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**WBRH RADIO STATION TRAINING PROGRAM**  
**BATON ROUGE, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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

# WBRH RADIO STATION TRAINING PROGRAM

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**INDEPENDENT AUDITOR'S REPORT**

To the Members and Management of the  
East Baton Rouge Parish School Board  
Baton Rouge, Louisiana

I have audited the accompanying basic financial statements of WBRH Radio Station Training Program (a special revenue fund of the East Baton Rouge Parish School Board), herein referred to as WBRH, as of June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of WBRH as of June 30, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the other required supplementary information on pages 5 through 8 and 17, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule on page 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements of WBRH. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated October 9, 2004, on my consideration of WBRH's compliance with certain provisions of laws, regulations, contracts, and grants, and on internal control over financial reporting.

A handwritten signature in black ink, appearing to be 'C. J. ...', written in a cursive style.

Baton Rouge, Louisiana  
October 9, 2004

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

To the Members and Management of the  
*East Baton Rouge Parish School Board*  
Baton Rouge, Louisiana

I have audited the accompanying basic financial statements of WBRH Radio Station Training Program (a special revenue fund of the East Baton Rouge Parish School Board), hereinafter referred to as WBRH, as of and for the year ended June 30, 2004, and have issued my report thereon dated October 9, 2004. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether WBRH's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered WBRH's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to relatively low level the risk that errors or irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the board of directors, management, and the Legislative Auditor. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink, appearing to be 'C. A.', written in a cursive style.

Baton Rouge, Louisiana  
October 9, 2004

**WBRH RADIO STATION TRAINING PROGRAM  
BATON ROUGE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2004**

Our discussion and analysis of WBRH Radio Station Training Program's (hereafter referred to as WBRH) financial performance provides an overview of WBRH's financial activities for the fiscal year ended June 30, 2004.

The Management's Discussion and Analysis is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 issued in June 1999.

**FINANCIAL HIGHLIGHTS**

The financial statements included in this report provide insight into the financial status for the year. Based upon the operations of 2004, WBRH's net assets increased by \$46,028, and resulted in ending net assets of \$317,910, or an increase of 17 percent.

Total spending for the governmental activity was \$383,222 for the year, which was \$46,028 less than the revenues and the contributions received for this activity, \$429,250.

**USING THIS ANNUAL REPORT**

This report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities found on pages 9 and 10-11 provide information about the financial activities of WBRH and illustrate a longer-term view of WBRH's finances. Fund financial statements are also on pages 9 and 10-11. For governmental type activities, these statements illustrate how these services were financed in the short-term and what remains for future spending. Fund financial statements also report WBRH's operations in more detail than the government-wide statements by providing information about WBRH's significant funds.

WBRH's independent auditor attests in his report that the Basis Financial Statements are fairly stated. The auditor is providing varying degrees of assurance regarding the Required Supplementary Information, the levels of which are illustrated in the auditor's report.

**REPORTING WBRH AS A WHOLE, THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES**

Our analysis of WBRH as a whole begins on page 9. These statements help to illustrate the status of WBRH resulting from the year's activities. The statements include all assets and liabilities using the accrual basis of accounting. In this method, all of the current year's revenues and expenses are taken into account regardless of when cash is paid or received.

WBRH's net assets are determined by examining the difference in assets and liabilities. The two statements report WBRH's net assets and any changes in them. Examining WBRH's net assets is an effective way to

determine the financial status of WBRH. Increases and decreases in net assets are an indicator of WBRH's overall increasing or decreasing financial performance.

In the Statement of Net Assets and the Statement of Activities, WBRH reports only governmental type activities. The majority of WBRH's activities are of this type, and taxes and contributions finance most of the activities.

REPORTING WBRH'S MOST SIGNIFICANT FUNDS, FUND FINANCIAL STATEMENTS

The analysis of WBRH's major fund begins on page 9. The fund financial statements provide detailed information about the most significant fund rather than WBRH as a whole.

WBRH uses a governmental type fund. Most of WBRH's services are reported in this governmental fund, which focuses on how money flows into and out of that fund and the balance left at year-end that is available for spending. This fund is reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of WBRH's general government operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance WBRH's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation on the fund financial statement.

WBRH AS A WHOLE

BUSINESS-TYPE ACTIVITY

WBRH's net assets increased \$46,028 as a result of this year's operations resulting in ending net assets of \$317,910, or an increase of nearly 17 percent. The balance in net assets represents the accumulated results of all past years' operations. Unrestricted net assets (the part of net assets that can be used to finance daily operations without legal restrictions or obligations) changed from a \$39,510 surplus to a \$123,515 surplus at year end. WBRH can use these funds to finance the continuing operations of the office. This means that if we had to pay off all of our bills today, we would have \$123,515 left.

**Table 1**  
**Net Assets**

	<u>2004</u>	<u>2003</u>
Current and other assets	\$ 131,467	\$ 61,180
Capital assets	<u>194,395</u>	<u>232,372</u>
Total assets	<u>325,862</u>	<u>293,552</u>
Other liabilities	<u>7,952</u>	<u>21,670</u>
Total liabilities	<u>7,952</u>	<u>21,670</u>



Net assets:		
Invested in capital assets	194,395	232,372
Unrestricted	<u>123,515</u>	<u>39,510</u>
Total net assets	<u>\$ 317,910</u>	<u>\$ 271,882</u>

WBRH's total revenues for the year increased \$32,289 or 8 percent. This included \$156,690 of in-kind support from the East Baton Rouge Parish School Board, \$84,208 in memberships and contributions, \$90,769 in underwriting, \$74,583 in grant income, and \$23,000 in other income. The total cost of all programs and services was \$383,222 with no new programs added this year.

**Table 2**  
**Changes in Net Assets**

	<u>2004</u>	<u>2003</u>
Revenues		
Program revenues	\$ 406,250	\$ 371,062
Other revenues	<u>23,000</u>	<u>25,899</u>
Total revenues	<u>429,250</u>	<u>396,961</u>
Program expenses		
Total expenses	<u>383,222</u>	<u>373,392</u>
Increase in net assets	<u>\$ 46,028</u>	<u>\$ 23,569</u>

WBRH'S FUNDS

As previously mentioned, WBRH uses funds to help control and manage money for particular purposes. At the completion of the year, WBRH's governmental fund reported a fund balance of \$123,515. This reflects an increase of \$84,005 from last year.

GENERAL FUND BUDGETARY HIGHLIGHTS

WBRH's budget was not revised during the last year.

The actual expenditures were \$33,971 less than the budgeted amounts.

On the other hand, resources available for expenditure were \$46,910 above the budgeted amounts.

WBRH's General Fund balance of \$123,515 reported on page 11 differs from the General Fund's budgetary fund balance of \$42,634 reported in the budgetary comparison schedule on page 17.

CAPITAL ASSETS

At the end of the year, WBRH has \$194,395 invested in capital assets, including broadcasting equipment, furniture and fixtures, and office equipment. This year there were additions of \$3,170 and no disposals,

reflecting a net increase in capital assets of \$3,170. More detailed information about WBRH's capital assets is presented in Note 3 of the financial statements.

**Table 3**  
**Capital Assets at Year-end**  
**(Net of Accumulated Depreciation)**

	<u>2004</u>	<u>2003</u>
Broadcast equipment, furniture and fixtures, and office equipment	<u>\$194,395</u>	<u>\$232,372</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Taking all factors into consideration, WBRH's general fund balance is expected to remain unchanged by the close of 2005.

CONTACTING WBRH'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of WBRH's finances and to show WBRH's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Larry Davis, Station Manager, 2825 Government Street, Baton Rouge, Louisiana 70806.

**WBRH RADIO STATION TRAINING PROGRAM**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2004**

	<u>Special Revenue Fund</u>	<u>Adjustments*</u>	<u>Statement of Net Assets</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 131,467	\$ -	131,467
Property and equipment, net of accumulated depreciation	<u>-</u>	<u>194,395</u> (1)	<u>194,395</u>
Total Assets	<u>\$ 131,467</u>	<u>\$ 194,395</u>	<u>\$ 325,862</u>
<b><u>LIABILITIES AND FUND EQUITIES</u></b>			
Liabilities			
Accounts payable	<u>\$ 7,952</u>	<u>\$ -</u>	<u>7,952</u>
Total Liabilities	<u>7,952</u>	<u>-</u>	<u>7,952</u>
Fund Equity			
Fund balance-unreserved	<u>123,515</u>	<u>(123,515)</u>	
Total Liabilities and Fund Equities	<u>\$ 131,467</u>		
Net assets			
Invested in capital assets		194,395 (1)	194,395
Unrestricted		<u>85,538</u>	<u>123,515</u>
Total Net Assets		<u>\$ 108,857</u>	<u>\$ 317,910</u>

**\*Explanation**

Capital assets, including depreciation, are recorded on the statement of net assets, but not within the fund statements of the Special Revenue Fund.

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

**WBRH RADIO STATION TRAINING PROGRAM  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004**

	Special Revenue		Statement of
	<u>Fund</u>	<u>Adjustments*</u>	<u>Activities</u>
<b><u>EXPENDITURES/EXPENSES</u></b>			
Advertising and promotion	\$ 5,336		\$ 5,336
Audit cost	3,492		3,492
Contract services	56,640		56,640
Depreciation		41,147 (1)	41,147
Dues and subscriptions	100		100
Employee benefits	44,396		44,396
Equipment purchases	3,170	(3,170) (1)	-
Janitorial services	1,030		1,030
Land lease	3,523		3,523
Office supplies	2,845		2,845
Program fees	3,125		3,125
Regulatory fees and licenses	6,906		6,906
Rent	64,560		64,560
Repairs and maintenance	885		885
Salaries	119,019		119,019
Telephone	1,747		1,747
Utilities	28,470		28,470
Total expenditures/expenses	<u>345,245</u>	<u>37,977</u>	<u>383,222</u>
<b><u>REVENUES</u></b>			
Memberships and contributions	84,208		84,208
Other revenue	23,000		23,000
Underwriting	90,769		90,769
Corporation for Public Broadcasting grant	74,583		74,583
In-kind support	156,690		156,690
Total revenues	<u>429,250</u>		<u>429,250</u>
Excess revenues over expenditures	84,005	(84,005)	
Change in net assets		46,028	46,028

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

**WBRH RADIO STATION TRAINING PROGRAM  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004**

	Special Revenue		Statement of
	Fund	Adjustments*	Activities
Fund balance(deficit)/Net assets			
Beginning of the year	39,510		271,882
End of the year	\$ 123,515		\$ 317,910

\*Explanation

(1) Reclassify equipment purchases and record depreciation.

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

**WBRH RADIO STATION TRAINING PROGRAM  
NOTES TO COMBINED FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

WBRH's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although WBRH has the option to apply FASB pronouncements issued after that date to its business-type activities, WBRH has chosen not to do so. The more significant accounting policies established in GAAP and used by WBRH are discussed below.

**A. BASIS OF PRESENTATION**

The accompanying component unit financial statements of WBRH have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**B. REPORTING ENTITY**

*The WBRH Radio Training Station Training Program (WBRH) operates the WBRH radio station and provides for the training of students. WBRH is managed and owned by the East Baton Rouge Parish School Board (the Board), and is accounted for as a special revenue fund of the East Baton Rouge Parish School Board.*

The School Board complies with Generally Accepted Accounting Principles (GAAP). The School Board's reporting entity applies to all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**C. BASIC FINANCIAL STATEMENTS—GOVERNMENT-WIDE STATEMENTS**

WBRH's basic financial statements include both government-wide (reporting WBRH as a whole) and fund financial statements (reporting WBRH's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. WBRH's general administrative services are classified as governmental type activities.

In the government-wide Statement of Net Assets, the business-type column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. WBRH's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. WBRH first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of WBRH's functions. The net costs by function are normally covered by general revenue.

This government-wide focus is more on the sustainability of WBRH as an entity and the change in WBRH's net assets resulting from the current year's activities.

**WBRH RADIO STATION TRAINING PROGRAM  
NOTES TO COMBINED FINANCIAL STATEMENTS**

**D. FUND ACCOUNTING**

The financial transactions of WBRH are recorded in a separate fund and the fixed assets are recorded in an account group, each of which is considered a separate accounting entity. The separate fund is classified as a special revenue fund, which is a governmental fund type. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise assets, liabilities, fund balances, revenues and expenditures, or expenses as appropriate. The account group represents a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not affect net expendable available financial resources.

**E. BASIS OF ACCOUNTING**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**1. Accrual:**

Business-type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual:**

The governmental fund financial statement is presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**F. BUDGETS AND BUDGETARY ACCOUNTING**

WBRH follows these procedures in establishing the budgetary data reflected in the combined financial statements:

Formal budgetary integration is employed as a management control device during the year for WBRH.

Special Revenue Funds' budgets that are not grant-oriented have annual appropriated budgets adopted prior to September 30 by the Board. Unencumbered appropriations of grant-oriented Special Revenue Funds are reappropriated at the beginning of the following fiscal year. Unencumbered appropriations of certain nongrant-oriented Special Revenue Funds lapse at the end of the fiscal year. These budgets are adopted on a basis consistent with GAAP.

All budget amounts presented in the combined financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. The Board approves all budget revisions.

**WBRH RADIO STATION TRAINING PROGRAM  
NOTES TO COMBINED FINANCIAL STATEMENTS**

**G. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

**H. CASH AND INVESTMENTS**

Cash and cash equivalents include amounts in demand deposits and certificates of deposit with maturity dates within three months of the dates of acquisitions.

The Board is authorized to invest in U.S. Government securities and other allowable obligations issued or guaranteed by Federal agencies provided such obligations are backed by the full faith and credit of the United States of America; and certificates of deposit of financial institutions having principal offices within the State of Louisiana.

The Board maintains three checking accounts, exclusive of individual schools' bank accounts, with the Board's fiscal agent bank. These three accounts are the consolidated cash account and two interest bearing imprest accounts for the disbursements of payrolls and vendors.

**I. CAPITAL ASSETS**

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The amounts presented represent only those assets pertaining to WBRH, and not the entire school board. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Broadcast equipment	10 years
Furniture and fixtures	10 years
Office equipment	5 years

**2. BANK DEPOSITS**

WBRH's cash is contained within the consolidated cash account referred to in Note 1. This bank account is shared by all of the funds of the Board, with each fund maintaining a balance within the account. WBRH's balance within this account was \$131,467 as of June 30, 2004.

The carrying amount of all of the Board's deposits as of June 30, 2004, was \$66,948,901 and the bank balance was \$74,828,694. Of the bank balances, \$376,505 was collateralized by federal depository insurance, \$-0- was insured or collateralized by securities held by the Board or by its agent in the name of the Board (GASB Category 1), \$74,452,189 was collateralized by securities held by the pledging financial institutions' trust department or agent in the name of the Board (GASB Category 2), and \$-0- was collateralized by securities held by the financial institutions or by its trust department or agent, but not in the Board's name (GASB Category 3).



**WBRH RADIO STATION TRAINING PROGRAM  
NOTES TO COMBINED FINANCIAL STATEMENTS**

Securities that may be pledged as collateral consist of obligations of the U.S. government and its agencies; obligations of the State of Louisiana and its municipalities and school districts.

**3. CHANGES IN GENERAL FIXED ASSETS**

The changes in general fixed assets of WBRH are as follows:

	Balance <u>July 1, 2002</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2003</u>
Broadcast equipment	\$ 301,402	19,058		\$ 320,460
Furniture and fixtures	16,747			16,747
Office equipment	56,368	1,371		57,739
Less accumulated depreciation	<u>-123,244</u>	<u>-39,330</u>		<u>-162,574</u>
Capital assets, net	<u>\$ 251,273</u>			<u>\$ 232,372</u>

**4. DEFINED BENEFIT PENSION PLANS**

Plan Description

The full-time employees of WBRH are employees of the Board. All school board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems. Each system is administered and controlled by the State of Louisiana by a separate board of trustees with contribution rates and benefit provisions approved by the Louisiana Legislature. Participation in the Teachers' Retirement System is divided into two plans, the Teachers' Regular Plan and the Teachers' Plan A. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits under each plan.

Each of the Systems issues annual publicly available financial reports that include financial statements and required supplementary information for the system. These reports may be obtained by writing or calling:

Teachers' Retirement System	8401 United Plaza Boulevard Post Office Box 94123 Baton Rouge, Louisiana 70804-9123 (225)925-6446
School Employees' Retirement System	8660 United Plaza Boulevard Baton Rouge, Louisiana 70809 (225)925-6484

Funding Policy

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2003, for the Board and covered employees were as follows:

<u>School Board</u>	<u>Employees</u>
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**WBRH RADIO STATION TRAINING PROGRAM  
NOTES TO COMBINED FINANCIAL STATEMENTS**

Teachers' Retirement System:

Regular Plan	13.10%	8.00%
Plan A	13.10%	9.10%
School Employees' Retirement System	-	7.50%

As provided by Louisiana Revised Statute 11:103, the Board's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

**5. LITIGATION AND CONTINGENCIES**

WBRH is or may become a defendant in workers' compensation, personal injury, and certain personnel action lawsuits. Management and legal counsel for the Board believe that the potential claims against the Board, not covered by insurance, would not materially affect WBRH's financial position.

Federal Grants

In the normal course of operations, WBRH receives grant funds from the Corporation for Public Broadcasting. WBRH is subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for reimbursement, which may arise as the result of these audits is not believed to be material.

**6. LEASE OBLIGATION**

WBRH leases the land which one of its radio towers occupies. The current lease payment is \$285 per month. The original term of the lease plus renewals have expired and the lease is now on a month-to-month basis. The lease allows for annual rent adjustments of up to 3%.

**REQUIRED SUPPLEMENTARY INFORMATION**

**WBRH RADIO STATION TRAINING PROGRAM**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>			
Memberships and contributions	\$ 65,000	\$ 84,208	19,208
Other revenue	22,200	23,000	800
Underwriting	75,000	90,769	15,769
Corporation for Public Broadcasting grant	63,450	74,583	11,133
In-kind support	156,690	156,690	-
Total revenues	382,340	429,250	46,910
<b><u>EXPENDITURES</u></b>			
Advertising and promotion	10,000	5,336	4,664
Audit cost	4,000	3,492	508
Contract services	60,588	56,640	3,948
Dues and subscriptions	100	100	-
Employee benefits	41,890	44,396	(2,506)
Equipment purchases	20,000	3,170	16,830
Janitorial services	1,030	1,030	-
Land lease	3,600	3,523	77
Office supplies	6,681	2,845	3,836
Program fees	3,800	3,125	675
Regulatory fees and licenses	9,630	6,906	2,724
Rent	64,560	64,560	-
Repairs and maintenance	3,500	885	2,615
Salaries	119,347	119,019	328
Telephone	1,620	1,747	(127)
Travel	400	-	400
Utilities	28,470	28,470	-
	379,216	345,245	33,971
Excess revenues over (under) expenditures	3,124	84,005	80,881
Fund balance, beginning of the year	39,510	39,510	-
Fund balance (deficit), end of the year	\$ 42,634	\$ 123,515	\$ 80,881

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

**SCHEDULE**

**WBRH RADIO STATION TRAINING PROGRAM  
SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2004**

Cash Flows From Operating Activities	
Change in net assets	\$46,028
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	41,147
Increase (decrease) in accounts payable	<u>(13,718)</u>
Total adjustments	<u>27,429</u>
Net Cash Provided (Used) by Operating Activities	<u>73,457</u>
Cash Flows From Investing Activities	
Purchases of fixed assets	<u>(3,170)</u>
Net Cash Provided (Used) by Investing Activities	<u>(3,170)</u>
Net increase in cash	70,287
Cash at beginning of the year	<u>61,180</u>
Cash at end of the year	<u>\$131,467</u>

The accompanying notes are an integral part of this schedule.