

WIUM-FM/WIUW-FM RADIO
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY WESTERN ILLINOIS UNIVERSITY
Macomb, Illinois

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

June 30, 2023 and 2022

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Independent Auditors' Report

Board of Trustees of Western Illinois University
WIUM-FM/WIUW-FM Radio
Macomb, Illinois

Opinion

We have audited the accompanying financial statements of WIUM-FM/WIUW-FM Radio (the Radio Station), a public telecommunications entity operated by Western Illinois University (the University), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Radio Station's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Radio Station, as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A, the financial statements of the Radio Station are intended to present the financial position, the changes in financial position, and cash flows of only that portion of the business-type activities of Western Illinois University's financial position, the changes in financial position, and cash flows attributable to the transactions of the Radio Station. They do not purport to, and do not, present fairly the financial position of the Western Illinois University as of June 30, 2023 and 2022, the changes in its financial position or its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to the matter.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are required to be independent of the Radio Station and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 generally accepted 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 the Radio Station's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Consider whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Radio Station's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the 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 information on pages 6-13 be presented to supplement the basic financial statements. Such information, 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 an opinion on the financial statements that collectively comprise the Radio Station's basic financial statements. The accompanying financial information listed as "Supplementary Information" in the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The information in the "Supplementary Information" is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Springfield, Illinois
February 13, 2024

WIUM-FM/WIUW-FM Radio
(A Component Unit of Western Illinois University)
Management's Discussion and Analysis
Year Ended June 30, 2023

This section of the WIUM-FM/WIUW-FM Radio, a public telecommunications entity operated by Western Illinois University (Radio Station) annual financial report presents management's discussion and analysis (MD&A) of the financial performance of the Radio Station during the fiscal year ended June 30, 2023. This discussion should be read in conjunction with the accompanying financial statements and footnotes. The discussion and analysis are designed to focus on current activities, resulting change and current known facts. The financial statements, footnotes and this discussion are the responsibility of the Radio Station's management.

Using the Financial Report

The Radio Station's annual report includes three financial statements: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. These financial statements are prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB).

The financial statements focus on the financial position, changes in financial position and cash flows of the Radio Station as a whole. They are prepared under the accrual basis of accounting. Assets and liabilities are categorized as current (due within one year) or noncurrent (due in greater than one year). Current year revenues and expenses are recognized when earned or incurred, regardless of when cash is exchanged. Revenues and expenses are reported as either operating or nonoperating. Significant recurring sources of the Radio Station's revenues, including State appropriations and contributions, are nonoperating as defined by GASB. Depreciation is considered an operating expense and capital assets are reported at cost less accumulated depreciation.

Statement of Net Position

The Statement of Net Position presents the financial position of the Radio Station at the end of the fiscal year and includes all assets and liabilities. The difference between total assets and total liabilities, net position, is one indicator of the financial condition of the Radio Station. The Radio Station's net position is divided into four major categories, as follows: (1) invested in capital assets (provides the Radio Station's equity in capital assets); (2) restricted net position (available for expenditure by the Radio Station but must be spent for purposes as determined by law, donors and/or external entities that have placed time or purpose restrictions on the use of the assets); (3) restricted nonexpendable (endowed funds where the donors have stipulated, as a condition of the gift instrument, that the principal be maintained in perpetuity and invested for the purpose of producing income, which either may be expended or added to principal); and (4) unrestricted net position (available to the Radio Station for any lawful purpose).

A comparative summary of the condensed Statement of Net Position for the years ended June 30, 2023, 2022 and 2021 is as follows:

Condensed Statements of Net Position as of June 30, 2023, 2022, and 2021			
	2023	2022	2021
ASSETS			
Current Assets	\$ 332,409	\$ 573,704	\$ 799,460
Investments	2,682,418	2,876,337	2,853,728
Capital Assets	369,553	266,443	323,536
Lease Receivable	307,934	292,199	-
Total Assets	3,692,314	4,008,683	3,976,724
LIABILITIES			
Current Liabilities	219,799	442,183	588,356
Total Liabilities	219,799	442,183	588,356
DEFERRED INFLOWS	290,631	287,011	-
NET POSITION			
Invested in capital assets	369,553	266,443	323,536
Restricted-nonexpendable	133,545	139,795	139,795
Unrestricted	2,678,786	2,873,251	2,925,037
Total Net Position	\$ 3,181,884	\$ 3,279,489	\$ 3,388,368

The Radio Station's financial position continues to remain strong at June 30, 2023 with assets of \$ 3.7 million, liabilities of \$ 220 thousand, and deferred inflows of \$ 291 thousand. Net position, the difference between total assets and total liabilities and deferred inflows, decreased \$ 98 thousand or 3% in fiscal year 2023 and decreased \$ 109 thousand or 3.2% in fiscal year 2022, over the previous year.

Total assets decreased \$316 thousand during fiscal year 2023, and increased \$ 32 thousand during fiscal year 2022. The decrease for fiscal year 2023 is primarily due to a decrease in cash of \$ 241 thousand, accounts receivable of \$ 32 thousand and investments of \$ 194 thousand, partially offset by an increase in lease receivable of \$ 18 thousand and capital assets of \$ 103 thousand as a result of new equipment purchases.

Total liabilities decreased \$ 222 thousand during fiscal year 2023, and decreased \$ 146 thousand during fiscal year 2022. The decrease in fiscal year 2023 is due to a decrease in deferred revenue due to timing. Total deferred inflows increased \$ 4 thousand during fiscal year 2023.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the Radio Station's changes in financial position. Revenues and expenses are classified as operating or nonoperating. The Radio Station's dependency on State appropriations and gifts/contributions usually results in operating deficits because the financial reporting model classifies these revenue sources as nonoperating.

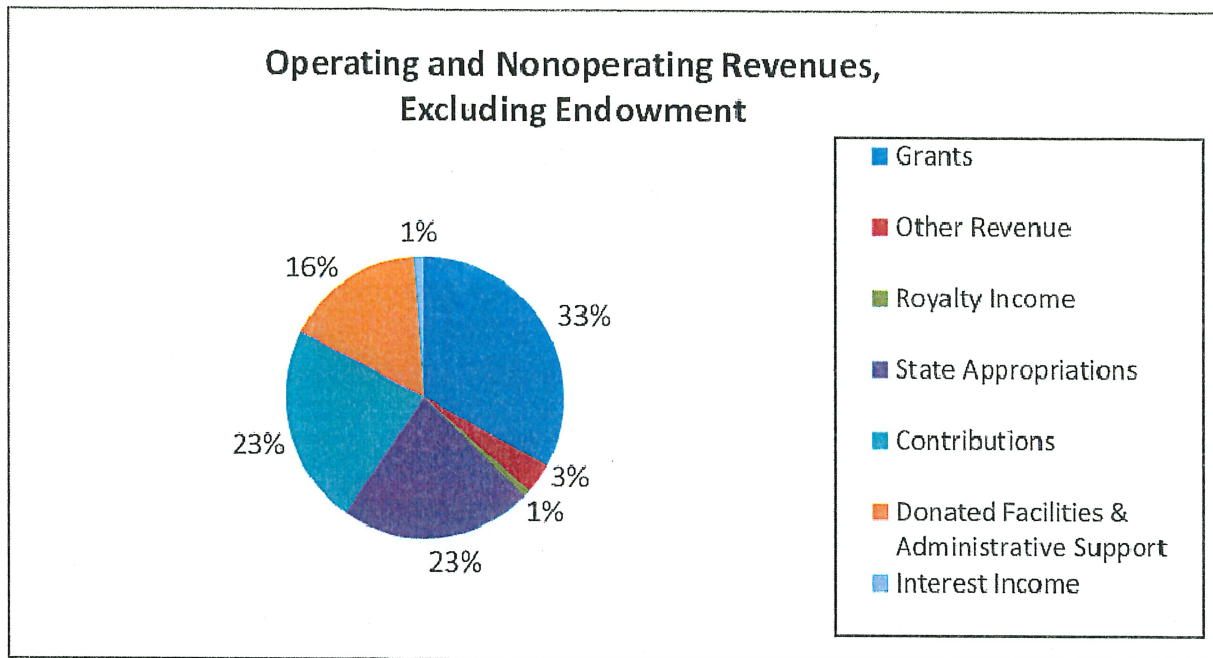
A comparative summary of the condensed Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2023, 2022 and 2021 is as follows:

Condensed Statements of Revenues, Expenses and Changes in Net Position For the Years Ended June 30, 2023, 2022, and 2021			
	2023	2022	2021
Total operating revenues	\$ 504,716	\$ 284,089	\$ 345,103
Total operating expenses	(1,449,618)	(1,248,326)	(1,119,453)
Net operating loss	(944,902)	(964,237)	(774,350)
Nonoperating revenues, excluding endowment gain (loss)	850,451	780,971	676,938
Endowment gain (loss)	(3,154)	74,387	716,989
Change in net assets	(97,605)	(108,879)	619,577
Net position, beginning of year, as restated	3,279,489	3,388,368	2,768,791
Net position end of year	\$ 3,181,884	\$ 3,279,489	\$ 3,388,368

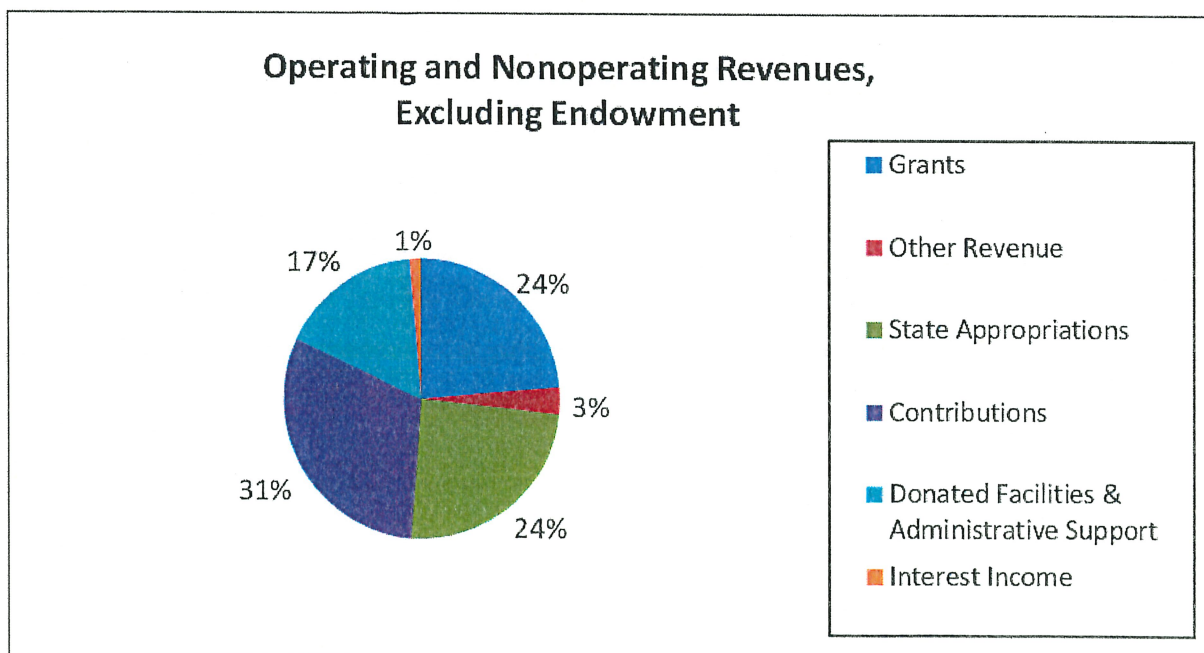
Total nonendowment revenues increased by \$ 295 thousand or 27.7% in fiscal year 2023 and increased \$ 43 thousand or 4.2% in fiscal year 2022. The increase in fiscal year 2023 is primarily due to an increase in grant revenues and administrative support. The increase in fiscal year 2022 is primarily due to an increase in State appropriations and administrative support offset partly by a decrease in grant revenues and contribution. The endowment loss in fiscal year 2023 is primarily due to changes in the fair market value of the portfolio and the endowment gain in fiscal year 2022 is primarily due to investment income.

Total nonendowment expenses increased \$ 201 thousand or 16.1% in fiscal year 2023 and increased \$ 129 thousand or 11.5% in fiscal year 2022. The increase in fiscal year 2023 is due to an increase in salaries and associated fringe benefits, office supplies, indirect administrative support costs, and program acquisitions.

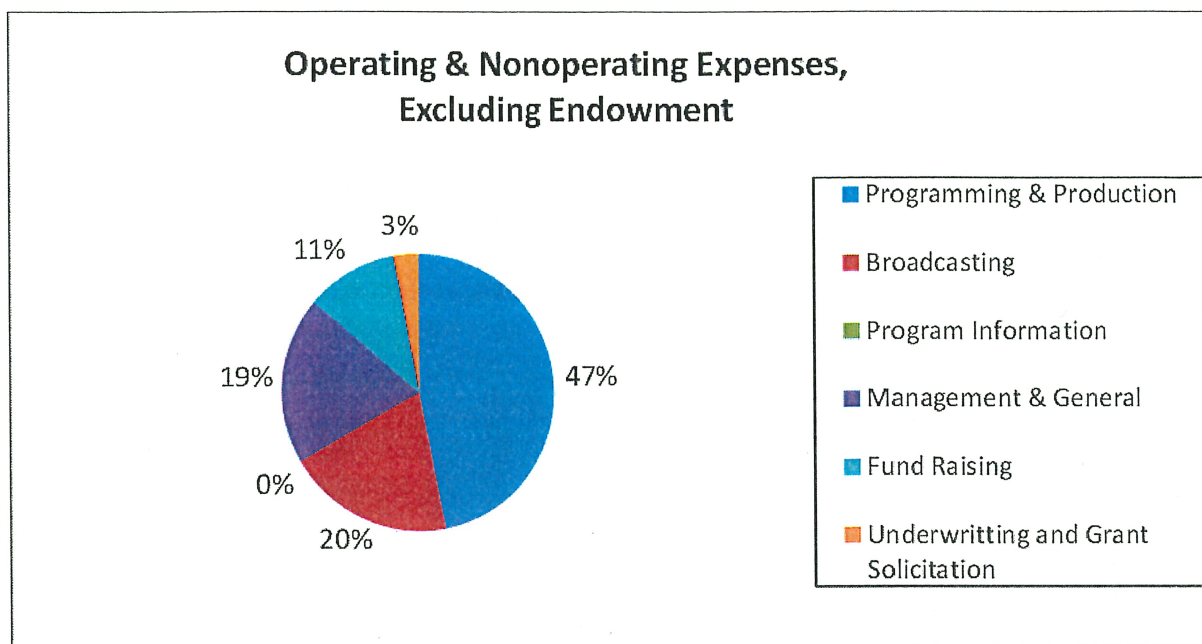
For the fiscal year ended June 30, 2023, all sources of nonendowment revenue totaled \$ 1.4 million. The following is a graphical illustration of revenue by source.



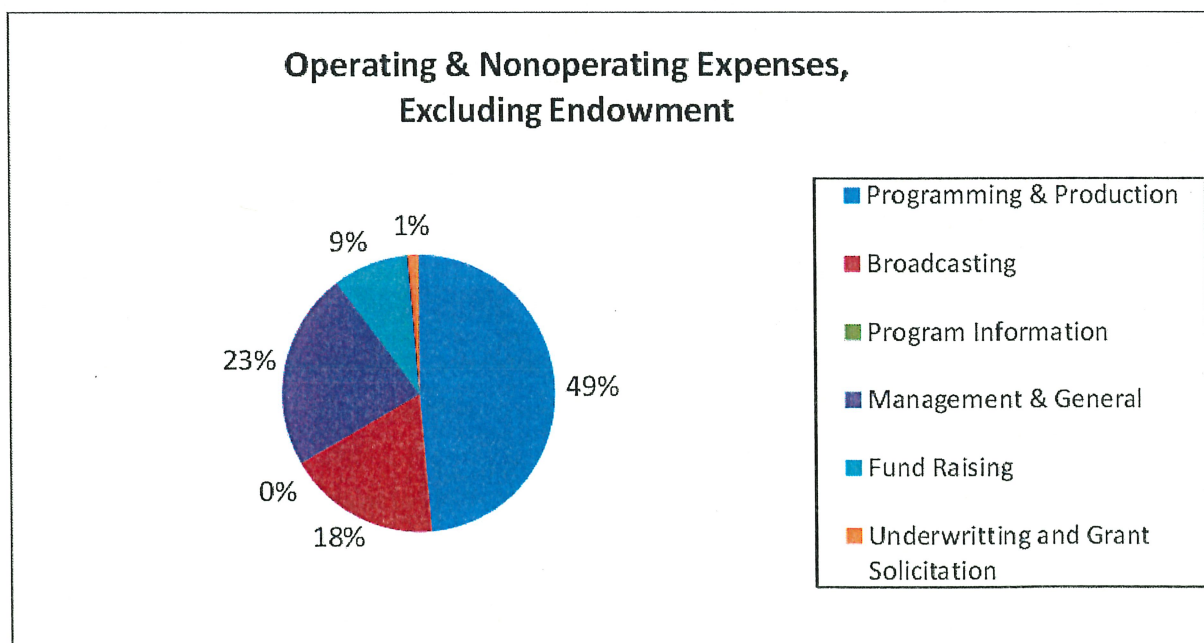
For the fiscal year ended June 30, 2022, all sources of nonendowment revenue totaled \$ 1.1 million. The following is a graphical illustration of revenue by source.



For the fiscal year ended June 30, 2023, nonendowment expenses totaled \$ 1.5 million. The following is a graphical illustration of expenses.



For the fiscal year ended June 30, 2022, nonendowment expenses totaled \$ 1.2 million. The following is a graphical illustration of expenses.



Statement of Cash Flows

The Statement of Cash Flows presents information related to the Radio Station's cash receipts and disbursements during the fiscal year. This provides an assessment of the Radio Station's ability to generate future cash flows and meet obligations as they come due.

A comparative summary of the condensed Statements of Cash Flows for the years ended June 30, 2023, 2022 and 2021 is as follows:

Condensed Statements of Cash Flows For the Years Ended June 30, 2023, 2022, and 2021			
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cash provided (used) by:			
Operating activities	\$ (706,976)	\$ (582,775)	\$ (263,974)
Noncapital financing activities	409,346	404,841	345,965
Capital and related financing activities	(134,858)	-	(59,124)
Investing activities	191,104	94,861	71,600
Change in cash and cash equivalents	(241,384)	(83,073)	94,467
Cash and cash equivalents, beginning of year	571,692	654,765	560,298
Cash and cash equivalents, end of year	<u>\$ 330,308</u>	<u>\$ 571,692</u>	<u>\$ 654,765</u>

Major sources for operating activities were grants and contracts. Payments for employee salaries and benefits, and goods and services continue to comprise the major use of operating funds. Total cash provided by operating activities decreased \$ 56 thousand in fiscal year 2023. This was primarily due to a decrease in other operating receipts. Total cash used by operating activities increased \$ 68 thousand in fiscal year 2023. This was primarily due to an increase in payments for salaries and related benefits and goods and services.

Cash inflows from noncapital financing activities consist of State appropriations and contributions. State appropriations increased \$ 23 thousand in fiscal year 2023 and increased \$ 75 thousand in fiscal year 2022. State appropriations provide for employee salaries and benefits. Cash contributions decreased \$ 19 thousand in fiscal year 2023.

Capital and related financing activities fluctuations are due to the purchase of capital assets. Capital assets purchased in fiscal year 2023 totaled \$ 135 thousand. There were no capital assets purchased in fiscal year 2022.

Cash used by investing activities consist of purchases of investments and cash provided by investing activities consists of sales of investments and interest received. Interest has been negligible over the past few years.

Capital Assets

At the end of fiscal year 2023, the Radio Station had \$ 1.97 million invested in capital assets, and accumulated depreciation of \$ 1.6 million. Depreciation expense for fiscal year 2023 was \$ 32 thousand. At the end of fiscal year 2022, the Radio Station had \$ 1.84 million invested in capital assets, and accumulated depreciation of \$ 1.57 million. Depreciation expense for fiscal year 2022 was \$ 57 thousand.

Radio Station's Economic Outlook

A rural public station such as Tri States Public Radio grapples with circumstances urban stations rarely experience: a coverage area with fewer potential listeners spread over a wider geographic area; few media outlets, forcing TSPR to be more things to more people; limited audience research; a smaller and less diverse talent pool from which to draw; and due to fewer listeners, more difficulty in garnering the local donations and business support needed to sustain and grow the station. TSPR's licensee, Western Illinois University, currently covers two TSPR staff salaries. The salary of one regional reporter and the General Manager. This is the only monetary reinvestment in the station since the elimination of appropriated funds in March of 2019. The financial repercussions of the post COVID economy continue to impact funding due to inflation, extreme donor fatigue, and reduced underwriting as inflation affects the marketing budgets of small businesses. The ability of TSPR to fulfill its mission of service will be most directly influenced by four factors: (1) its relationship with its licensee, Western Illinois University, which continues to provide significant administrative support for TSPR, as well as, use of university-owned facilities and equipment (2) the continued availability of federal and state grant funding to support programming and operational expenses; (3) the ability to streamline operations through various measures including sharing services with other public media entities; and (4) the ability to strengthen and grow listener support to cover the operational costs of the station.

Since establishing an endowment account in 1991, TSPR has conserved cash whenever possible. Leadership and staff have believed that increasing the endowment is a prudent way to ensure the Station's long-term financial stability in the face of major operational or emergency expenditures. Reduced university and state funding along with increased costs has made it difficult to add to the endowment in recent years; however, the endowment and endowment investment revenue provide some stability amid other significant funding cuts.

The Station's studios are housed in a 20-year-old facility and conversion to digital technology is complete. TSPR made investments in the physical plants of its transmitter sites in recent years (generators, air conditioners, etc.). Now that our main transmitter was replaced in the spring of 2021, this past fiscal year the replacement of the outdated Logitek Audio Engine system was completed. This is a significant investment that will require us to use reserve funds, however the purchase could no longer wait. The new system was purchased with an eye toward the future and should serve the station well for many years. We have also applied for a NextGen grant from CPB/FEMA with the hope of replacing our 25-year-old station to transmitter links as well as equipment to reestablish our HD channels. This past year we also invested in a podcasting platform allowing us to venture into providing podcasts and on-demand content. For the foreseeable future, TSPR must continue to operate with reduced staff numbers, continue to streamline operations, and increase listener and private support to remain viable. At the same time TSPR must increase its audience. TSPR must also find creative ways to keep pace with the changing media landscape strategically by looking at new services, like on demand programming, with an eye toward audience development. TSPR has begun participating in programs offered through NPR designed to increase support to local network stations. It remains to be seen if these efforts will be successful, but we continue to make sure take every opportunity.

We remain cautiously optimistic that the reorganization of the station and a focus on increasing listenership and private support, along with continued support from the Corporation for Public Broadcasting, will position the station to serve the tri-state region in the years to come.

WIUM-FM/WIUW-FM Radio
A Public Telecommunications Entity
Operated by Western Illinois University

STATEMENTS OF NET POSITION

June 30

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Interest in pooled cash and cash equivalents	\$ 330,308	\$ 571,692
Accrued interest	1,029	908
Accounts receivable	1,072	1,104
Leases receivable	<u>16,907</u>	<u>17,509</u>
Total current assets	349,316	591,213
NONCURRENT ASSETS		
Interest in pooled investments	2,682,418	2,876,337
Capital assets, net	369,553	266,443
Leases receivable, less current portion	<u>291,027</u>	<u>274,690</u>
Total noncurrent assets	<u>3,342,998</u>	<u>3,417,470</u>
TOTAL ASSETS	<u>\$ 3,692,314</u>	<u>\$ 4,008,683</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 49,171	\$ 41,895
Deferred revenue	<u>170,628</u>	<u>400,288</u>
Total current liabilities	219,799	442,183
DEFERRED INFLOWS OF RESOURCES - LEASES	290,631	287,011
NET POSITION		
Net investment in capital assets	369,553	266,443
Restricted - nonexpendable	133,545	139,795
Unrestricted	<u>2,678,786</u>	<u>2,873,251</u>
Total net position	<u>3,181,884</u>	<u>3,279,489</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,692,314</u>	<u>\$ 4,008,683</u>

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

WIUM-FM/WIUW-FM Radio
A Public Telecommunications Entity
Operated by Western Illinois University

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years Ended June 30

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Grants		
State of Illinois	\$ 52,416	\$ 55,692
CPB - Community service grants	144,742	172,062
CPB - Other	246,537	15,668
College work study	2,994	7,589
Other income	46,316	33,078
Royalty income	<u>11,711</u>	<u>-</u>
Total operating revenues	504,716	284,089
OPERATING EXPENSES		
Programming and production	679,647	607,365
Broadcasting	286,996	225,236
Program information	22	22
Management and general	283,629	287,836
Fundraising	156,983	111,052
Underwriting and grant solicitation	<u>42,341</u>	<u>16,815</u>
Total operating expenses	1,449,618	1,248,326
NET OPERATING LOSS	(944,902)	(964,237)
NON-OPERATING REVENUES		
State appropriation	118,611	98,316
Contributions	309,918	327,760
On behalf payments for fringe benefits	185,292	162,796
Donated facilities and administrative support	219,718	178,412
Interest income	16,912	13,687
Investment income	109,010	101,302
Endowment investment gain (loss), net	<u>(112,164)</u>	<u>(26,915)</u>
Total non-operating revenues	847,297	855,358
CHANGE IN NET POSITION	(97,605)	(108,879)
NET POSITION AT BEGINNING OF YEAR	<u>3,279,489</u>	<u>3,388,368</u>
NET POSITION AT END OF YEAR	<u>\$ 3,181,884</u>	<u>\$ 3,279,489</u>

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

WIUM-FM/WIUW-FM Radio
A Public Telecommunications Entity
Operated by Western Illinois University

STATEMENTS OF CASH FLOWS

Years Ended June 30

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Federal, state and local grants and contracts	\$ 214,067	\$ 191,996
Payments to employees and for related benefits	(547,380)	(490,789)
Payments to suppliers	(436,026)	(424,558)
Other operating receipts	<u>62,363</u>	<u>140,576</u>
Net cash flows from operating activities	(706,976)	(582,775)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriation receipts	118,611	95,316
Cash received from contributors	<u>290,735</u>	<u>309,525</u>
Net cash flows from noncapital financing activities	409,346	404,841
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(134,858)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	339	93
Sale of investments, net	<u>190,765</u>	<u>94,768</u>
Net cash flows from investing activities	<u>191,104</u>	<u>94,861</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(241,384)	(83,073)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>571,692</u>	<u>654,765</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 330,308</u>	<u>\$ 571,692</u>

WIUM-FM/WIUW-FM Radio
A Public Telecommunications Entity
Operated by Western Illinois University

STATEMENTS OF CASH FLOWS - CONTINUED

Years Ended June 30

	<u>2023</u>	<u>2022</u>
RECONCILIATION OF NET OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net operating loss	\$ (944,902)	\$ (964,237)
Adjustments to reconcile the net operating loss to net cash flows from operating activities		
Noncash change in lease revenue	4,337	7,498
Operating expenses arising from University donated facilities and administrative support	219,718	178,412
Operating expenses arising from on behalf payments from the State of Illinois for employee fringe benefits	185,292	162,796
Operating expenses arising from University provided grants and tuition waivers	-	3,000
Operating expenses arising from in-kind contributions	19,183	18,234
Depreciation expense	31,748	57,093
Changes in certain assets and liabilities		
Accounts receivable	32	100,602
Accounts payable and accrued expenses	7,276	(94,146)
Deferred revenue	<u>(229,660)</u>	<u>(52,027)</u>
Net cash flows from operating activities	<u>\$ (706,976)</u>	<u>\$ (582,775)</u>
NONCASH OPERATING, INVESTING, CAPITAL AND FINANCING ACTIVITIES		
University donated facilities and administrative support	\$ 219,718	\$ 178,412
On behalf contributions from the State of Illinois for the payment of employee fringe benefits	185,292	162,796
University provided grants and tuition waivers	-	3,000
In-kind contributions of goods and services	19,183	18,234

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

WIUM-FM/WIUW-FM Radio
A Public Telecommunications Entity
Operated by Western Illinois University

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES

1. Nature of Operations

WIUM-FM/WIUW-FM Radio (the Radio Station) is operated by Western Illinois University (the University) under a license granted by the Federal Communication Commission. The University provides facilities located in Macomb and Warsaw, Illinois and other financial support to the Radio Station.

The Radio Station is primarily funded through grants from the State of Illinois and the Corporation for Public Broadcasting, an appropriation from the State of Illinois, and contributions received from the general public.

2. Basis of Presentation

These financial statements have been prepared to satisfy the requirements of the Corporation for Public Broadcasting (CPB). The financial balances and activities of the Radio Station, included in these financial statements, are included in the University's financial statements. The financial statements of the Radio Station are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the "Supplemental Guide" published by the CPB.

The Radio Station follows GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis - for Public Colleges and Universities* (GASB Statement No. 35). GASB Statement No. 35 requires basic financial statements including a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. Resources are classified into net position categories and reported in the statement of net position. These categories are defined as (a) Net investment in capital assets - capital assets net of accumulated depreciation and outstanding debt balances (b) Restricted nonexpendable - assets restricted by externally imposed stipulation (c) Restricted expendable - assets subject to externally imposed restrictions that can be fulfilled by action of the Radio Station pursuant to those stipulations or that expire by the passage of time and (d) Unrestricted - assets not subject to externally imposed stipulations but may be designated for specific purposes by action of management or the Board of Trustees. It is the Radio Station's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

WIUM-FM/WIUW-FM Radio
A Public Telecommunications Entity
Operated by Western Illinois University

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES - Continued

2. Basis of Presentation - Continued

The Radio Station prepared its financial statements as a "Business-Type Activity", as defined by GASB Statement No. 34, using the economic resources measurement focus and the accrual basis of accounting. Business type activities are those financed in whole or in part by fees charged to external parties for goods and services.

The statement of revenues, expenses and changes in net position classifies the Radio Station's fiscal year activity as operating and non-operating. Operating revenues generally result from exchange transactions such as payments received for providing goods and services. The majority of the Radio Station's expenses are exchange transactions which GASB defines as operating expenses for financial statement presentation.

Certain revenue sources that the Radio Station relies on for operations, including state appropriation, contributions and investment income, are defined by GASB Statement No. 34 as non-operating. In addition, transactions related to capital and financing activities are components of non-operating revenues.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Radio Station follows all applicable GASB pronouncements. In addition, the Radio Station follows all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The Radio Station has elected not to apply FASB pronouncements issued after November 30, 1989.

3. Interest in Pooled Cash and Cash Equivalents

The Radio Station's cash and cash equivalents are pooled with other University funds for the purpose of securing a greater return on investment and provide for an equitable distribution of investment returns. The University's pool, which consists principally of U.S. government and government agency securities and time deposits, is stated at fair value, as determined by quoted market prices. Separate categorical disclosures of the Radio Station's cash and cash equivalents is not feasible.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES - Continued

3. Interest in Pooled Cash and Cash Equivalents - Continued

The statement of cash flows details the change in the cash and cash equivalents balance for the fiscal year. Cash and all liquid investments with original maturities of ninety days or less are defined as cash and cash equivalents.

4. Interest in Pooled Investments

The Radio Station's investments are included in the Western Illinois University Foundation (the Foundation) investment pool, which provides for an equitable distribution of the investment returns. The Foundation's investment pool, which consists primarily of equity, fixed income, hedge funds, and mutual funds investments, is stated at fair value, as determined by quoted market prices or net asset value. Separate categorical disclosures of the Radio Station's investments is not feasible.

5. Capital Assets

Property and equipment are recorded at cost or in the case of donated property at their estimated fair value at the date of receipt. Capital assets at \$ 1,000 or more are capitalized. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which range from three to twenty years.

6. Leases

The Radio Station is a lessor for two noncancellable leases of broadcasting towers. The Radio Station recognizes a lease receivable and a deferred inflows of resources in the financial statements. The Radio Station recognizes lease receivables with an initial, individual value of \$ 5,000 or more.

At the commencement of a lease, the Radio Station initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the deferred inflows of resources is amortized on a straight-line basis over its useful life.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES - Continued

6. Leases - Continued

Key estimates and judgments related to leases include how the Radio Station determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Radio Station uses the interest rate charged to the lessee as the discount rate. When there is not an interest rate charged to the lessee, the Radio Station generally uses an estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments and extensions that the Radio Station is reasonably certain to exercise.

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

7. Grants and Contracts

Grant and contract revenues which are received or receivable from external sources are recognized as revenues when all applicable eligibility requirements have been met. Advances are classified as deferred revenue.

8. Contributed In-kind Support

Donated professional services and advertising are recognized as revenues and expenses in the statement of revenues, expenses and changes in net position at their estimated fair value based upon standard valuation rates and job classifications developed by the Corporation for Public Broadcasting.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE A - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES - Continued

9. Donated Facilities and Administrative Support

Facilities allocated from the University consist of office and studio space together with related occupancy costs and are recorded in revenue and expenses on a prorated basis. Administrative support from the University consists of adjusted allocated financial and physical plant charges incurred by the University on behalf of the Radio Station. The Radio Station reported donated facilities and administrative support provided by the University of \$ 219,718 and \$ 178,412 for the years ended June 30, 2023 and 2022, respectively. This support is classified as non-operating revenues and operating expenses.

10. Functional Expenses

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

11. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from the estimates.

12. Subsequent Events

The Radio Station assessed events that have occurred subsequent to June 30, 2023 through February 13, 2024, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE B - INTEREST IN POOLED INVESTMENTS

Investments consist of shares of an investment pool which are held and administered by the Foundation. The Radio Station's share of the investment pool is stated at fair value. Fair value is generally determined by quoted market prices for the Foundation's investments.

Endowment investment gain (loss) includes realized and unrealized gains and losses. Due to the pooled nature of the investments, an itemized breakdown of the endowment investment gain (loss) is not feasible.

At June 30, 2023 and 2022, the fair value of the Radio Station's share of the Foundation investment pool was \$ 2,682,418 and \$ 2,876,337, respectively.

Further information regarding the investments held by the Foundation may be obtained from the financial statements of the University.

NOTE C - LEASES

The Radio Station is lessor for various noncancellable leases of tower space. Effective with the implementation of GASB No. 87, the Radio Station recognized lease receivables and deferred inflow of resources. The remaining lease terms range from six to fifteen years.

The Radio Station recognized \$ 26,407 and \$ 23,348 in lease revenue and \$ 14,743 and \$ 13,594 in interest income during the years ended June 30, 2023 and 2022, respectively, related to these leases. As of June 30, 2023 and 2022, the Radio Station's receivable for lease payments was \$ 307,934 and \$ 292,199 and deferred inflow of resources from leases was \$ 290,631 and \$ 287,011, respectively.

Future scheduled lease payments to be received by the Radio Station are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending			
2024	\$ 16,907	\$ 14,049	\$ 30,956
2025	18,123	13,265	31,388
2026	19,407	12,423	31,830
2027	20,759	11,521	32,280
2028	22,186	10,555	32,741
2029-2033	96,521	38,752	135,273
2034-2038	114,031	13,691	127,722
Total	<u>\$ 307,934</u>	<u>\$ 114,256</u>	<u>\$ 422,190</u>

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE D - CAPITAL ASSETS

The capital assets are in buildings located on land primarily owned by the University for which there is no charge to the Radio Station other than for maintenance.

Capital assets activity for the Radio Station is summarized below:

	Balances July 1, 2022	Additions	Retirements	Balances June 30, 2023
Programming and production equipment	\$ 81,255	\$ -	\$ -	\$ 81,255
Broadcast equipment	579,249	134,858	-	714,107
Furniture and fixtures	16,000	-	-	16,000
Building	<u>1,159,476</u>	<u>-</u>	<u>-</u>	<u>1,159,476</u>
	1,835,980	134,858	-	1,970,838
Accumulated depreciation	<u>(1,569,537)</u>	<u>(31,748)</u>	<u>-</u>	<u>(1,601,285)</u>
Capital assets, net	<u>\$ 266,443</u>	<u>\$ 103,110</u>	<u>\$ -</u>	<u>\$ 369,553</u>

NOTE E - DEFINED BENEFIT PENSION PLAN

1. General Information about the Pension Plan

Plan Description: Western Illinois University contributes to the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941, and provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State's financial reporting entity and is included in the State's Annual Comprehensive Financial Report (ACFR) as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.surs.org.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE E - DEFINED BENEFIT PENSION PLAN - Continued

1. General Information about the Pension Plan - Continued

Benefits Provided: A traditional benefit plan was established in 1941. Public Act 90-0448 (effective January 1, 1998) established an alternative defined benefit program known as the portable benefit package. Tier 1 of the traditional and portable plan refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who began participation on or after January 1, 2011, and who do not have other eligible reciprocal system service. The revised plan is referred to as Tier 2. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2022, can be found in the Financial Section of SURS ACFR.

Contributions: The State is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS to reach 90% of the total Actuarial Accrued Liability by the end of fiscal year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2022 and fiscal year 2023, respectively, was 12.32% and 12.83% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15-139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants), Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE E - DEFINED BENEFIT PENSION PLAN - Continued

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

Net Pension Liability: The net pension liability (NPL) was measured as of June 30, 2022. At June 30, 2022, SURS defined benefit plan reported a NPL of \$ 29,078,053,857.

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the NPL to be recognized for Western Illinois University is \$0. The proportionate share of the State's NPL associated with Western Illinois University is \$501,406,840 or 1.7243%. Western Illinois University's proportionate share changed by (0.0872%) from 1.8115% since the last measurement date on June 30, 2021. This amount is not recognized in Western Illinois University's financial statements. The NPL and total pension liability as of June 30, 2022, was determined based on the June 30, 2021, actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2021.

Defined Benefit Pension Expense: For the year ending June 30, 2022, SURS defined benefit plan reported a collective net pension expense of \$ 1,903,314,699.

Employer Proportionate Share of Defined Benefit Pension Expense: The employer proportionate share of collective defined benefit pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS defined benefit plan during fiscal year 2021. As a result, Western Illinois University recognized revenue and defined benefit pension expense of \$ 32,819,769 from this special funding situation during the year ended June 30, 2023.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Defined Benefit Pensions: Deferred outflows of resources are the consumption of net position by SURS that is applicable to future reporting periods. Conversely, deferred inflows of resources are the acquisition of net position by SURS that is applicable to future reporting periods.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE E - DEFINED BENEFIT PENSION PLAN - Continued

2. Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

SURS collective deferred outflows and deferred inflows of resources by sources is as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 31,973,496	\$ 28,674,599
Changes in assumption	279,362,441	982,954,268
Net difference between projected and actual earnings on pension plan investments	<u>31,628,935</u>	<u>-</u>
Total	<u>\$ 342,964,872</u>	<u>\$ 1,011,628,867</u>

SURS collective deferred outflows and deferred inflows of resources by year to be recognized in future pension expenses is as follows:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows of Resources</u>
2023	\$ (332,941,204)
2024	(528,966,820)
2025	(249,290,775)
2026	<u>442,534,804</u>
Total	<u>\$ (668,663,995)</u>

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE E - DEFINED BENEFIT PENSION PLAN - Continued

3. Deferral of Fiscal Year 2023 Contributions

Western Illinois University paid \$ 446,367 in federal, trust or grant contributions to SURS defined benefit pension plan during the year ended June 30, 2023. These contributions were made subsequent to the pension liability measurement date of June 30, 2022, and are recognized as deferred outflows of resources as of June 30, 2023.

4. Assumptions and Other Inputs

Actuarial assumptions: Actuarial assumptions. The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from June 30, 2017, through June 30, 2020. The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.25 to 12.25 percent, including inflation
Investment rate of return	6.50 percent

Mortality rates were based on the Pub-2010 employee and retiree gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

The long-term expected rate of return on defined benefit 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 of pension plan investment expense and inflation) are developed for each major asset class.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE E - DEFINED BENEFIT PENSION PLAN - Continued

4. Assumptions and Other Inputs - Continued

These ranges are combined to produce the long-term expected rate of return by weighing 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 were adopted by the plan's trustees after considering input from the plan's investment consultants and actuary.

For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2022, these best estimates are summarized in the following table:

	<u>Strategic Policy Allocation</u>	<u>Weighted Average Long- Term Expected Real Rate of Return</u>
<u>Defined Benefit Plan</u>		
Traditional Growth		
Global public equity	38.00%	7.62%
Stabilized Growth		
Public credit fixed income	9.00	4.20
Core real assets	4.50	4.98
Options strategies	2.50	4.91
Credit fixed income	1.00	7.45
Non-Traditional Growth		
Private equity	10.50	11.91
Non-core real assets growth	2.50	9.43
Inflation Sensitive		
U.S. TIPS	5.00	1.23
Principal Protection		
Core fixed income	8.00	1.79
Crisis Risk Offset		
Systematic trend following	10.00	4.33
Alternative risk premia	5.00	3.59
Long duration	4.00	2.16
Total	100.00%	6.08%
Inflation		2.25
Expected Arithmetic Return		8.33%

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE E - DEFINED BENEFIT PENSION PLAN - Continued

4. Assumptions and Other Inputs - Continued

Discount Rate: A single discount rate of 6.39% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.50% and a municipal bond rate of 3.69% (based on the Fidelity 20-Year Municipal GO AA Index as of June 30, 2022). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and 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 statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2076. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate: Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.39%, as well as what the State's NPL would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

<u>1% Decrease 5.39%</u>	<u>Current Single Discount Rate Assumption 6.39%</u>	<u>1% Increase 7.39%</u>
<u>\$ 35,261,802,968</u>	<u>\$ 29,078,053,857</u>	<u>\$ 23,928,731,076</u>

Additional information regarding SURS basic financial statements, including the plan's net position, can be found in SURS Annual Comprehensive Financial Report by accessing the website at www.surs.org.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE F- DEFINED CONTRIBUTION PENSION PLAN

1. General Information about the Pension Plan

Plan Description: Western Illinois University contributes to the Retirement Savings Plan (RSP) administered by the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined contribution pension plan with a special funding situation whereby the State of Illinois (State) makes substantially all required contributions on behalf of the participating employers. SURS was established July 21, 1941, and provides retirement annuities and other benefits for staff members and employees of state universities and community colleges, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is governed by Chapter 40, Act 5, Article 15 of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at www.surs.org. The RSP and its benefit terms were established and may be amended by the State's General Assembly.

Benefits Provided: A defined contribution pension plan, originally called the Self-Managed Plan, was added to SURS benefit offerings as a result of Public Act 90-0448, effective January 1, 1998. The plan was renamed the RSP effective September 1, 2020, after an extensive plan redesign. New employees are allowed six months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable defined benefit pension plans or the RSP. A summary of the benefit provisions as of June 30, 2022, can be found in SURS Annual Comprehensive Financial Report-Notes to the Financial Statements.

Contributions: All employees who have elected to participate in the RSP are required to contribute 8.0% of their annual covered earnings. Section 15-158.2(h) of the Illinois Pension Code provides for an employer contribution to the RSP of 7.6% of employee earnings. The State is primarily responsible for contributing to the RSP on behalf of the individual employers. Employers are required to make the 7.6% contribution for employee earnings paid from "trust, federal, and other funds" as described in Section 15-155(b) of the Illinois Pension Code. The contribution requirements of plan members and employers were established and may be amended by the State's General Assembly.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE F - DEFINED CONTRIBUTION PENSION PLAN – Continued

Forfeitures: Employees are not vested in employer contributions to the RSP until they have attained five years of service credit. Should an employee leave SURS-covered employment with less than five years of service credit, the portion of the employee's RSP account designated as employer contributions is forfeited. Employees who later return to SURS-covered employment will have these forfeited employer contributions reinstated to their account, so long as the employee's own contributions remain in the account. Forfeited employer contributions are managed by SURS and are used both to reinstate previously forfeited contributions and to fund a portion of the State's contributions on behalf of the individual employers. The vesting and forfeiture provisions of the RSP were established and may be amended by the State's General Assembly.

2. Pension Expense Related to Defined Contribution Pensions

Defined Contribution Pension Expense: For the year ended June 30, 2022, the State's contributions to the RSP on behalf of individual employers totaled \$ 89,770,940. Of this amount, \$ 80,902,699 was funded via an appropriation from the State and \$ 8,868,241 was funded from previously forfeited contributions.

Employer Proportionate Share of Defined Contribution Pension Expense: The employer proportionate share of collective defined contribution pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective defined contribution pension expense is the actual reported pensionable contributions made to the RSP during fiscal year 2022. Western Illinois University's share of pensionable contributions was 1.8585%. As a result, Western Illinois University recognized revenue and defined contribution pension expense of \$ 1,668,376 from this special funding situation during the year ended June 30, 2023, of which \$ 164,815 constituted forfeitures.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE G - OTHER POST-EMPLOYMENT BENEFITS

Plan description: The State Employees Group Insurance Act of 1971 ("SEGIA"), as amended, authorizes the Illinois State Employees Group Insurance Program ("SEGIP") to provide health, dental, vision, and life insurance benefits for certain retirees and their dependents. Substantially all of the University's full-time employees are members of SEGIP. Members receiving monthly benefits from the General Assembly Retirement System ("GARS"), Judges Retirement System ("JRS"), State Employees' Retirement System of Illinois ("SERS"), Teachers' Retirement System ("TRS"), and State Universities Retirement System of Illinois ("SURS") are eligible for these other post-employment benefits ("OPEB"). The eligibility provisions for each of the retirement systems are defined within the University's financial statements. Certain TRS members eligible for coverage under SEGIP include: certified teachers employed by certain State agencies, executives employed by the Board of Education, regional superintendents, regional assistant superintendents, TRS employees, and members with certain reciprocal service.

The Department of Central Management Services ("CMS") administers these benefits for annuitants with the assistance of the public retirement systems sponsored by the State (GARS, JRS, SERS, TRS and SURS). The State recognizes SEGIP OPEB benefits as a single-employer defined benefit plan. The plan does not issue a stand-alone financial report.

Benefits provided: The health, dental, and vision benefits provided to and contribution amounts required from annuitants are the result of collective bargaining between the State and the various unions representing the State's and the university component units' employees in accordance with limitations established in SEGIA. Therefore, the benefits provided and contribution amounts are subject to periodic change. Coverage through SEGIP becomes secondary to Medicare after Medicare eligibility has been reached. Members must enroll in Medicare Parts A and B to receive the subsidized SEGIP premium available to Medicare eligible participants. SEGIA requires the State to provide life insurance benefits for annuitants equal to their annual salary as of the last day of employment until age 60, at which time, the benefit amount becomes \$ 5,000.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE G - OTHER POST-EMPLOYMENT BENEFITS - Continued

Funding policy and annual OPEB cost: OPEB offered through SEGIP are financed through a combination of retiree premiums, SEGIP contributions pursuant to SEGIA (5 ILCS 375/11), and Federal government subsidies from the Medicare Part D program. These contributions are deposited in the Health Insurance Reserve Fund, which covers both active employees and retired members. Annuitants may be required to contribute towards health and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in GARS, JRS, SERS, TRS, and SURS do not contribute toward health and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health and vision benefits. All annuitants are required to pay for dental benefits regardless of retirement date. CMS' Director, on an annual basis, determines the amount of contributions necessary to fund the basic program of group benefits. The State's contributions are made primarily from the State's General Fund on a pay-as-you-go basis. No assets are accumulated or dedicated to funding the retiree benefits and a separate trust has not been established for the funding of OPEB.

For fiscal year 2023, the annual cost per retiree of the basic program of group health, dental, and vision benefits before the State's contribution was \$ 12,635.52 (\$ 6,989.76 if Medicare eligible) if the annuitant chose benefits provided by a health maintenance organization and \$ 14,646.00 (\$ 5,882.40 if Medicare eligible) if the annuitant chose other benefits. The State is not required to fund the plan other than the pay-as-you-go amount necessary to provide the current benefits to retirees.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023 and 2022

NOTE H - CONTRIBUTED IN-KIND SUPPORT

Contributed materials, supplies, and facilities are recorded at their estimated fair value at the date of donation. The Radio Station reports gifts of professional services, materials, and other nonmonetary contributions as revenue in the accompanying statement of revenues, expenses, and changes in net position. As expenses of an equivalent amount are also recognized, there is no impact on net position.

If the fair value of contributed materials, supplies, facilities, and property cannot be reasonably determined, they are not recorded. Donated personal services or nonprofessional volunteers are not recorded as revenue and expenses as there is no objective basis available to measure the value of such services.

A summary of the contributed support received is as follows:

The amount of donated materials and services recognized in the years ended June 30, 2023 and 2022 was \$ 19,138 and \$ 18,234, respectively.

Contributed support from the State of Illinois consists of fringe benefit contributions on behalf of the Radio Station. The value of the on behalf contributions recognized in the years ended June 30, 2023 and 2022 was \$ 185,292 and \$ 162,796, respectively.

SUPPLEMENTARY INFORMATION

WTUM-FM/WTUW-FM Radio
A Public Telecommunications Entity
Operated by Western Illinois University

SUPPLEMENTARY SCHEDULE OF EXPENSES

Year Ended June 30, 2023

(With Comparative Totals for Year Ended June 30, 2022)

	Program Services			Support Services			
	Programming and Production	Broad- casting	Program Information	Management and General	Fund- raising	Underwriting and Grant Solicitation	
							2022 Total
Salaries and employee benefits	\$ 363,467	\$ 83,004	\$ -	\$ 163,322	\$ 88,176	\$ 32,117	\$ 666,718
Office and radio supplies	5,651	115,955	-	7,036	7,114	-	31,127
Telephone and line charges	-	-	-	1,559	-	-	2,293
Postage	-	-	-	1,013	2,925	-	3,000
Indirect administrative support	108,484	24,774	-	48,747	26,318	9,586	176,603
Advertising	-	-	-	555	16,483	-	16,530
Occupancy	1,252	136	22	8,840	2,848	-	11,479
Printing and publications	3,584	-	-	1,360	1,802	75	2,917
Travel and conferences	2,614	-	-	3,943	2,019	563	6,155
Professional fees	-	6,663	-	14,000	-	-	15,270
Depreciation	-	31,748	-	-	-	-	57,093
Talent grants and tuition waivers	-	-	-	-	-	-	7,500
Program acquisitions	194,595	9,493	-	2,680	-	-	188,536
Rental and maintenance of equipment	-	15,223	-	3,629	3,717	-	34,024
Miscellaneous	-	-	-	26,945	5,581	-	29,081
Total	\$ 679,647	\$ 286,996	\$ 22	\$ 283,629	\$ 156,983	\$ 42,341	\$1,248,326