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

Financial Report
For the Years Ended June 30, 2004 and 2003

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 12-15-04



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

JUNE 30, 2004 AND 2003

INDEX

	<u>Page</u>
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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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, 2004 and 2003, 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, 2004 and 2003, 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, 2004

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

	June 30,	
	2004	2003
<u>ASSETS</u>		
Cash	\$ 158,673	\$ 114,757
Equipment, Net	159,828	179,747
<u>TOTAL ASSETS</u>	\$ 318,501	\$ 294,504
 <u>LIABILITIES</u>		
Accounts Payable	\$ 340	\$ 2,154
 <u>NET ASSETS</u>		
Unrestricted	318,161	292,350
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 318,501	\$ 294,504

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>2004</u>	<u>2003</u>
<u>Changes in Unrestricted Net Assets</u>		
Revenues & Gains:		
Contributions - Cash	\$ 237,459	\$ 229,660
Support Provided by the University of Louisiana at Monroe	287,209	252,011
Other Income	5,447	14,677
Total Unrestricted Revenues & Gains	<u>530,115</u>	<u>496,348</u>
<u>Net Assets Released From Restrictions</u>		
Satisfaction of Program Restrictions	<u>95,796</u>	<u>100,571</u>
Total Unrestricted Revenues & Gains, and Other Support	625,911	596,919
<u>Expenses</u>		
Advertising	1,128	26
Depreciation	19,919	29,797
Dues & Subscriptions	105,962	109,948
Maintenance	1,648	257
Materials & Supplies	44,153	52,852
Occupancy	66,461	67,903
Other	21,588	12,535
Postage & Shipping	2,378	2,302
Printing	1,343	1,348
Professional Fees	1,422	5,373
Salaries & Wages	328,520	289,991
Telephone	1,174	1,207
Travel	5,531	3,798
Utilities	24,255	21,851
Total Expenses	<u>625,482</u>	<u>599,188</u>
Increase (Decrease) in Unrestricted Net Assets	429	(2,269)
<u>Changes in Temporarily Restricted Net Assets</u>		
National Program Production and Acquisition Grant	121,178	118,690
Net Assets Released From Restrictions	(95,796)	(100,571)
Increase in Temporarily Restricted Net Assets	<u>25,382</u>	<u>18,119</u>
<u>Increase in Unrestricted Net Assets</u>	25,811	15,850
<u>Net Assets at Beginning of Year</u>	<u>292,350</u>	<u>276,500</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 318,161</u>	<u>\$ 292,350</u>

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

	For the Years Ended June 30,	
	2004	2003
<u>Cash Flows From Operating Activities</u>		
Increase in Net Assets	\$ 25,811	\$ 15,850
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	19,919	29,797
Change In:		
Accounts Payable	(1,814)	870
Total Adjustments	18,105	30,667
Net Cash Provided by Operating Activities	43,916	46,517
<u>Cash at Beginning of Year</u>	114,757	68,240
<u>CASH AT END OF YEAR</u>	\$ 158,673	\$ 114,757

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, 2004 AND 2003

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, 2004 and 2003, 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, 2004 and 2003, 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, 2004 AND 2003

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 \$19,919 and \$29,797 in 2004 and 2003, respectively.

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	459,248	437,002	22,246
<u>TOTAL</u>	<u>\$ 752,495</u>	<u>\$ 592,667</u>	<u>\$ 159,828</u>

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NOTES TO THE FINANCIAL STATEMENTS
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Note 2 - Property and Equipment (Continued)

Net property value at June 30, 2003 was as follows:

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Fixtures	\$ 13,088	\$ 10,616	\$ 2,472
Office Equipment	40,159	36,336	3,823
Radio Tower	240,000	97,334	142,666
Electronic Equipment	459,248	428,462	30,786
<u>TOTAL</u>	<u>\$ 752,495</u>	<u>\$ 572,748</u>	<u>\$ 179,747</u>