

RUST COLLEGE, INC.
(A not-for-profit corporation)

WURC - FM RADIO STATION

**Independent Auditor's Report on the Basic Financial
Statements**

Year Ended June 30, 2014

RUST COLLEGE, INC.
(A not-for-profit corporation)
WURC – FM RADIO STATION

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Booker T. Camper Jr., CPA & CGMA

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
RUST COLLEGE, INC.
WURC - FM Radio Station

Ladies and Gentlemen:

Report on the Financial Statements

I have audited the accompanying statement of financial position of WURC - FM Radio Station of RUST COLLEGE, INC. (a not-for-profit corporation), as of June 30, 2014 and the related statement of activities, cash flows and statement of functional expenses for the fiscal year 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits 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 I 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 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 WURC - FM Radio Station of Rust College, Inc.'s internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

In my opinion, the financial statements referred to present fairly, in all material respects, the financial position of WURC - FM Radio Station of RUST COLLEGE, INC. as of June 30, 2014 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Booker T. Camper, Jr., CPA
Memphis, Tennessee

January 22, 2015

**RUST COLLEGE, INC.
WURC - FM RADIO STATION
STATEMENT OF FINANCIAL POSITION
June 30, 2014 and June 30, 2013**

ASSETS	<u>2014</u>	<u>2013</u>
Current Assets		
Funds Held by Licensee	\$512,603	\$478,081
Grants Receivable	<u>0</u>	<u>0</u>
Total Current Assets	<u>512,603</u>	<u>478,081</u>
Fixed Assets		
Plant, property and equipment, net	<u>48,617</u>	<u>63,155</u>
TOTAL ASSETS	<u>\$561,220</u>	<u>\$541,236</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Deferred Grant Revenue	<u>\$375,846</u>	<u>\$359,346</u>
Total Liabilities	<u>375,846</u>	<u>359,346</u>
Net Assets		
Unrestricted Net Assets	<u>185,374</u>	<u>181,890</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$561,220</u>	<u>\$541,236</u>

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

RUST COLLEGE, INC
WURC - FM RADIO STATION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2,014 Total</u>	<u>2013 Total</u>
<u>REVENUE</u>				
Support	\$286,133	\$ -	\$286,133	\$ 229,432
CPB Grant Funds Earned	-	153,421	153,421	90,155
Underwriting & Promotion Revenue	18,022	-	18,022	
Net assets released from restriction	<u>153,421</u>	<u>(153,421)</u>	-	
Total Revenue	<u>\$457,576</u>	-	<u>\$457,576</u>	<u>\$ 319,587</u>
<u>EXPENSES</u>				
Program Service	\$202,738	\$ -	\$202,738	\$ 167,019
Management and General	226,854	-	226,854	152,568
Underwriting/Promotion Expense	9,962	-	9,962	-
Depreciation	<u>14,538</u>	-	<u>14,538</u>	<u>21,780</u>
Total Expenses	<u>454,092</u>	-	<u>454,092</u>	<u>341,367</u>
Changes in Net Assets	3,484	-	3,484	(21,780)
Net Assets - Beginning of Year	181,890	-	181,890	234,550
Prior Period Adjustments	<u>0</u>	-	<u>0</u>	<u>(30,880)</u>
NET ASSETS - END OF YEAR	<u>\$ 185,374</u>	<u>\$ -</u>	<u>\$185,374</u>	<u>\$ 181,890</u>

The accompanying notes are an integral part of these financial statements

RUST COLLEGE, INC.
WURC-FM RADIO STATION
CASH FLOW STATEMENT
For the Fiscal Year Ended June 30, 2014 and June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2014</u>	<u>2013</u>
Total Changes in Net Assets	\$ 3,484	\$ (52,660)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,538	21,780
Decrease (Increase) in Grants Receivable	16,500	30,880
Increase (decrease) in Deferred Grant Receivable	<u>0</u>	<u>103,310</u>
Net Cash Provided by Operating Activities	<u>\$ 34,522</u>	<u>\$ 103,310</u>
 CASH FLOWS PROVIDED BY INVESTMENT ACTIVITIES		
Decrease (Increase) in Plant, Property & Equipment	0	0
Net Cash Provided by Investing Activities	<u>0</u>	<u>0</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Short Term Investments	0	0
Net Cash Provided By Financing Activities	<u>0</u>	<u>0</u>
 Net Increase (Decrease) in cash and cash equivalents	34,522	103,310
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>\$ 478,081</u>	<u>374,771</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 512,603</u>	<u>\$ 478,081</u>

The accompanying notes are an integral part of these financial statements

RUST COLLEGE, INC.
WURC - FM RADIO STATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended June 30, 2014 and June 30, 2013

	<u>Program Services</u>	<u>Management & General</u>	<u>Underwriting & Promotion</u>	<u>Depreciation</u>	<u>2014 Total</u>	<u>2013 Total</u>
Compensation	\$93,771	\$114,020	\$6,219	\$0	\$214,010	\$169,881
Fringe Benefits	13,833	20,895	615	-	35,343	23,468
Travel	-	5,833	-	-	5,833	2,209
Supplies	15,602	6,154	147	-	21,903	15,829
Communications	-	20,084	-	-	20,084	4,549
Program Production & Acquisitions	23,609	-	-	-	23,609	30,599
Non-Capital Equipment	25,934	17	-	-	25,951	4,766
Depreciation	-	-	-	14,538	14,538	21,780
Other Costs	<u>29,989</u>	<u>59,851</u>	<u>2,981</u>	<u>-</u>	<u>92,821</u>	<u>68,286</u>
TOTAL	\$202,738	\$226,854	\$9,962	\$14,538	\$454,092	\$341,367

The accompanying notes are an integral part of these financial statements

RUST COLLEGE, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

WURC-FM Radio (the Station) is operated by and receives support from Rust College (the College). The Station's statement of position and activities are included in the financial statements of the College.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for NFPs. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reported period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experiences and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in one classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Unrestricted Net Assets

Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in it corporate documents and its

RUST COLLEGE, INC.
 NOTES TO THE FINANCIAL STATEMENTS

application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Deferred Revenue

Deferred revenues include amounts received from grant and contract sponsors for which eligibility requirements have not been fully satisfied or that have not yet been earned.

Fixed Assets

<u>Description</u>	<u>Life</u>	<u>Cost</u>
Records, tapes and CDs	5 years	\$194,485
Furniture, equipment and Machinery	10 years	<u>\$529,301</u>
Subtotal		\$723,786
Less Accumulated Depreciation		<u>(\$675,169)</u>
Total		<u>\$ 48,617</u>

CPB Grant Awards

The Station receives grants annually from Corporation for Public Broadcasting (CPB). Grants are awarded and active during the Fiscal Year ended June 30, 2014 as follows:

	Grant Awards	Expended as of 6-30-13	Unapplied Balance
2011-2013	\$164,051	\$ 84,957	\$ 79,094
2012-2014	\$162,585	\$127,736	\$ 34,849
2013-2015	\$167,685	\$ -0-	\$ 167,685

RUST COLLEGE, INC.
NOTES TO THE FINANCIAL STATEMENTS

Net Asset Detail

Net Assets:

Invested in capital assets, net of debt and depreciation	\$ 48,617
Unrestricted Licensee Reserve	<u>136,758</u>
Total Net Assets at June 30, 2014	<u>\$185,375</u>