

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

*Financial Statements*  
*For the Years Ended June 30, 2014 and 2013*



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

JUNE 30, 2014 AND 2013

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## 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) which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

To the Board of Trustees of  
University of Louisiana at Monroe  
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### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KEDM (A Public Telecommunications Entity operated by University of Louisiana at Monroe) as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such 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 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Cameron, Hines & Company (APAC)*

West Monroe, Louisiana  
December 17, 2014

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

	June 30,	
	2014	2013
<u>ASSETS</u>		
Claim on Cash	\$ 88,863	\$ 134,992
Accounts Receivable	811	-
Prepaid Expenses	2,222	2,004
Equipment, Net	251,080	302,193
<u>TOTAL ASSETS</u>	\$ 342,976	\$ 439,189
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 8,693	\$ 8,849
Accrued Expenses	287	650
<u>TOTAL LIABILITIES</u>	8,980	9,499
 <u>NET ASSETS</u>		
Temporarily Restricted	15,004	19,680
Unrestricted	318,992	410,010
Total Net Assets	333,996	429,690
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 342,976	\$ 439,189

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

	For the Years Ended June 30,	
	2014	2013
<u>Changes in Unrestricted Net Assets</u>		
Revenues & Gains:		
Contributions		
Underwriting	\$ 55,941	\$ 48,362
Membership	109,275	78,196
Special Events and Other	14,768	10,743
Capital	290	-
Tower Rental Revenue	19,687	14,616
Support Provided by the University of Louisiana at Monroe	198,258	209,270
Total Unrestricted Revenues & Gains	398,219	361,187
<u>Net Assets Released From Restrictions</u>		
Satisfaction of Program Restrictions	94,366	126,262
Total Unrestricted Revenues & Gains, and Other Support	492,585	487,449
<u>Expenses</u>		
Advertising	4,219	774
Depreciation	51,113	51,155
Dues/Subscriptions/Licenses/Fees	138,154	136,137
Maintenance	5,497	2,598
Materials & Supplies	1,418	2,305
Occupancy	70,503	68,410
Other	10,954	8,460
Postage & Shipping	3,006	1,327
Printing	10,946	4,213
Professional Fees	5,000	4,500
Salaries & Wages	228,574	244,986
Telephone	527	456
Travel	9,724	5,483
Utilities	43,968	42,507
Total Expenses	583,603	573,313
Change in Unrestricted Net Assets	\$ (91,018)	\$ (85,864)

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

	For the Years Ended	
	June 30,	
	<u>2014</u>	<u>2013</u>
<u>Changes in Temporarily Restricted Net Assets</u>		
Corporation for Public Broadcasting - Community Service Grant	\$ 89,690	\$ 119,738
Georgia Public Broadcasting - Southern Regional Education Desk	-	2,564
Net Assets Released From Restrictions	<u>(94,366)</u>	<u>(126,262)</u>
Change in Temporarily Restricted Net Assets	<u>(4,676)</u>	<u>(3,960)</u>
 <u>Change in Net Assets</u>	 (95,694)	 (89,824)
 <u>Net Assets at Beginning of Year</u>	 <u>429,690</u>	 <u>519,514</u>
 <u>NET ASSETS AT END OF YEAR</u>	 <u>\$ 333,996</u>	 <u>\$ 429,690</u>

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

KEDM  
A PUBLIC TELECOMMUNICATIONS ENTITY  
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STATEMENTS OF CASH FLOWS

	For the Years Ended	
	June 30,	
	2014	2013
<u>Cash Flows From Operating Activities</u>		
Change in Net Assets	\$ (95,694)	\$ (89,824)
Adjustments to Reconcile Change in Net Assets for the year to Net Cash Used by Operating Activities:		
Depreciation	51,113	51,155
Increase in Accounts Receivable	(811)	-
Increase in Prepaid Expenses	(218)	(856)
Increase (Decrease) in Accounts Payable	(156)	5,642
Increase (Decrease) in Accrued Expensed	(363)	650
Total Adjustments	49,565	56,591
Net Cash Used by Operating Activities	(46,129)	(33,233)
<u>Net Decrease in Cash and Cash Equivalents</u>	(46,129)	(33,233)
<u>Claim on Cash at Beginning of Year</u>	134,992	168,225
<u>CLAIM ON CASH AT END OF YEAR</u>	\$ 88,863	\$ 134,992

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



KEDM  
A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED BY THE UNIVERSITY OF LOUISIANA at MONROE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

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

FASB Accounting Standards Codification (ASC) section 958-205 *Not-for-Profit Entities, Presentation of Financial Statements* 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. ASC section 958-605 *Not-for-Profit Entities, Revenue Recognition* 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 \$15,004 and \$19,680 in temporarily restricted net assets at June 30, 2014 and 2013, respectively. Temporarily Restricted Net Assets are restricted for expenses allowed by the Corporation for Public Broadcasting.

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, 2014 and 2013, respectively.

KEDM  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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 \$51,113 and \$51,155 in 2014 and 2013, respectively.

Net property value at June 30, 2014 was as follows:

	<u>At</u> <u>Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net</u>
Furniture & Fixtures	\$ 12,365	\$ 12,365	\$ -
Office Equipment	66,977	66,185	792
Radio Tower	240,000	185,333	54,667
Transmitter and Digital Equipment	260,575	128,774	131,801
Antenna and Transmission Line	127,641	63,821	63,820
Electronic Equipment	380,052	380,052	-
<u>TOTAL</u>	<u>\$ 1,087,610</u>	<u>\$ 836,530</u>	<u>\$ 251,080</u>

KEDM  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Note 2 - Property and Equipment (continued)

Net property value at June 30, 2013 was as follows:

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Fixtures	\$ 12,365	\$ 12,365	\$ -
Office Equipment	66,977	61,893	5,083
Radio Tower	240,000	177,333	62,667
Transmitter and Digital Equipment	260,575	102,717	157,859
Antenna and Transmission Line	127,641	51,057	76,585
Electronic Equipment	380,052	380,052	-
<u>TOTAL</u>	<u>\$ 1,087,610</u>	<u>\$ 785,417</u>	<u>\$ 302,193</u>

Note 3 - Temporarily Restricted Net Assets

Temporarily Restricted Net Assets is comprised of revenue from a Corporation for Public Broadcasting (“CPB”) Community Service Grant (“CSG”). The CSG contains the following restrictions:

1. No CPB funds shall be used for purposes of conducting any reception, or providing any other entertainment, for any officer or employee of the federal government or any state or local government.
2. No CPB funds shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriation before Congress or any state legislature.
3. No CSG funds may be expended on the production, acquisition or distribution of programs which do not qualify under CPB’s Broadcast Schedule of eligibility criterion. Such programs include any that further the principles of particular political or religious philosophies, or that are designed primarily for in-school or professional in-service audiences.
4. The station’s licensee may not impound or otherwise withhold or inappropriately restrict the use of CSG funds by the station. CSG funds may not be used to supplant funds or other support already being provided to the station by the licensee or to offset budgeting cutbacks by the licensee. For purposes of these General Provisions and Eligibility Criteria, “supplant” is defined as “to reduce the amount of funds or other support already being provided by the licensee in proportion to, or because of, funding through the CSG.”
5. CSG funds may not be used to offset an institutional licensee’s overhead or expenses.
6. CSG funds or proceeds from the liquidation or transfer of assets acquired with CSG funds must be used solely for the benefit of the public broadcast station.
7. Full-time station personnel whose salaries are paid by CSG funds must exercise full-time responsibilities over broadcast station operations. Such personnel shall not be required by the licensee to perform duties unrelated to the operation of the broadcast station.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Note 3 - Temporarily Restricted Net Assets (continued)

8. CSG funds shall not be used by the grantee for personnel services, programming (both production and acquisition), or technical facilities in excess of standard amounts usually paid, charged or otherwise applied by the grantee for the same services and facilities under similar circumstances.
9. Grantee agrees that if, at any time during the grant period covered by this agreement, it should cease to provide the public broadcasting services for which this grant is made, it shall, upon request of CPB, return any or all of the grant funds to CPB.
10. Approximately 26 percent of the CSG must be spent on national program production and acquisition. This portion of the CSG must be used exclusively for the acquisition, production, promotion, and/or distribution of national programming of high quality, diversity, creativity, excellence, and innovation, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature.

Net assets were released from grantor restrictions by incurring expenses satisfying the purpose specified by the grantor as follows.

Corporation for Public Broadcasting	<u>\$94,366</u>
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Note 4 - Subsequent Events

Subsequent events have been evaluated through December 17, 2014, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

Supplemental Information

KEDM  
A PUBLIC TELECOMMUNICATIONS ENTITY  
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2014 AND 2013

	PROGRAM SERVICES			
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services
Advertising	\$ -	\$ -	\$ 4,219	\$ 4,219
Dues/Subscriptions	2,915	-	-	2,915
Maintenance	-	5,497	-	5,497
Materials and Supplies	-	-	-	-
Occupancy	-	-	-	-
Depreciation Expense	-	-	-	-
Food Purchases	-	-	-	-
Other	-	-	-	-
Meetings	-	-	-	-
Special Events Expense	-	-	-	-
Freight	-	133	-	133
Fees	119,775	11,004	250	131,029
Miscellaneous Operating	-	-	524	524
Postage and Shipping	-	-	-	-
Printing	-	-	-	-
Salaries and Wages	91,491	30,459	6,293	128,243
Telephone	-	-	-	-
Travel	1,640	-	-	1,640
Utilities	-	43,968	-	43,968
Professional Fees	-	-	-	-
Total Expenses, year ended December 31, 2014	\$ 215,821	\$ 91,061	\$ 11,286	\$ 318,168
 Total Expenses, year ended December 31, 2013	 \$ 288,258	 \$ 18,533	 \$ 3,720	 \$ 310,511

SUPPORTING SERVICES

Management and General	Fund Raising and Membership Development	Underwriting and Grant Solicitation	Total Supporting Services	<u>TOTAL EXPENSES</u>	
				2014	2013
\$ -	\$ -	\$ -	\$ -	\$ 4,219	\$ 774
-	-	-	-	2,915	136,137
-	-	-	-	5,497	2,598
-	1,418	-	1,418	1,418	2,305
70,503	-	-	70,503	70,503	68,410
51,113	-	-	51,113	51,113	51,155
-	381	-	381	381	-
-	-	-	-	-	8,462
-	-	2,097	2,097	2,097	-
-	82	-	82	82	-
-	-	-	-	133	-
-	4,210	-	4,210	135,239	-
-	6,367	1,370	7,737	8,261	-
-	3,006	-	3,006	3,006	1,327
-	10,683	263	10,946	10,946	4,213
43,525	33,738	23,068	100,331	228,574	244,986
527	-	-	527	527	456
-	8,084	-	8,084	9,724	5,483
-	-	-	-	43,968	42,507
5,000	-	-	5,000	5,000	4,500
<u>\$ 170,668</u>	<u>\$ 67,969</u>	<u>\$ 26,798</u>	<u>\$ 265,435</u>	<u>\$ 583,603</u>	
<u>\$ 186,040</u>	<u>\$ 53,699</u>	<u>\$ 23,063</u>	<u>\$ 262,802</u>		<u>\$ 573,313</u>

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