



91.7 FM Ann Arbor/Detroit

104.1 FM West Michigan

91.1 FM Flint

Your **NPR** News Station 

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
with
REPORT OF INDEPENDENT AUDITORS**

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

June 30, 2023

Page(s)

Report of Independent Auditors.....	1-3
Management's Discussion and Analysis (Unaudited)	4-13
Financial Statements:	
Statement of Net Position	14
Statement of Revenues, Expenses and Changes in Net Position	15
Statement of Cash Flows	16-17
Notes to Financial Statements.....	18-28
Supplementary Information:	
Report of Independent Auditors on Supplementary Information	29
Schedule of Functional Expenses	30



Report of Independent Auditors

To the Regents of the University of Michigan

Opinion

We have audited the accompanying financial statements of WUOM/WVGR/WFUM-FM ("Michigan Radio"), which, as discussed in Note 1, consists of certain departments of the University of Michigan, which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses, and changes in net position and of cash flows for the year then ended, including the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Michigan Radio, which consists of certain departments of the University of Michigan, as of June 30, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 Michigan Radio and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note 1, the financial statements of Michigan Radio present only the net position, revenues, expenses and changes in net position, and cash flows of that portion of the financial reporting entity of the University of Michigan that is attributable to the transactions of Michigan Radio. They do not purport to, and do not, present fairly the financial position of the University of Michigan as of June 30, 2023, and the changes in its financial position or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, 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 Michigan Radio's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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



Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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.

PricewaterhouseCoopers LLP

December 20, 2023

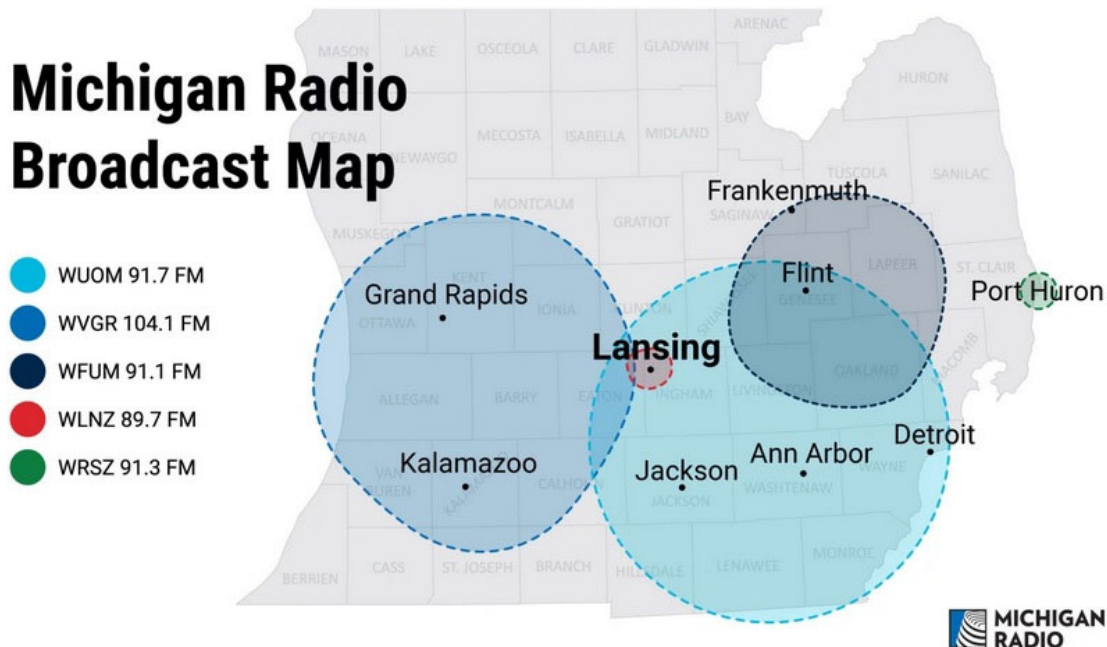
WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Management's Discussion and Analysis (Unaudited)

Introduction

The following discussion and analysis provides an overview of the financial position of WUOM/WVGR/WFUM ("Michigan Radio") at June 30, 2023, and its activities for the fiscal year ended June 30, 2023. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Michigan Radio is a network of public radio stations licensed by the Federal Communications Commission and operates under the control of the Regents of the University of Michigan (the "University"). Michigan Radio is a National Public Radio ("NPR") affiliate simulcasting news and information programming via five FM signals: 91.7 WUOM Ann Arbor/Detroit, 104.1 WVGR Grand Rapids, 91.1 WFUM Flint, 91.3 WRSX Port Huron and 89.7 WLNZ Lansing. Collectively, the signals span over 30 counties in the southern half of lower Michigan and are accessible by approximately 80 percent of the state's population. According to Spring 2023 research by Nielsen Audio National Regional Database (Persons 12+, Mon-Sun 6am-6am), over 825,000 people tune in to Michigan Radio's broadcasts each month.



Michigan Radio also distributes content via its news website MichiganRadio.org through live streaming, multimedia content and digital-first articles. Over the past year, the news website has garnered approximately 223,000 users and over 502,000 page views per month. Michigan

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Management's Discussion and Analysis (Unaudited)—Continued

Radio's digital online stream has an average of over 846,000 listeners per month streaming on their computer, smartphone, smart speaker or via the Michigan Radio app. In addition, Michigan Radio's content is shared widely on social media platforms, with over 125,000 combined fans/followers on Facebook, Twitter, Instagram, TikTok and YouTube.

Michigan Radio provides Michigan residents with a distinctive combination of national and local programming 24 hours a day, seven days per week. Michigan Radio carries popular national programs such as *Morning Edition* and *All Things Considered* from NPR, *BBC News Hour* from the British Broadcasting Corporation and *Marketplace* from American Public Media. Michigan Radio also produces its own daily, hour-long newsmagazine program, *Stateside*, which is in its eleventh year covering Michigan news, policy issues and culture.

Michigan Radio generates award-winning local news coverage from its studios in Ann Arbor and news bureaus in Dearborn/Detroit, Grand Rapids, Lansing and Flint. Michigan Radio's journalists provide daily coverage of civically important issues in addition to breaking news and lifestyle stories.

Financial Highlights

Michigan Radio's financial position remains strong, with assets and deferred outflows of \$17.8 million and liabilities and deferred inflows of \$6.6 million at June 30, 2023. Net position, which represents the residual interest in Michigan Radio's assets and deferred outflows after liabilities and deferred inflows are deducted, totaled \$11.2 million at June 30, 2023. Changes in net position represent Michigan Radio's results of operations and are summarized for the years ended June 30 as follows:

	2023	2022
	(in thousands)	
Operating revenues	\$ 3,047	\$ 3,119
Operating expenses	9,959	9,959
Operating loss	(6,912)	(6,840)
Private gifts for operating purposes	6,092	6,127
Other revenues, net	705	1,381
(Decrease) increase in net position	\$ (115)	\$ 668

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Management’s Discussion and Analysis (Unaudited)—Continued

Using the Financial Statements

Michigan Radio’s financial 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 Governmental Accounting Standards Board (“GASB”) principles.

Statement of Net Position

The statement of net position presents the financial position of Michigan Radio at the end of the fiscal year and includes all assets, deferred outflows, liabilities and deferred inflows of Michigan Radio. The difference between total assets and deferred outflows as compared to total liabilities and deferred inflows – net position – is one indicator of the current financial condition of Michigan Radio, while the change in net position is an indication of whether the overall financial condition has improved or worsened during the year. Michigan Radio’s assets, deferred outflows, liabilities, deferred inflows and net position at June 30 are summarized as follows:

	2023	2022
	(in thousands)	
Current assets	\$ 8,790	\$ 8,646
Noncurrent assets	8,270	8,384
Total assets	17,060	17,030
Deferred outflows	746	869
Current liabilities:		
Accrued compensation	398	465
Unearned revenue	469	193
Other current liabilities	114	160
Total current liabilities	981	818
Noncurrent Liabilities:		
Leases payable	154	171
Obligations for postemployment benefits	3,604	4,132
Total noncurrent liabilities	3,758	4,303
Total liabilities	4,739	5,121
Deferred inflows	1,879	1,475
Net position	\$ 11,188	\$ 11,303

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Management's Discussion and Analysis (Unaudited)—Continued

Current assets consist primarily of cash equivalents on deposit with the University, which totaled \$8.3 million at June 30, 2023. Noncurrent assets consist primarily of endowment investments on deposit with the University and capital assets, net of accumulated depreciation, which totaled \$6.7 million and \$921,000 at June 30, 2023, respectively.

Deferred outflows represent the consumption of net assets attributable to a future period and are primarily driven by activity associated with the portion of the University's obligations for postemployment benefits allocated to Michigan Radio. Deferred outflows totaled \$746,000 at June 30, 2023.

Current liabilities consist primarily of accrued compensation and unearned revenue. Noncurrent liabilities consist primarily of the portion of the University's obligations for postemployment benefits allocated to Michigan Radio.

Deferred inflows represent the acquisition of net assets attributable to a future period and are related to activity associated with the portion of the University's obligations for postemployment benefits allocated to Michigan Radio, lessor arrangements and split-interest agreements. Deferred inflows totaled \$1.9 million at June 30, 2023.

Net position represents the residual interest in Michigan Radio's assets and deferred outflows after liabilities and deferred inflows are deducted. The composition of Michigan Radio's net position at June 30 is summarized as follows:

	2023	2022
	(in thousands)	
Net investment in capital assets	\$ 765	\$ 762
Restricted:		
Nonexpendable	863	856
Expendable	650	336
Unrestricted	8,910	9,349
	<u>\$ 11,188</u>	<u>\$ 11,303</u>

Net investment in capital assets represents Michigan Radio's capital assets net of accumulated depreciation and lease liabilities.

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Management's Discussion and Analysis (Unaudited)—Continued

Restricted nonexpendable net position represents the corpus portion (historical value) of gifts to Michigan Radio's permanent endowment funds. Restricted expendable net position is subject to externally imposed stipulations governing its use and includes net appreciation of permanent endowments.

Although unrestricted net position is not subject to externally imposed donor stipulations, Michigan Radio's unrestricted net position has been designated by management for various programs and initiatives, as well as capital projects.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents Michigan Radio's results of operations. In accordance with GASB reporting principles, revenues and expenses are classified as either operating or nonoperating. Michigan Radio's revenues, expenses and changes in net position for the years ended June 30 are summarized as follows:

	2023	2022
	(in thousands)	
Operating revenues	\$ 3,047	\$ 3,119
Operating expenses	9,959	9,959
Operating loss	(6,912)	(6,840)
Nonoperating and other revenues:		
Private gifts for other than capital and endowment purposes	6,092	6,127
Indirect administrative support	515	466
Net investment income	179	717
Endowment gifts	7	198
Other	4	
Nonoperating and other revenues	6,797	7,508
(Decrease) increase in net position	(115)	668
Net position, beginning of year	11,303	10,635
Net position, end of year	\$ 11,188	\$ 11,303

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Management’s Discussion and Analysis (Unaudited)—Continued

Michigan Radio’s operating revenues for the years ended June 30 are as follows:

	2023	2022
	(in thousands)	
Underwriting	\$ 1,996	\$ 2,082
Corporation for Public Broadcasting grants	484	472
Nongovernmental sponsored programs	223	197
Trade	112	110
Other	232	258
	\$ 3,047	\$ 3,119

Total operating revenues decreased 2 percent, or \$72,000, to \$3.0 million in 2023, primarily due to decreased underwriting activity. In 2023, underwriting revenue decreased by 4 percent, or \$86,000. The decrease is due to changes in purchasing decisions related to marketing campaigns. Corporation for Public Broadcasting (“CPB”) grants increased 3 percent, or \$12,000, due to an increase in funding resulting from an increase in overall revenues year over year. Nongovernmental sponsored programs increased 13 percent, or \$26,000, due to an increase in sponsored research grants. Other operating revenue consists of tower and studio rental fees, premium sales, revenue from department activity, special events revenue, and digital media sales.

Michigan Radio’s most significant revenue stream continues to be private gifts for operating purposes, which decreased 1 percent, or \$35,000, to \$6.1 million in 2023. The decrease aligns with Michigan Radio’s listening area’s economic climate and the industry trend of declining membership nationwide. Net investment income totaled \$179,000 in 2023, which includes unrealized losses on investments, University Investment Pool distributions, and endowment gain distributions.

Indirect administrative support represents an allocation of costs from certain central University units that provide services to Michigan Radio and is reflected as both nonoperating revenue and indirect operating expense.

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Management's Discussion and Analysis (Unaudited)—Continued

Michigan Radio's operating expenses for the years ended June 30 are summarized as follows:

	2023	2022
	(in thousands)	
Direct:		
Programming and production	\$ 5,629	\$ 5,285
Engineering	662	639
Development	2,174	2,462
Management and general	979	1,107
	9,444	9,493
Indirect:		
Programming and production	307	259
Engineering	36	31
Development	119	121
Management and general	53	55
	515	466
Total operating expenses	\$ 9,959	\$ 9,959

Total operating expenses remained constant at \$10.0 million in 2023. Indirect administrative support fluctuates each year and is determined based on a percentage of overall University expenses. This allocation is reflected as both indirect operating expense and nonoperating revenue and, therefore, has no impact on the change in net position.

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Management's Discussion and Analysis (Unaudited)—Continued

Statement of Cash Flows

The statement of cash flows provides additional information about Michigan Radio's financial results by reporting the major sources and uses of cash. Michigan Radio's cash flows for the years ended June 30 are summarized as follows:

	2023	2022
	(in thousands)	
Cash received from operations	\$ 3,211	\$ 2,973
Cash expended for operations	(9,229)	(8,936)
Net cash used in operating activities	(6,018)	(5,963)
Net cash provided by noncapital financing activities	6,102	6,323
Net cash used in capital and related financing activities	(65)	(276)
Net cash provided by investing activities	42	21
Net increase in cash equivalents	61	105
Cash equivalents, beginning of year	8,225	8,120
Cash equivalents, end of year	<u>\$ 8,286</u>	<u>\$ 8,225</u>

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Management's Discussion and Analysis (Unaudited)—Continued

Economic Factors That May Affect the Future

To meet future challenges, Michigan Radio must consider many influences outside its control. The health of the national, state, and local economies, for example, can have a significant impact on funding available for public radio from a broad range of sources, including individual giving, corporate sponsors, and the CPB.

Membership revenue, Michigan Radio's most significant source of revenue, is a critical dependency. Recent trends are emerging in public media fundraising at large, pointing to challenges in maintaining the longstanding performance expectations for on-air fund drives and the concept of individual membership with a public media station. In addition, the ability to command and deliver reliable predictions of individual giving revenue is being impacted, with results diluted by changes in media consumption usage and habits, economic headwinds, and a new competitive landscape for raising funds to support journalism.

Supporting a public radio organization through membership finds less appeal in demographics under the age of 40 and among millennials as they emerge with their economic standing in the country. Simultaneously, the demographic divide regarding support for philanthropy is apparent in all non-profit sectors, including higher education and public radio. While Michigan Radio assesses its membership revenue goals and adaptive revenue-generating approaches from year to year, it is also transitioning from conventional giving methods to emerging digital landscape trends. Younger demographics listen online and often prefer to listen to podcasts on their schedules. This demographic likes to give to individual programs specifically rather than a public radio station entity. Many millennials are becoming more likely to consume public radio content through an audio stream, either in earbuds or through the rapid adoption of smart speakers. The challenge of converting their digital content consumption of news and information to a contribution-supported model is an industry issue.

Michigan Radio has to navigate the path of building awareness and adoption with younger listeners with different and distinct consumption preferences and whose usage patterns contrast with the longer-established listeners who still find conventional giving methods acceptable and comfortable. Recently, the NPR Network began to forge relationships with digital users of its website and app content. The NPR Network donation option will allow NPR digital audiences to support the shared mission with its member stations by choosing to donate either to their station or to the NPR Network. It is designed to convert digital-first users who do not yet have a relationship with a local station and may not otherwise make a gift. While this plan may present an opportunity for the donor to support a local station, such as Michigan Radio, the realistic and trend-driven concern at the station level is that donor relationships will be established directly with NPR. How this practice may benefit the local member station is still an untested concept.

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Management's Discussion and Analysis (Unaudited)—Continued

To address these challenges, Michigan Radio has embarked on an audience development initiative designed to increase awareness and build an audience among diverse listeners under the age of 50. This includes working to refocus more of our marketing and community engagement efforts on the largest non-white racial groups in the two biggest markets in our listening area: Detroit and Grand Rapids. This will be a long term effort, but we feel it is critical to the station's long term success.

The Community Service Grant from the CPB is a significant funding source for Michigan Radio. Federal funding enables local public radio stations to maintain their roles as local service providers of vital information and public service. Advanced funding for public broadcasting protects local station autonomy, encourages independence in programming decisions, and affords stations a critical measure of certainty in their business planning. Despite implementing an adjustment in the grant's formula and criteria, which has caused the CPB to favor stations smaller than Michigan Radio, our recent revenue filing from all total station revenue has allowed our allocation to grow year over year.

The strength of Michigan Radio's programming is supported primarily by membership fundraising campaigns and corporate underwriting sponsorship. The continued growth in membership acquisition, particularly with sustainers, and the development of audience listenership and digital content consumers are essential foundations to build on as Michigan Radio looks to provide the revenue needed to support its operating and capital programs.

In keeping with its strategic plan, Michigan Radio has successfully diversified revenue streams and managed costs to meet the challenges of the current economic environment. Michigan Radio's efforts with secondary revenue streams have generated encouraging results. Our established vehicle/property donation program continues to be a strong source of revenue. Although volatility in the new and used car markets resulted in a 20percent decline in vehicle donation revenue in 2023, the station has started to see significant new revenue from property donations. Another revenue-generating program, domestic and international donor travel, returned in 2023 with three separate destination trips for listeners and plans for six trips in 2024. The return and welcomed reception by supporters of these trips invite us to consider a more active and robust schedule of trips to meet the demand of these Michigan Radio-branded travel destinations hosted by station personalities and key management team members. In addition, Michigan Radio is focusing its resources on donor cultivation for major gifts, endowment programs, and planned giving. We are upgrading the caliber and level of personnel dedicated to major donor stewardship, focusing on defined needs and projects that will expand our journalism-focused news organization's resources and capability. This pivot to more significant gifts and active engagement with identified donors of capacity will provide an effort-based success path to future viability in the individual giving space. While it is not possible to predict the ultimate results, management believes that Michigan Radio's financial condition will remain strong.

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Statement of Net Position

	<u>June 30, 2023</u>
Assets	
Current Assets:	
Cash equivalents on deposit with the University	\$ 8,286,218
Accounts receivable, net	178,263
Current portion of leases receivable	189,695
Prepaid expenses and other	122,977
Premium inventory	13,036
Total Current Assets	<u>8,790,189</u>
Noncurrent Assets:	
Endowment investments on deposit with the University	6,730,169
Leases receivable	376,246
Other	242,261
Capital assets, net	921,246
Total Noncurrent Assets	<u>8,269,922</u>
Total Assets	<u>17,060,111</u>
Deferred Outflows	<u>746,000</u>
Liabilities	
Current Liabilities:	
Accounts payable	36,907
Accrued compensation	398,345
Unearned revenue	469,144
Current portion of obligations for postemployment benefits	77,000
Total Current Liabilities	<u>981,396</u>
Noncurrent Liabilities:	
Leases payable	153,723
Obligations for postemployment benefits	3,604,000
Total Noncurrent Liabilities	<u>3,757,723</u>
Total Liabilities	<u>4,739,119</u>
Deferred Inflows	<u>1,878,690</u>
Net Position	
Net investment in capital assets	765,186
Restricted:	
Nonexpendable	863,255
Expendable	649,833
Unrestricted	8,910,028
Total Net Position	<u>\$ 11,188,302</u>

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

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Statement of Revenues, Expenses and Changes in Net Position

	Year Ended June 30, 2023
Operating Revenues	
Underwriting	\$ 1,995,710
Corporation for Public Broadcasting grants	483,733
Nongovernmental sponsored programs	223,283
Trade	111,960
Rental income	147,260
Premium sales	36,398
Other	49,126
Total Operating Revenues	3,047,470
Operating Expenses	
Program Services:	
Programming and production	5,936,237
Engineering	697,721
Total Program Services	6,633,958
Supporting Services:	
Development	2,292,480
Management and general	1,032,480
Total Supporting Services	3,324,960
Total Operating Expenses	9,958,918
Operating Loss	(6,911,448)
Nonoperating Revenues	
Private gifts for other than capital and endowment purposes	6,091,520
Indirect administrative support from the University	515,178
Net investment income	179,106
Total Nonoperating Revenues	6,785,804
Loss Before Other Revenues	(125,644)
Other Revenues (Expenses)	
Private gifts for permanent endowment purposes	7,450
Other	3,650
Total Other Revenues, Net	11,100
Decrease in Net Position	(114,544)
Net Position, Beginning of Year	11,302,846
Net Position, End of Year	\$ 11,188,302

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

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Statement of Cash Flows

	Year Ended June 30, 2023
Cash Flows from Operating Activities	
Underwriting	\$ 2,024,911
Corporation for Public Broadcasting grants	483,733
Nongovernmental sponsored programs	478,615
Rental income	138,579
Premium sales	36,398
Other receipts	49,126
Payments for salaries and benefits	(5,876,063)
Payments for program rights	(1,700,257)
Payments for operating and administrative expenses	(1,653,382)
Net Cash Used in Operating Activities	(6,018,340)
Cash Flows from Noncapital Financing Activities	
Private gifts	6,102,145
Net Cash Provided by Noncapital Financing Activities	6,102,145
Cash Flows from Capital and Related Financing Activities	
Purchases of capital assets and other	1,840
Principal and interest payments on lease liabilities	(67,109)
Net Cash Used in Capital and Related Financing Activities	(65,269)
Cash Flows from Investing Activities	
Investment income	403,381
Purchases of investments	(361,016)
Net Cash Provided by Investing Activities	42,365
Net Increase in Cash Equivalents	60,901
Cash Equivalents on Deposit with the University, Beginning of Year	8,225,317
Cash Equivalents on Deposit with the University, End of Year	\$ 8,286,218

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

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Statement of Cash Flows—Continued

	<u>Year Ended June 30, 2023</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating loss	\$ (6,911,448)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Indirect administrative support	515,178
Depreciation expense	84,931
Changes in assets and liabilities:	
Accounts receivable, net	8,564
Leases receivable	132,507
Prepaid expenses	(54,055)
Premium inventory	17,035
Accounts payable and other	(11,741)
Accrued compensation	(67,092)
Unearned revenue	275,969
Obligations for postemployment benefits	(522,000)
Changes in deferred outflows	123,000
Changes in deferred inflows	390,812
Net Cash Used in Operating Activities	<u>\$ (6,018,340)</u>

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

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Notes to Financial Statements

June 30, 2023

Note 1—Organization and Summary of Significant Accounting Policies

Organization and Basis of Presentation: WUOM/WVGR/WFUM (“Michigan Radio”) is a public telecommunications entity licensed by the Federal Communications Commission and operates under the control of the Regents of the University of Michigan (the “University”) through its Michigan Public Media unit. Collectively known as Michigan Radio, this network of three public radio stations includes WUOM Ann Arbor (91.7 FM, 93 KW), WVGR Grand Rapids (104.1 FM, 96 KW) and WFUM Flint (91.1 FM, 17.5 KW). Michigan Radio broadcasts national and local news and information programming 24 hours a day to most of the southern two-thirds of the state of Michigan’s lower peninsula, from its studios in Ann Arbor and news bureaus in Dearborn/Detroit, Grand Rapids, Lansing and Flint.

The assets, deferred outflows, liabilities, deferred inflows, revenues, expenses and changes in net position of Michigan Radio are included in the consolidated financial statements of the University. As part of the University, Michigan Radio is exempt from income taxes under Internal Revenue Code Sections 501(c)(3) and 115.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (“GASB”). Michigan Radio reports as a special purpose government entity engaged primarily in business type activities, as defined by GASB, on the accrual basis. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Notes to Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Net position is categorized as:

- Net investment in capital assets: Capital assets, net of accumulated depreciation and lease liabilities.
- Restricted:
 - Nonexpendable – Net position subject to externally imposed stipulations that it be maintained permanently. Such net position includes the corpus portion (historical value) of gifts to Michigan Radio’s permanent endowment funds and certain investment earnings stipulated by the donor to be reinvested permanently.
 - Expendable – Net position subject to externally imposed stipulations that can be fulfilled by actions of Michigan Radio pursuant to those stipulations or that expire by the passage of time. Such net position includes net appreciation of Michigan Radio’s permanent endowment funds that have not been stipulated by the donor to be reinvested permanently.
- Unrestricted: Net position not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Regents.

Summary of Significant Accounting Policies: Michigan Radio considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents represent investments in the University Investment Pool (“UIP”), a short-term commingled pool managed by the University that can be readily liquidated to pay contractual liabilities.

Accounts receivable are recorded net of an allowance for uncollectible accounts receivable. The allowance is maintained at a level to absorb losses inherent in accounts receivables. Management determines the adequacy of the allowance by estimating uncollectability based on recent loss experience. Actual losses may vary from those projected amounts.

Prepaid expenses consist primarily of costs incurred for programs not yet broadcast and relate to program rights acquired by Michigan Radio that will be broadcast subsequent to June 30, as well as membership/association dues for subsequent months after June 30.

Premium inventory consists of promotional items held for distribution to the general public in exchange for membership contributions. Inventory is stated at the lower of cost or market on a first-in-first-out basis.

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Notes to Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Endowment investments on deposit with the University represent investments in the University Endowment Fund (“UEF”), a commingled pool which is invested entirely in the Long-Term Portfolio, a diversified, equity-oriented investment pool managed by the University. The fair market value of UEF shares is determined at the end of each calendar quarter based on the fair value of the pool. Participants may purchase or redeem UEF shares at fair market value at each valuation date, subject to minimum holding and notice requirements.

Other assets consist of items donated to Michigan Radio including the cash surrender value of a life insurance policy and beneficial interests associated with split-interest agreements.

Capital assets are recorded at cost or, if donated, at acquisition value at the date of donation. Depreciation of capital assets is provided on a straight-line method over the estimated useful lives of the respective assets, which generally range from three to forty years. Leasehold improvements are depreciated over the shorter of their estimated useful lives or the related lease term. Right-to-use assets are recorded at the present value of payments expected to be made during the related term using discount rates which are based upon the University’s incremental borrowing rates, and are depreciated over the shorter of the related term or the expected useful life of the underlying asset.

Deferred outflows represent the consumption of net assets attributable to a future period and are associated with obligations for postemployment benefits.

Accrued compensation consists of amounts earned for services performed that will be paid in the future and accumulated staff vacation days that will be taken after June 30.

Unearned revenue consists primarily of cash received from grant and underwriting sponsors which has not yet been earned under the terms of the agreement.

Deferred inflows represent the acquisition of net assets attributable to a future period and are associated with obligations for postemployment benefits, lessor arrangements and split-interest agreements.

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Notes to Financial Statements—Continued

Note 1—Organization and Summary of Significant Accounting Policies—Continued

Underwriting revenue is received from corporate sponsors, non-profit organizations, university departments and units for on-air credit announcements, web streaming introductions and web tile squares placed on MichiganRadio.org. Michigan Radio recognizes underwriting revenue as credits are aired, deferring any revenue related to unaired credits.

Community service and other grants are received from the Corporation for Public Broadcasting, a private, non-profit corporation that provides funding for public radio and television programming.

Trade revenue results from in-kind barter-type agreements with outside organizations which provide goods and services in exchange for on-air credit announcements. Trade revenue and related expenses approximate the fair value of the transactions.

Rental income primarily results from rent received from leasing access to two of Michigan Radio's towers as well as from studio rental.

Indirect administrative support from the University consists of allocated finance, human resources, development, technology, sponsored programs and other administrative costs. This support is reflected as nonoperating revenue and operating expense as incurred in the accompanying statement of revenues, expenses and changes in net position.

The costs of providing various 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 the program and supporting activities using the objective basis, percentage of expenses.

Michigan Radio's policy for defining operating activities as reported on the statement of revenues, expenses and changes in net position are those that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB, including private gifts, indirect administrative support from the University and investment income.

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.

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Notes to Financial Statements—Continued

Note 2—Cash Equivalents and Investments

The University maintains centralized management for substantially all cash and investments of Michigan Radio. Cash reserves and relatively short duration assets are invested in the UIP, while longer term assets held in the UEF are invested in the University's Long-Term Portfolio. The UIP is principally invested in investment-grade money market securities, U.S. government and other fixed income securities and absolute return strategies. The longer investment horizon of the University's Long-Term Portfolio allows for an equity-oriented strategy to achieve higher expected returns over time, and permits the use of less liquid alternative investments, providing for equity diversification beyond the stock markets.

The UEF consists of both permanent endowments and funds functioning as endowment. Permanent endowments are those funds received from donors with the stipulation that the principal remain intact and be invested in perpetuity to produce income that is to be expended for the purposes specified by the donors. Funds functioning as endowment consist of amounts (restricted gifts or unrestricted funds) that have been allocated by Michigan Radio for long-term investment purposes, but are not limited by donor stipulations requiring Michigan Radio to preserve principal in perpetuity.

The University's investment policies are governed and authorized by University Bylaws and the Board of Regents. The approved asset allocation policy for the Long-Term Portfolio, in which the UEF invests, sets general targets for both equities and fixed income securities. Since diversification is a fundamental risk management strategy, the Long-Term Portfolio is broadly diversified within these general categories. At June 30, 2023, the Long-Term Portfolio consisted of cash equivalents (3 percent), fixed income securities (5 percent), U.S. and non-U.S. equities (4 percent), commingled funds (14 percent), and nonmarketable alternative investments (74 percent).

Commingled (pooled) funds held in the Long-Term Portfolio include Securities and Exchange Commission regulated mutual funds and externally managed funds, limited partnerships and corporate structures which are generally unrated and unregulated. Commingled funds have liquidity (redemption) provisions, which enable the University to make full or partial withdrawals with notice, subject to restrictions on timing and amount. Commingled funds are primarily invested in non-U.S./global equities and absolute return strategies, but also include exposure to domestic fixed income and equity securities. Certain commingled funds may use derivatives, short positions and leverage as part of their investment strategy; however, these investments are structured to limit the University's risk exposure to the amount of invested capital.

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Notes to Financial Statements—Continued

Note 2—Cash Equivalents and Investments—Continued

Nonmarketable alternative investments held in the Long-Term Portfolio consist of limited partnerships and similar vehicles involving an advance commitment of capital called by the general partner as needed and distributions of capital and return on invested capital as underlying strategies are concluded during the life of the partnership. These limited partnerships include venture capital, private equity, real estate, natural resources and absolute return strategies. There is not an active secondary market for these alternative investments, which are generally unrated and unregulated, and the liquidity of these investments is dependent on actions taken by the general partner.

The Long-Term Portfolio holds investments denominated in foreign currencies and forward foreign exchange contracts used to manage the risk related to fluctuations in currency exchange rates between the time of purchase or sale and the actual settlement of foreign securities. Various investment managers acting for the University also use forward foreign exchange contracts in risk-based transactions to carry out their portfolio strategies. Foreign exchange risk is the risk that investments denominated in foreign currencies may lose value due to adverse fluctuations in the value of the U.S. dollar relative to foreign currencies. The Long-Term Portfolio's non-U.S. dollar exposure amounted to 7 percent of the portfolio at June 30, 2023.

The University's investment strategy incorporates certain financial instruments that involve, to varying degrees, elements of market risk and credit risk in excess of amounts recorded in the financial statements. Market risk is the potential for changes in the value of financial instruments due to market changes, including interest and foreign exchange rate movements and fluctuations embodied in forwards, futures and commodity or security prices. Market risk is directly impacted by the volatility and liquidity of the markets in which the underlying assets are traded. Credit risk is the possibility that a loss may occur due to the failure of a counterparty to perform according to the terms of the contract. The University's risk of loss in the event of a counterparty default is typically limited to the amounts recognized in the statement of net position and is not represented by the contract or notional amounts of the instruments.

Michigan Radio receives quarterly distributions from the UEF based on the University's endowment spending rule. The annual distribution rate is 4.5 percent of the one-quarter lagged seven year moving average fair value of fund shares. To protect endowment principal in the event of a prolonged market downturn, distributions are limited to 5.3 percent of the current fair value of fund shares. Monthly distributions are also made from the UIP to Michigan Radio based on the 90-day U.S. Treasury Bill rate, up to a maximum value of 2.5 percent. The University's costs to administer and grow the UEF and UIP are funded by investment returns.

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Notes to Financial Statements—Continued

Note 2—Cash Equivalents and Investments—Continued

Withdrawals may be made from the UIP on a daily basis. Withdrawals from the UEF are processed at the beginning of each quarter, based upon University policy, generally after a five-year investment period. Minimum advance notice to the University is based upon the amount of the withdrawal and is summarized as follows:

Withdrawal Amount	Minimum Advance Notice
Up to \$10 million	90 days
\$10 to \$50 million	180 days
\$50 to \$100 million	1 year
Greater than \$100 million	2 years

GASB defines fair value and establishes a framework for measuring fair value that includes a three-tiered hierarchy of valuation inputs, placing a priority on those which are observable in the marketplace. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. The three levels of inputs, of which the first two are considered observable and the last unobservable, are as follows:

- Level 1 – Quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date
- Level 2 – Other significant observable inputs, either direct or indirect, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable; or market corroborated inputs
- Level 3 – Unobservable inputs

A significant portion of the underlying investments of the University's commingled pools include nonmarketable alternative investments and certain commingled funds described earlier in this note that are priced by managers using net asset value. The proprietary valuation techniques and unobservable pricing assumptions used by these managers to estimate fair value may have a significant impact on the resulting fair value determination of these investments. However, Michigan Radio uses Level 2 inputs to measure the fair value of its investments in the University's commingled pools described in Note 1 and within this note, since shares may be purchased or sold subject to holding and notice requirements at the fair market values determined by the University.

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Notes to Financial Statements—Continued

Note 3—Accounts Receivable

The composition of accounts receivable at June 30, 2023 is summarized as follows:

Underwriting	\$ 179,712
Less allowance for uncollectible accounts receivable	1,449
	<u>\$ 178,263</u>

Note 4—Capital Assets

Capital assets activity for the year ended June 30, 2023 is summarized as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Land	\$ 290,238			\$ 290,238
Transmitter, tower and equipment	2,187,198	\$ 5,080		2,192,278
Leasehold improvements	1,665,493			1,665,493
Right-to-use assets	775,510	6,737	\$ 553,904	228,343
	4,918,439	11,817	553,904	4,376,352
Less accumulated depreciation	3,924,079	84,931	553,904	3,455,106
	<u>\$ 994,360</u>	<u>\$ (73,114)</u>	<u>\$ -</u>	<u>\$ 921,246</u>

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Notes to Financial Statements—Continued

Note 5—Postemployment Benefits

Michigan Radio participates in the University's postemployment benefits plan which provides retiree health and welfare benefits; primarily medical, prescription drug, dental and life insurance coverage, to eligible retirees and their eligible dependents. Substantially all of Michigan Radio's regular employees may become eligible for these benefits if they reach retirement age while working for Michigan Radio. For employees retiring on or after January 1, 1987, contributions toward health and welfare benefits are shared between Michigan Radio and the retiree and can vary based on date of hire, date of retirement, age and coverage elections.

The University also provides income replacement benefits, retirement savings contributions, and health and life insurance benefits to substantially all regular Michigan Radio employees who are enrolled in a University sponsored long-term disability plan and qualify, based on disability status while working for Michigan Radio, to receive basic or expanded long-term disability benefits. Contributions toward the expanded long-term disability plan are shared between Michigan Radio and employees and vary based on years of service, annual base salary and coverage elections. Contributions toward the basic long-term disability plan are paid entirely by Michigan Radio.

These postemployment benefits are provided through single-employer plans administered by the University. The Executive Vice Presidents of the University have the authority to establish and amend benefit provisions of the plans.

Actuarial projections of postemployment benefits are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided and announced future changes at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point.

The University's reported liability for postemployment benefits obligations was calculated using the entry age normal level percent of pay method. Michigan Radio's annual postemployment benefits expense and liability represents an allocation of Michigan Radio's relative share of the University's expense and liability, based on the method in which the retiree benefits are funded. The funding method is based upon a percentage of salary dollars of active employees that qualify for retiree benefits.

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Notes to Financial Statements—Continued

Note 5—Postemployment Benefits—Continued

Changes in the reported total liability for Michigan Radio’s postemployment benefits obligations for the year ended June 30, 2023 are summarized as follows:

Balance, beginning of year	\$ 4,203,000
Net benefits expense	138,000
Decrease in deferred outflows	(128,000)
Increase in deferred inflows	(532,000)
Balance, end of year	<u>3,681,000</u>
Less current portion	<u>77,000</u>
	<u>\$ 3,604,000</u>

At June 30, 2023, deferred outflows reported in the statement of net position included benefit payments made after the measurement date of \$58,000. Michigan Radio has no obligation to make contributions in advance of when insurance premiums or claims are due for payment and currently pays for postemployment benefits on a pay-as-you-go basis. Michigan Radio’s reported postemployment benefits obligations at June 30, 2023 as a percentage of covered payroll of \$4,336,837 were 85 percent.

Significant actuarial assumptions used at the June 30, 2022 measurement date are as follows:

Discount rate*	3.54%
Inflation rate	2.00%
Immediate/ultimate administrative trend rate	0.0%/3.0%
Immediate/ultimate medical trend rate	6.0%/4.5%
Immediate/ultimate Rx trend rate	7.5%/4.5%
Increase in compensation rate faculty/staff/union	4.50%/4.75%/3.75%
Mortality table**	PUB-2010 Teachers Head Count Table, Scale MP-2021
Average future work life expectancy (years):	
Retiree health and welfare	9.33
Long-term disability	12.00

* Bond Buyer 20-year General Obligation Municipal Bond Index as of the last publication of the measurement period

** Based on the University’s study of mortality experience from 2015-2019

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

Notes to Financial Statements—Continued

Note 6—Retirement Plan

Michigan Radio participates in the University’s retirement plan, a defined contribution retirement plan through TIAA and Fidelity Management Trust Company (“FMTC”) mutual funds. All staff are eligible to participate in the plan based upon age and service requirements. Participants maintain individual contracts with TIAA, or accounts with FMTC, and are fully vested.

For payroll covered under the plan, eligible employees generally contribute 5 percent of their pay and Michigan Radio generally contributes an amount equal to 10 percent of employees’ pay to the plan. Michigan Radio’s contribution commences after an employee has completed one year of employment. Participants may elect to contribute additional amounts to the plan within specified limits that are not matched by Michigan Radio contributions. Contributions and covered payroll under the plan (excluding participants’ additional contributions) for the year ended June 30, 2023 are summarized as follows:

Michigan Radio contributions	\$ 374,316
Employee contributions	\$ 198,176
Payroll covered under plan	\$ 4,336,837
Total payroll	\$ 4,439,112

Note 7—Commitments and Contingencies

Michigan Radio has entered into leases for space, which expire at various dates through 2037. Future lease payments, including both principal and interest on these commitments for the next five years and in subsequent five-year periods are as follows:

	Principal	Interest	Total
2024	\$ 21,082	\$ 2,891	\$ 23,973
2025	18,972	2,538	21,510
2026	14,090	2,272	16,362
2027	14,674	2,018	16,692
2028	15,275	1,753	17,028
2029-2033	85,980	4,410	90,390
2034-2037	4,732	14	4,746
	<u>\$ 174,805</u>	<u>\$ 15,896</u>	<u>\$ 190,701</u>



Report of Independent Auditors

To the Regents of the University of Michigan

We have audited the financial statements of WUOM/WVGR/WFUM-FM (“Michigan Radio”) as of and for the year ended June 30, 2023 and our report thereon appears on pages 1 through 3 of this document which included an unmodified opinion on those financial statements and a paragraph describing the basis of presentation of Michigan Radio’s financial statements. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of functional expenses for the year ended June 30, 2023 is presented for purposes of additional analysis and is not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The schedule of functional expenses 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 schedule of functional expenses is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

PricewaterhouseCoopers LLP

December 20, 2023

WUOM/WVGR/WFUM
(A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF MICHIGAN)

**Schedule of Functional Expenses
For the Year Ended June 30, 2023**

	Program Services			Supporting Services			Total Operating Expenses
	Programming and Production	Engineering	Total Program Services	Development	Management and General	Total Supporting Services	
Salaries, payroll taxes and employee benefits	\$ 3,478,472	\$ 305,084	\$ 3,783,556	\$ 1,372,994	\$ 785,422	\$ 2,158,416	\$ 5,941,972
Program fees	1,700,257		1,700,257				1,700,257
Depreciation	50,203	6,269	56,472	18,323	10,136	28,459	84,931
Indirect administrative support	307,084	36,093	343,177	118,591	53,410	172,001	515,178
Professional services	93,163	72,840	166,003	202,464	71,452	273,916	439,919
Equipment and space rental	120,133	40,857	160,990	44,555	23,968	68,523	229,513
Advertising	7,648		7,648	117,267	2,348	119,615	127,263
Supplies	30,265	39,515	69,780	175,096	30,691	205,787	275,567
Travel and conferences	25,799	6,128	31,927	31,335	15,404	46,739	78,666
Telecommunications	27,120	41,881	69,001	4,941	4,750	9,691	78,692
Repairs and maintenance	651	20,742	21,393		27,524	27,524	48,917
Utilities	16,969	127,826	144,795	6,503	3,597	10,100	154,895
Postage and freight	5	486	491	70,995	83	71,078	71,569
Surveys and ratings	71,275		71,275		300	300	71,575
Merchant service fees	275		275	118,096		118,096	118,371
Memberships and dues	6,918		6,918	11,320	3,395	14,715	21,633
Total Operating Expenses	\$ 5,936,237	\$ 697,721	\$ 6,633,958	\$ 2,292,480	\$ 1,032,480	\$ 3,324,960	\$ 9,958,918