

KRCU 90.9 FM
A PUBLIC BROADCASTING ENTITY
OPERATED BY
SOUTHEAST MISSOURI STATE UNIVERSITY

FINANCIAL STATEMENTS

Years ended June 30, 2017 and 2016

KRCU 90.9 FM
A PUBLIC BROADCASTING ENTITY
OPERATED BY
SOUTHEAST MISSOURI STATE UNIVERSITY

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June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of KRCU

We have audited the accompanying financial statements of KRCU 90.9 FM Radio, a Public Broadcasting Entity operated by and a division of Southeast Missouri State University, as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective net position of KRCU 90.9 FM Radio as of June 30, 2017 and 2016, and the respective changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the KRCU 90.9 FM's basic financial statements.

The accompanying financial information listed as supplementary information on page 19 is presented for purposes of additional analysis is not a required part of the basic financial statements.

The accompanying financial information listed as supplementary information on page 19 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and

reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

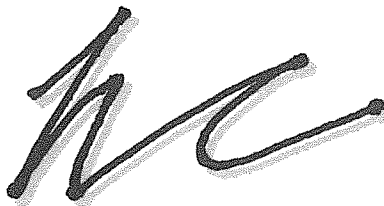
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2017, on our consideration of the KRCU 90.9 FM's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KRCU 90.9 FM's internal control over financial reporting and compliance.

Yours truly,


HILLIN AND COMPANY, PC

Cape Girardeau, Missouri
December 14, 2017



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees of
KRCU 90.9 FM

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of KRCU 90.9 FM, which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 14, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KRCU 90.9 FM Radio's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KRCU 90.9 FM Radio's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KRCU 90.9 FM Radio's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yours truly,


HILLIN AND COMPANY, PC

Cape Girardeau, Missouri
December 14, 2017

KRCU 90.9 FM
A PUBLIC BROADCASTING ENTITY
OPERATED BY
SOUTHEAST MISSOURI STATE UNIVERSITY

STATEMENTS OF NET POSITION

For the Years Ended June 30, 2017 and June 30, 2016

<u>ASSETS:</u>	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash and Cash Equivalents	\$ 81,045	\$ 82,032
Restricted Cash and Cash Equivalents	4,249	5,838
Prepaid Expenses	3,736	5,001
Total Current Assets	<u>\$ 89,030</u>	<u>\$ 92,871</u>
Noncurrent Assets:		
Equipment, Net	\$ 929,873	\$ 983,379
Total Noncurrent Assets	<u>\$ 929,873</u>	<u>\$ 983,379</u>
Total Assets	<u><u>\$ 1,018,903</u></u>	<u><u>\$ 1,076,250</u></u>
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable	\$ 2,592	\$ 5,725
Due to University	12,500	12,500
Deferred Revenue	27,947	34,069
Accrued Compensation	19,747	23,230
Total Current Liabilities	<u>\$ 62,786</u>	<u>\$ 75,524</u>
<u>NONCURRENT LIABILITIES:</u>		
Due to University	<u>\$ 290,182</u>	<u>\$ 300,929</u>
Total Noncurrent Liabilities	<u>\$ 290,182</u>	<u>\$ 300,929</u>
Total Liabilities	<u><u>\$ 352,968</u></u>	<u><u>\$ 376,453</u></u>
<u>NET POSITION:</u>		
Net Investment in Capital Assets	\$ 929,873	\$ 983,379
Restricted	4,249	5,838
Unrestricted	(268,187)	(289,420)
Total Net Position	<u><u>\$ 665,935</u></u>	<u><u>\$ 699,797</u></u>
Total Liabilities and Net Position	<u><u>\$ 1,018,903</u></u>	<u><u>\$ 1,076,250</u></u>

The accompanying notes are an integral part
of the basic financial statements.

KRCU 90.9 FM
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STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2017 and 2016

<u>REVENUES:</u>	<u>2017</u>	<u>2016</u>
Operating Revenues		
General Appropriation from the University	\$ 250,969	\$ 326,702
Donated Facilities and Administrative		
Support from University	105,291	97,642
Corporation for Public Broadcasting Grant	140,749	103,531
Missouri Arts Council Grant	10,033	10,826
Contributions	188,660	167,620
Other Operating Revenues	47,908	47,031
Total Operating Revenues	<u>\$ 743,610</u>	<u>\$ 753,352</u>
 <u>EXPENSES:</u>		
Operating Expenses		
Program Services:		
Programming and Production	\$ 313,228	\$ 281,747
Broadcasting	128,731	103,857
Program Information and Promotion	12,851	8,105
Subtotal	<u>\$ 454,810</u>	<u>\$ 393,709</u>
Supporting Services:		
Management and General	\$ 148,034	\$ 148,690
Fund Raising and Membership Development	79,576	74,579
Underwriting and Grant Solicitation	33,900	38,234
Subtotal	<u>\$ 261,510</u>	<u>\$ 261,503</u>
Depreciation Expense	<u>\$ 61,152</u>	<u>\$ 62,488</u>
Total Operating Expenses	<u>\$ 777,472</u>	<u>\$ 717,700</u>
 CHANGE IN NET POSITION	 \$ (33,862)	 \$ 35,652
 NET POSITION, BEGINNING OF YEAR	 <u>699,797</u>	 <u>664,145</u>
NET POSITION, END OF YEAR	<u>\$ 665,935</u>	<u>\$ 699,797</u>

The accompanying notes are an integral part
of the basic financial statements.

KRCU 90.9 FM
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STATEMENTS OF CASH FLOWS

For Years Ended June 30, 2017 and 2016

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	2017	2016
Institutional Commitment	\$ 250,969	\$ 326,702
Contributions	98,072	92,313
Underwriting	74,816	66,710
Grants	144,660	148,426
Other Income	38,690	38,738
Payments to Vendors and Suppliers	(218,085)	(196,038)
Payments to Employees	(379,701)	(348,802)
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u>\$ 9,421</u>	<u>\$ 128,049</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Repayment of Advances from Southeast Missouri State University	\$ (10,747)	\$ (74,494)
NET CASH PROVIDED/(USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (10,747)</u>	<u>\$ (74,494)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Acquisition of fixed assets	\$ (1,250)	\$ (3,467)
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	<u>\$ (1,250)</u>	<u>\$ (3,467)</u>
INCREASE (DECREASE) IN CASH	\$ (2,576)	\$ 50,088
CASH, BEGINNING OF YEAR	<u>87,870</u>	<u>37,782</u>
CASH, END OF YEAR	<u><u>\$ 85,294</u></u>	<u><u>\$ 87,870</u></u>
<u>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (33,862)	\$ 35,652
Adjustments to Reconcile Net Income to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation Expense	61,152	62,488
Donated Equipment as part of University Commitment	(6,396)	(5,603)
Change in Assets and Liabilities:		
Prepaid Expenses	1,266	(2,900)
Accounts Payable	(3,133)	5,083
Deferred Revenue	(6,122)	34,069
Accrued Compensation	(3,484)	(740)
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u><u>\$ 9,421</u></u>	<u><u>\$ 128,049</u></u>

NONCASH TRANSACTIONS:

The University donated technical equipment with a net book value of \$6,396 to KRCU in FY17. In FY16 the University donated \$5,603 of technical equipment.

The accompanying notes are an integral part
of the basic financial statements.

KRCU 90.9 FM
A PUBLIC BROADCASTING ENTITY OPERATED BY
SOUTHEAST MISSOURI STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016

NOTE 1: NATURE OF OPERATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations:

KRCU 90.9 FM (the Station) is operated by Southeast Missouri State University, Cape Girardeau, Missouri (the University). All employees working for KRCU are employed by Southeast Missouri State University. All amounts contained in this report are included in the audited financial statements of the University, a component unit of the State of Missouri, as of June 30, 2017 and 2016. As the Station is a part of the University, it is exempt from federal and state income taxes.

Accounting Basis:

The accompanying financial statements have been prepared on the accrual basis. The financial statements have been prepared in accordance with the regulations of the Corporation for Public Broadcasting (CPB) and the Governmental Accounting Standards Board (GASB).

Effective July 1, 2001, the Station implemented the required governmental disclosures and reporting requirements outlined in GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and GASB Statement No. 35, *Basic Financial Statements and Management's discussion and Analysis-for Public Colleges and Universities*.

Presentation Basis:

Net position of the organization and changes therein are classified and reported as follows:

Unrestricted Net Position – Net assets that are not subject to donor or grantor imposed stipulations.

General Appropriation from the University:

KRCU annually receives a general appropriation from the University based on the University's annual budget. The 2017 and 2016 appropriations were \$250,969 and \$326,702 respectively.

Use of Estimates:

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expense:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among program and supporting services by systematic basis.

NOTE 2: ACCOUNTS PAYABLE:

Accounts payable for the fiscal year ended June 30, 2017 and June 30, 2016 related to operating supplies and services.

NOTE 3: PROPERTY AND EQUIPMENT:

The following schedule summarizes the property and equipment activity for the fiscal year ended June 30, 2017.

	July 1, 2016				June 30, 2017
	Balance	Additions	Disposals	Transfers	Balance
Machinery and Equipment	\$ 600,905	\$ 7,646	(2,455)	\$ 5,098	\$ 611,193
Software	3,500	0	0	0	3,500
Buildings	308,647	0	0	0	308,647
Towers	881,325	0	0	0	881,325
	<u>\$ 1,794,377</u>	<u>\$ 7,646</u>	<u>\$ (2,455)</u>	<u>\$ 5,098</u>	<u>\$ 1,804,665</u>
Accumulated Depreciation	<u>(810,998)</u>	<u>(61,152)</u>	<u>2,455</u>	<u>(5,098)</u>	<u>(874,792)</u>
Net Property and Equipment	<u>\$ 983,379</u>	<u>\$ (53,506)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 929,873</u>

Restricted Net Position – Consist of unused funds from the current Corporation for Public Broadcasting grant. Fiscal year 2016 Radio Community Service grant funding covers a two year period from October 1, 2015 – September 30, 2017. Fiscal year 2017 Radio Community Service grant funding covers a two year period from October 1, 2016 – September 30, 2018.

Net Investment in Capital Assets – Consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, constructions, or improvement of those assets.

Cash and Cash Equivalents:

The organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property and Equipment:

Property and fixed assets are recorded at cost less accumulated depreciation or, in the case of donated property, at the estimated fair value at the date of receipt less accumulated depreciation. Equipment is defined as non-expendable property costing \$1,000 or more. Equipment traded in, lost, stolen, discarded or declared surplus is deleted from the fixed asset inventory.

Machinery and Equipment	5-25 years
Software	5 years
Building	40-45 years
Towers	33 years

In-Kind Contributions:

Donated facilities from the University consist of office and studio space. Administrative support from the University consists of allocated institutional costs and certain other expenditures incurred by the University on behalf of the Station. Allocations for both space and administrative support are computed on a square footage basis. Total allocations from the University for 2017 and 2016 were \$105,291 and \$97,642 respectively. For FY17, KRCU received \$9,377 of in-kind supplies, catering and advertising from various businesses. The University also donated technical equipment with a net book value of \$6,396 to KRCU. In FY16 the University donated \$5,603 of technical equipment.

The following schedule summarizes the property and equipment activity for the fiscal year ended June 30, 2016.

	July 1, 2015				June 30, 2016
	Balance	Additions	Disposals	Transfers	Balance
Machinery and Equipment	\$ 569,153	\$ 3,467	0	\$ 28,285	\$ 600,905
Software	3,500	0	0	0	3,500
Buildings	308,647	0	0	0	308,647
Towers	881,325	0	0	0	881,325
	<u>\$ 1,762,625</u>	<u>\$ 3,467</u>	<u>\$ 0</u>	<u>\$ 28,285</u>	<u>\$ 1,794,377</u>
Accumulated Depreciation	<u>(725,828)</u>	<u>(62,488)</u>	<u>0</u>	<u>(22,682)</u>	<u>(810,998)</u>
Net Property and Equipment	<u>\$ 1,036,797</u>	<u>\$ (59,021)</u>	<u>\$ 0</u>	<u>\$ 5,603</u>	<u>\$ 983,379</u>

NOTE 4: DUE TO UNIVERSITY:

For fiscal years 2017 and 2016, KRCU owed the University \$302,682 and \$313,429 respectively. These amounts represent current and prior year operating expenses and capital improvements funded by the University. KRCU intends to pay a minimum of \$12,500 per year to repay the funds. The payments in FY17 totaled \$10,747.

NOTE 5: RETIREMENT PLAN:

Substantially all full-time KRCU employees are participants in the statewide Missouri State Employees' Retirement System (MOSERS), a multiple-employer defined benefit public employees' retirement system.

Plan description. Benefit eligible employees of the University are provided with pensions through MOSERS - a cost-sharing multiple-employer defined benefit pension plan. Chapter 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined benefit plan for eligible state and other related agency employees. MOSERS issues an annual Comprehensive Annual Financial Report (CAFR), a publicly available financial report that can be obtained at www.mosers.org.

Benefits provided. MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR starting on page 28.

Contributions to MOSERS for KRCU were \$39,567 and \$38,774 for the fiscal years ended June 30, 2017 and June 30, 2016 respectively. The Net Pension

Liability as required by GASB 68 is recorded in whole on the financial statements of Southeast Missouri State University and has not been accrued on the books of KRCU 90.9 FM.

For more information, see the separately issued financial statements of Southeast Missouri State University as of June 30, 2017 and 2016.

NOTE 6: POSTEMPLOYMENT HEALTHCARE PLAN:

Southeast Missouri State University follows Governmental Accounting Standards Board Statement 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. The effect of the GASB 45 adoption is not considered significant to the KRCU financial statements; therefore the required disclosures have been omitted.

The University provides a one time opportunity for retirees to continue medical insurance coverage. Retirees after October 22, 2010 who elect to continue medical insurance are required to pay monthly premiums determined by plan type elected and Medicare eligibility. Pre-65 retirees who retired prior to October 22, 2010 who elect to continue medical insurance are required to pay monthly premiums on the basis of an implicit rate subsidy calculation. Monthly premiums for pre-October 22, 2010 participating retirees under 65 years of age are subsidized by the University at the rate of 1% for every year of active service to the University. Pre-October 22, 2010 retiree's adjusted monthly premium cost will not go below 80% of the premium amount. Financial statements for the plan are not available.

The University pays for their portion of the medical insurance premiums on a pay-as-you-go basis. No trust fund has been created for the payment of the University's portion of the medical insurance premiums; therefore as of June 30, 2017 and 2016, the University's obligations were unfunded. For more information, see the separately issued financial statements of Southeast Missouri State University as of June 30, 2017 and 2016.

NOTE 7: CONTINGENCIES AND RISK MANAGEMENT:

KRCU is subject to various legal proceedings and claims which arise in the ordinary course of its operations. In the opinion of the University management, the amount of ultimate liability with respect to these actions will not materially affect the overall financial position of KRCU.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on KRCU's financial position.

KRCU employees are covered under Worker's Compensation by the State of Missouri. Claims are submitted to the State and paid by the State on behalf of the University. Total claims paid for all Southeast Missouri State University employees for fiscal year 2016-2017 were approximately \$390,326. Total claims paid for all Southeast Missouri State University employees for fiscal year 2015-2016 were approximately \$171,116.

The majority of KRCU employees are also covered by unemployment insurance administered by the State of Missouri Division of Employment Security.

KRCU is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employees' injuries and illnesses; natural disasters and employee health and accident benefits. The University purchases commercial insurance and also receives coverage through the State of Missouri for these risks of loss. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

NOTE 8: NET POSITION:

Restricted – In accordance with GASB Statement No. 63, net position is restricted when constraints placed are either externally imposed, or are imposed by law or legislation. Restricted net position was \$4,249 at June 30, 2017. Restricted net position was \$5,838 at June 30, 2016.

Unrestricted – Unrestricted net position, as defined in GASB Statement No. 63, are not subject to externally imposed stipulations. Undesignated unrestricted net position was \$(268,187) at June 30, 2017. Undesignated unrestricted net position was \$(289,420) at June 30, 2016.

Net Investment in Capital Assets – Net Investment in Capital Assets, as defined in GASB Statement No. 63, consists of capital assets, net of accumulated depreciation. Net Investment in Capital Assets was \$929,873 at June 30, 2017. Net Investment in Capital Assets was \$983,379 at June 30, 2016.

NOTE 9: CONCENTRATION OF CREDIT RISK:

The Station's cash balances are included in the University wide bank account. At June 30, 2017 the University's bank balance was \$7,061,707. The University has a letter of credit with the Federal Home Loan Bank of Cincinnati in the amount of \$20,000,000 to secure cash balances exceeding Federal Deposit Insurance Corporation limits.

NOTE 10: SUBSEQUENT EVENTS:

Subsequent events were evaluated through December 14, 2017, which is the date the financial statements were available.

KRCU 90.9 FM
A PUBLIC BROADCASTING ENTITY
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SCHEDULES OF FUNCTIONAL EXPENSES

Years Ended June 30, 2017 and 2016

	OPERATING FUNDS				2017		2016	
	Program Services	Program Information	Total Program Services	Support Services	Total Support Services	Grand Total	Summarized Grand Total	
	Programming & Production			Management & General	Raising	Underwriting & Grants		
Gross Payroll and Employee Benefits	\$ 72,041	\$ 0	\$ 169,999	\$ 130,007	\$ 31,565	\$ 31,565	\$ 363,136	\$ 335,501
Equipment Repair	1,300	790	2,090	0	0	0	2,090	800
Operations	7,467	0	26,691	16,906	48,011	2,335	93,943	70,655
Trade Operations	0	0	0	0	0	0	0	8,293
In-Kind Operations	0	0	0	0	0	0	0	0
In-Kind Facilities Support	40,549	0	40,549	0	0	0	40,549	39,754
In-Kind Administrative Support	64,742	0	64,742	0	0	0	64,742	57,889
	\$ 186,099	\$ 790	\$ 304,071	\$ 146,913	\$ 79,576	\$ 33,900	\$ 564,460	\$ 512,892

	RESTRICTED FUNDS				2017		2016	
	Program Services	Program Information	Total Program Services	Support Services	Total Support Services	Grand Total	Summarized Grand Total	
	Programming & Production			Management & General	Raising	Underwriting & Grants		
Gross Payroll and Employee Benefits	\$ 3,783	\$ 0	\$ 7,565	\$ 0	\$ 0	\$ 0	\$ 7,565	\$ 9,066
Equipment Repair	0	0	0	0	0	0	0	0
Operations	123,346	12,061	143,174	1,121	0	0	144,295	133,255
Trade Operations	0	0	0	0	0	0	0	0
In-Kind Operations	0	0	0	0	0	0	0	0
In-Kind Facilities Support	0	0	0	0	0	0	0	0
In-Kind Administrative Support	0	0	0	0	0	0	0	0
	\$ 127,129	\$ 12,061	\$ 150,739	\$ 1,121	\$ 0	\$ 0	\$ 151,860	\$ 142,321

The accompanying notes are an integral part
of the basic financial statements.