
WNMU-FM Covered Payroll	204,294	187,536	166,161

**Michigan Public School Employees' Retirement System (MPERS)**

*Plan Description*

The University contributes to the MPERS, a cost-sharing multi-employer, state-wide, defined benefit public employee retirement plan governed by the State originally created under Public Act 136 of 1945, re-codified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the system. The board consists of twelve members – eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the options of receiving health, prescription drug, dental and vision coverage under the Michigan Public Schools Employees Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the pension plans offered by MPERS is as follows:

<b>Plan Name</b>	<b>Plan Type</b>	<b>Plan Status</b>
Member Investment Plan (MIP)	Defined Benefit	Closed
Basic	Defined Benefit	Closed
Pension Plus	Hybrid	Open
Defined Contribution	Defined Contribution	Open

The *Member Investment Plan* (MIP) includes additional subgroups based on hire date. The *MIP Fixed* plan includes members hired prior to January 1, 1990. The *MIP Graded* plan includes members first hired from January 1, 1990 through June 30, 2008. The *MIP Plus* plan includes members first hired from July 1, 2008 through June 30, 2010. Members who initially enrolled in the MIP plan and made a voluntary election to contribute a higher rate are participants in the *MIP 7%* plan.

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

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**NOTE H—RETIREMENT PLANS (continued)**

**Michigan Public School Employees' Retirement System (MPERS) (continued)**

*Plan Description (continued)*

Members hired between July 1, 2010 and September 3, 2012 were enrolled in the *Pension Plus* plan. Members hired on or after September 4, 2012 are automatically enrolled in this plan unless an election is made to participate in the defined contribution plan. The plan includes a pension component as well as a savings component. Member contributions to the savings component are matched at a rate of 50% by the employer (up to a maximum of 1%) and invested in a 401(k) plan.

Effective February 1, 2013, members that initially enrolled in MIP were provided the option to convert to a defined contribution plan (*Basic 4%*). In these instances, any service credit accumulated under the defined benefit plan before February 1, 2013 is retained. For service performed after this date, the converted plan member receives 4% employer contributions to a personal 401(k) account.

A member first enrolling in MPERS on or after September 4, 2012 may elect to enroll in the *defined contribution* plan. Employer and employee contribution rates and vesting requirements are consistent with the defined contribution component of the Pension Plus plan as described above.

*Pension Benefits Provided*

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25% to 1.50%. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public school employment may request a refund of his or her membership contributions to the retirement system account, if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate the service through repayment of the refund upon satisfaction of certain requirements.

*Other Postemployment Benefits Provided*

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of OPEB, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% and for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the MPERS, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE H—RETIREMENT PLANS (continued)**

**Michigan Public School Employees' Retirement System (MPERS) (continued)**

*Other Postemployment Benefits Provided (continued)*

September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

*Contributions*

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the system are based on a percentage of covered payroll that has been actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2022 valuation will be amortized over a 16-year period beginning October 1, 2022 and ending September 30, 2038.

The schedule below summarizes the pension contribution rates in effect for fiscal year 2024, which includes supplemental MPERS UAAL employer stabilization contributions that are passed through the University to MPERS:

<b>Pension Contribution Rates</b>		
<b>Benefit Structure</b>	<b>Member</b>	<b>Employer</b>
Basic	0.0 – 4.0%	16.52%
Member Investment Plan	3.0 – 7.0	16.52
Pension Plus	3.0 – 6.4	N/A
Pension Plus 2	6.2	N/A
Defined Contribution	0.0	10.00

The University's contributions to MPERS under all pension plans as described above for the years ended June 30, 2024, 2023, and 2022 were \$2,390,225, \$5,700,368, and \$5,460,575, respectively. WNMU-TV's contributions to MPERS for the years ended June 30, 2024, 2023, and 2022 were \$3,207, \$8,045, and \$20,506, respectively. WNMU-FM's contributions to MPERS for the years ended June 30, 2024, 2023, and 2022 were \$13,279, \$23,559, and \$20,183, respectively.

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE H—RETIREMENT PLANS (continued)**

**Michigan Public School Employees' Retirement System (MPERS) (continued)**

*Contributions (continued)*

The schedule below summarizes the OPEB contribution rates in effect for fiscal year 2023, which includes supplemental MPERS UAAL employer stabilization contributions that are passed through the University to MPERS:

<b>OPEB Contribution Rates</b>		
<b>Benefit Structure</b>	<b>Member</b>	<b>Employer</b>
Premium Subsidy	3.00%	0.92%
Personal Healthcare Fund (PHF)	0.00	0.00

The University's required contributions to the OPEB plan for the years ended June 30, 2024, 2023, and 2022 were \$30,796, \$1,274,414, and \$1,286,655, respectively. WNMU-TV's contributions to OPEB for the years ended June 30, 2024, 2023, and 2022 were \$179, \$2,071, and 5,396, respectively. WNMU-FM's contributions to OPEB for the years ended June 30, 2024, 2023, and 2022 were \$740, \$6,064, and \$5,246, respectively.

*Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension*

The University reported a liability of \$2,208,742 and \$30,178,176 as of June 30, 2024 and 2023 respectively, for its proportionate share of the MPERS net pension liability. The net pension liability was measured as of September 30, 2023 and 2022 respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2022 and 2021 respectively. The University's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2023, the University's proportion (as calculated by MPERS) was 9.57543%, which was an increase of 0.13595% points from its proportion measured as of September 30, 2022 of 9.43948%.

As part of the University, WNMU-TV reported a net pension liability of \$2,964 and \$42,591 as of June 30, 2024 and 2023, respectively, and WNMU-FM reported a net pension liability \$12,271 and \$124,723 as of June 30, 2024 and 2023, respectively. At September 30, 2023, the WNMU-TV's and WNMU-FM's proportion of the net pension liability based on required contributions was 0.13417% and 0.55555% respectively. At September 30, 2022, the WNMU-TV's and WNMU-FM's proportion of the net pension liability based on required contributions was 0.14113% and 0.41329% respectively.

For the year ended June 30, 2024 WNMU-TV and WNMU-FM recognized pension expenses of \$6,793 and \$28,129, respectively.

For the year ended June 30, 2023 WNMU-TV and WNMU-FM recognized pension expenses of \$14,092 and \$41,268, respectively.

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE H—RETIREMENT PLANS (continued)**

**Michigan Public School Employees' Retirement System (MPERS) (continued)**

*Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension (continued)*

For the year ended June 30, 2024, the Stations reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

<b>WNMU-TV</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between expected and actual earnings on pension plan investments		\$233
		233
Station contributions subsequent to the measurement date	\$1,390	
Total	\$1,390	\$233

<b>WNMU-FM</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between expected and actual earnings on pension plan investments		\$966
		966
Station contributions subsequent to the measurement date	\$5,755	
Total	\$5,755	\$966

The amount of deferred inflows of resources related to WNMU-TV and WNMU-FM contributions, subsequent to the measurement date, will be recognized as a reduction in net pension liability for the year ending June 30, 2025. Other amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year Ended June 30</b>	<b>WNMU-TV</b>	<b>WNMU-FM</b>
2025	(\$613)	(\$2,539)
2026	(837)	(3,466)
2027	1,774	7,344
2028	(557)	(2,305)
Total	(\$233)	(\$966)

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE H—RETIREMENT PLANS (continued)**

**Michigan Public School Employees' Retirement System (MPERS) (continued)**

*Pension Liability, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension (continued)*

For the year ended June 30, 2023, WNMU-TV and WNMU-FM reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

<b>WNMU-TV</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between expected and actual earnings on pension plan investments	\$2,279	
	2,279	
State appropriations for MPERS		\$1,731
Station contributions subsequent to the measurement date	3,363	
Total	\$5,642	\$1,731

<b>WNMU-FM</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between expected and actual earnings on pension plan investments	\$6,673	
	6,673	
State appropriations for MPERS		\$5,070
Station contributions subsequent to the measurement date	9,849	
Total	\$16,522	\$5,070

*OPEB Asset, OPEB Expense, Deferred Outflows of Resource, and Deferred Inflows of Resources Related to OPEB*

The University reported a net OPEB asset of \$10,558,612 and \$3,531,155 as of June 30, 2024 and 2023, respectively for its proportionate share of the MPERS net OPEB asset. The net OPEB asset was measured as of September 30, 2023 and 2022, respectively and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 30, 2022 and 2021, respectively. The University's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2023, the University's proportion (as calculated by MPERS) was 12.48717% which was an increase of 3.05549% points from its proportion measured as of September 30, 2022 of 9.43168%.

As part of the University, WNMU-TV reported a net OPEB asset of \$61,371 and \$5,738 as of June 30, 2024 and 2023, respectively and WNMU-FM reported a net OPEB asset of \$253,714 and \$16,802 as of June 30, 2024 and 2023, respectively. At September 30, 2023, WNMU-TV's and WNMU-FM's proportion of the net OPEB asset based on required contributions was 0.58124% and 2.40291% respectively. At September 30, 2022, WNMU-TV's and WNMU-FM's proportion of the net OPEB asset based on required contributions was 0.16251% and 0.47583% respectively.



**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE H—RETIREMENT PLANS (continued)**

**Michigan Public School Employees' Retirement System (MPERS) (continued)**

*OPEB Asset, OPEB Expense, Deferred Outflows of Resource, and Deferred Inflows of Resources Related to OPEB (continued)*

For the year ended June 30, 2024 WNMU-TV and WNMU-FM recognized a reduction in OPEB expenses of \$38,928 and \$160,930, respectively.

For the year ended June 30, 2023 WNMU-TV and WNMU-FM recognized a reduction in OPEB expenses of \$1,341 and \$3,926, respectively.

For the year ended June 30, 2024, the WNMU-TV and WNMU-FM reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

<b>WNMU-TV</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between expected and actual earnings on OPEB plan investments		\$53 53
Station contributions subsequent to the measurement date	\$212	
Total	\$212	\$53

<b>WNMU-FM</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between expected and actual earnings on OPEB plan investments		\$221 221
Station contributions subsequent to the measurement date	\$877	
Total	\$877	\$221

The amount of deferred outflows of resources related to WNMU-TV and WNMU-FM contributions, subsequent to the measurement date, will be recognized as an addition in net OPEB asset for the year ending June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ended June 30</b>	<b>WNMU-TV</b>	<b>WNMU-FM</b>
2025	(\$1,139)	(\$4,708)
2026	(1,541)	(6,370)
2027	3,240	13,391
2028	(613)	(2,534)
Total	(\$53)	(\$221)

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE H—RETIREMENT PLANS (continued)**

**Michigan Public School Employees' Retirement System (MPERS) (continued)**

*OPEB Asset, OPEB Expense, Deferred Outflows of Resources, Deferred Inflows of Resources Related to OPEB (continued)*

For the year ended June 30, 2023, the stations reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

<b>WNMU-TV</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between expected and actual earnings on OPEB plan investments	\$470	
	470	
Station contributions subsequent to the measurement date	38	
Total	\$508	
<b>WNMU-FM</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between expected and actual earnings on OPEB plan investments	\$1,377	
	1,377	
Station contributions subsequent to the measurement date	111	
Total	\$1,488	

*Actuarial Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The total pension and OPEB liability in the September 30, 2022 and 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

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**NOTE H—RETIREMENT PLANS (continued)**

**Michigan Public School Employees' Retirement System (MPERS) (continued)**

*Actuarial Assumptions (continued)*

Additional information as of the latest actuarial valuation follows:

Valuation Date	September 30, 2022 and 2021
Actuarial Cost Method	Entry Age, Normal
Wage Inflation Rate	2.75%
Investment Rate of Return Pension	
MIP and Basic Plans (Non-Hybrid)	6.00% net of investment expenses
Pension Plus Plan (Hybrid)	6.00% net of investment expenses
Pension Plus 2 Plan (Hybrid)	6.00% net of investment expenses
Projected Salary Increases	2.75 – 11.55% including wage inflation at 2.75%
Investment Rate of Return OPEB	6.00% net of investment expenses
Cost-of-living Pension adjustments	3% annual Non-Compounded for MIP Members
Healthcare cost trend rate	Pre 65: 7.5% (7.75% for 2021) Year 1 graded to 3.5% Year 15; 3.0% Year 120  Post 65: 6.25% (5.25% for 2021) Year 1 graded to 3.5% Year 15; 3.0% Year 120
Mortality	2024 - PubT-2010 Male and Female Employee Retiree Mortality Tables, adjusted for mortality improvements using projection scale MP-2021 from 2010. For retirees, the tables were scaled by 116% for both males and females. For active members, 100% of the table rates were used for both males and females.  2023 - RP-2014 Male and Female Healthy Annuitant Mortality Tables, adjusted for mortality improvements using projection scale MP-2017 from 2006. For retirees, the tables were scaled by 82% for males and 78% for females. For active members, 100% of the table rates were used for both males and females.
Other OPEB assumptions:	
Opt out assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage election at retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE H—RETIREMENT PLANS (continued)**

**Michigan Public School Employees' Retirement System (MPERS) (continued)**

*Actuarial Assumptions (continued)*

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation. The total pension liability and OPEB asset as of September 30, 2023, are based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 1.0000 year which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years. Full actuarial assumptions are available in the 2023 and 2022 MPERS Comprehensive Annual Financial Report ([www.michigan.gov/orsschools](http://www.michigan.gov/orsschools)).

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total pension liability and OPEB asset as of September 30, 2022, are based on the results of an actuarial valuation date of September 30, 2021, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 1.0000 year which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years. Full actuarial assumptions are available in the 2021 and 2020 MPERS Comprehensive Annual Financial Report ([www.michigan.gov/orsschools](http://www.michigan.gov/orsschools)).

*Long-term Expected Return on Plan Assets*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 and 2022 are summarized in the following tables:

**Pension**  
**As of September 30, 2023**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Domestic equity pools	25.0%	5.80%
Alternative investment pools	16.0	9.60
International equity pools	15.0	6.80
Fixed income pools	13.0	1.30
Real estate and infrastructure pools	10.0	6.40
Absolute return pools	9.0	4.80
Real return/opportunistic pools	10.0	7.30
Short-term investment pools	<u>2.0</u>	0.30
Total	<u>100.0%</u>	

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE H—RETIREMENT PLANS (continued)**

**Michigan Public School Employees' Retirement System (MPERS) (continued)**

*Long-term Expected Return on Plan Assets (continued)*

**Pension**  
**As of September 30, 2022**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Domestic equity pools	25.0%	5.10%
Alternative investment pools	16.0	8.70
International equity pools	15.0	6.70
Fixed income pools	13.0	-0.20
Real estate and infrastructure pools	10.0	5.30
Absolute return pools	9.0	2.70
Real return/opportunistic pools	10.0	5.80
Short-term investment pools	2.0	-0.50
Total	<u>100.0%</u>	

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2023 and 2022 are summarized in the following tables:

**OPEB**  
**As of September 30, 2023**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Domestic equity pools	25.0%	5.80%
Alternative investment pools	16.0	9.60
International equity pools	15.0	6.80
Fixed income pools	13.0	1.30
Real estate and infrastructure pools	10.0	6.40
Absolute return pools	9.0	4.80
Real return/opportunistic pools	10.0	7.30
Short-term investment pools	2.0	0.30
Total	<u>100.0%</u>	

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE H—RETIREMENT PLANS (continued)**

**Michigan Public School Employees' Retirement System (MPERS) (continued)**

*Long-term Expected Return on Plan Assets (continued)*

**OPEB**  
**As of September 30, 2022**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Domestic equity pools	25.0%	5.10%
Alternative investment pools	16.0	8.70
International equity pools	15.0	6.70
Fixed income pools	13.0	-0.20
Real estate and infrastructure pools	10.0	5.30
Absolute return pools	9.0	2.70
Real return/opportunistic pools	10.0	5.80
Short-term investment pools	2.0	-0.50
Total	100.0%	

*Rate of Return*

For the fiscal year ended Sept. 30, 2023, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 8.29% and 7.94%, respectively. For the fiscal year ended Sept. 30, 2022, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was (4.18)% and (4.99)%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount Rate*

For the fiscal year ended September 30, 2023, a discount rate of 6.00% was used to measure the total pension liability and OPEB asset. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.00% and is net of administrative expenses and 2.7% inflation. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension and OPEB plan's fiduciary net position was 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 and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and OPEB asset.

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE H—RETIREMENT PLANS (continued)**

**Michigan Public School Employees' Retirement System (MPERS) (continued)**

*Discount Rate (continued)*

For the fiscal year ended September 30, 2022, a discount rate of 6.00% was used to measure the total pension liability and OPEB asset. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.00% and is net of administrative expenses and 2.2% inflation. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension and OPEB plan's fiduciary net position was 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 and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and OPEB asset.

*Sensitivity of the University's Proportionate Share of Net Pension Liability to Changes in the Discount Rate*

The following presents the University's proportional share of net pension liability calculated using the discount rate of 6.00%, as well as what the University's net pension liability would be if it were calculated using a discount rate that is 1% lower (5.00%) or 1% higher (7.00%) than the current rate as of June 30, 2024:

	<b>1% Decrease (5.00%)</b>	<b>Current Single Discount Rate Assumption (6.00%)</b>	<b>1% Increase (7.00%)</b>
University's proportionate share of net pension liability	\$12,677,494	\$2,208,742	\$(6,771,667)

The following presents the University's proportional share of net pension liability calculated using the discount rate of 6.00%, as well as what the University's net pension liability would be if it were calculated using a discount rate that is 1% lower (5.00%) or 1% higher (7.00%) than the current rate as of June 30, 2023:

	<b>1% Decrease (5.00%)</b>	<b>Current Single Discount Rate Assumption (6.00%)</b>	<b>1% Increase (7.00%)</b>
University's proportionate share of net pension liability	\$42,040,588	\$30,178,176	\$20,108,430

The following presents the University's proportional share of net OPEB asset calculated using the discount rate of 6.00%, as well as what the University's net OPEB asset would be if it were calculated using a discount rate that is 1% lower (5.00%) or 1% higher (7.00%) than the current rate as of June 30, 2024:

	<b>1% Decrease (5.00%)</b>	<b>Current Single Discount Rate Assumption (6.00%)</b>	<b>1% Increase (7.00%)</b>
University's proportionate share of net OPEB asset	(\$8,965,790)	(\$10,558,612)	(\$11,931,705)

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

**NOTE H—RETIREMENT PLANS (continued)**

**Michigan Public School Employees' Retirement System (MPERS) (continued)**

*Sensitivity of the University's Proportionate Share of Net OPEB Asset to Changes in the Discount Rate (continued)*

The following presents the University's proportional share of net OPEB asset calculated using the discount rate of 6.00%, as well as what the University's net OPEB asset would be if it were calculated using a discount rate that is 1% lower (5.00%) or 1% higher (7.00%) than the current rate as of June 30, 2023:

	<b>1% Decrease (5.00%)</b>	<b>Current Single Discount Rate Assumption (6.00%)</b>	<b>1% Increase (7.00%)</b>
University's proportionate share of net OPEB asset	(\$1,889,054)	(\$3,531,155)	(\$4,926,092)

*Sensitivity of the University's Proportional Share of Net OPEB Asset to Healthcare Cost Trend Rate*

The following presents the University's proportional share of net OPEB asset calculated using assumed trend rates, as well as what the University's net OPEB asset would be if it were calculated using a trend rate that is 1% lower or 1% higher than the current rate as of June 30, 2024:

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
University's proportionate share of net OPEB asset	(\$12,013,506)	(\$10,558,612)	(\$8,921,537)

The following presents the University's proportional share of net OPEB asset calculated using assumed trend rates, as well as what the University's net OPEB asset would be if it were calculated using a trend rate that is 1% lower or 1% higher than the current rate as of June 30, 2023:

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
University's proportionate share of net OPEB asset	(\$5,013,651)	(\$3,531,155)	(\$1,830,824)

*Pension and OPEB Plans Fiduciary Net Position*

Detailed information about the pension and OPEB plans' fiduciary net position is available in the separately issued MPERS financial statements available on the ORS website at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools).



**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(continued)**

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**NOTE I – NON-FEDERAL FINANCIAL SUPPORT (NFFS)**

The CPB allocates a portion of its funds annually to public broadcasting entities based on a base grant amount and NFFS, which is defined by CPB. NFFS is defined as the total value of cash and fair market value of services received as contributions or payments and meeting all the respective criteria for each. Calculated in accordance with CPB guidelines, WNMU-TV reported total NFFS of \$1,281,726 and \$1,019,971 and WNMU-FM reported total NFFS of \$665,693 and \$742,498 for the years ended June 30, 2024 and 2023, respectively.

**NOTE J – INDIRECT ADMINISTRATIVE SUPPORT**

Indirect support from the University consists of allocations of the University's institutional support and facility operation costs that benefit the Stations. The fair value of this support is recognized as operating revenue in the statement of revenues, expenses, and changes in net position under facilities and support provided by Northern Michigan University and also in operating expenses. The value of this support included in the statements of revenues, expenses, and changes in net position for WNMU-TV was \$231,891 and \$232,075 and for WNMU-FM was \$61,380 and \$118,199 for the years ended June 30, 2024 and 2023, respectively.

**NOTE K – LIABILITY INSURANCE**

WNMU-TV and WNMU-FM, as part of the University, participate in the Michigan Universities Self-Insurance Corporation (M.U.S.I.C.), which provides indemnity to members against comprehensive general liability, property and casualty, and errors and omissions losses, commonly covered by insurance and provides risk management and loss control services and programs. M.U.S.I.C. provides coverage for claims in excess of agreed upon deductibles.

Loss coverages are structured on a three layer basis with each member retaining a portion of its losses; M.U.S.I.C. covering the second layer and commercial carriers covering the third layer. Comprehensive general liability coverage is provided on an occurrence basis; errors and omissions coverage are provided on a claim made basis.

M.U.S.I.C. was established on May 28, 1987 pursuant to the State of Michigan Constitution of 1963, Article 8, Sections 5 and 6, and subsequently they incorporated as a Michigan nonprofit corporation pursuant to the provisions of Act 162 Public Acts of 1982. Eleven Michigan Public universities participate in M.U.S.I.C. All members have signed a participation agreement. Participant contributions are assessed on an annual basis to cover insurance risks retained as a group, costs related to excess coverage, and general and administrative expenses. Members' equity totaled \$8,516,961 at June 30, 2024, based on the last published financial statements.

Additional broadcasting liability insurance of \$1,000,000 is purchased under a separate policy.

**Self-insurance**

The University is self-insured for health, dental, vision, workers' compensation, and short-term disability for all employees. Liabilities for estimates of losses retained by the University under self-insurance programs have been established.

**NOTES TO FINANCIAL STATEMENTS**  
**WNMU-TV AND WNMU-FM**  
**(concluded)**

**NOTE K – LIABILITY INSURANCE (continued)**

Stop-loss coverage has been purchased by the University for the self-funded hospital/medical benefits, including prescription drugs, and workers' compensation claims. The medical stop-loss insurance limits the claims for medical/prescription benefits to \$550,000 and \$525,000 per covered individual for fiscal years ended June 30, 2024 and 2023, respectively. The workers' compensation stop-loss insurance limits the University's liability for claims paid per individual to \$500,000 for fiscal years ended June 30, 2024 and 2023, the aggregate excess insured maximum liability is \$5,000,000. Changes in the estimated liability for the fiscal years ended June 30, 2024 and 2023 for health benefits, including dental and vision, were as follows:

Claims activity for the year ended June 30, 2024:

	<b>Liability – Beginning of Year</b>	<b>Claims Incurred, Including changes in estimates</b>	<b>Claims Payments</b>	<b>Liability – End of Year</b>
Medical claims	\$3,802,037	\$17,541,457	(\$16,759,476)	\$4,584,018
Workers' compensation	4,584	201,240	(186,187)	19,637
Total	<u>\$3,806,621</u>	<u>\$17,742,697</u>	<u>(\$16,945,663)</u>	<u>\$4,603,655</u>

Claims activity for the year ended June 30, 2023:

	<b>Liability – Beginning of Year</b>	<b>Claims Incurred, Including changes in estimates</b>	<b>Claims Payments</b>	<b>Liability – End of Year</b>
Medical claims	\$3,369,813	\$14,636,546	(\$14,204,322)	\$3,802,037
Workers' compensation	65,918	176,541	(237,875)	4,584
Total	<u>\$3,435,731</u>	<u>\$14,813,087</u>	<u>(\$14,442,197)</u>	<u>\$3,806,621</u>

**NOTE L – CONTINGENCIES**

The University receives significant financial assistance from State and Federal agencies in the form of grants and awards. The use of these funds generally requires compliance with grantor terms and conditions and is subject to audit by the grantor agency.

Disallowed expenditures resulting from grantor audits could become a liability of the University, however, management believes that any future disallowances, if any, would not have a material effect on the University's financial statements.

In the normal course of its activities, the University is a party in various legal actions. The University and its legal counsel are of the opinion that the outcome of asserted and unasserted claims outstanding will not have a material effect on the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**WNMU-TV and WNMU-FM**  
**June 30, 2024**

**MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN**

*Schedule of WNMU-TV's Proportionate Share of the University's Net Pension Liability*  
*Amounts determined as of September 30 of each Fiscal Year*

	WNMU-TV's proportionate share of net pension liability		WNMU-TV's covered payroll	WNMU-TV's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
	As a percentage	Amount			
2023	0.13417%	\$2,964	\$19,410	15.27%	98.02%
2022	0.14113%	\$42,591	\$30,498	139.65%	74.39%
2021	0.37553%	\$199,449	\$78,090	255.47%	52.26%
2020	0.50686%	\$327,269	\$76,125	429.91%	43.07%
2019	0.79676%	\$502,987	\$127,595	394.21%	44.24%
2018	0.91361%	\$546,303	\$153,655	355.54%	45.87%
2017	0.99880%	\$537,917	\$144,578	372.06%	47.42%
2016	1.01786%	\$536,377	\$143,330	374.23%	46.77%
2015	1.08533%	\$590,480	\$176,735	334.10%	47.45%
2014	1.37451%	\$515,596	\$204,578	252.03%	63.00%

*Schedule of WNMU-FM's Proportionate Share of the University's Net Pension Liability*  
*Amounts determined as of September 30 of each Fiscal Year*

	WNMU-FM's proportionate share of net pension liability		WNMU-FM's covered payroll	WNMU-FM's proportionate share of the net pension liability (amount) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
	As a percentage	Amount			
2023	0.55555%	\$12,271	\$80,382	15.27%	98.02%
2022	0.41329%	\$124,723	\$89,305	139.66%	74.39%
2021	0.36961%	\$196,307	\$77,061	254.74%	52.26%
2020	0.41767%	\$269,682	\$76,837	350.98%	43.07%
2019	0.29272%	\$184,788	\$55,105	335.34%	44.24%
2018	0.27321%	\$163,372	\$52,828	309.25%	45.87%
2017	0.29150%	\$156,992	\$55,532	282.71%	47.42%
2016	0.50331%	\$265,227	\$85,580	309.92%	46.77%
2015	0.62276%	\$338,819	\$95,193	355.93%	47.45%
2014	0.60861%	\$228,286	\$100,552	227.03%	63.00%

See notes to required supplementary information

**REQUIRED SUPPLEMENTARY INFORMATION**  
**WNMU-TV and WNMU-FM**  
**June 30, 2024**  
**(continued)**

**MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN (continued)**

*Schedule of WNMU-TV's Pension Contributions*  
*Amounts determined as of June 30 of each Fiscal Year*

	Statutorily required contribution	Contributions in relation to the actuarially determined contractually required contribution	Contribution deficiency (excess)	WNMU-TV's Covered Payroll	Contribution as a percentage of covered payroll
2024	\$3,207	(\$ 3,207)		\$20,976	15.29%
2023	\$8,045	(\$ 8,045)		\$18,887	42.60%
2022	\$20,506	(\$20,506)		\$34,633	59.21%
2021	\$24,272	(\$24,272)		\$92,662	26.19%
2020	\$37,544	(\$37,544)		\$58,137	64.58%
2019	\$43,227	(\$43,227)		\$150,746	28.68%
2018	\$62,864	(\$62,864)		\$144,578	43.48%
2017	\$34,367	(\$34,367)		\$141,223	24.34%
2016	\$36,933	(\$36,933)		\$144,032	25.64%
2015	\$45,558	(\$45,558)		\$187,635	24.28%

*Schedule of WNMU-FM's Pension Contributions*  
*Amounts determined as of June 30 of each Fiscal Year*

	Statutorily required contribution	Contributions in relation to the actuarially determined contractually required contribution	Contribution deficiency (excess)	WNMU-FM's Covered Payroll	Contribution as a percentage of covered payroll
2024	\$13,279	(\$13,279)		\$81,577	16.28%
2023	\$23,559	(\$23,559)		\$79,985	29.45%
2022	\$20,183	(\$20,183)		\$92,411	21.84%
2021	\$20,001	(\$20,001)		\$71,943	27.80%
2020	\$13,793	(\$13,793)		\$55,780	24.73%
2019	\$12,927	(\$12,927)		\$54,881	23.55%
2018	\$18,347	(\$18,347)		\$55,532	33.04%
2017	\$16,994	(\$16,994)		\$56,661	29.99%
2016	\$21,192	(\$21,192)		\$95,220	22.26%
2015	\$20,773	(\$20,773)		\$95,183	21.82%

See notes to required supplementary information

**REQUIRED SUPPLEMENTARY INFORMATION**  
**WNMU-TV and WNMU-FM**  
**June 30, 2024**  
**(continued)**

**MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN (continued)**

*Schedule of WNMU-TV's Proportionate Share of the University's Net OPEB (Asset) Liability*  
*Amounts determined as of September 30 of each Fiscal Year*

	WNMU-TV's proportionate share of net OPEB (asset) liability		WNMU-TV's covered payroll	WNMU TV's proportionate share of net OPEB (asset) liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB (asset) liability
	As a percentage	Amount			
2023	0.58124%	(\$61,371)	\$19,410	-316.18%	158.96%
2022	0.16251%	(\$5,738)	\$30,498	-18.81%	121.19%
2021	0.41938%	(\$16,961)	\$78,090	-21.72%	123.91%
2020	0.51009%	\$ 20,250	\$76,125	26.60%	80.04%
2019	0.81292%	\$ 69,960	\$127,595	54.83%	61.07%
2018	0.95870%	\$106,551	\$153,655	69.34%	51.90%
2017	0.93441%	\$124,604	\$144,578	86.18%	44.11%

*Schedule of WNMU-FM's Proportionate Share of the University's Net OPEB (Asset) Liability*  
*Amounts determined as of September 30 of each Fiscal Year*

	WNMU-FM's proportionate share of net OPEB (asset) liability		WNMU-FM's covered payroll	WNMU FM's proportionate share of net OPEB (asset) liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB (asset) liability
	As a percentage	Amount			
2023	2.40291%	(\$253,714)	\$80,382	-315.64%	158.96%
2022	0.47583%	(\$16,802)	\$89,305	-18.81%	121.19%
2021	0.40772%	(\$16,490)	\$77,061	-21.40%	123.91%
2020	0.40524%	\$ 16,088	\$76,837	20.94%	80.04%
2019	0.29072%	\$ 25,019	\$55,105	45.40%	61.07%
2018	0.27981%	\$31,099	\$52,828	58.87%	51.90%
2017	0.26225%	\$34,972	\$55,532	62.98%	44.11%

See notes to required supplementary information

**REQUIRED SUPPLEMENTARY INFORMATION**  
**WNMU-TV and WNMU-FM**  
**June 30, 2024**  
**(concluded)**

**MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT PLAN (continued)**

*Schedule of WNMU-TV's OPEB Contributions*  
*Amounts determined as of June 30 of each Fiscal Year*

	Statutorily required contribution	Contributions in relation to the actuarily determined contractually required contribution	Contribution deficiency (excess)	WNMU-TV's Covered Payroll	Contribution as a percentage of covered payroll
2024	\$179	(\$179)		\$20,976	0.85%
2023	\$2,071	(\$2,071)		\$18,887	10.97%
2022	\$5,396	(\$5,396)		\$34,633	15.58%
2021	\$6,354	(\$6,354)		\$76,125	8.35%
2020	\$9,893	(\$9,893)		\$127,595	7.75%
2019	\$11,656	(\$11,656)		\$150,746	7.73%
2018	\$6,466	(\$6,466)		\$144,578	4.47%

*Schedule of WNMU-FM's OPEB Contributions*  
*Amounts determined as of June 30 of each Fiscal Year*

	Statutorily required contribution	Contributions in relation to the actuarily determined contractually required contribution	Contribution deficiency (excess)	WNMU-FM's Covered Payroll	Contribution as a percentage of covered payroll
2024	\$740	(\$740)		\$81,577	0.91%
2023	\$6,064	(\$6,064)		\$79,985	7.58%
2022	\$5,246	(\$5,246)		\$92,411	5.68%
2021	\$5,048	(\$5,048)		\$76,837	6.57%
2020	\$3,538	(\$3,538)		\$55,105	6.42%
2019	\$3,402	(\$3,402)		\$54,881	6.20%
2018	\$1,815	(\$1,815)		\$55,532	3.27%

See notes to required supplementary information

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**WNMU-TV and WNMU-FM**  
**June 30, 2024**

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**Pension Information**

The amounts presented in the schedules of WNMU-TV's and WNMU-FM's Proportionate Share of the Net Pension Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2024 – The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.0% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation.
- 2023 – The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00% for the MIP and Basic plans, and 6.00% for the Pension Plus Plan.
- 2022 – The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%.
- 2021 – The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%.
- 2020 – The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.8% for the MIP and Basic plans, 6.80% for the Pension Plus Plan, and 6.00% for the Pension Plus 2 plan.
- 2019 – The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.05% for the MIP and Basic plans, 7.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 plan.
- 2018 – The discount rate used in the September 30, 2016 actuarial valuation decreased to 7.50% for the MIP and Basic plans and 7.00% for the Pension Plus plan.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**WNMU-TV and WNMU-FM**  
**June 30, 2024**  
**(concluded)**

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**OPEB Information**

GASB 75 was implemented in fiscal year 2018. The OPEB plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The amounts presented in the schedule of WNMU-TV's and WNMU-FM's Proportionate Share of the Net OPEB Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2024 – The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.0% to 1.50% and 1.50% to 0.75%, respectively. In addition, the Pub-T-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation. Finally, healthcare cost trend rates for pre-65 decreased from 7.75% to 7.50% and post-65 increased from 5.25% to 6.25%.
- 2023 – The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00%.
- 2022 – The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%. The healthcare cost trend rate used in the September 30, 2020 actuarial valuation increased to 7.75%.
- 2021 – The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%. The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased to 7.0%.
- 2020 – The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.95%.
- 2019 – The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.15%.



**SCHEDULE OF FUNCTIONAL EXPENSES**  
**WNMU-TV**

Year ended June 30, 2024

Year ended June 30, 2024

	Program Services				Support Services		
	Programming and Production	Broadcasting	Program Information	Total Program Services	Fund Raising and Membership Development	Management and General	Total Supporting Services
\$	238,567	\$ 194,120	\$ 39,332	\$ 472,019	\$ 6,698	\$ 131,708	\$ 138,406
Salaries, wages and benefits	8,052	1,282		9,334	23,086	32,453	55,539
Professional services	3,192		115	3,307		1,080	1,080
Supplies	54	14	4,386	4,454	8,587	373	8,960
Postage	937			937	23		23
Advertising		375		375			
Occupancy		68,129	641	72,141	1,058	2,982	4,040
Rental and maintenance of equipment	3,371						
Printing and publications	1,620		16,667	18,287	2,890	1,195	4,085
Travel	3,070	387		3,457			
Program acquisition	384,394			384,394			
Program production costs	126,707			126,707	6,308		6,308
Utilities		23,747		23,747			
Dues and memberships	4,084			4,084		413	413
Indirect costs						231,516	231,516
Depreciation	20,584	126,639		147,223			
\$	794,632	\$ 414,693	\$ 61,141	\$ 1,270,466	\$ 48,650	\$ 401,720	\$ 450,370

**SCHEDULE OF FUNCTIONAL EXPENSES**  
**WNMU-FM**

Year ended June 30, 2024

Year ended June 30, 2024	Program Services			Total Program Services	Support Services		
	Programming and Production	Broadcasting	Program Information		Fund Raising and Membership Development	Management and General	Total Supporting Services
Salaries, wages and benefits	\$ 39,112	\$ 30,625	\$ 2,221	\$ 71,958	\$ 2,183	\$ 21,103	\$ 23,286
Professional services	3,000			3,000	22,355	6,596	28,951
Supplies			112	112	2,859	824	3,683
Telephone	1,332			1,332	444		444
Postage			1,003	1,003	4,427	1,029	5,456
Advertising			2,750	2,750	23		23
Occupancy		125		125			
Rental and maintenance of equipment	4,340	13,953	27	18,320	1,160	444	1,604
Printing and publications			3,089	3,089	3,804		3,804
Travel		305		305	303		303
Program acquisition	120,831			120,831			
Program production costs							
Utilities		35,118		35,118			
Dues and memberships	2,599			2,599	2,700	65	2,765
Indirect costs						61,255	61,255
Depreciation	1,365	7,954		9,319			
	\$ 172,579	\$ 88,080	\$ 9,202	\$ 269,861	\$ 40,258	\$ 91,316	\$ 131,574

**INDEPENDENT AUDITORS' 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***

December 12, 2024

Board of Trustees  
WNMU-TV and WNMU-FM  
Marquette, Michigan

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 the business-type activities of **WNMU-TV and WNMU-FM**, departments of Northern Michigan University, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise WNMU-TV's and WNMU-FM's basic financial statements, and have issued our report thereon dated December 12, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered WNMU-TV's and WNMU-FM's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WNMU-TV's and WNMU-FM's internal control. Accordingly, we do not express an opinion on the effectiveness of WNMU-TV's and WNMU-FM'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 WNMU-TV's and WNMU-FM's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Lehmann Lobson LLC". The script is cursive and fluid, with the letters connected. The "L" in "Lehmann" is particularly large and loops around. The "LLC" is written in a slightly more upright, but still cursive, style.