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KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY
THE UNIVERSITY OF LOUISIANA AT MONROE

Financial Statements
For the Years Ended June 30, 2005 and 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12-21-05



KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA at MONROE

JUNE 30, 2005 AND 2004

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CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 822-1717

Fax (318) 822-5181

E-Mail: chhcpas@bellsouth.net

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
University of Louisiana at Monroe:

We have audited the accompanying statements of financial position of KEDM (A Public Telecommunications Entity operated by University of Louisiana at Monroe) as of June 30, 2005 and 2004, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 KEDM as of June 30, 2005 and 2004, and the changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
November 22, 2005

KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2005	2004
<u>ASSETS</u>		
Cash	\$ 147,424	\$ 158,673
Pledges Receivable	135	-
Equipment, Net	141,936	159,828
<u>TOTAL ASSETS</u>	\$ 289,495	\$ 318,501
 <u>LIABILITIES</u>		
Accounts Payable	\$ 8,146	\$ 340
 <u>NET ASSETS</u>		
Unrestricted	281,349	318,161
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 289,495	\$ 318,501

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

KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
STATEMENTS OF ACTIVITIES

	<u>For the Years Ended June 30,</u>	
	<u>2005</u>	<u>2004</u>
<u>Changes in Unrestricted Net Assets</u>		
Revenues & Gains:		
Contributions - Cash	\$ 254,458	\$ 237,459
Support Provided by the University of Louisiana at Monroe	297,032	287,209
Other Income	540	5,447
Total Unrestricted Revenues & Gains	552,030	530,115
<u>Net Assets Released From Restrictions</u>		
Satisfaction of Program Restrictions	160,623	95,796
Total Unrestricted Revenues & Gains, and Other Support	712,653	625,911
<u>Expenses</u>		
Advertising	1,058	1,128
Depreciation	17,892	19,919
Dues & Subscriptions	171,569	105,962
Maintenance	-	1,648
Materials & Supplies	54,946	44,153
Occupancy	67,325	66,461
Other	19,962	21,588
Postage & Shipping	2,548	2,378
Printing	2,903	1,343
Professional Fees	1,891	1,422
Salaries & Wages	355,002	328,520
Telephone	982	1,174
Travel	5,713	5,531
Utilities	25,872	24,255
Total Expenses	727,663	625,482
Increase (Decrease) in Unrestricted Net Assets	(15,010)	429
<u>Changes in Temporarily Restricted Net Assets</u>		
National Program Production and Acquisition Grant	138,821	121,178
Net Assets Released From Restrictions	(160,623)	(95,796)
Increase(Decrease) in Temporarily Restricted Net Assets	(21,802)	25,382
Increase(Decrease) in Unrestricted Net Assets	(36,812)	25,811
<u>Net Assets at Beginning of Year</u>	318,161	292,350
<u>NET ASSETS AT END OF YEAR</u>	\$ 281,349	\$ 318,161

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

KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
STATEMENTS OF CASH FLOWS

	<u>For the Years Ended June 30,</u>	
	<u>2005</u>	<u>2004</u>
<u>Cash Flows From Operating Activities</u>		
Increase (Decrease) in Net Assets	\$ (36,812)	\$ 25,811
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	17,892	19,919
Change In:		
Pledges Receivable	(135)	-
Accounts Payable	7,806	(1,814)
Total Adjustments	25,563	18,105
Net Cash Provided (Used) by Operating Activities	(11,249)	43,916
 <u>Cash at Beginning of Year</u>	 158,673	 114,757
 <u>CASH AT END OF YEAR</u>	 \$ 147,424	 \$ 158,673

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

KEDM
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OPERATED BY THE UNIVERSITY OF LOUISIANA at MONROE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

Note 1. -Summary of Significant Accounting Policies

A. Organization

KEDM (the Station) is a noncommercial radio station operated by the University of Louisiana at Monroe. The Station adheres to the standards of accounting and reporting as described in Principles of Accounting and Financial Reporting for Public Telecommunication Entities published by the Corporation for Public Broadcasting.

B. Basis of Accounting

The financial statements of the Station have been prepared on the accrual basis. The significant accounting policies followed by the Station are described below to enhance the usefulness of the financial statements to the reader.

C. Basis of Presentation

The Station has adopted Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Made*, and SFAS No. 117, *Financial Statements of Not-for-Profit Organizations*.

SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. SFAS No. 116 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. A description of the three net asset categories follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Station and/or the passage of time. There were no temporarily restricted net assets at June 30, 2005 and 2004, respectively.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Station. Generally, the donors of these assets permit the Station to use all or part of the income earned on related investments for general or specific purposes. There were no permanently restricted net assets at June 30, 2005 and 2004, respectively.

D. Use of Estimates

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Revenue Recognition

Membership contributions and support from the University are recorded as revenue in the Statement of Activity when received. Restricted gifts and grants are recorded as revenue in the Statement of Activity to the extent that they have been expended for the purpose specified by the donor or grantor during the period.

F. Donated Facilities and Administrative Support

Donated facilities and administrative support from the University consist of office and studio space and an allocation of costs and certain other expenses incurred by the University on behalf of the Station.

Note 2 - Property and Equipment

Fixed assets are stated at cost when purchased or constructed. If acquired by gift, they are recorded at an objective, verifiable basis which is, in the judgement of Station management, a fair value for the Station's purposes (no independent third party appraisal is obtained). Expenditures for repairs and maintenance are charged to operating expense as incurred. Fixed assets are depreciated using the straight-line method over the estimated useful lives (5-30 years) of the individual assets. Depreciation expense amounted to \$17,892 and \$19,919 in 2005 and 2004, respectively.

Net property value at June 30, 2005 was as follows:

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Fixtures	\$ 13,088	\$ 12,361	\$ 727
Office Equipment	40,159	39,607	552
Radio Tower	240,000	113,333	126,667
Electronic Equipment	459,248	445,258	13,990
<u>TOTAL</u>	<u>\$ 752,495</u>	<u>\$ 610,559</u>	<u>\$ 141,936</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

Note 2 - Property and Equipment (Continued)

Net property value at June 30, 2004 was as follows:

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Fixtures	\$ 13,088	\$ 11,488	\$ 1,600
Office Equipment	40,159	38,843	1,316
Radio Tower	240,000	105,334	134,666
Electronic Equipment	<u>459,248</u>	<u>437,002</u>	<u>22,246</u>
<u>TOTAL</u>	<u>\$ 752,495</u>	<u>\$ 592,667</u>	<u>\$ 159,828</u>