

Audited Financial Statements and  
Other Financial Information

Central Michigan University  
Public Broadcasting Network

*Years ended June 30, 2009 and 2008  
with Report of Independent Auditors*



Central Michigan University  
Public Broadcasting Network

Audited Financial Statements  
and Other Financial Information

Years ended June 30, 2009 and 2008

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# **CENTRAL MICHIGAN UNIVERSITY PUBLIC BROADCASTING NETWORK MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Central Michigan University Public Broadcasting Network (the Network) annual financial report presents our discussion and analysis of the financial performance of the television and radio stations for the fiscal year ended June 30, 2009, with selected comparative information for the years ended June 30, 2008 and June 30, 2007. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with, and is qualified in its entirety by, the financial statements and footnotes. The discussion and analysis is designed to focus on current activities, resulting changes, and current known facts. The financial statements, footnotes, and this discussion are the responsibility of management.

## **Reporting Entity**

Central Michigan University (the University) operates the not-for-profit Network through the Department of Public Broadcasting under licenses granted to the Board of Trustees of the University. The assets, liabilities, and net assets of the Network, excluding the Delta College portion, are included in the financial statements of Central Michigan University. The stations in the Network are identified by the following call letters:

WCMU-DT and WCMU-FM, Mount Pleasant  
WCMV-DT, Cadillac  
WCMW-DT, Manistee  
WCML-DT and WCML-FM, Alpena  
WUCX-FM, Bay City

WCMW-FM, Harbor Springs  
WCMB-FM, Oscoda  
WCMZ-FM, Sault Sainte Marie  
WWCM-FM, Standish

WUCX-FM, Bay City, is licensed to the University and is operated jointly by Central Michigan University and Delta College. The financial statements of Delta College WUCX-FM have been audited separately and have been combined with the Network in these financial statements. Interorganizational transactions have been eliminated. See Note 14 for disclosures related to the Delta College WUCX-FM financial statements.

Only WCMU-DT and WCMU-FM are funded by the Corporation for Public Broadcasting (CPB). However, the operations of all of the stations (including Delta College WUCX-FM) have been combined for financial reporting purposes, as allowed by the CPB. 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) and the Principles of Accounting and Financial Reporting for Public Telecommunications Entities.

In accordance with GASB Statement No. 20, the Network is required to follow all applicable GASB pronouncements. In addition, the Network should apply all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Network has elected not to apply FASB pronouncements issued after November 30, 1989.

## Using the Financial Report

The Network's financial report includes three financial statements: the Statements of Net Assets, the Statements of Revenues, Expenses, and Changes in Net Assets, and the Statements of Cash Flows – Direct Method. The financial statements presented focus on the financial condition, the results of operations, and cash flows of the Network as a whole. These financial statements are prepared in accordance with the Governmental Accounting Standards Board Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*.

The **Statements of Net Assets** includes all assets and liabilities. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The **Statements of Revenues, Expenses, and Changes in Net Assets** presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating revenues. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The **Statements of Cash Flows** presents the information related to cash inflows and outflows summarized by operating, capital and noncapital financing, and investing activities. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the Network during the year.

## Condensed Financial Information

### Statements of Net Assets

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Current assets	<b>\$ 1,527,244</b>	\$ 1,236,888	\$ 1,123,542
Noncurrent assets:			
Capital	<b>12,764,173</b>	12,338,775	11,191,648
Other	<b>1,084,563</b>	1,475,044	1,583,297
Total assets	<b>15,375,980</b>	15,050,707	13,898,487
Current liabilities	<b>807,201</b>	664,608	284,844
Noncurrent liabilities	<b>118,728</b>	115,938	103,095
Total liabilities	<b>925,929</b>	780,546	387,939
Total net assets	<b>\$14,450,051</b>	\$14,270,161	\$13,510,548

**Current Assets** consist of cash and cash equivalents, receivables, prepaid expenses, and unexpired program rights. Current assets totaled \$1.5 million at June 30, 2009 as compared to \$1.2 million at June 30, 2008 and \$1.1 million at June 30, 2007.

Fiscal year 2009 compared to 2008

- Receivables are up \$0.3 million due to timing of grant billings.

Fiscal year 2008 compared to 2007

- Cash and cash equivalents are down \$.03 million due to timing differences in recognizing revenues and expenses.
- Receivables are up \$0.2 million due to the timing of grant billings and two isolated payments to be received after fiscal year end.

**Noncurrent assets** include capital assets, net of accumulated depreciation, and endowment investments at fair value. Noncurrent assets totaled \$13.8 million at June 30, 2009 and June 30, 2008 as compared to \$12.8 million at June 30, 2007.

Fiscal year 2009 compared to 2008

- The addition of DTV equipment, combined with the retirement of analog equipment, resulted in an increase of \$0.4 million in capital assets.
- Endowment investments decreased \$0.4 million due to unfavorable market conditions.

Fiscal year 2008 compared to 2007

- Capital assets increased \$1.1 million primarily due to the DTV conversion.

**Net assets** represent the difference between the Network's assets and liabilities. Total net assets at June 30 are summarized as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Restricted – nonexpendable	\$ 904,814	\$ 893,889	\$ 890,124
Restricted – expendable	637,713	891,992	1,335,237
Unrestricted	143,351	145,505	93,539
Invested in capital assets	12,764,173	12,338,775	11,191,648
	<u>\$14,450,051</u>	<u>\$14,270,161</u>	<u>\$13,510,548</u>

Fiscal year 2009 compared to 2008

- The increase in net assets of \$0.2 million for the year is associated with the DTV conversion. Included in nonoperating revenue is \$0.3 million in university support related to tower upgrades and \$1.1 million in external grants related to the DTV conversion.

Fiscal year 2008 compared to 2007

- The increase in net assets of \$0.8 million for the year is associated with the DTV conversion. Included in nonoperating revenue is \$0.3 million in university support and \$1.2 million in external grants, both related to the DTV conversion.

## **Statements of Revenues, Expenses, and Changes in Net Assets**

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Operating revenues</b>			
University support - operating	\$ 2,739,151	\$ 2,425,298	\$ 2,171,634
Grants	1,020,302	1,013,035	1,021,071
Contributions and underwriting	2,142,814	2,144,009	2,213,206
Other operating revenues	497,586	779,586	466,918
Total operating revenues	<u>6,399,853</u>	<u>6,361,928</u>	<u>5,872,829</u>
<b>Operating expenses</b>	<u>7,285,187</u>	<u>6,991,829</u>	<u>6,757,291</u>
<b>Operating loss</b>	<u>(885,334)</u>	<u>(629,901)</u>	<u>(884,462)</u>
<b>Nonoperating revenues</b>			
University support - capital	264,834	263,541	533,088
Investment income, net of expense	(348,218)	(112,164)	249,755
Capital grants and gifts	1,137,684	1,180,070	362,381
Additions to permanent endowments	10,924	58,067	2,125
Total nonoperating revenues	<u>1,065,224</u>	<u>1,389,514</u>	<u>1,147,349</u>
<b>Increase in net assets</b>	<b>179,890</b>	759,613	262,887
<b>Net assets</b>			
Net assets at beginning of year	<u>14,270,161</u>	<u>13,510,548</u>	<u>13,247,661</u>
Net assets at end of year	<u>\$14,450,051</u>	<u>\$14,270,161</u>	<u>\$13,510,548</u>

Total **operating revenues** for fiscal years ended June 30, 2009, 2008, and 2007 were \$6.4 million, \$6.4 million, and \$5.9 million, respectively.

### **Fiscal year 2009 compared to 2008**

- Contributions and underwriting remained consistent.
- University support is up \$0.3 million and includes an increase in the annual appropriation of \$0.1 million and an increase in indirect support of \$0.2 million primarily due to an increase in deferred maintenance.
- Other operating revenues are down \$0.3 million and includes a decrease in rents and royalties of \$0.1 million and a decrease in other revenues of \$0.2 million.

### **Fiscal year 2008 compared to 2007**

- University support is up \$0.3 million and includes an increase in the annual appropriation of \$0.1 million and an increase in indirect support of \$0.1 million primarily due to an increase in deferred maintenance.
- Other operating revenues are up \$0.3 million and includes an increase in rents and royalties of \$0.2 million and an increase in other revenues of \$0.1 million.

**Operating expenses** for fiscal year 2009 totaling \$7.3 million includes compensation and benefits of \$3.2 million, utilities of \$0.3 million, supplies of \$3.0 million, and depreciation of \$0.8 million.

A comparative summary of the Network's expenses for the years ended June 30 is as follows:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Compensation and benefits	<b>\$3,200,904</b>	\$3,151,843	\$2,975,447
Supplies	<b>2,999,885</b>	2,843,321	2,748,875
Utilities	<b>313,367</b>	323,205	330,163
Depreciation	<b>771,031</b>	673,460	702,806
Total operating expenses	<b><u>\$7,285,187</u></b>	<u>\$6,991,829</u>	<u>\$6,757,291</u>

#### Fiscal year 2009 compared to 2008

- o Depreciation increased \$0.1 million primarily due to increased digital television equipment residing in fixed assets.

#### Fiscal year 2008 compared to 2007

- o Compensation and benefits increased \$0.2 million.
- o Supplies increased \$0.1 million.

#### Statements of Cash Flows

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Cash received from operations	<b>\$ 5,799,812</b>	\$ 5,399,407	\$ 5,074,204
Cash expended for operations	<b>(5,713,882)</b>	(5,500,660)	(5,428,728)
Net cash provided (used) by operating activities	<b>85,930</b>	(101,253)	(354,524)
Net cash provided by noncapital financing activities	<b>10,924</b>	58,067	2,125
Net cash provided (used) by capital financing activities	<b>(141,945)</b>	18,152	(291,890)
Net cash provided (used) by investing activities	<b>42,263</b>	(3,911)	49,737
Net decrease in cash and cash equivalents	<b>(2,828)</b>	(28,945)	(594,552)
Cash and cash equivalents at beginning of year	<b>584,534</b>	613,479	1,208,031
Cash and cash equivalents at end of year	<b><u>\$ 581,706</u></b>	<u>\$ 584,534</u>	<u>\$ 613,479</u>

#### **Summary**

The Network operated within available resources during the year. Major sources of revenue to fund operations included the general University support, contributions and underwriting, and support from the Corporation for Public Broadcasting. Expenses were limited to correspond with available revenues.

## **Capital Projects: The Digital Television Conversion**

The most significant capital asset activity has been the conversion to digital television. The Network was mandated by the Federal Communications Commission (FCC) to convert to a digital television signal. On March 31, 2009, the Network turned off the analog television signal and began broadcasting solely in digital. While some aspects of the conversion were still in process at fiscal year end, the majority of the work is now complete. This project was funded by a \$4.0 million commitment from the University, over \$8.0 million in federal grants, and the balance from contributions and the Network's operating budget.



## Independent Auditors' Report

Board of Trustees  
Central Michigan University  
Mt. Pleasant, Michigan

We have audited the accompanying financial statements of the Central Michigan University Public Broadcasting Network (the Network) as of June 30, 2009 and 2008. These financial statements are the responsibility of Central Michigan University's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Michigan University Public Broadcasting Network as of June 30, 2009 and 2008, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis (MD&A) on pages 1 to 6 is not a required part of the financial statements, but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this supplemental information. However, we did not audit the information and express no opinion on it.

*Andrews Hooper & Pavlik P.L.C.*

Saginaw, Michigan  
November 17, 2009

Central Michigan University  
Public Broadcasting Network  
Statements of Net Assets

	June 30,	
	2009	2008
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 581,706	\$ 584,534
Accounts receivable, net (Note 3)	599,642	332,523
Pledges receivable, net	224,644	195,317
Prepaid expenses	112,963	117,031
Unexpired program rights	8,289	7,483
Total current assets	1,527,244	1,236,888
Noncurrent assets:		
Endowment investments (Note 2)	1,084,563	1,475,044
Capital assets, net (Note 4)	12,764,173	12,338,775
Total noncurrent assets	13,848,736	13,813,819
Total assets	15,375,980	15,050,707
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities (Note 5)	29,567	34,928
Accrued payroll (Note 5)	87,644	71,054
Deferred revenue	689,990	558,626
Total current liabilities	807,201	664,608
Noncurrent liabilities:		
Long-term liabilities (Note 6)	118,728	115,938
Total noncurrent liabilities	118,728	115,938
Total liabilities	925,929	780,546
<b>Net assets</b>		
Invested in capital assets	12,764,173	12,338,775
Restricted for:		
Nonexpendable	904,814	893,889
Expendable:		
Department uses	75,582	59,685
Capital projects	562,131	832,307
Unrestricted	143,351	145,505
Total net assets	\$14,450,051	\$14,270,161

See notes to financial statements.

Central Michigan University  
Public Broadcasting Network  
Statements of Revenues, Expenses, and Changes in Net Assets

	Year ended June 30,	
	2009	2008
<b>Revenues</b>		
Operating revenues:		
University appropriations - operations	\$ 1,736,273	\$ 1,604,374
University additional support - operations	234,199	51,394
University administrative support - operations	768,679	769,530
Contributions and pledges, net of allowance	1,595,308	1,598,727
Community service grants	1,013,692	975,903
Outreach grants	6,610	37,132
Program underwriting	539,506	527,282
Production underwriting	8,000	18,000
Rents and royalties	356,166	469,013
Special fundraising activities	40,836	38,152
In-kind support	43,218	85,018
Other operating revenues	57,366	187,403
Total operating revenues	6,399,853	6,361,928
<b>Expenses</b>		
Operating expenses:		
Programming and local production	1,897,664	1,839,001
Broadcasting	2,436,125	2,275,810
Program information	372,018	450,217
Fundraising	978,816	945,087
Management and general	829,533	808,254
Depreciation	771,031	673,460
Total operating expenses	7,285,187	6,991,829
Operating loss	(885,334)	(629,901)
<b>Nonoperating revenues</b>		
University additional support - capital	264,834	263,541
Investment income, net of expenses	(348,218)	(112,164)
Capital gifts and pledges, net of allowance	275	(33)
Capital grants	1,137,409	1,180,103
Additions to permanent endowments	10,924	58,067
Total nonoperating revenues	1,065,224	1,389,514
Increase in net assets	179,890	759,613
<b>Net assets</b>		
Net assets at beginning of year	14,270,161	13,510,548
Net assets at end of year	\$14,450,051	\$14,270,161

See notes to financial statements.

Central Michigan University  
Public Broadcasting Network  
Statements of Cash Flows - Direct Method

	Year ended June 30,	
	2009	2008
<b>Cash flow from operating activities</b>		
Grants from CPB	\$ 1,013,692	\$ 975,903
Research grants and contracts	46,073	32,177
Payments to suppliers	(2,279,332)	(2,043,048)
Payments for utilities	(313,367)	(323,205)
Payments to employees	(2,314,321)	(2,234,750)
Payments for benefits	(806,862)	(899,657)
Contributions	1,586,637	1,590,126
Underwriting	526,850	528,992
Rents and royalties	468,632	350,762
Special fundraising events	40,836	38,152
General University support	1,970,472	1,655,768
Other receipts	146,620	227,527
Net cash provided (used) by operating activities	85,930	(101,253)
<b>Cash flow from noncapital financing activities</b>		
Private gifts for endowment purposes	10,924	58,067
Net cash provided by noncapital financing activities	10,924	58,067
<b>Cash flow from capital financing activities</b>		
Capital appropriations from University	264,834	263,541
Capital gifts and pledges	275	65,649
Capital grants	803,339	1,509,549
Purchases of capital assets	(1,210,393)	(1,820,587)
Net cash provided (used) by capital financing activities	(141,945)	18,152
<b>Cash flow from investing activities</b>		
Interest on investments	42,263	(3,911)
Net cash provided (used) by investing activities	42,263	(3,911)
Net decrease in cash and cash equivalents	(2,828)	(28,945)
Cash and cash equivalents at beginning of year	584,534	613,479
Cash and cash equivalents at end of year	\$ 581,706	\$ 584,534
<b>Reconciliation of net operating loss to net cash provided by operating activities</b>		
Operating loss	\$ (885,334)	\$ (629,901)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense and loss on disposal of capital assets	784,995	673,460
Change in assets and liabilities:		
Receivables, net	138,456	(186,229)
Prepaid expenses	4,068	12,731
Unexpired program rights	(806)	(854)
Accounts payable and accrued liabilities	(5,361)	13,845
Accrued payroll	16,590	4,912
Deferred revenue	30,532	(2,060)
Compensated absences	2,790	12,843
Net cash provided (used) by operating activities	\$ 85,930	\$ (101,253)

See notes to financial statements.

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements

June 30, 2009

**Note 1. Significant Accounting Policies**

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB) and the *Principles of Accounting and Financial Reporting for Public Telecommunications Entities*.

The Network follows the “business-type” activities requirements of GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis—For State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements—and Management’s Discussion and Analysis—For Public Colleges and Universities*. These Statements require the following components of the Network’s financial statements:

- Management’s Discussion and Analysis
- Basic financial statements including a Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets and Statement of Cash Flows for the Network as a whole
- Notes to the financial statements

Reporting Entity

Central Michigan University, Mount Pleasant, Michigan (the University) operates not-for-profit television and radio stations (the Network) through the Department of Public Broadcasting under licenses granted to the Board of Trustees of the University. These stations are identified by the following call letters:

WCMU-DT and WCMU-FM, Mount Pleasant  
WCMV-DT, Cadillac  
WCMW-DT, Manistee  
WCML-DT and WCML-FM, Alpena  
WUCX-FM, Bay City  
WCMW-FM, Harbor Springs  
WCMB-FM, Oscoda  
WCMZ-FM, Sault Sainte Marie  
WWCM-FM, Standish

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements  
(continued)

**Note 1. Significant Accounting Policies (continued)**

WUCX-FM, Bay City, is operated jointly by Central Michigan University and Delta College. For 2009 and 2008, the financial statements of Delta College WUCX-FM have been audited separately and combined with the Central Michigan University Network in these financial statements. Interorganizational transactions have been eliminated. See Note 14 for disclosures related to the Delta College WUCX-FM financial statements.

Only WCMU-TV and WCMU-FM are funded by the Corporation for Public Broadcasting (CPB). However, the operations of all of the stations have been combined for financial reporting purposes, as allowed by the CPB.

Basis of Accounting

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

In accordance with GASB Statement No. 20, the Network is required to follow all applicable GASB pronouncements. In addition, the Network should apply all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The University has elected not to apply FASB pronouncements issued after November 30, 1989.

Operating revenues of the Network consist of general appropriations from the University, contributions, community service grants from the CPB, outreach grants, underwriting, and auxiliary enterprise revenues. Nonoperating revenues of the Network consist of capital support from the University, investing activities, capital contributions, and capital grants. Restricted and unrestricted resources are spent and tracked at the station level within the guidelines of donor restrictions.

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

Investments

Cash and cash equivalents and marketable securities are stated at fair value.

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements  
(continued)

**Note 1. Significant Accounting Policies (continued)**

Capital Assets

Institutional capital assets are stated at cost when purchased and at appraised value for other acquisitions. Building additions and improvements with a cost in excess of \$50,000 are capitalized if the life of the building is extended. Equipment with a cost in excess of \$5,000 with a useful life greater than one year is capitalized.

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

<u>Classification</u>	<u>Life</u>
Buildings > \$100,000	40 years
Buildings < \$100,000	10 years
Intangible Assets	40 years
Equipment-Digital TV	20 years
Equipment	8 years
Vehicles	4 years

Intangible Assets

Intangible assets acquired for the exclusive or predominant use by the Network have been recorded at cost at the date of acquisition. The cost is measured by the difference between the cost of the group of assets acquired and the sum of assigned costs of individual tangible assets acquired. The Network has determined that the assets should be amortized on a straight-line basis over 40 years.

Deferred Revenue

Deferred revenue represents tower lease revenues and unearned grant revenues received that will be recognized by the Network during the year in which they are earned.

Administrative Support

Administrative support from Central Michigan University consists of that portion of the indirect costs incurred by the University and attributable to the Network's operations (such as personnel services, purchasing, and payables). Administrative support is calculated and recorded as revenue and expense using methods mandated by the CPB.

Revenue Recognition

Revenues are recognized when earned and expenditures are recognized when the service is provided. Restricted grant revenue is recognized only to the extent expended.

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements  
(continued)

**Note 1. Significant Accounting Policies (continued)**

Contributions and Pledges

Contributions are recorded when received. Voluntary nonexchange transactions (pledges) are recognized in accordance with the GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB Statement No. 33 requires recognition of the entire pledge in the first period that use is permitted and all applicable eligibility requirements have been satisfied. Such pledges are recorded net of allowance for uncollectible pledges and certain pledges are recorded at present value using a discount rate of 3%.

**Note 2. Cash and Cash Equivalents and Endowment Investments**

The Network considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Network's deposits and investments are included on the balance sheet under the following classifications as of June 30:

	<b>2009</b>	<b>2008</b>
Cash and cash equivalents	<b>\$ 581,706</b>	\$ 584,534
Endowment investments, noncurrent	<b>1,084,563</b>	1,475,044
Total	<b>\$1,666,269</b>	\$2,059,578

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

	<b>2009</b>	<b>2008</b>
Bank deposits (checking accounts, savings accounts, and certificates of deposit)	<b>\$ 581,706</b>	\$ 584,534
Investments in securities and similar vehicles	<b>1,084,563</b>	1,475,044
Total	<b>\$1,666,269</b>	\$2,059,578

Deposits

The University invests and manages cash collectively by pooling cash reserves, including cash of the Network. It is not practicable to determine the amount reflected in the accounts of the banks (without recognition of checks written but not cleared, or of deposits in transit) or the amount of federal depository insurance that is applicable to the Network's portion of the pooled deposits as of June 30, 2009. A portion of the Network's cash is deposited in interest bearing accounts.

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements  
(continued)

**Note 2. Cash and Cash Equivalents and Endowment Investments (continued)**

Endowment Investments

The Network has received certain contributions that have been designated for use as endowments. Such assets are pooled with and held within the Endowment Fund, and are invested in brokerage account cash money funds, U.S. Treasury bills, notes and bonds, and debt and equity securities. The Network's investments are stated at fair value based upon market quotations. At June 30, 2009 and 2008, respectively, the fair value of the Network's investments was \$1,084,563 and \$1,475,044. The cost of the endowment investment at June 30, 2009 and 2008 was \$1,224,670 and \$1,213,746 respectively. Information as to amount by investment type and associated risks is included in the notes to the financial statements for Central Michigan University and Delta College.

**Note 3. Accounts Receivable**

Accounts receivable at June 30 were as follows:

	<b>2009</b>	<b>2008</b>
Federal and private grants	<b>\$558,710</b>	\$123,808
Vendors	<b>40,932</b>	208,715
Total	<b>\$599,642</b>	<b>\$332,523</b>

**Note 4. Capital Assets**

	<b>Beginning Balance July 1, 2008</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance June 30, 2009</b>
Land	\$ 197,598			<b>\$ 197,598</b>
Buildings	5,560,325	\$ 1,042,018	\$ 12,837	<b>6,589,506</b>
Furniture and equipment	13,681,131	1,265,666	1,539,001	<b>13,407,796</b>
Intangible assets	305,612			<b>305,612</b>
Construction in progress	1,097,291	(1,097,291)		
Total	20,841,957	1,210,393	1,551,838	<b>20,500,512</b>
Less accumulated depreciation:				
Buildings	2,130,217	211,032	7,810	<b>2,333,439</b>
Furniture and equipment	6,262,337	552,219	1,530,064	<b>5,284,492</b>
Intangible assets	110,628	7,780		<b>118,408</b>
Total	8,503,182	771,031	1,537,874	<b>7,736,339</b>
Capital assets, net	<b>\$12,338,775</b>	<b>\$ 439,362</b>	<b>\$ 13,964</b>	<b>\$12,764,173</b>

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements  
(continued)

**Note 5. Accounts Payable and Accrued Liabilities and Accrued Payroll**

Accounts payable and accrued liabilities represent amounts due at June 30 for goods and services received prior to the end of the fiscal year. Accounts payable and accrued liabilities and accrued payroll at June 30 were as follows:

	<b>2009</b>	<b>2008</b>
Vendors	<b>\$ 29,567</b>	\$ 34,928
Accrued payroll	<b>87,644</b>	71,054
Total	<b>\$117,211</b>	\$105,982

**Note 6. Long-Term Liabilities**

Long-term liabilities at June 30 were as follows:

	<b>Beginning Balance July 1, 2008</b>	<b>Additions</b>	<b>Ending Balance June 30, 2009</b>	<b>Current Portion</b>
Compensated absences	\$115,938	\$2,790	<b>\$118,728</b>	–

**Note 7. Operating Expenses**

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

	<b>2009</b>	<b>2008</b>
Salaries, wages, and benefits	<b>\$3,200,904</b>	\$3,151,843
Supplies and support services	<b>3,313,252</b>	3,166,526
Depreciation	<b>771,031</b>	673,460
Total	<b>\$7,285,187</b>	\$6,991,829

**Note 8. Retirement Plans**

The Network's employees are included in retirement plans funded by the University either through the Michigan Public School Employees' Retirement System or through the Teachers Insurance and Annuity Association/College Retirement Equities Fund and/or Fidelity Investment Tax Exempt Services Company. See the notes to the University's financial statements for details of these plans.

Total retirement expense for the Network for the years ended June 30, 2009 and 2008 was \$297,240 and \$329,400, respectively. The Network has no obligation under the plans beyond making the required payments to the respective retirement plan administrators.

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements  
(continued)

**Note 9. Operating Leases**

The Network has entered into various operating leases for land, building space, and towers. It is expected that in the normal course of business, such leases will continue to be required.

Operating lease expense amounted to \$131,903 for 2009 and \$111,512 for 2008.

The following is a schedule of the Network's aggregate minimum rental commitment for operating leases for each of the succeeding five years ending June 30:

2010	\$122,114
2011	76,729
2012	42,754
2013	10,250
2014	9,250

The Network also has leases where they exchange tower rental for items of similar value (i.e. land rental). No amounts have been recorded in the financial statements related to these leases.

**Note 10. Nonfederal Financial Support (NFFS)**

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

Calculated in accordance with CPB guidelines, the combined Network reported total NFFS of \$5,115,966 and \$4,905,219 for the years ended June 30, 2009 and 2008, respectively.

**Note 11. Indirect Administrative Support**

Indirect support from Central Michigan University consists of allocations of the University's institutional support and facility operation costs that benefit the Network. It is calculated based upon the ratio of the Network's operating costs to the University's total institutional support and facility operations costs. The fair value of this support is recognized as operating revenue in the Statements of Revenues, Expenses, and Changes in Net Assets under University administrative support for operations and also in operating expenses. The combined value of this support included in the Statements of Revenues, Expenses, and Changes in Net Assets was \$768,679 and \$769,530 for the years ended June 30, 2009 and 2008, respectively.

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements  
(continued)

**Note 12. Digital Television**

The Network has been mandated by the Federal Communications Commission (FCC) to convert to a digital television signal. On March 31, 2009, the Network turned off the analog television signal and began broadcasting solely in digital. While some aspects of the conversion were still in process at fiscal year end, the majority of the work is now complete. This project was funded by a \$4.0 million commitment from the University, over \$8.0 million in federal grants, and the balance from contributions and the Network's operating budget.

**Note 13. Contingencies, Commitments, and Subsequent Events**

On October 27, 2009 the Board of Trustees of Central Michigan University approved the purchase of WFUM-TV from the University of Michigan for \$1.0 million. This acquisition will allow the Network to reach into the greater Flint area with its television and outreach programming, significantly expanding its viewership. This station will be connected to the main studio and master control via fiber and will function in the same manner as the other remote stations in Alpena, Cadillac, and Manistee. The first step to be accomplished is entering into an Interim Management Agreement whereby the Network would take over the programming of WFUM-TV, which could occur in November 2009. An Asset Purchase Agreement will be negotiated concurrently which will identify the details of the acquisition. Once these agreements are signed, there will be a filing with the FCC for a change in ownership and call letters. At this time, it is unclear when the final FCC decision will occur.

In addition, in the normal course of its activities, the Network is a party in various legal and administrative actions. The Network has not experienced significant losses or costs. After taking into consideration legal counsel's evaluation of pending actions and information relative to potential future claims based on past events, the Network is in the opinion that the outcome thereof will not have a material effect on the financial statements.

**Note 14. Delta College WUCX-FM**

The following footnotes are taken directly from the Delta College WUCX-FM financial statements and are presented in their entirety to provide additional information regarding the Delta College financial information.

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements  
(continued)

**Note 14. Delta College WUCX-FM (continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

WUCX-FM (the Station) is a nonprofit public radio station operated by and is a separate organizational unit of Delta College, a community college located in University Center, Michigan. The Station has operated since 1989 under a Joint Operating Agreement with Central Michigan University's public radio station, WCMU-FM, which maintains the broadcast license granted by the Federal Communications Commission. The Station's financial statements have been prepared in accordance with the generally accepted accounting principles as applicable to public colleges and universities outlined in Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, as required by the Corporation for Public Broadcasting (CPB).

Significant accounting policies followed by the Station are described below to enhance the usefulness of the financial statements to the reader:

**Accrual Basis**

The financial statements of the Station have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenditures are recognized when the related liabilities are incurred and certain measurement and matching criteria are met. In accordance with GASB Statement No. 20, the Station is required to follow all applicable GASB pronouncements. In addition, the Station should apply all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The Station has elected not to apply FASB pronouncements issued after November 30, 1989.

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

**Cash and Cash Equivalents**

Cash and cash equivalents consist of all highly liquid investments with an initial maturity of three months or less.

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements  
(continued)

**Note 14. Delta College WUCX-FM (continued)**

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Investments**

Investments are recorded at fair value, based on quoted market prices.

**Capital Assets**

Capital assets are recorded at cost or, if acquired by gift, at the fair market value as of the date of acquisition. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is calculated on capital assets using the straight-line method over the estimated useful lives of the assets. *The American Health Association's Estimated Useful Lives of Depreciable Hospital Assets* was utilized as a guide in establishing useful lives of the Station's capital assets.

**Revenue Recognition**

Restricted grant revenue is recognized only to the extent expended.

**Gifts and Pledges**

Gifts are recorded when received. Voluntary nonexchange transactions (pledges) are recognized in accordance with the GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB Statement No. 33 requires recognition of the entire pledge in the first period that use is permitted and all applicable eligibility requirements have been satisfied. Such pledges are recorded at their discounted present value, net of allowance for uncollectible pledges. The Station has no pledges receivable recorded at June 30, 2009 or June 30, 2008.

**Purchased Program Rights**

Purchased program rights are recorded when acquired and amortized on an accelerated basis as the programs are broadcast.

**Compensated Absences**

Compensated absences represent the accumulated liability to be paid under the Station's current vacation policy. Under the Station's policy, employees accrue vacation on a bi-weekly basis at a rate that is dependent on the employee's pay class.

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements  
(continued)

**Note 14. Delta College WUCX-FM (continued)**

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Operating Activities**

The Station's policy for defining operating activities as reported on the Statement of Revenue, Expenses, and Changes in Net Assets are those that generally result from the provision of public broadcasting services. Revenue restricted by donors to use for capital improvements, and revenue and expenses that result from financing and investing activities are recorded as nonoperating revenue and expenses.

**Donated Facilities and Administrative Support**

Donated facilities from Delta College consist of office and studio space together with related occupancy cost, and are recorded in revenue and expense based on methods mandated by CPB. Administrative support from Delta College consists of allocated costs such as financial, administrative and personnel services, and certain other institutional support expenses incurred by the College on behalf of the Station.

**CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Station considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Station's deposits and investments are included on the balance sheet under the following classifications as of June 30, 2009 and 2008:

	<b>2009</b>	<b>2008</b>
Cash and cash equivalents	<b>\$ 79,497</b>	\$ 52,954
Long-term investments	<b>81,018</b>	101,065
Total	<b><u>\$160,515</u></b>	<b><u>\$154,019</u></b>

The above amounts are classified in the following categories:

	<b>2009</b>	<b>2008</b>
Bank deposits (checking accounts, savings accounts, and certificates of deposit)	<b>\$ 79,497</b>	\$ 52,954
Investments in securities and similar vehicles	<b>81,018</b>	101,065
Total	<b><u>\$160,515</u></b>	<b><u>\$154,019</u></b>

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements  
(continued)

**Note 14. Delta College WUCX-FM (continued)**

**CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)**

**Deposits**

Delta College invests and manages cash collectively by pooling cash reserves, including cash of the Station. It is not practicable to determine the amount reflected in the accounts of the banks (without recognition of checks written but not cleared, or of deposits in transit) or the amount of federal depository insurance that is applicable to the Station's portion of the pooled deposits as of June 30, 2009 or June 30, 2008. A portion of the Station's cash is deposited in interest bearing accounts.

**Investments**

The Station has received certain contributions that have been designated for use as quasi-endowments. Such assets are pooled with and held within the Delta College Endowment Fund, and are invested in brokerage account cash and money funds, U.S. Treasury bills, notes and bonds, and debt and equity securities. The Station's investments are stated at fair value based upon market quotations. At June 30, 2009 and 2008, respectively, the fair value of the Station's investments is \$81,018 and \$101,065. Information as to amounts by investment type and associated risks is included in the notes to the financial statements for Delta College.

**CAPITAL ASSETS**

The following tables present the changes in the various capital asset class categories for the years ended June 30, 2009 and 2008:

Year ended June 30, 2009:

	<u>Estimated Useful Life</u>	<u>Beginning Balance</u>	<u>Additions/ Depreciation</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets:					
Buildings	40 years	\$ 80,531	-	-	\$ 80,531
Furniture and equipment	5-20 years	129,442	-	-	129,442
Total capital assets		209,973	-	-	209,973
Less accumulated depreciation:					
Buildings		27,080	\$1,619	-	28,699
Furniture and equipment		124,691	559	-	125,250
Total accumulated depreciation		151,771	\$2,178	-	153,949
Capital assets, net		<u>\$ 58,202</u>	<u>-</u>	<u>-</u>	<u>\$ 56,024</u>

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements  
(continued)

**Note 14. Delta College WUCX-FM (continued)**

**CAPITAL ASSETS (continued)**

Year ended June 30, 2008:

	<u>Estimated Useful Life</u>	<u>Beginning Balance</u>	<u>Additions/ Depreciation</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets:					
Buildings	40 years	\$ 80,531	-	-	\$ 80,531
Furniture and equipment	5-20 years	129,442	-	-	129,442
Total capital assets		209,973	-	-	209,973
Less accumulated depreciation:					
Buildings		25,460	\$1,620	-	27,080
Furniture and equipment		124,132	559	-	124,691
Total accumulated depreciation		149,592	\$2,179	-	151,771
Capital assets, net		<u>\$ 60,381</u>			<u>\$ 58,202</u>

**UNRESTRICTED NET ASSETS**

The Station has designated the use of unrestricted net assets as follows as of June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Designated for funds functioning as endowments	<b>\$ 81,018</b>	\$101,065
Unrestricted and unallocated	<b>62,333</b>	44,440
Total unrestricted net assets	<u><b>\$143,351</b></u>	<u>\$145,505</u>

**RETIREMENT PLANS**

The Station's employees are included in a retirement plan funded by Delta College either through the Michigan Public School Employees' Retirement System, a defined benefit pension plan, or the Optional Retirement Plan, a defined contribution plan, administered by TIAA-CREF. Total retirement expense for the Station for the years ended June 30, 2009 and 2008, respectively was \$19,300 and \$21,000. The Station has no obligations under the plans beyond making the required payments to the respective retirement plan administrators. For more information regarding the retirement plans, refer to Delta College's financial statements.

Central Michigan University  
Public Broadcasting Network

Notes to Financial Statements  
(continued)

**Note 14. Delta College WUCX-FM (continued)**

**COMMUNITY SERVICE GRANTS**

The Station operates under a Joint Operating Agreement with Central Michigan University's public radio station, WCMU-FM. This agreement allows the Station to share in annual funding from WCMU-FM's Community Service Grant from the Corporation for Public Broadcasting (CPB). The Station's share of CPB Community Service Grants received and expended during recent fiscal years were as follows:

Year of Grant	Grants Received	2009	Expended 2008	2007	Uncommitted Balance at June 30
2009	\$27,188	\$27,188			—
2008	29,939		\$29,939		—
2007	31,215			\$31,215	—

**NONFEDERAL FINANCIAL SUPPORT (NFFS)**

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

Calculated in accordance with CPB guidelines, the Station reported total NFFS of \$362,451 and \$408,902 for the years ended June 30, 2009 and 2008, respectively.

**INDIRECT ADMINISTRATIVE SUPPORT**

Indirect support from Delta College consists of allocations of the College's institutional support and facility operation costs that benefit the Station. It is calculated based upon the ratio of the Station's operating costs to the College's total institutional support and facility operation costs. The fair value of this support is recognized as operating revenue in the Statements of Revenue, Expenses, and Changes in Net Assets under Donated Facilities and Administrative Support from Delta College and also in operating expenses. The value of this support included in the Statements of Revenue, Expenses, and Changes in Net Assets was approximately \$49,000 for both years ended June 30, 2009 and 2008.



**ANDREWS HOOPER & PAVLIK P.L.C.**  
Certified Public Accountants

Report of Independent Auditors  
on Other Financial Information

Board of Trustees  
Central Michigan University  
Mt. Pleasant, Michigan

Our report on our audits of the financial statements of the Central Michigan University Public Broadcasting Network as of June 30, 2009 and 2008 and for the years then ended appears on page 7. Those audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The other financial information as listed in the table of contents for the year ended June 30, 2009 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2009 financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2009 financial statements taken as a whole.

*Andrews Hooper & Pavlik P.L.C.*

Saginaw, Michigan  
November 17, 2009

Central Michigan University  
Public Broadcasting Network  
Consolidating Statement of Net Assets  
June 30, 2009

	<u>TELEVISION</u>	<u>RADIO</u>	<u>CMU COMBINED TOTAL</u>	<u>DELTA COLLEGE WUCX-FM</u>	<u>COMBINED TOTAL RADIO</u>	<u>CMU AND DELTA COMBINED TOTAL</u>
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 338,471	\$ 163,738	\$ 502,209	\$ 79,497	\$ 243,235	\$ 581,706
Accounts receivable, net	593,073	6,569	599,642		6,569	599,642
Pledges receivable, net	61,712	162,932	224,644		162,932	224,644
Prepaid expenses	37,158	75,805	112,963		75,805	112,963
Unexpired program rights				8,289	8,289	8,289
Total current assets	<u>1,030,414</u>	<u>409,044</u>	<u>1,439,458</u>	<u>87,786</u>	<u>496,830</u>	<u>1,527,244</u>
Noncurrent assets:						
Endowment investments	927,682	75,863	1,003,545	81,018	156,881	1,084,563
Capital assets, net	<u>11,577,474</u>	<u>1,130,675</u>	<u>12,708,149</u>	<u>56,024</u>	<u>1,186,699</u>	<u>12,764,173</u>
Total noncurrent assets	<u>12,505,156</u>	<u>1,206,538</u>	<u>13,711,694</u>	<u>137,042</u>	<u>1,343,580</u>	<u>13,848,736</u>
Total assets	<u>13,535,570</u>	<u>1,615,582</u>	<u>15,151,152</u>	<u>224,828</u>	<u>1,840,410</u>	<u>15,375,980</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable and accrued liabilities	11,194	11,164	22,358	7,209	18,373	29,567
Accrued payroll	49,810	19,590	69,400	18,244	37,834	87,644
Deferred revenue	657,490	32,500	689,990		32,500	689,990
Total current liabilities	<u>718,494</u>	<u>63,254</u>	<u>781,748</u>	<u>25,453</u>	<u>88,707</u>	<u>807,201</u>
Noncurrent liabilities:						
Long-term liabilities	<u>70,685</u>	<u>48,043</u>	<u>118,728</u>		<u>48,043</u>	<u>118,728</u>
Total noncurrent liabilities	<u>70,685</u>	<u>48,043</u>	<u>118,728</u>		<u>48,043</u>	<u>118,728</u>
Total liabilities	<u>789,179</u>	<u>111,297</u>	<u>900,476</u>	<u>25,453</u>	<u>136,750</u>	<u>925,929</u>
<b>Net assets</b>						
Invested in capital assets	11,577,474	1,130,675	12,708,149	56,024	1,186,699	12,764,173
Restricted for:						
Nonexpendable	846,011	58,803	904,814		58,803	904,814
Expendable:						
Department uses	24,979	50,603	75,582		50,603	75,582
Capital projects	297,927	264,204	562,131		264,204	562,131
Unrestricted				143,351	143,351	143,351
Total net assets	<u>\$12,746,391</u>	<u>\$1,504,285</u>	<u>\$14,250,676</u>	<u>\$199,375</u>	<u>\$1,703,660</u>	<u>\$14,450,051</u>

Central Michigan University  
Public Broadcasting Network  
Consolidating Statement of Revenues, Expenses, and Changes in Net Assets  
June 30, 2009

	<u>TELEVISION</u>	<u>RADIO</u>	<u>CMU COMBINED TOTAL</u>	<u>DELTA COLLEGE WUCX-FM</u>	<u>ELIMINATIONS</u>	<u>COMBINED TOTAL RADIO</u>	<u>CMU AND DELTA COMBINED TOTAL</u>
<b>Revenues</b>							
Operating revenues:							
University appropriations - operations	\$ 1,063,384	\$ 572,592	\$ 1,635,976	\$100,297		\$ 672,889	\$ 1,736,273
University additional support - operations	134,673	99,526	234,199			99,526	234,199
University administrative support - operations	425,703	294,477	720,180	48,499		342,976	768,679
Contributions and pledges, net of allowance	756,799	678,240	1,435,039	160,269		838,509	1,595,308
Community service grants	736,386	277,306	1,013,692			277,306	1,013,692
Outreach grants	5,610	1,000	6,610			1,000	6,610
Program underwriting	94,728	388,350	483,078	56,428		444,778	539,506
Production underwriting	8,000		8,000				8,000
Rents and royalties	339,526	16,640	356,166			16,640	356,166
Special fundraising activities	20,418	20,418	40,836			20,418	40,836
In-kind support	14,927	28,291	43,218			28,291	43,218
Other operating revenues	43,154	14,212	57,366	3,194	\$(3,194)	14,212	57,366
Total operating revenues	<u>3,643,308</u>	<u>2,391,052</u>	<u>6,034,360</u>	<u>368,687</u>	<u>(3,194)</u>	<u>2,756,545</u>	<u>6,399,853</u>
<b>Expenses</b>							
Operating expenses:							
Programming and local production	991,541	707,111	1,698,652	199,012		906,123	1,897,664
Broadcasting	1,813,989	559,189	2,373,178	62,947		622,136	2,436,125
Program information	248,805	123,213	372,018			123,213	372,018
Fundraising	444,763	470,601	915,364	63,452		534,053	978,816
Management and general	454,583	351,809	806,392	26,335	(3,194)	374,950	829,533
Depreciation	669,704	99,149	768,853	2,178		101,327	771,031
Total operating expenses	<u>4,623,385</u>	<u>2,311,072</u>	<u>6,934,457</u>	<u>353,924</u>	<u>(3,194)</u>	<u>2,661,802</u>	<u>7,285,187</u>
Operating income (loss)	(980,077)	79,980	(900,097)	14,763		94,743	(885,334)
<b>Nonoperating revenues</b>							
University additional support - capital	106,103	158,731	264,834			158,731	264,834
Investment income, net of expenses	(304,816)	(24,307)	(329,123)	(19,095)		(43,402)	(348,218)
Capital gifts and pledges, net of allowance	275		275				275
Capital grants	1,137,409		1,137,409				1,137,409
Additions to permanent endowments	9,250	1,674	10,924			1,674	10,924
Total nonoperating revenues	<u>948,221</u>	<u>136,098</u>	<u>1,084,319</u>	<u>(19,095)</u>		<u>117,003</u>	<u>1,065,224</u>
Increase (decrease) in net assets	(31,856)	216,078	184,222	(4,332)		211,746	179,890
Net assets at beginning of year	<u>12,778,247</u>	<u>1,288,207</u>	<u>14,066,454</u>	<u>203,707</u>		<u>1,491,914</u>	<u>14,270,161</u>
Net assets at end of year	<u>\$12,746,391</u>	<u>\$1,504,285</u>	<u>\$14,250,676</u>	<u>\$199,375</u>		<u>\$1,703,660</u>	<u>\$14,450,051</u>