

WBHM RADIO
FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

**WBHM RADIO
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SEPTEMBER 30, 2021 AND 2020**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the University of Alabama System
Birmingham, Alabama

We have audited the accompanying financial statements of WBHM Radio (WBHM), a department of the University of Alabama at Birmingham (UAB), a campus of the University of Alabama System, as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WBHM Radio as of September 30, 2021 and 2020, and its 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 Matters

As discussed in Note 1, the financial statements of WBHM are intended to present the financial position, the changes in net position and cash flows of only that portion of UAB, a campus of the University of Alabama System, that is attributable to the transactions of WBHM. They do not purport to and do not present fairly the financial position of UAB, a campus of the University of Alabama System, as of September 30, 2021 and 2020, 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 this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (unaudited) on pages 3 through 8, schedules of proportionate share of net pension liability and employer contributions on pages 38 through 39 and schedules of proportionate share of net other postemployment benefits (OPEB) liability and employer contributions on pages 40 through 42 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Birmingham, Alabama
March 24, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

**WBHM RADIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2021, 2020 AND 2019**

WBHM Radio (WBHM) is a not-for-profit radio station licensed to the Board of Trustees of the University of Alabama for the University of Alabama at Birmingham (UAB). WBHM is accounted for as a department of UAB, which is a campus of the University of Alabama System (the System). UAB is one of three campuses of the System, which is a component unit of the State of Alabama. The financial statements of WBHM are intended to present the financial position, the changes in net position and cash flows of only that portion of UAB that is attributable to the transactions of WBHM. As a department of UAB, a public institution, the financial statements of WBHM 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).

WBHM operates from a building on campus at UAB, and its main purpose is to provide noncommercial public broadcasting and educational telecommunications services throughout Alabama. WBHM began broadcasting in December 1976 and was the first full-service public radio station in north central Alabama. It operates at 90.3 FM with an effective radiated power of 32,000 watts. The transmitter is co-located with WBRC-TV on Red Mountain in Birmingham. The broadcast service area covers a radius of almost 70 miles from Birmingham and serves a population of approximately 1,250,000. WBHM broadcasts seven days a week, 24 hours a day. A secondary signal acquired in 2016 operates 106.1 FM and reaches parts of southern Birmingham and the near southern suburbs.

WBHM, through the Alabama Reading Service (ARS), provides local and national programming to blind and print-handicapped Alabamians. ARS operates on a subcarrier of WBHM, and the audio is accessible to users via a toll-free telephone number, a digital stream on the web, as well as available on a mobile app.

The following discussion and analysis of WBHM's financial performance presents an overview of WBHM's financial activities for the fiscal years ended September 30, 2021, 2020 and 2019. This discussion and analysis have been prepared by management and should be read in conjunction with the accompanying audited financial statements and notes to the financial statements.

WBHM RADIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2021, 2020 AND 2019

Financial Highlights

WBHM has total assets of \$2,072,586, \$1,287,982 and \$984,045 as of September 30, 2021, 2020 and 2019, respectively, and total liabilities of \$3,355,032, \$1,886,189 and \$1,861,958, respectively. Net position, which represents the excess of total assets and deferred outflows of resources over total liabilities and deferred inflows of resources, decreased by \$31,047 in fiscal year 2021, decreased in fiscal year 2020 by \$33,267 and increased in fiscal year 2019 by \$486,509. The year over year changes are summarized below:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues	\$ 2,362,770	\$ 2,019,776	\$ 2,336,764
Operating expenses	<u>2,736,281</u>	<u>2,355,480</u>	<u>2,214,935</u>
Operating income (loss)	(373,511)	(335,704)	121,829
Nonoperating items and other changes	<u>342,464</u>	<u>302,437</u>	<u>364,680</u>
Change in net position	<u>\$ (31,047)</u>	<u>\$ (33,267)</u>	<u>\$ 486,509</u>

WBHM reports as a business-type activity as defined by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, as an amendment to GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the financial statements of WBHM have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has occurred (see Note 2 of the financial statements).

WBHM RADIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2021, 2020 AND 2019

Condensed Statements of Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets:			
Capital assets	\$ 46,245	\$ 47,170	\$ 54,308
Other assets	<u>2,026,341</u>	<u>1,240,812</u>	<u>929,737</u>
Total assets	2,072,586	1,287,982	984,045
Deferred outflows of resources:			
Deferred outflows of resources from pension and OPEB related obligations	<u>974,883</u>	<u>319,988</u>	<u>254,672</u>
Total deferred outflows of resources	<u>974,883</u>	<u>319,988</u>	<u>254,672</u>
Total assets and deferred outflows of resources	3,047,469	1,607,970	1,238,717
Liabilities:			
Current liabilities	1,364,767	569,410	175,040
Noncurrent liabilities	<u>1,990,265</u>	<u>1,316,779</u>	<u>1,686,918</u>
Total liabilities	3,355,032	1,886,189	1,861,958
Deferred inflows of resources:			
Deferred inflows of resources from pension and OPEB related obligations	<u>545,987</u>	<u>544,284</u>	<u>165,995</u>
Total deferred inflows of resources	<u>545,987</u>	<u>544,284</u>	<u>165,995</u>
Total liabilities and deferred inflows of resources	3,901,019	2,430,473	2,027,953
Net position:			
Unrestricted	(1,715,318)	(875,602)	(843,544)
Restricted - expendable	815,523	5,929	-
Net investment in capital assets	<u>46,245</u>	<u>47,170</u>	<u>54,308</u>
Total net position	<u>\$ (853,550)</u>	<u>\$ (822,503)</u>	<u>\$ (789,236)</u>

Total assets increased by 60.9% in 2021 from 2020. This is due primarily to an increase in cash and cash equivalents during the year resulted from funds related to the National Public Radio (NPR) Collaborative contract. Total assets increased by 30.9% in 2020 from 2019. This is due primarily to an increase in cash and cash equivalents during the year, offset by a decrease in pledges receivable for underwriting and capital assets.

WBHM RADIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2021, 2020 AND 2019

Total liabilities increased by 77.9% in 2021 from 2020. This is due primarily to an increase in accruals, unearned revenue for NPR Collaborative and OPEB liability. Total liabilities increased by 1.3% in 2020 from 2019. This is due primarily to an increase in accruals and unearned revenue for National Public Radio (NPR) Collaborative offset by an OPEB liability.

At September 30, 2021, deferred outflows from pension obligations were \$331,425 and deferred inflows from pension obligations were \$33,267. At September 30, 2020, deferred outflows from pension obligations were \$208,999 and deferred inflows from pension obligations were \$70,704. The increase in deferred outflows from pension obligations is primarily due to differences between expected and actual experience and net difference between projected and actual earnings on pension plan investments. The decrease in deferred inflows from pension obligations is a result of a decrease in difference between expected and actual experience. At September 30, 2019, WBHM reported deferred outflows from pension obligations of \$136,976 and deferred inflows from pension obligations were \$82,987. The increase in deferred outflows from pension obligations is a result of an increase changes in actuarial and other assumptions, net difference between projected and actual earnings on pension plan investments and employer contributions after the measurement date. The decrease in deferred inflows from pension obligations is a result of a decrease in difference between expected and actual experience.

At September 30, 2021, deferred outflows from OPEB obligations were \$643,458, and deferred inflows from OPEB obligations were \$512,720. At September 30, 2020, WBHM reported deferred outflows from OPEB obligations were \$110,989, and deferred inflows from OPEB obligations were \$473,580. The increase in deferred outflows from OPEB obligations is primarily due to changes of actuarial and other assumptions and changes in proportion and differences between employer contributions. The increase in deferred inflows from OPEB obligations is a result of an increase in differences between expected and actual experience and changes in actuarial and other assumptions. At September 30, 2019, WBHM reported deferred outflows from OPEB obligations of \$117,696, and deferred inflows from OPEB obligations were \$83,008. The decrease in deferred outflows from OPEB obligations is a result of a decrease in changes in proportion and differences between employer contributions and proportionate share of contributions. The increase in deferred inflows from pension obligations is a result of an increase in differences between expected and actual experience, changes in actuarial and other assumptions and changes in proportion and differences between employer contributions and proportionate share of contributions

WBHM RADIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2021, 2020 AND 2019

Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues and expenses:			
Revenues	\$ 2,362,770	\$ 2,019,776	\$ 2,336,764
Expenses	<u>2,736,281</u>	<u>2,355,480</u>	<u>2,214,935</u>
Operating (loss) income	(373,511)	(335,704)	121,829
Nonoperating revenues:			
State appropriations	-	754	-
University support	250,000	250,000	250,000
Gain on disposal of asset	<u>-</u>	<u>-</u>	<u>69,222</u>
Total nonoperating revenues	<u>250,000</u>	<u>250,754</u>	<u>319,222</u>
(Loss) income before other changes	(123,511)	(84,950)	441,051
Other changes in net position:			
Transfers from UAB	<u>92,464</u>	<u>51,683</u>	<u>45,458</u>
Total other changes in net position	<u>92,464</u>	<u>51,683</u>	<u>45,458</u>
Change in net position	(31,047)	(33,267)	486,509
Net position:			
Net position at beginning of year	<u>(822,503)</u>	<u>(789,236)</u>	<u>(1,275,745)</u>
Net position at end of year	<u><u>\$ (853,550)</u></u>	<u><u>\$ (822,503)</u></u>	<u><u>\$ (789,236)</u></u>

The statements of revenues, expenses and changes in net position show operating and nonoperating revenues and expenses. A summarized comparison of WBHM's revenues, expenses and changes in net position for the years ended September 30, 2021, 2020 and 2019, is presented above.

WBHM's change in net position decreased by \$31,047 in fiscal year 2021, as compared to a fiscal year 2020 decrease of \$33,267. WBHM's change in net position decreased by \$33,267 in fiscal year 2020, as compared to a fiscal year 2019 increase of \$486,509.

During fiscal year 2021, the decrease in operating income is primarily attributable to an increase in overall revenues of 17.0% and a 16.2% increase in operating expenses. In fiscal year 2020, the decrease in operating income is primarily attributable to a decrease in overall revenues of 13.6% and a 6.3% increase in operating expenses. In fiscal year 2019, the overall increase in operating income is primarily attributable to an increase in overall revenues of 33.9% and a 0.06% increase in operating expenses.

WBHM RADIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2021, 2020 AND 2019

Also, during 2021, WBHM's nonoperating revenues decreased by 0.3%, primarily due to no state appropriations and the same amount of University support from UAB for operating expense. During 2020, WBHM's nonoperating revenues decreased by 21.4%, primarily due to no gain on disposal of assets during the year and University support from UAB for operating expense, as compared to a 27.6% increase in fiscal year 2019.

Factors Impacting Future Periods

Significant factors expected to impact WBHM's financial performance in future periods include, but are not limited to:

- The changing nature of consumers' media habits and the economics of broadcast and online advertising;
- The reputational value of WBHM as a trusted local media brand and National Public Radio (NPR) as a trusted national media brand and the impact of those brand values on financial contributions;
- The continued investment in new technology and personnel to best serve community needs and the public radio mission; and
- The close integration with UAB's available technical, budgetary and marketing systems to support the station.

WBHM's traditional radio audience remains strong, while Internet and mobile use of WBHM content continues to grow. WBHM has been successful in expanding the station's public service to new audiences and technology platforms, including the station's mobile app and its stream to smart speakers. Partnerships with other commercial and noncommercial media organizations have created mutually beneficial programming to serve audiences on air and online.

As a listener-supported membership organization, private contributions and corporate underwriting of programming are important to the financial support of WBHM. As the broadcast license holder and home of the station, UAB has traditionally supported the station with supplemental funding and in-kind support. WBHM will continue to rely on these significant sources to support its public service mission.

WBHM will continue to carefully manage operating costs while targeting new revenue sources. The station is seeking additional resources by relaunching its planned giving and major gifts campaigns, while also vigorously pursuing private and community service grants to support new journalism and programming initiatives, capital needs and necessary upgrades in technology and equipment.

In summary, the potential for sustaining and expanding WBHM's successful public service to the people of north central Alabama is positive in the near and midterm future.

FINANCIAL STATEMENTS

**WBHM RADIO
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2021 AND 2020**

	2021	2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,584,654	\$ 838,528
Accounts receivable, net	72,800	78,174
Pledges receivable, net	349,929	292,113
Prepaid expenses	18,958	31,997
Total current assets	2,026,341	1,240,812
NONCURRENT ASSETS		
Capital assets, net	46,245	47,170
Total noncurrent assets	46,245	47,170
TOTAL ASSETS	2,072,586	1,287,982
DEFERRED OUTFLOWS OF RESOURCES		
Pension and OPEB related obligations	974,883	319,988
TOTAL DEFERRED OUTFLOWS OF RESOURCES	974,883	319,988
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 3,047,469	\$ 1,607,970

See accompanying notes to the financial statements.

**WBHM RADIO
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2021 AND 2020**

	2021	2020
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 165,866	\$ 124,533
Unearned revenue	1,198,901	444,877
Total current liabilities	1,364,767	569,410
PENSION LIABILITY		
Pension liability	1,262,691	1,079,327
OPEB liability	727,574	237,452
NET PENSION LIABILITY	1,990,265	1,316,779
TOTAL LIABILITIES	3,355,032	1,886,189
DEFERRED INFLOWS OF RESOURCES		
Pension and OPEB related obligations	545,987	544,284
TOTAL DEFERRED INFLOWS OF RESOURCES	545,987	544,284
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	3,901,019	2,430,473
NET POSITION		
Unrestricted	(1,715,318)	(875,602)
Restricted - expendable	815,523	5,929
Net investment in capital assets	46,245	47,170
TOTAL NET POSITION	\$ (853,550)	\$ (822,503)

See accompanying notes to the financial statements.

WBHM RADIO
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Membership contributions	\$ 1,230,316	\$ 1,229,271
Community service grants	601,774	145,280
Program underwriting	489,683	531,683
Other	40,997	113,542
Total operating revenues	<u>2,362,770</u>	<u>2,019,776</u>
OPERATING EXPENSES		
Programming and production	704,382	847,402
Broadcasting	233,883	175,224
Fundraising and membership development	282,965	258,551
Underwriting	267,889	334,310
Management and general	1,239,334	732,855
Depreciation	7,828	7,138
Total operating expenses	<u>2,736,281</u>	<u>2,355,480</u>
OPERATING LOSS	(373,511)	(335,704)
NONOPERATING REVENUES		
State appropriations	-	754
University support	250,000	250,000
Total nonoperating revenues	<u>250,000</u>	<u>250,754</u>
LOSS BEFORE OTHER CHANGES	(123,511)	(84,950)
OTHER CHANGES IN NET POSITION		
Transfers from UAB	92,464	51,683
Total other changes in net position	<u>92,464</u>	<u>51,683</u>
CHANGE IN NET POSITION	(31,047)	(33,267)
NET POSITION AT BEGINNING OF YEAR	<u>(822,503)</u>	<u>(789,236)</u>
NET POSITION AT END OF YEAR	<u>\$ (853,550)</u>	<u>\$ (822,503)</u>

See accompanying notes to the financial statements.

**WBHM RADIO
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Membership contributions	\$ 1,153,400	\$ 1,356,716
Community service grants	1,364,685	487,798
Program underwriting	486,851	545,623
Other	40,997	113,542
Payments to employees	(1,593,441)	(1,466,951)
Payments to vendors	<u>(949,463)</u>	<u>(858,263)</u>
Net cash provided by operating activities	503,029	178,465
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	-	754
University support	<u>250,000</u>	<u>250,000</u>
Net cash provided by noncapital financing activities	<u>250,000</u>	<u>250,754</u>
CASH FLOWS FROM CAPITAL FINANCIAL ACTIVITIES		
Purchase of capital assets	<u>(6,903)</u>	<u>-</u>
Net cash used in capital financing activities	<u>(6,903)</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	746,126	429,219
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>838,528</u>	<u>409,309</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 1,584,654</u></u>	<u><u>\$ 838,528</u></u>

See accompanying notes to the financial statements.

**WBHM RADIO
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	\$ (373,511)	\$ (335,704)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Allowance for doubtful accounts	(6,992)	37,831
Depreciation	7,828	7,138
Pension expense	144,458	113,480
OPEB expense	29,660	(27,765)
Operating expenses provided by UAB	92,464	51,683
Changes in assets and liabilities:		
Change in accounts and pledges receivable	(49,986)	89,122
Change in grants receivable	4,536	(4,536)
Change in prepaid expenses	13,039	(4,273)
Change in accounts payable and accrued liabilities	41,333	32,884
Change in pension obligation	(117,776)	(115,130)
Change in OPEB obligation	(36,048)	(27,751)
Change in unearned revenue	754,024	361,486
Net cash provided by operating activities	<u>\$ 503,029</u>	<u>\$ 178,465</u>

See accompanying notes to the financial statements.

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

1. ORGANIZATION AND RELATIONSHIP TO THE UNIVERSITY OF ALABAMA AT BIRMINGHAM

WBHM Radio (WBHM) is a not-for-profit radio station licensed to the Board of Trustees of the University of Alabama for the University of Alabama at Birmingham (UAB). WBHM is accounted for as a department of UAB, which is a campus of the University of Alabama System (the System). UAB is one of three campuses of the System, which is a component unit of the State of Alabama. The financial statements of WBHM are intended to present the financial position, the changes in net position and cash flows of only that portion of UAB that is attributable to the transactions of WBHM.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of WBHM 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).

WBHM reports as a business-type activity as defined by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. Accordingly, the financial statements of WBHM have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has occurred. Refer also to the revenue recognition section of this note.

Net Position

GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into three 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. WBHM did not have capital related debt as of September 30, 2021 and 2020.
- Restricted: WBHM classifies net position resulting from transactions with purpose or time restrictions as restricted net position until the specific resources are used for the required purpose or for as long as the provider requires the resources to remain intact. Restricted net position is further classified as follows:
 - (1) Nonexpendable – Net position subject to externally imposed stipulations that amounts be maintained permanently by WBHM. WBHM did not have restricted nonexpendable net position as of September 30, 2021 and 2020.

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net Position – Continued

- (2) Expendable – Net position whose use by WBHM is subject to externally imposed stipulations that can be fulfilled by actions of WBHM pursuant to those stipulations or that expire by the passage of time. WBHM had restricted expendable net position of \$815,523 and \$5,929 as of September 30, 2021 and 2020, respectively.
- Unrestricted: Net position, including membership contributions, underwriting revenues, state appropriations and certain grant proceeds that are neither subject to externally imposed stipulations nor invested in capital assets, net of related debt, are classified as unrestricted net position. Unrestricted net position may be designated for specific purposes by actions of management.

Cash and Cash Equivalents-

WBHM considers cash on hand and in banks and all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable consists primarily of amounts due for underwriting services. All balances are expected to be received within one year. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. Accounts receivable are recorded net of an allowance for uncollectible receivables of \$5,902 and \$2,046 as of September 30, 2021 and 2020, respectively. This amount is based on past experience and an analysis of current accounts receivable collectability. The net accounts receivable totaled \$72,800 and \$78,174 as of September 30, 2021 and 2020, respectively.

Pledges Receivable

WBHM receives pledges and bequests of financial support. Revenue is recognized when a pledge representing an unconditional promise to give is received, and all eligibility requirements, including time requirements, have been met. In the absence of such a promise, revenue is recognized when the gift is received. All balances are expected to be received within one year and are written off 12 months after the pledge date. Pledges receivable are shown net of an allowance for uncollectible pledges, which is based on historical collection experience. The net pledges receivable totaled \$349,929 and \$292,113 as of September 30, 2021 and 2020, respectively.

Capital Assets

Capital assets consist of land, buildings and improvements, broadcast equipment and satellite equipment. Equipment is recorded at cost at the date of acquisition, less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which are 12-40 years for building and building improvements and 5-10 years for equipment. Gain or loss on the disposition of capital assets is reflected in the statements of revenues, expenses and changes in net position, and the related asset cost and accumulated depreciation are removed from the respective accounts. Depreciation expense for the years ended September 30, 2021 and 2020, was \$7,828 and \$7,138, respectively.

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deferred Outflows and Inflows of Resources

Deferred outflows of resources consist of amounts related to the pension obligations and Other Postemployment Benefits (OPEB) obligations of \$974,883 and \$319,988 at September 30, 2021 and 2020, respectively, as more fully described in Note 5 and Note 6.

Deferred inflows of resources consist of amounts related to the pension obligations and OPEB obligations of \$545,987 and \$544,284 at September 30, 2021 and 2020, respectively, as more fully described in Note 5 and Note 6.

Revenue Recognition

Membership contributions and other donations are nonexchange transactions, which are recognized as operating revenues in the period they are received. WBHM recognizes revenue associated with community service grants in accordance with GASB Statement No. 33, based on the terms of the individual grant agreement.

Program underwriting revenue is reported as unearned revenue in the statements of net position for programs not yet broadcast. Revenue is recognized when the related program is aired.

State appropriations are recorded when all eligibility requirements have been met as nonoperating revenue in the statements of revenues, expenses and changes in net position.

During the years ended September 30, 2021 and 2020, WBHM received \$250,000 of University support from UAB for WBHM's general operating expenses. Additionally, WBHM received \$754 of state appropriations during the year ended September 30, 2020.

Operating Revenues and Expenses

WBHM's statements of revenues, expenses and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses result from exchange and nonexchange transactions associated with WBHM's principal activities. Nonexchange revenues and expenses that result from financing and investing activities are recorded as nonoperating.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates

New Accounting Pronouncements

The GASB issued Statement No. 87, *Leases*, in June 2017. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement is effective for reporting periods beginning after June 15, 2021. WBHM is evaluating whether there will be any material impact from its adoption of GASB 87.

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

New Accounting Pronouncements – Continued

The GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, in May 2020. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements 83-93. The effective dates disclosed above have been adjusted to reflect this deferral. WBHM is evaluating whether it will postpone implementation of certain of the applicable GASB Statements.

COVID-19 Pandemic

In January 2020, the World Health Organization declared the novel Coronavirus (COVID-19) a Public Health Emergency of International Concern. The outbreak of COVID-19 has caused domestic and global disruption in operations for public broadcasting organizations. Given the difficulty in predicting the ultimate duration and severity of the impact of COVID-19 on WBHM and the economy, the ultimate impact is unknown and cannot be reasonably quantified at this time.

The Coronavirus Aid, Relief and Economic Security (CARES) Act

The CARES Act was signed into law in March 2020 in order to provide economic assistance for businesses and individuals that have been negatively impacted by the COVID-19 pandemic. During the year ended September 30, 2020, the Corporation for Public Broadcasting (CPB) announced a distribution plan for the \$75,000,000 of emergency stabilization funds for public media included in the CARES Act. WBHM received \$75,000 of stabilization funds in 2020, which are included in operating revenues in the accompanying statements of revenues, expenses and changes in net position.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on change in or net position previously reported.

Subsequent Events

Management has evaluated subsequent events and their potential effects on these financial statements through March 24, 2022, the date the financial statements were available to be issued.

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

3. CAPITAL ASSETS

WBHM's capital asset activity for the years ended September 30, 2021 and 2020, is summarized as follows:

September 30, 2021

	<u>Beginning</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Ending</u>
Land	\$ 25,669	\$ -	\$ -	\$ -	\$ 25,669
Building and building improvements	155,290	-	-	-	155,290
Equipment	<u>385,050</u>	<u>6,903</u>	<u>-</u>	<u>-</u>	<u>391,953</u>
	566,009	6,903	-	-	572,912
Less accumulated depreciation	<u>(518,839)</u>	<u>(7,828)</u>	<u>-</u>	<u>-</u>	<u>(526,667)</u>
Capital assets, net	<u>\$ 47,170</u>	<u>\$ (925)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,245</u>

September 30, 2020

	<u>Beginning</u>	<u>Additions</u>	<u>Transfers</u>	<u>Retirements</u>	<u>Ending</u>
Land	\$ 25,669	\$ -	\$ -	\$ -	\$ 25,669
Building and building improvements	155,290	-	-	-	155,290
Equipment	<u>406,658</u>	<u>-</u>	<u>-</u>	<u>(21,608)</u>	<u>385,050</u>
	587,617	-	-	(21,608)	566,009
Less accumulated depreciation	<u>(533,309)</u>	<u>(7,138)</u>	<u>-</u>	<u>21,608</u>	<u>(518,839)</u>
Capital assets, net	<u>\$ 54,308</u>	<u>\$ (7,138)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,170</u>

4. COMPENSATED ABSENCES

Certain WBHM employees accumulate vacation and sick leave at varying rates and subject to maximum limitations, depending upon their years of continuous service and their payroll classifications. Upon termination of employment, employees are paid all unused, accrued vacation at their regular rates of pay up to a designated maximum number of pay-out days. The accounts payable and accrued liabilities balance on the statements of net position includes an accrual of \$65,328 and \$74,159 as of September 30, 2021 and 2020, respectively, for accrued vacation pay and salary-related payments associated with vacation pay. There is no such accrual recognized for sick leave benefits because there is no terminal cash benefit available to employees for accumulated sick leave.

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

5. EMPLOYEE RETIREMENT BENEFITS

Retirement and Pension Plans

Most employees of WBHM participate in the Teachers' Retirement System of Alabama (TRS), a cost-sharing, multi-employer public retirement system. Certain employees also participate in an optional 403(b) plan (the 403(b) Plan). TRS is a defined benefit plan, and the 403(b) Plan program is a defined contribution plan. Prior to fiscal year 2020, the plan offered to eligible employees a choice between two recordkeepers, Teachers Insurance and Annuity Association (TIAA) and the Variable Annuity Life Insurance Company (VALIC). Effective in fiscal year 2020, the System, in conjunction with its participating universities and with the Board's approval, transitioned to a single recordkeeper with TIAA serving as sole vendor for the plan.

All regular employees of WBHM are members of TRS with the exception of temporary employees who, by definition, are those employees hired for a predetermined period of employment of less than one year and employees working less than one-half of a regular schedule. Benefits for all TRS members vest after 10 years of creditable service. Service retirement benefits are based on a guaranteed minimum or a formula method with the participants receiving payments under the method, which yields the highest monthly benefit. Vested Tier 1 participants, who retire at age 60 or after completing 25 years of credited service regardless of age, are entitled to an annual benefit, payable monthly for life.

Under the formula method, Tier 1 participants are allowed 2.0125% of their average final compensations (highest three of the last 10 years) for each year of service.

Vested Tier 2 participants are eligible for retirement after age 62 and are also entitled to an annual benefit payable monthly for life. Under the formula method, Tier 2 participants are allowed 1.65% of their average final compensations (highest five of the last 10 years) for each year of service. TRS also provides death and disability benefits.

Covered employees are required by law to contribute to TRS. Tier 1 covered employees were required by statute to contribute 7.5% of earned compensation to TRS in 2021 and 2020. Tier 2 covered employees were required by statute to contribute 6.0% of earned compensation to TRS in 2021 and 2020. WBHM, as the employer, contributes to TRS through UAB. WBHM's contribution rate for the years ended September 30, 2021 and 2020, was 12.16% and 12.34% for Tier 1 covered employees, respectively, and 10.69% and 11.34% for Tier 2 employees, respectively.

The Tier 1 contribution requirements for fiscal years 2021 and 2020, respectively, were \$65,356 and \$75,925, which consisted of \$40,675 and \$47,353 from WBHM and \$24,681 and \$28,572 from employees. The Tier 2 contribution requirements for fiscal years 2021 and 2020, respectively, were \$137,505 and \$111,899, which consisted of \$89,596 and \$73,180 from WBHM and \$47,909 and \$38,719 from employees.

**WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

5. EMPLOYEE RETIREMENT BENEFITS – CONTINUED

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

At September 30, 2021 and 2020, financial statements of WBHM reflected a liability of \$1,262,691 and \$1,079,327, respectively, for its proportionate share of UAB's collective net pension liability, as prescribed by GASB 68. At September 30, 2021, the proportionate share of UAB's collective net pension liability was measured as of September 30, 2020, and determined by the actuarial valuation of the total pension liability as of September 30, 2019. At September 30, 2020, the proportionate share of UAB's collective net pension liability was measured as of September 30, 2019, and determined by the actuarial valuation of the total pension liability as of September 30, 2018. WBHM's proportion of the collective net pension liability was based on the employer's share of contributions to the pension plan relative to the total employer contributions of all participating TRS employees. At September 30, 2020, WBHM's proportion was 0.01021%, which was a decrease of 0.00118% from its proportion measured as of September 30, 2019. At September 30, 2019, WBHM's proportion was 0.01139%, which was a decrease of 0.00006% from its proportion measured as of September 30, 2018.

In fiscal years 2021 and 2020, WBHM recognized a pension expense of \$144,458 and \$113,480, respectively. WBHM also reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

September 30, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43,161	\$ (11,287)
Changes of assumptions	84,483	-
Net difference between projected and actual earnings on pension plan investments	58,362	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,148	44,554
Employer contributions subsequent to the measurement date	130,271	-
Total	\$ 331,425	\$ 33,267

**WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

5. EMPLOYEE RETIREMENT BENEFITS – CONTINUED

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

September 30, 2020

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,178	\$ 21,552
Change of assumptions	76,921	-
Net difference between projected and actual earnings on pension plan investments	4,367	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	49,152
Employer contributions subsequent to the measurement date	120,533	-
Total	<u>\$ 208,999</u>	<u>\$ 70,704</u>

The \$130,271 reported as deferred outflows of resources related to pensions resulting from WBHM contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ended September 30:	<u>Increase</u>
2022	\$ 26,371
2023	51,840
2024	55,934
2025	33,742

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

5. EMPLOYEE RETIREMENT BENEFITS – CONTINUED

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of **September 30, 2019**, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected salary increases	3.25% - 5.00%
Investment rate of return*	7.70%
*Net of pension plan investment expense	

The actuarial assumptions used in the actuarial valuation as of September 30, 2019, were based on the results of an investigation of the economic and demographic experience for the TRS based upon participant data as of September 30, 2016. The Board of Control accepted and approved these changes in September 2016, which became effective the beginning of fiscal year 2016.

Mortality rates for TRS for service retirements and dependent beneficiaries were based on the RP-2000 White Collar Mortality Table projected to 2020 using scale BB and adjusted 115% for all ages for males and 112% for ages 78 and over for females.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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. 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. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return*</u>
Fixed Income	17.00%	4.40%
U.S. Large Stocks	32.00%	8.00%
U.S. Mid Stocks	9.00%	10.00%
U.S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	12.00%	9.50%
International Emerging Market Stocks	3.00%	11.00%
Alternatives	10.00%	10.10%
Real estate	10.00%	7.50%
Cash	3.00%	1.50%
	<u>100.00%</u>	

* Includes assumed rate of inflation of 2.50%

**WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

5. EMPLOYEE RETIREMENT BENEFITS – CONTINUED

Discount Rate

The discount rate used to measure the total pension liability was 7.70%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, components of the pension plan’s fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of WBHM’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents WBHM’s proportionate share of the net pension liability calculated using the discount rate of 7.70%, as well as what WBHM’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.70%) or one percentage point higher (8.70%) than the current rate:

Sensitivity of WBHM’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

	1% Decrease (6.70%)	Current Discount Rate (7.70%)	1% Increase (8.70%)
WBHM's proportionate share of collective net pension liability	\$ 2,055,355	\$ 1,262,691	\$ 1,104,880

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2020. The supporting actuarial information is included in the GASB Statement No. 67 Report for the TRS prepared as of September 30, 2020. The auditors’ report on the Schedule of Employer Allocations and Pension Amounts by Employer and accompanying notes detail by employer and in aggregate information needed to comply with GASB 68. The additional financial and actuarial information is available at <http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/>.

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

5. EMPLOYEE RETIREMENT BENEFITS – CONTINUED

Other Retirement Plans

As previously noted, some employees participate in the optional 403(b) Plan, which is a defined contribution plan. In defined contribution plans, benefits depend solely on amounts contributed plus investment earnings. All full-time regular monthly employees are eligible to participate from the date of employment. WBHM contributes a matching amount of up to 5% of total salaries for participating employees. WBHM's contribution is funded as it accrues and, along with that of the employee, is immediately and fully vested. The contributions for 2021 and 2020, excluding employee amounts not eligible for matching, were \$49,962 (\$24,981 from both WBHM and its employees) and \$56,036 (\$28,018 from both WBHM and its employees), respectively.

In fiscal year 2020, employer matching contributions in the voluntary 403(b) Plan were temporarily suspended for the period of May 2020 through September 2020. The suspension was due to uncertainty concerning the potential financial impacts of the COVID-19 Pandemic and was a joint management decision by Senior Administration of the UA System and each of the three universities (inclusive of UAB).

WBHM's total salaries and wages for fiscal years 2021 and 2020 were \$1,086,898 and \$1,100,593, respectively. Total salaries and wages during fiscal years 2021 and 2020 for covered employees participating in Tier 1 of TRS were \$334,599 and \$384,330, respectively. Total salaries and wages during fiscal years 2021 and 2020 for covered employees participating in Tier 2 of TRS were \$838,295 and \$650,667, respectively. Total salaries and wages during fiscal years 2021 and 2020 for covered employees participating in the 403(b) Plan program were \$644,846 and \$674,117, respectively.

6. POSTEMPLOYMENT BENEFITS

Other Retirement Plans

UAB offers other postemployment health care benefits (OPEB) to all employees who officially retire from UAB, which includes WBHM employees. Health care benefits are offered through the Alabama Retired Education Employees Health Care Trust Plan (PEEHIP) with TRS or certain retired employees may elect to continue to participate in UAB's group health plan until they are eligible for Medicare by paying the full cost of the plan premium. Retired employees age 65 or older who are eligible for Medicare must enroll in the Medicare Coordinated Plan under which Medicare is the primary insurer and UAB's health care plan becomes the secondary insurer. Despite the availability of the UAB plan, most retirees elect to participate in the PEEHIP with TRS, in which case the retirees pay a portion of the PEEHIP premium with UAB paying an allocation towards the cost of retiree coverage.

Certain retirees may also elect to continue their basic term life insurance coverage and accidental death and dismemberment insurance up to certain maximum amounts. The retirees pay the full amount of the premiums in such cases. Retirees are not eligible for tuition assistance benefits themselves; however, their unmarried dependent children may qualify in some cases.

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

6. POSTEMPLOYMENT BENEFITS – CONTINUED

PEEHIP

Plan Description

The Alabama Retired Education Employees' Health Care Trust (Trust) is a cost-sharing multiple-employer defined benefit postemployment health care plan that administers health care benefits to the retirees of participating state and local educational institutions. The Trust was established under the Alabama Retiree Health Care Funding Act of 2007, which authorized and directed the Public Education Employees' Health Insurance Board (Board) to create an irrevocable trust to fund postemployment health care benefits to retirees participating in PEEHIP. Active and retiree health insurance benefits are paid through the Public Education Employees' Health Insurance Plan (PEEHIP). In accordance with GASB, the Trust is considered a component unit of the State of Alabama (State) and is included in the State's Comprehensive Annual Financial Report.

The PEEHIP was established in 1983 pursuant to the provisions of the Code of Alabama 1975, Title 16, Chapter 25A (Act 83-455) to provide a uniform plan of health insurance for active and retired employees of state and local educational institutions, which provide instruction at any combination of grades K-14 (collectively, eligible employees), and to provide a method for funding the benefits related to the plan. The four-year universities participate in the plan with respect to their retired employees and are eligible and may elect to participate in the plan with respect to their active employees. Responsibility for the establishment of the health insurance plan and its general administration and operations is vested in the Board. The Board is a corporate body for purposes of management of the health insurance plan. The Code of Alabama 1975, Section 16-25A-4 provides the Board with the authority to amend the benefit provisions in order to provide reasonable assurance of stability in future years for the plan. All assets of the PEEHIP are held in trust for the payment of health insurance benefits. The Teachers' Retirement System of Alabama (TRS) has been appointed as the administrator of the PEEHIP and, consequently, serves as the administrator of the Trust.

Benefits Provided

PEEHIP offers a basic hospital medical plan to active members and non-Medicare eligible retirees. Benefits include inpatient hospitalization for a maximum of 365 days without a dollar limit, inpatient rehabilitation, outpatient care, physician services and prescription drugs.

Active employees and non-Medicare eligible retirees, who do not have Medicare eligible dependents, can enroll in a health maintenance organization (HMO) in lieu of the basic hospital medical plan. The HMO includes hospital medical benefits, dental benefits, vision benefits and an extensive formulary. However, participants in the HMO are required to receive care from a participating physician in the HMO plan.

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
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6. POSTEMPLOYMENT BENEFITS – CONTINUED

Benefits Provided – Continued

The PEEHIP offers four optional plans (Hospital Indemnity, Cancer, Dental and Vision) that may be selected in addition to or in lieu of the basic hospital medical plan or HMO. The Hospital Indemnity Plan provides a per-day benefit for hospital confinement, maternity, intensive care, cancer and convalescent care. The Cancer Plan covers cancer disease only, and benefits are provided regardless of other insurance. Coverage includes a per-day benefit for each hospital confinement related to cancer. The Dental Plan covers diagnostic and preventative services, as well as basic and major dental services. Diagnostic and preventative services include oral examinations, teeth cleaning, x-rays and emergency office visits. Basic and major services include fillings, general aesthetics, oral surgery not covered under a Group Medical Program, periodontics, endodontics, dentures, bridgework and crowns. Dental services are subject to a maximum of \$1,250 per year for individual coverage and \$1,000 per person per year for family coverage. The Vision Plan covers annual eye examinations, eyeglasses and contact lens prescriptions.

PEEHIP members may opt to elect the PEEHIP Supplemental Plan as their hospital medical coverage in lieu of the PEEHIP Hospital Medical Plan. The PEEHIP Supplemental Plan provides secondary benefits to the member's primary plan provided by another employer. Only active and non-Medicare retiree members and dependents are eligible for the PEEHIP Supplemental Plan. There is no premium required for this plan, and the plan covers most out-of-pocket expenses not covered by the primary plan. The plan cannot be used as a supplement to Medicare, the PEEHIP Hospital Medical Plan or the State or Local Governmental Plans administered by the State Employees' Insurance Board (SEIB).

Effective January 1, 2020, Humana Insurance Company replaced United Healthcare as the administrator of the PEEHIP Group Medicare Advantage (PPO) Plan. The Medicare Advantage and Prescription Drug Plan (MAPDP) plan is fully insured by United Healthcare, and members are able to have all of their Medicare Part A, Part B and Part D (prescription drug coverage) in one convenient plan. With the United Healthcare plan for PEEHIP, retirees can continue to see their same providers with no interruption and see any doctor who accepts Medicare on a national basis. Retirees have the same benefits in and out-of-network, and there is no additional retiree cost share if a retiree uses an out-of-network provider and no balance billing from the provider.

Contributions

The *Code of Alabama 1975, Section 16-25A-8* and the *Code of Alabama 1975, Section, 16-25A-8.1* provide the Board with the authority to set the contribution requirements for plan members and the authority to set the employer contribution requirements for each required class, respectively. Additionally, the Board is required to certify to the Governor and the Legislature the amount, as a monthly premium per active employee, necessary to fund the coverage of active and retired member benefits for the following fiscal year. The Legislature then sets the premium rate in the annual appropriation bill.

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

6. POSTEMPLOYMENT BENEFITS – CONTINUED

Contributions – Continued

For employees who retired after September 30, 2005, but before January 1, 2012, the employer contribution of the health insurance premium set forth by the Board for each retiree class is reduced by 2% for each year of service less than 25 and increased by 2% percent for each year of service over 25, subject to adjustment by the Board for changes in Medicare premium costs required to be paid by a retiree. In no case does the employer contribution of the health insurance premium exceed 100% of the total health insurance premium cost for the retiree.

For employees who retired after December 31, 2011, the employer contribution to the health insurance premium set forth by the Board for each retiree class is reduced by 4% for each year of service less than 25 and increased by 2% for each year over 25, subject to adjustment by the Board for changes in Medicare premium costs required to be paid by a retiree. In no case does the employer contribution of the health insurance premium exceed 100% of the total health insurance premium cost for the retiree. For employees who retired after December 31, 2011, who are not covered by Medicare, regardless of years of service, the employer contribution to the health insurance premium set forth by the Board for each retiree class is reduced by a percentage equal to 1% multiplied by the difference between the Medicare entitlement age and the age of the employee at the time of retirement as determined by the Board. This reduction in the employer contribution ceases upon notification to the Board of the attainment of Medicare coverage.

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

At September 30, 2021 and 2020, financial statements of WBHM reflected a liability of \$723,362 and \$232,170 for its proportionate share of UAB's collective net OPEB liability, as prescribed by GASB 75. The collective net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2019. UAB's proportion of collective net OPEB liability was based on a projection of UAB's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2020, WBHM's proportion was 0.0162%, which was an increase of 0.0084% from its proportion measured as of September 30, 2019. At September 30, 2019, WBHM's proportion was 0.0078%, which was an increase of 0.0003% from its proportion measured as of September 30, 2018.

For the years ended September 30, 2021 and 2020, WBHM recognized OPEB expense (benefit) of \$31,028 and \$(27,054), respectively, with no special funding situations.

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

6. POSTEMPLOYMENT BENEFITS – CONTINUED

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

At September 30, 2021 and 2020, WBHM reported deferred outflows of resources and deferred inflows of resources related to both plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
September 30, 2021		
Differences between expected and actual experience	\$ 35,417	\$ 243,787
Changes of assumptions	265,948	166,766
Net difference between projected and actual earnings on OPEB plan investments	263	10
Changes in proportion and differences between employer contributions and proportionate share of contributions	317,922	90,913
Employer contributions subsequent to the measurement date	21,576	
Total	\$ 641,126	\$ 501,476
	Deferred Outflows of Resources	Deferred Inflows of Resources
September 30, 2020		
Differences between expected and actual experience	\$ 16,761	\$ 198,616
Changes of assumptions	6,137	143,378
Net difference between projected and actual earnings on OPEB plan investments	232	2
Changes in proportion and differences between employer contributions and proportionate share of contributions	63,400	119,894
Employer contributions subsequent to the measurement date	22,903	-
Total	\$ 109,433	\$ 461,890

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

6. POSTEMPLOYMENT BENEFITS – CONTINUED

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

\$21,576 reported as deferred outflows of resources related to OPEB resulting from WBHM's contributions subsequent to the measuring date will be recognized as a reduction of the net OPEB liability in the year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ended September 30:	<u>Increase (Decrease)</u>
2022	\$ (14,128)
2023	(12,478)
2024	(16,720)
2025	(18,615)
2026	107,061
Thereafter	72,954

Actuarial Assumptions

The total OPEB liability for the PEEHIP was determined by an actuarial valuation as of September 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Projected Salary Increases ¹	3.25% - 5.00%
Long-Term Investment Rate of Return ²	7.25%
Municipal Bond Index Rate at the Measurement Date	2.25%
Municipal Bond Index Rate at the Prior Measurement Date	3.00%
Projected Year for Fiduciary Net Position (FNP) to be Depleted	2040
Single Equivalent Interest Rate the Measurement Date	3.05%
Single Equivalent Interest Rate the Prior Measurement Date	5.50%
Health care Cost Trend Rate	
Pre-Medicare Eligible	6.75%
Medicare Eligible (beginning in 2019)	**
Ultimate Trend Rate	
Pre-Medicare Eligible	2027
Medicare Eligible	2024

¹Includes 3.00% wage inflation.

²Compounded annually, net of investment expense, and includes inflation.

**Initial Medicare claims are set based on schedule increases through plan year 2022

**WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

6. POSTEMPLOYMENT BENEFITS – CONTINUED

Actuarial Assumptions – Continued

Mortality rates for the period after service retirement for both PEEHIP and UAB plan are according to the RP-2000 White Collar Mortality Table projected to 2020 using scale BB and adjusted 115% for all ages for males and 112% for ages 78 and over for females. The rates of disabled mortality were based on the RP-2000 Disabled Mortality Table projected to 2020 using scale BB and adjusted 105% for males and 120% for females.

The decremental assumptions used in the valuation were selected based on the actuarial experience study prepared as of September 30, 2015, submitted to and adopted by the Teachers' Retirement System of Alabama Board on September 13, 2016.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) were based on the September 30, 2019 valuation.

The long-term expected return on plan assets is to be reviewed as part of regular experience studies prepared every five years, in conjunction with similar analysis for the Teachers' Retirement System of Alabama. Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation), as developed for each major asset class. These ranges should be 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 then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change without a significant change in the asset allocation, a change in the inflation assumption or a fundamental change in the market that alters expected returns in future years.

The long-term expected rate of return on the OPEB plan investments is determined based on the allocation of assets by asset class and by the mean and variance of real returns.

The target asset allocation and best estimates of expected geometric real rates of return for each major asset class is summarized below:

	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed Income	30.00%	4.40%
U.S. Large Stocks	38.00%	8.00%
U.S. Mid Stocks	8.00%	10.00%
U.S. Small Stocks	4.00%	11.00%
International Developed Market Stocks	15.00%	9.50%
Cash	5.00%	1.50%
	<u>100.00%</u>	

* Geometric mean, includes 2.5% inflation

**WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

6. POSTEMPLOYMENT BENEFITS – CONTINUED

Discount Rate

The discount rate (also known as the Single Equivalent Interest Rate (SEIR), as described by GASB 74) used to measure the PEEHIP total OPEB liability at September 30, 2020, was 3.05%. The discount rate used to measure the total OPEB liability at the prior measurement date was 5.50%. Premiums paid to the Public Education Employees’ Health Insurance Board for active employees shall include an amount to partially fund the cost of coverage for retired employees. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made at the current contribution rates. Each year, the State specifies the monthly employer rate that participating school systems must contribute for each active employee. Approximately, 14.80% of the employer contributions were used to assist in funding retiree benefit payments in 2020, and it is assumed that the amount will increase at the same rate as expected benefit payments for the closed group until reaching an employer rate of 20.00%, at which point this amount will increase by 1.00% per year in subsequent years.

The discount rate determination will use a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid.

The rate used for this purpose is the monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. Therefore, the projected future benefit payments for all current plan members were projected through 2118. The long-term rate of return is used until the assets are expected to be depleted in 2040, after which the municipal bond rate is used.

Sensitivity of WBHM’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following table reflects WBHM’s proportionate share of the net OPEB liability of the Trust calculated using the current health care trend rate, as well as what the net OPEB liability would be if calculated using one percentage point lower or one percentage point higher than the current rate. A one percent decrease would change the current health care cost trend rate from 6.75% to 5.75%, the pre-Medicare from 4.75% to 3.75% and the Medicare eligible from 4.75% to 3.75%. A one percent increase would change the current health care cost trend rate from 6.75% to 7.75%, the pre-Medicare from 4.75% to 5.75% and the Medicare eligible from 4.75% to 5.75%.

	1% Decrease	Current Healthcare Trend Rate	1% Increase
WBHM's proportionate share of the collective net OPEB liability	\$ 636,251	\$ 723,362	\$ 1,024,351

**WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

6. POSTEMPLOYMENT BENEFITS – CONTINUED

Sensitivity of WBHM’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates – Continued

The following table presents the WBHM’s proportionate share of the net OPEB liability of the Trust calculated using the discount rate of 3.05%, as well as what the net OPEB liability would be if calculated using one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (2.05%)	Current Discount Rate (3.05%)	1% Increase (4.05%)
WBHM's proportionate share of the collective net OPEB liability	<u>\$ 987,213</u>	<u>\$ 723,362</u>	<u>\$ 660,047</u>

OPEB plan’s fiduciary net position is located in the Trust’s financial statements for the fiscal year ended September 30, 2020. The supporting actuarial information is included in the GASB Statement No. 74 Report for PEEHIP prepared as of September 30, 2020. Additional financial and actuarial information is available at www.rsa-al.gov.

UAB Plan

Plan Description

The UAB plan is considered a single-employer plan, which is administered by University of Alabama at Birmingham (UAB). The UAB Plan offers its members hospital benefits, major medical benefits, a prescription drug program and a basic term life insurance up to an established maximum policy limit. The health care benefits cover medical and hospitalization costs for retirees and their dependents. The portion of the UAB plan related to health care may be amended by the approval of the President of UAB upon recommendation from the Benefits Committee. The portion of the UAB plan related to the life insurance may be amended by the System.

Benefits Provided

WBHM employees can participate in the UAB plan as a retiree if the following conditions are met; retiree has 25 years of creditable service, regardless of age (Tier 1 only), or retiree has 10 years of service and is 60 years old (62 years old for Tier 2), or retiree has 10 years of service and is determined disabled the Social Security Administration or the Teachers’ Retirement System of Alabama’s Medical Board. These retired UAB employees may elect to continue to participate in the UAB plan until they are eligible for Medicare by paying the full cost of the plan premium. Retired employees age 65 or older who are eligible for Medicare must enroll in the Medicare Coordinated Plan under which Medicare is the primary insurer and UAB plan becomes the secondary insurer. Despite the availability of the UAB plan, most retirees elect to participate in the PEEHIP with TRS. The UAB Plan consists of hospital benefits, major medical benefits, a prescription drug program, and a basic term life insurance up to an established maximum policy limit.

**WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

6. POSTEMPLOYMENT BENEFITS – CONTINUED

UAB Plan – Continued

Benefits Provided – Continued

Employees included in the actuarial valuation include active employees, retirees and disabled employees enrolled in the medical plan, and retirees not enrolled in the medical plan with retiree life insurance. The following table summarizes the membership of the UAB Plan as of September 30, 2020, the Valuation Date.

Membership:

Inactive Employees or Beneficiaries Currently Receiving Benefits	-
Inactive Members Entitled to but not yet Receiving Benefits	-
Active Employees	12
Total Membership	12

Contributions

WBHM retired employees make contributions to the plan by making premium payments associated with their selected health plan option. Eligible disabled retirees are responsible for only the employee portion of those premiums, and WBHM is responsible for the employer portion. All other WBHM retirees are responsible for the full premium cost of the plan and in no case does the employer contribute to the plan.

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

At September 30, 2021 and 2020, WBHM reported a liability of \$4,212 and \$5,282, respectively, for the total OPEB liability (TOL). The TOL is based upon an actuarial valuation as of the valuation date, September 30, 2020. An expected TOL is determined as of September 30, 2019, the prior measurement date, using standard roll back techniques. The roll back calculation begins with the TOL, as of the Measurement Date, September 30, 2019, adds the expected benefit payments for the year, deducts interest at the Discount Rate for the year and then subtracts the annual Normal Cost (also called the Service Cost).

For the years ended September 30, 2021 and 2020, WBHM recognized OPEB benefit related to the UAB plan of \$1,368 and \$711, respectively, with no special funding situations. At September 30, 2021, WBHM reported deferred outflows of resources and deferred inflows of resources related to both plans from the following sources:

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

6. POSTEMPLOYMENT BENEFITS – CONTINUED

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
September 30, 2021		
Differences between expected and actual experience	\$ -	\$ 6,231
Changes of assumptions	90	5,013
Employer contributions subsequent to the measurement period	2,242	-
Total	\$ 2,332	\$ 11,244
	Deferred Outflows of Resources	Deferred Inflows of Resources
September 30, 2020		
Differences between expected and actual experience	\$ -	\$ 6,480
Changes of assumptions	-	5,210
Employer contributions subsequent to the measurement period	1,556	-
Total	\$ 1,556	\$ 11,690

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

Years ended September 30:	Decrease
2022	\$ (1,706)
2023	(1,706)
2024	(1,706)
2025	(1,706)
2026	(1,690)
Thereafter	(2,640)

**WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

6. POSTEMPLOYMENT BENEFITS – CONTINUED

Actuarial Assumptions

The total OPEB liability for the UAB plan was determined by an actuarial valuation as of September 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Real Wage Growth	0.25%
Projected Salary Increases ¹	3.25% - 5.00%
Wage Inflation	3.00%
Municipal Bond Index Rate at the Measurement Date	2.25%
Municipal Bond Index Rate at the Prior Measurement Date	2.66%
Health care Cost Trend Rate	
Pre-Medicare Eligible and Prescription Drug (decreasing to an ultimate rate of 4.75% by 2026)	6.75%

¹Includes 3.00% wage inflation.

Mortality rates for the period after service retirement for the UAB plan are according to the RP-2000 White Collar Mortality Table projected to 2020 using scale BB and adjusted 115% for all ages for males and 112% for ages 78 and over for females. The rates of disabled mortality were based on the RP-2000 Disabled Mortality Table projected to 2020 using scale BB and adjusted 105% for males and 120% for females.

The decremental assumptions used in the valuation were selected based on the actuarial experience study prepared as of September 30, 2015, and are reasonable expectations of anticipated experience under the Plan.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the September 30, 2019 UAB plan valuation were based on a review of recent plan experience done concurrently with the September 30, 2019 valuation.

The UAB plan does not hold any plan assets, and as such, there are no long-term expected rate of return or target allocation presented.

Discount Rate

The discount rate is defined by Paragraph 155 of GASB 75 to be a 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate (Municipal Bond Index Rate). The Municipal Bond Index Rate used for this purpose is the average of the Bond Buyer General Obligation 20-year Municipal Bond Index, the Fidelity General Obligation AA 20-year Municipal Bond Index and the S&P High Grad 20-year Municipal Bond Index. The rates as of **September 30, 2020** were 2.21%, 2.41% and 2.14% for the Bond Buyer, Fidelity and S&P Municipal Bond Indices, respectively. These three rates resulted in an average Municipal Bond Index Rate of 2.25%. This is a change from the Municipal Bond Index Rate of 2.66% as of the Prior Measurement Date, which used a single source from the Bond Buyer (www.bondbuyer.com).

6. POSTEMPLOYMENT BENEFITS – CONTINUED

WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

Sensitivity of WBHM’s Plan’s Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following table presents the total WBHM OPEB Liability of the UAB Plan, calculated using the current health care trend rate, as well as what the total WBHM OPEB Liability would be if calculated using one percentage point lower or one percentage point higher than the current rate. A one percent decrease would change the current health care cost trend rate from 6.75% to 5.75% and the pre-Medicare from 4.75% to 3.75%. A one percent increase would change the current health care cost trend rate from 6.75% to 7.75% and the pre-Medicare from 4.75% to 5.75%.

	<u>1% Decrease</u>	<u>Current Healthcare Trends</u>	<u>1% Increase</u>
WBHM's proportionate share of collective net pension liability	<u>\$ 5,658</u>	<u>\$ 4,212</u>	<u>\$ 5,994</u>

The following table presents the total WBHM OPEB Liability of the UAB Plan, calculated using the discount rate of 2.25%, as well as what the total WBHM OPEB liability would be if calculated using one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease (1.25%)</u>	<u>Current Discount Rate (2.25%)</u>	<u>1% Increase (3.25%)</u>
WBHM's proportionate share of collective net pension liability	<u>\$ 6,063</u>	<u>\$ 4,212</u>	<u>\$ 5,595</u>

**WBHM RADIO
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020**

6. POSTEMPLOYMENT BENEFITS – CONTINUED

Changes in the Total OPEB Liability

Since the UAB Plan does not meet the definition within paragraph 4 of GASB, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, WBHM is disclosing a schedule of changes in the total WBHM OPEB liability below:

Total OPEB Liability as of September 30, 2020	\$	5,282
Changes for the year:		
Service cost as end of year*		186
Interest on TOL and Cash Flows		170
Difference between expected and actual experience		(481)
Changes of assumptions or other inputs		94
Benefit payments		<u>(1,039)</u>
Net changes		<u>(1,070)</u>
Total OPEB Liability as of September 30, 2021	\$	<u>4,212</u>

*The service cost include interest for the year.

7. RELATED PARTY TRANSACTIONS

WBHM receives indirect support from UAB, which consists of allocated institutional administrative and physical plant costs incurred by UAB for which WBHM receives benefits. The cost of this support was \$92,464 and \$51,683 for the years ended September 30, 2021 and 2020, respectively. This cost is recognized in the statements of revenues, expenses and changes in net position as an expense in the management and general expense category and as transfers from UAB.

REQUIRED SUPPLEMENTARY INFORMATION

WBHM RADIO
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
(SEPTEMBER 30, 2020 AND 2019 MEASUREMENT DATES)

The following required supplementary information related to WBHM's participation in the Teachers' Retirement System of Alabama.

Schedule of WBHM's Proportionate Share of the Net Pension Liability – Teachers' Retirement Plan of Alabama (Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.01021%	0.01139%	0.01073%	0.01079%	0.01030%	0.01049%	0.01048%
Proportionate share of the net pension liability	\$ 1,262,691	\$ 1,079,327	\$ 1,001,665	\$ 995,141	\$ 1,107,715	\$ 1,075,372	\$ 952,257
Covered payroll during the measurement period	\$ 1,034,997	\$ 951,028	\$ 836,654	\$ 823,370	\$ 761,009	\$ 678,223	\$ 673,024
Proportionate share of the net pension liability as a percentage of covered-employee payroll	122.00%	113.49%	119.72%	120.86%	145.56%	158.56%	141.49%
Plan fiduciary net position as a percentage of the total pension liability	67.72%	69.85%	72.29%	71.50%	67.93%	67.51%	71.01%

WBHM RADIO
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
(SEPTEMBER 30, 2020 AND 2019 MEASUREMENT DATES)

Schedule of WBHM's Contributions – Teachers' Retirement Plan of Alabama (Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 130,271	\$ 120,533	\$ 107,387	\$ 93,575	\$ 91,823	\$ 86,501	\$ 76,204
Contributions in relation to the contractually required contribution	<u>130,271</u>	<u>120,533</u>	<u>107,387</u>	<u>93,575</u>	<u>91,823</u>	<u>86,501</u>	<u>76,204</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,172,894	\$ 1,034,997	\$ 951,028	\$ 836,654	\$ 823,370	\$ 761,009	\$ 678,223
Contributions as a percentage of covered payroll	11.11%	11.65%	11.29%	11.18%	11.15%	11.37%	11.24%

Notes to Schedules

Covered payroll: The payroll on which contributions to a pension plan are based.

Measurement period:

For the fiscal year 2021, the measurement period is October 1, 2019 – September 30, 2020.

For the fiscal year 2020, the measurement period is October 1, 2018 – September 30, 2019.

For the fiscal year 2019, the measurement period is October 1, 2017 – September 30, 2018.

For the fiscal year 2018, the measurement period is October 1, 2016 – September 30, 2017.

For the fiscal year 2017, the measurement period is October 1, 2015 – September 30, 2016.

For the fiscal year 2016, the measurement period is October 1, 2014 – September 30, 2015.

For the fiscal year 2015, the measurement period is October 1, 2013 – September 30, 2014.

The schedule of WBHM's proportionate share of the net pension liability and the schedule of WBHM's contributions are not available for years prior to 2015.

WBHM RADIO
SCHEDULES OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
AND EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
(SEPTEMBER 30, 2020 AND 2019 MEASUREMENT DATES)

The following is required supplementary information related to WBHM's participation in the Alabama Retired Education Employees' Health Care Trust (PEEHIP).

Schedule of WBHM's Proportionate Share of the Net OPEB Liability – Alabama Retired Education Employee's Health Care Trust (PEEHIP) (Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
WBHM's proportion of the net OPEB liability	0.01624%	0.00775%	0.00812%	0.00877%
WBHM's proportionate share of the net OPEB liability	\$ 723,362	\$ 232,170	\$ 667,354	\$ 651,270
WBHM's covered payroll during the measurement period	1,036,499	933,325	932,006	918,595
WBHM's covered payroll OPEB liability (asset) as a percentage of its covered-payroll	69.79%	24.88%	71.60%	70.90%
Plan fiduciary net position as a percentage of the total OPEB liability	19.80%	28.14%	14.81%	15.37%

Schedule of WBHM's Contributions – Alabama Retired Education Employee's Health Care Trust (PEEHIP) (Unaudited)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 21,576	\$ 22,903	\$ 20,201	\$ 19,936
Contributions in relation to the contractually required contribution	21,576	22,903	20,201	19,936
Contribution deficiency (excess)	-	-	-	-
WBHM's covered payroll	1,126,086	1,036,499	933,325	932,006
Contributions as a percentage of covered payroll	1.92%	2.21%	2.16%	2.14%

WBHM RADIO
SCHEDULES OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
AND EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
(SEPTEMBER 30, 2020 AND 2019 MEASUREMENT DATES)

Notes to Required Supplementary Information for the Year Ended September 30, 2021

Covered payroll: The payroll on which contributions to an OPEB plan are based.

Measurement period:

For the fiscal year 2021, the measurement period is October 1, 2019 – September 30, 2020.
 For the fiscal year 2020, the measurement period is October 1, 2018 – September 30, 2019.
 For the fiscal year 2019, the measurement period is October 1, 2017 – September 30, 2018.
 For the fiscal year 2018, the measurement period is October 1, 2016 – September 30, 2017.

The following required supplementary information related to WBHM's participation in the UAB Health Care Plan.

Total OPEB Liability (Unaudited)	2021	2020	2019	2018
Service cost as end of year*	\$ 186	\$ 187	\$ 170	\$ 6,301
Interest on TOL and Cash Flows	170	782	699	698
Changes in benefit terms	-	-	-	(6,786)
Difference between expected and actual experience	(481)	(6,805)	(796)	-
Changes of assumptions or other inputs	94	(5,139)	(776)	(972)
Benefit payments	(1,039)	(1,642)	(1,948)	(5,017)
Net changes	(1,070)	(12,617)	(2,651)	(5,776)
Total OPEB Liability Beginning	5,282	17,899	20,550	26,326
Total OPEB Liability Ending	\$ 4,212	\$ 5,282	\$ 17,899	\$ 20,550
Covered payroll during the measurement period	\$ 1,036,499	\$ 933,325	\$ 932,006	\$ 918,595
Total OPEB Liability as a percentage of covered payroll	0.41%	0.57%	1.92%	2.24%

* The service cost include interest for the year.

Notes to Schedule

WBHM RADIO
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
(SEPTEMBER 30, 2020 AND 2019 MEASUREMENT DATES)

Covered payroll: The payroll on which contributions to an OPEB plan are based.

Measurement period:

For the fiscal year 2021, the measurement period is October 1, 2019 – September 30, 2020.
For the fiscal year 2020, the measurement period is October 1, 2018 – September 30, 2019.
For the fiscal year 2019, the measurement period is October 1, 2017 – September 30, 2018.
For the fiscal year 2018, the measurement period is October 1, 2016 – September 30, 2017.