

KEDM

A PUBLIC TELECOMMUNICATIONS ENTITY

OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JUNE 30, 2020 AND 2019

KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
University of Louisiana at Monroe and the Management of KEDM
Monroe, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of KEDM (a Public Telecommunications Entity operated by The University of Louisiana at Monroe), which comprise the statement of financial position as of June 30, 2020 and June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

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 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 auditors' 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 financial position of KEDM (a Public Telecommunications Entity operated by The University of Louisiana at Monroe) as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer on page 20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
December 28, 2020

KEDM
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>ASSETS</u>			
Claim on Cash	\$ 153,628	\$ 84,283	\$ 237,911
Accounts Receivable	-	-	-
Prepaid Expenses	-	30,139	30,139
Tower Security Deposit	-	-	-
Equipment, Net	10,398	-	10,398
 <u>TOTAL ASSETS</u>	 <u>\$ 164,026</u>	 <u>\$ 114,422</u>	 <u>\$ 278,448</u>
 <u>LIABILITIES & NET ASSETS</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 314	\$ 63,653	\$ 63,967
Accrued Expenses	13	31	44
 <u>TOTAL LIABILITIES</u>	 <u>327</u>	 <u>63,684</u>	 <u>64,011</u>
 <u>NET ASSETS</u>			
With Donor Restrictions	-	50,738	50,738
Without Donor Restrictions	163,699	-	163,699
 <u>TOTAL NET ASSETS</u>	 <u>163,699</u>	 <u>50,738</u>	 <u>214,437</u>
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 <u>\$ 164,026</u>	 <u>\$ 114,422</u>	 <u>\$ 278,448</u>

See Independent Auditors' Report and accompanying notes.

KEDM
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>ASSETS</u>			
Claim on Cash	\$ 32,378	\$ 26,618	\$ 58,996
Accounts Receivable	1,005	-	1,005
Prepaid Expenses	-	44,100	44,100
Tower Security Deposit	5,400	-	5,400
Equipment, Net	11,653	-	11,653
	<u>\$ 50,436</u>	<u>\$ 70,718</u>	<u>\$ 121,154</u>
 <u>LIABILITIES & NET ASSETS</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 808	\$ 16,372	\$ 17,180
Accrued Expenses	-	-	-
	<u>808</u>	<u>16,372</u>	<u>17,180</u>
 <u>NET ASSETS</u>			
With Donor Restrictions	-	54,346	54,346
Without Donor Restrictions	49,628	-	49,628
	<u>49,628</u>	<u>54,346</u>	<u>103,974</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 50,436</u>	<u>\$ 70,718</u>	<u>\$ 121,154</u>

See Independent Auditors' Report and accompanying notes.

KEDM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

<u>SUPPORT AND REVENUE</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Federal Grants			
Corp. for Public Broadcasting - Community Service Grant	112,136	\$ 121,141	\$ 233,277
Contributions			-
Underwriting	96,308	-	96,308
Memberships	90,707	-	90,707
Special Events and Other	11,455	-	11,455
Capital	-	-	-
Tower Rental Revenue	-	-	-
Support Provided by The University of Louisiana at Monroe	337,197	-	337,197
	<u>647,803</u>	<u>121,141</u>	<u>768,944</u>
			-
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions	124,749	(124,749)	-
	<u>124,749</u>	<u>(124,749)</u>	<u>-</u>
			-
 <u>TOTAL SUPPORT AND REVENUE</u>	 <u>772,552</u>	 <u>(3,608)</u>	 <u>768,944</u>
 <u>EXPENSES</u>			
Program Services			
Programming and Production	214,047	-	214,047
Broadcasting	114,391	-	114,391
Program Information and Promotion	7,724	-	7,724
Total Program Services	<u>336,162</u>	<u>-</u>	<u>336,162</u>
Supporting Services			
Management and General	189,283	-	189,283
Fundraising and Membership Development	51,221	-	51,221
Underwriting and Grant Solicitation	81,815	-	81,815
Total Supporting Services	<u>322,319</u>	<u>-</u>	<u>322,319</u>
 <u>TOTAL EXPENSES</u>	 <u>658,481</u>	 <u>-</u>	 <u>658,481</u>
 Change in Net Assets	 <u>114,071</u>	 <u>(3,608)</u>	 <u>110,463</u>
 <u>NET ASSETS AT BEGINNING OF YEAR</u>	 <u>49,628</u>	 <u>54,346</u>	 <u>103,974</u>
 <u>NET ASSETS AT END OF YEAR</u>	 <u>\$ 163,699</u>	 <u>\$ 50,738</u>	 <u>\$ 214,437</u>

See Independent Auditors' Report and accompanying notes.

KEDM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

<u>SUPPORT AND REVENUE</u>	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Federal Grants			
Corp. for Public Broadcasting - Community Service Grant	\$ -	\$ 120,520	\$ 120,520
Contributions			-
Underwriting	51,747	-	51,747
Memberships	91,966	-	91,966
Special Events and Other	54,598	-	54,598
Capital	-	-	-
Tower Rental Revenue	2,039	-	2,039
Support Provided by The University of Louisiana at Monroe	237,285	-	237,285
	<u>437,635</u>	<u>120,520</u>	<u>558,155</u>
			-
Net Assets Released from Restrictions Satisfaction of Program Restrictions	98,944	(98,944)	-
	<u>98,944</u>	<u>(98,944)</u>	<u>-</u>
			-
<u>TOTAL SUPPORT AND REVENUE</u>	<u>536,579</u>	<u>21,576</u>	<u>558,155</u>
<u>EXPENSES</u>			
Program Services			
Programming and Production	238,287	-	238,287
Broadcasting	106,302	-	106,302
Program Information and Promotion	9,000	-	9,000
Total Program Services	<u>353,589</u>	<u>-</u>	<u>353,589</u>
Supporting Services			
Management and General	162,932	-	162,932
Fundraising and Membership Development	49,454	-	49,454
Underwriting and Grant Solicitation	26,568	-	26,568
Total Supporting Services	<u>238,954</u>	<u>-</u>	<u>238,954</u>
<u>TOTAL EXPENSES</u>	<u>592,543</u>	<u>-</u>	<u>592,543</u>
Change in Net Assets	<u>(55,964)</u>	<u>21,576</u>	<u>(34,388)</u>
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>105,592</u>	<u>32,770</u>	<u>138,362</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 49,628</u>	<u>\$ 54,346</u>	<u>\$ 103,974</u>

See Independent Auditors' Report and accompanying notes.

KEDM
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services			Supporting Services				Total Expenses	
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting and Grand Solicitation		Total Supporting Services
Advertising	-	-	594	594	-	-	-	-	594
Depreciation Expense	-	-	-	-	1,255	-	-	1,255	1,255
Dues and Subscriptions	-	-	-	-	-	-	-	-	-
Licenses and Fees	101,559	7,375	-	108,934	1,567	16,361	8,113	26,041	134,975
Tower Lease Expense	-	21,024	-	21,024	-	-	-	-	21,024
Freight	-	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	200	-	200	200
Maintenance	-	2,322	-	2,322	-	-	-	-	2,322
Materials and Supplies	-	5,545	-	5,545	1,346	-	-	1,346	6,891
Occupancy	-	-	-	-	126,467	-	-	126,467	126,467
Postage and Shipping	-	-	-	-	-	850	-	850	850
Printing	-	-	-	-	-	646	-	646	646
Professional Fees	-	-	-	-	25,835	-	-	25,835	25,835
Salaries and Wages	112,488	38,827	7,130	158,445	30,953	33,109	73,702	137,764	296,209
Special Events Expense	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	1,860	-	-	1,860	1,860
Transfer Out	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	55	-	55	55
Utilities	-	39,298	-	39,298	-	-	-	-	39,298
Total Functional Expenses	214,047	114,391	7,724	336,162	189,283	51,221	81,815	322,319	658,481

See Independent Auditors' Report and accompanying notes.

KEDM
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services			Supporting Services					Total Expenses
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting and Grand Solicitation	Total Supporting Services	
Advertising	-	-	679	679	-	-	-	-	679
Depreciation Expense	-	-	-	-	40,744	-	-	40,744	40,744
Dues and Subscriptions	-	-	-	-	-	-	-	-	-
Licenses and Fees	123,987	3,435	1,194	128,616	2,868	14,561	722	17,951	146,567
Food Purchases	-	19,272	-	19,272	-	-	-	-	19,272
Freight	-	181	-	181	-	-	-	-	181
Fundraising	-	-	-	-	-	1,656	-	1,656	1,656
Maintenance	-	1,476	-	1,476	-	-	-	-	1,476
Materials and Supplies	-	5,776	-	5,776	6,390	-	-	6,390	12,166
Occupancy	-	-	-	-	66,497	-	-	66,497	66,497
Postage and Shipping	-	-	-	-	-	1,343	-	1,343	1,343
Printing	-	-	-	-	-	164	-	164	164
Professional Fees	-	-	-	-	22,624	-	-	22,624	22,624
Salaries and Wages	114,300	35,930	7,127	157,357	27,094	31,730	25,846	84,670	242,027
Special Events Expense	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	2,298	-	-	2,298	2,298
Transfer Out	-	-	-	-	(5,383)	-	-	(5,383)	(5,383)
Travel	-	-	-	-	-	0	-	-	-
Utilities	-	40,232	-	40,232	-	-	-	-	40,232
Total Functional Expenses	238,287	106,302	9,000	353,589	162,932	49,454	26,568	238,954	592,543

See Independent Auditors' Report and accompanying notes.

KEDM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ 110,463	\$ (34,388)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation and Amortization	1,255	40,744
Disposition of Asset	-	22,000
(Increase) Decrease in Accounts Receivable	1,004	(134)
(Increase) Decrease in Prepaid Expenses	13,960	(35,605)
(Increase) Decrease in Tower Security Deposit	5,400	(5,400)
Increase (Decrease) in Accounts Payable	46,789	14,901
Increase (Decrease) in Accrued Expenses	44	-
Total Adjustments	<u>68,452</u>	<u>36,506</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>178,915</u>	<u>2,118</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of Fixed Assets	<u>-</u>	<u>-</u>
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>-</u>	<u>-</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	<u>178,915</u>	<u>2,118</u>
<u>Claim on Cash, Restricted Cash and Cash Equivalents at Beginning of Year</u>	<u>58,996</u>	<u>56,878</u>
<u>Claim on Cash, Restricted Cash and Cash Equivalents at End of Year</u>	<u>\$ 237,911</u>	<u>\$ 58,996</u>
<u>Supplemental Disclosures of Cash Flow Information</u>		
Cash Paid During the Year for Interest	<u>\$ -</u>	<u>\$ -</u>
<u>Reconciliation of Cash and Restricted Cash</u>		
Cash	\$ 153,628	\$ 32,378
Restricted Cash	84,283	26,618
Total Cash and Restricted Cash	<u>\$ 237,911</u>	<u>\$ 58,996</u>

See Independent Auditors' Report and accompanying notes.

KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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 Telecommunications Entities* published by the Corporation for Public Broadcasting.

B. Method of Accounting

The financial statements of the Station have been prepared on the accrual method. The significant accounting policies followed by the Station are described below to enhance the usefulness of the financial statements to the reader of accounting and in conformity with Financial Accounting Standards Board (FASB) ASC Section 958.

C. Basis of Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the organization and the board of directors.

KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C. Basis of Presentation (Continued)

Net Assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

D. Use of Estimates

The preparation of financial statements in conformity with 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 Statements of Activities when received.

Grants and other contributions of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. Revenue Recognition (Continued)

Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as contributions without donor restrictions.

The accounting and reporting of grants is determined by the underlying substance of the transaction. A grant may be accounted for as contribution, an exchange transaction, or a combination of the two. If it is determined to be a contribution, a grant may be considered a conditional or an unconditional grant.

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.

G. Functional Expenses

Expenses that can be identified with a specific program and support service are allocated directly to that function according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

H. New Accounting Pronouncement

As of July 1, 2018, the Station adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Results for reporting the year ending June

KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

H. New Accounting Pronouncement (Continued)

30, 2020 are presented under FASB ASC Topic 606. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

During the year, the Station also adopted the provisions of FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606). If no commensurate value is received by the grant maker, the transfer is a contribution. ASU 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the year ending June 30, 2020 are presented under FASB ASU 2018-08. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

On July 1, 2019, the Station adopted the provisions of FASB ASU 2016-18, *Statement of Cash Flows* (Topic 230). This ASU requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents.

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A PUBLIC TELECOMMUNICATIONS ENTITY
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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

H. New Accounting Pronouncement (Continued)

Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statement of cash flows. The amendments in the ASU do not provide a definition of restricted cash or restricted cash equivalents. The Association has applied the provisions of ASU 2016-18 retrospectively to all periods presented with no effect on net assets or previously issued financial statements.

I. Income Taxes

The Station is not subject to income taxes as it is a non-commercial public telecommunications entity operated by the University of Louisiana at Monroe.

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 (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 \$1,255 and \$40,744 during the years ended June 30, 2020 and 2019, respectively.

Net property value at June 30, 2020 was as follows:

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A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

NOTE 2 - PROPERTY AND EQUIPMENT: (Continued)

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture and Fixtures	12,365	12,365	-
Office Equipment	66,977	66,977	-
Transmitter and Digital Equipment	260,575	259,819	756
Antenna and Transmission Line	127,641	127,641	-
Electronic Equipment	<u>392,598</u>	<u>382,956</u>	<u>9,642</u>
<u>Total</u>	<u>860,156</u>	<u>849,758</u>	<u>10,398</u>

Net property value at June 30, 2019 was as follows:

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture and Fixtures	12,365	12,365	-
Office Equipment	66,977	66,977	-
Transmitter and Digital Equipment	260,575	259,063	1,512
Antenna and Transmission Line	127,641	127,641	-
Electronic Equipment	<u>392,598</u>	<u>382,457</u>	<u>10,141</u>
<u>Total</u>	<u>860,156</u>	<u>848,503</u>	<u>11,653</u>

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS:

Net Assets with donor restrictions is comprised of revenue from a Corporation for Public Broadcasting (CPB) Community Service Grant (CSG). The CSG contains the following restrictions:

1. No CPB funds shall be used for purposes of conducting any reception, or providing any other entertainment, for any officer or employee of the federal government or any state or local government.
2. No CPB funds shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriation before Congress or any state legislature.

KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS: (Continued)

3. No CSG funds may be expended on the production, acquisition or distribution of programs which do not qualify under CPB's Broadcast Schedule of eligibility criterion. Such programs include any that further the principles of particular political or religious philosophies, or that are designed primarily for in-school or professional in-service audiences.
4. The station's licensee may not impound or otherwise withhold or inappropriately restrict the use of CSG funds by the station. CSG funds may not be used to supplant funds or other support already being provided to the station by the licensee or to offset budgeting cutbacks by the licensee. For purposes of these General Provisions and Eligibility Criteria, "supplant" is defined as "to reduce the amount of funds or other support already being provided by the licensee in proportion to, or because of, funding through the CSG."
5. CSG funds may not be used to offset an institutional licensee's overhead or expenses.
6. CSG funds or proceeds from the liquidation or transfer of assets acquired with CSG funds must be used solely for the benefit of the public broadcast station.
7. Full-time station personnel whose salaries are paid by CSG funds must exercise full-time responsibilities over broadcast station operations. Such personnel shall not be required by the licensee to perform duties unrelated to the operation of the broadcast station.
8. CSG funds shall not be used by the grantee for personnel services, programming (both production and acquisition), or technical facilities in excess of standard amounts usually paid, charged or otherwise applies by the grantee for the same services and facilities under similar circumstances.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS: (Continued)

9. Grantee agrees that if, at any time during the grant period covered by this agreement, it should cease to provide the public broadcasting services for which this grant is made, it shall, upon request of CPB, return any or all of the grant funds to CPB.

10. Approximately 26 percent of the CSG must be spent on national program production and acquisition. This portion of the CSG must be used exclusively for the acquisition, production, promotion, and/or distribution of national programming of high quality, diversity, creativity, excellence, and innovation, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature.

During the years ended June 30, 2020 and 2019, net assets were released from grantor restrictions by incurring expenses satisfying the purpose specified by the grantor as follows:

	<u>2020</u>	<u>2019</u>
Corporation for Public Broadcasting	124,749	98,944

NOTE 4 - ACCOUNTS RECEIVABLE:

The Station uses the direct write-off method to provide for uncollectible pledges. Use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.

NOTE 5 - SUBSEQUENT EVENTS:

Subsequent events have been evaluated through December 28, 2020, which is the day the financial statements were available to be issued. No significant events have occurred since that date that would require disclosure in the financial statements.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

NOTE 6 - LEASE EXPENSE:

The Station has an agreement to lease a radio tower from Holliday Investments, LLC for a three-year period beginning August 1, 2018 and ending July 31, 2021. As part of the sale, the Station received 36 months of prepaid rent. Lease expense during the period ending June 30, 2020 and 2019 was \$21,024 and \$19,272, respectively. At June 30, 2020 and 2019, the station had 13 and 25 months of prepaid rent remaining totaling \$22,776 and \$43,800, respectively.

Future lease expense under the lease at June 30, 2020 and June 30, 2019 are as follows:

<u>Year End</u>	<u>June 30, 2020</u>	<u>Year End</u>	<u>June 30, 2019</u>
June 30, 2021	21,024	June 30, 2020	21,024
June 30, 2022	1,752	June 30, 2021	21,024
		June 30, 2022	1,752

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Station's financial assets as of the balance sheet date of June 30, 2020 and June 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Financial Assets:	237,911	60,001
Less those unavailable for general expenditure within one year, due to:		
Donor-restricted by CPB Grant (See Note 3)	<u>84,283</u>	<u>26,618</u>
Financial assets availability to meet cash needs for general expenditure, within one year	<u>153,628</u>	<u>33,383</u>

KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2020 AND 2019

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS: (Continued)

In addition to financial assets available to meet general expenditures over the year, the Station anticipates covering its general expenditures using the income generated from its normal operations.

NOTE 8 - RESTRICTED CASH:

Restricted Cash consists of grant funds held from the Corporation for Public Broadcasting Community Service Grant described in Note 3.

SUPPLEMENTAL INFORMATION

KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR JUNE 30, 2020

AGENCY HEAD NAME/TITLE: JAY CURTIS
DIRECTOR OF UNIVERSITY BROADCASTING

<u>Purpose</u>	<u>Amount Paid with State Funds</u>
Salary	47,605
Benefits-insurance	4,018
Benefits-retirement	12,137
Reimbursement - Meals	447
Reimbursements - Supplies	18
Travel	-
Registration Fees	-
<u>Total</u>	<u>64,225</u>

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A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
SCHEDULE OF FINDINGS AND RESPONSES
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

There were no findings or questioned costs for the year ended June 30, 2020.

KEDM
A PUBLIC TELECOMMUNICATIONS ENTITY
OPERATED BY THE UNIVERSITY OF LOUISIANA AT MONROE
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

2019-001

Finding: The annual audit report was not filed with Legislative Auditor by the deadline.

Status: Cleared