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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, 2002 and 2001*

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

Release Date 12-31-02

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

JUNE 30, 2002 AND 2001

**INDEX**

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	<b>Page</b>
Independent Auditors' Report .....	1
Statements of Financial Position .....	2
Statements of Activities .....	3
Statements of Cash Flows .....	4
Notes to Financial Statements .....	5 - 7

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# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)  
Certified Public Accountants  
184 Regency Place  
West Monroe, Louisiana 71091

Officing Address:  
P. O. Box 24174  
West Monroe, LA 71099-0474

Phone (504) 689-1717  
Fax (504) 689-6381

## 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, 2002 and 2001, 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, 2002 and 2001, and the changes in net assets and cash flows for the years then ended, in conformity with auditing standards generally accepted in the United States of America.

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
September 19, 2002

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

	June 30,	
	2003	2002
<b>ASSETS</b>		
Cash	\$ 68,246	\$ 74,799
Accounts Receivable	-	172
Equipment, Net	209,644	206,132
<b>TOTAL ASSETS</b>	<b>\$ 277,890</b>	<b>\$ 281,103</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,264	-
<b>NET ASSETS</b>		
Unrestricted	276,626	281,103
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 277,894</b>	<b>\$ 281,103</b>

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

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

June 30,

	2002	2001
<b>Change in Unrestricted Net Assets</b>		
Revenues & Gains:		
Contributions - Cash	\$ 171,814	\$ 112,299
Support Provided by the University of Louisiana at Monroe	283,918	210,155
Other Income	1,793	4,084
Total Unrestricted Revenues & Gains	<u>457,525</u>	<u>326,538</u>
Net Assets Released From Restrictions	<u>136,212</u>	<u>181,287</u>
Satisfaction of Program Restrictions		
Total Unrestricted Revenues & Gains and Other Support	<u>593,737</u>	<u>507,825</u>
Expenses:		
Advertising	414	1,178
Depreciation	31,287	94,683
Dues & Subscriptions	132,486	118,888
Maintenance	18,233	-
Materials & Supplies	37,424	9,618
Occupancy	48,440	66,488
Other	12,831	2,758
Other	1,818	2,807
Postage & Shipping	1,673	854
Printing	1,673	-
Professional Fees	4,180	18,418
Salaries & Wages	284,587	213,772
Telephone	1,834	713
Travel	3,723	3,524
Utilities	19,448	21,126
Total Expenses	<u>518,820</u>	<u>483,298</u>
Decrease in Unrestricted Net Assets	<u>(125,083)</u>	<u>(14,714)</u>
<b>Change in Temporarily Restricted Net Assets</b>		
National Program Production and Acquisition Costs	184,190	184,680
Net Assets Released From Restrictions	<u>(184,190)</u>	<u>(184,680)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>0</u>	<u>0</u>
Decrease in Net Assets	<u>(125,083)</u>	<u>(14,714)</u>
Net Assets at Beginning of Year	<u>311,815</u>	<u>326,529</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 186,732</u>	<u>\$ 311,815</u>

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

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

	June 30,	
	2000	2001
<b>Cash Flows From Operating Activities</b>		
Decrease in Net Assets	\$ (11,013)	\$ (11,000)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	14,267	14,465
Change In:		
Accounts Receivable	712	(211)
Accounts Payable	1,264	(124)
Total Adjustments	16,243	14,119
Net Cash Provided (Used) by Operating Activities	(4,770)	3,119
 <b>Cash Flows From Investing Activities</b>		
Purchase of Equipment	(4,699)	(4,678)
Net Cash Used by Investing Activities	(4,699)	(4,678)
 <b>Increase/Decrease in Cash</b>	(9,469)	(1,559)
<b>Cash at Beginning of Year</b>	74,700	58,820
<b>CASH END OF YEAR</b>	\$ 65,231	\$ 57,261

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

**KEDM**  
**A PUBLIC TELECOMMUNICATIONS ENTITY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2002 AND 2001**

**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 understandability 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 Rents*, and *SFAS No. 117, Financial Statements of Non-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.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2002 AND 2001**

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**D. Use of Estimates**

The preparation of financial statements in conformity accounting principles generally 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 Financial Activity when received. Restricted gifts and grants are recorded as revenue in the Statement of Financial 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 judgment of Station management, a fair value for the Station's purposes (an independent third party appraisal is obtained). Expenditures for repairs and maintenance are charged to operating expenses 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 \$71,257 and \$54,405 in 2002 and 2001, respectively.

Net property value at June 30, 2002 was as follows:

	At Cost	Accumulated Depreciation	Net
Furniture & Fixtures	\$ 13,088	\$ 9,743	\$ 3,345
Office Equipment	40,159	31,158	9,001
Radio Tower	240,000	89,733	150,267
Electronic Equipment	459,248	412,717	46,531
<b>TOTAL</b>	<b>\$ 752,495</b>	<b>\$ 542,951</b>	<b>\$ 209,544</b>



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**Note 3 - Property and Equipment (Continued)**

Net property value at June 30, 2001 was as follows:

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Fixtures	\$ 13,258	\$ 9,071	\$ 4,217
Office Equipment	43,448	30,977	12,419
Radio Tower	240,000	81,333	158,667
Electronic Equipment	<u>433,894</u>	<u>296,863</u>	<u>99,833</u>
<b>TOTAL</b>	<b>\$ 730,599</b>	<b>\$ 518,244</b>	<b>\$ 216,132</b>