

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

*Financial Statements*  
*For the Years Ended June 30, 2008 and 2007*

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

1/28/09



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JUNE 30, 2008 AND 2007

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# CAMERON, HINES & HARTT

(A Professional Accounting Corporation)

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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, 2008 and 2007, 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 audits 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, 2008 and 2007, and the changes in its net assets and its 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  
December 8, 2008

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

	June 30,	
	2008	2007
<u>ASSETS</u>		
Claim on Cash	\$ 260,077	\$ 195,690
Accounts Receivable	14,285	8,000
Equipment, Net	118,047	130,032
<u>TOTAL ASSETS</u>	<u>\$ 392,409</u>	<u>\$ 333,722</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 61,526	\$ 804
<u>NET ASSETS</u>		
Temporarily Restricted (Restated)	156,014	107,284
Unrestricted	174,869	225,634
Total Net Assets	330,883	332,918
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 392,409</u>	<u>\$ 333,722</u>

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

**KEDM**  
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**STATEMENTS OF ACTIVITIES**

	For the Years Ended June 30,	
	2008	2007
<u>Changes in Unrestricted Net Assets</u>		
Revenues & Gains:		
Contributions		
Underwriting	\$ 66,855	\$ 75,941
Membership	51,264	69,092
Special Events and Other	-	106,711
LETA Corporative Endeavor Income	28,570	-
Support Provided by the University of Louisiana at Monroe	292,733	319,443
Total Unrestricted Revenues & Gains	439,422	571,187
<u>Net Assets Released From Restrictions</u>		
Satisfaction of Program Restrictions	136,961	126,884
Total Unrestricted Revenues & Gains, and Other Support	576,383	698,071
<u>Expenses</u>		
Advertising	-	167
Depreciation	12,813	14,335
Dues & Subscriptions	136,885	121,450
Maintenance	364	1,639
Materials & Supplies	11,725	32,886
Occupancy	68,505	74,085
Other	13,845	24,783
Postage & Shipping	1,953	3,598
Printing	-	2,696
Professional Fees	13,182	7,509
Salaries & Wages	322,356	407,920
Telephone	771	882
Travel	14,353	7,289
Utilities	30,396	27,950
Total Expenses	627,148	727,189
Decrease in Unrestricted Net Assets	\$ (50,765)	\$ (29,118)

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STATEMENTS OF ACTIVITIES (continued)

	For the Years Ended	
	June 30,	
	2008	2007
<u>Changes in Temporarily Restricted Net Assets</u>		
Corporation for Public Broadcasting - Community Service Grant	\$ 113,691	\$ 124,848
Corporation for Public Broadcasting - Digital Radio Conversion Grant	52,500	-
Corporation for Public Broadcasting - RLAIF Grant	19,500	-
Net Assets Released From Restrictions	(136,961)	(126,884)
Increase (Decrease) in Temporarily Restricted Net Assets	48,730	(2,036)
<u>Decrease in Net Assets</u>	(2,035)	(31,154)
<u>Net Assets at Beginning of Year (Restated)</u>	332,918	364,072
<u>NET ASSETS AT END OF YEAR</u>	\$ 330,883	\$ 332,918

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

KEDM  
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STATEMENTS OF CASH FLOWS

	For the Years Ended June 30,	
	2008	2007
<u>Cash Flows From Operating Activities</u>		
Increase (Decrease) in Net Assets	\$ (2,035)	\$ (31,154)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	12,813	14,335
Change In:		
Accounts Receivable	(6,286)	(8,000)
Accounts Payable	60,722	(6,452)
Purchase of Equipment	(827)	(17,835)
Total Adjustments	66,422	(17,952)
Net Cash Provided (Used) by Operating Activities	64,387	(49,106)
 <u>Claim on Cash at Beginning of Year</u>	 195,690	 244,796
 <u>CLAIM ON CASH AT END OF YEAR</u>	 \$ 260,077	 \$ 195,690

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

KEDM  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

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 \$156,014 and \$107,284 in temporarily restricted net assets at June 30, 2008 and 2007, 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, 2008 and 2007, respectively.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

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 \$12,813 and \$14,335 in 2008 and 2007, respectively.

Net property value at June 30, 2008 was as follows:

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Fixtures	\$ 13,088	\$ 13,088	\$ -
Office Equipment	57,994	44,763	13,231
Radio Tower	240,000	137,333	102,667
Electronic Equipment	438,869	436,720	2,149
<b><u>TOTAL</u></b>	<b><u>\$ 749,951</u></b>	<b><u>\$ 631,904</u></b>	<b><u>\$ 118,047</u></b>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

Note 2 - Property and Equipment (Continued)

Net property value at June 30, 2007 was as follows:

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture & Fixtures	\$ 13,088	\$ 13,088	\$ -
Office Equipment	57,994	41,196	16,798
Radio Tower	240,000	129,333	110,667
Electronic Equipment	438,042	435,475	2,567
<b><u>TOTAL</u></b>	<b><u>\$ 749,124</u></b>	<b><u>\$ 619,092</u></b>	<b><u>\$ 130,032</u></b>

Note 3 - Corporative Endeavor Agreement

In August 2007 a corporative endeavor agreement was made between the Louisiana Educational Television Authority of the State of Louisiana (LETA) and KEDM. The purpose of this agreement is the support of public radio broadcasts for the citizens of the State of Louisiana, including the use of such broadcasts for instructional, educational, and cultural purposes, in accordance with the requirements of the station as a public broadcasting entity licensed by the Federal Communications Commission.

The amount of the 2007 Corporative Endeavor Agreement was for \$14,285 and was received in the 2008 fiscal year. The 2008 Corporative Endeavor Agreement was for \$14,285 and received after the fiscal year end; this amount was accrued as accounts receivable at June 30, 2008, bringing the total amount of the agreement to \$28,570.

Note 4 - Restatement of Net Assets

In prior year, an entry was made to record licenses/fees in the amount of \$83,015. This reclass, in effect, recorded these fees twice in prior year. A restatement of restricted net assets was made to prior year net assets and had the following effect:

Temporarily Restricted Net Assets Beginning of Year	\$ 24,269
Restatement of Expenses Recorded Twice	<u>83,015</u>
Temporarily Restricted Net Assets, as Restated	107,284
Unrestricted Net Assets, Beginning of Year	<u>225,634</u>
<b><u>TOTAL NET ASSETS</u></b>	<b><u>\$ 332,918</u></b>