

# **RUST COLLEGE, INC.**

**(A not-for-profit corporation)**

## **WURC – FM RADIO STATION**

**Independent Auditor's Report on  
the Basic Financial Statements and Accompanying  
Supplementary Information**

**For the Year Ended June 30, 2016**

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

---

**Table of Contents**

<b><u>Report and Basic Financial Statements</u></b>	<b><u>Page</u></b>
Independent Auditor’s Report on Financial Statements.....	1-2
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Cash Flows.....	5
Statement of Functional Expense .....	6
Notes to the Financial Statements .....	7-10



First Memphis Plaza  
4466 Elvis Presley Blvd  
Memphis, TN 38116

Phone: 901.398.3210  
Fax: 901.398.4111  
bcamper@btcjrca.com

## **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), of June 30, 2016 and the related statement of activities 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.

**INDEPENDENT AUDITOR'S REPORT**

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, 2016 and the changes in its net assets for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink, reading "Booker T. Camper, Jr.", with a long horizontal flourish extending to the right.

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

February 11, 2017

**RUST COLLEGE, INC.  
WURC-FM RADIO STATION  
STATEMENT OF FINANCIAL POSITION  
June 30, 2016 and June 30, 2015**

<b>ASSETS</b>	<b>2016</b>	<b>2015</b>
<b>Current Assets</b>		
<b>Cash &amp; Equivalents</b>	<b>\$ 534,079</b>	<b>\$ 535,354</b>
<b>Grants Receivable</b>	<u>                    </u>	<u>                    </u>
<b>Total Current Assets</b>	<b>534,079</b>	<b>535,354</b>
<b>Fixed Assets</b>		
<b>Plant Property and Equipment</b>	<u>21,965</u>	<u>34,079</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 556,045</u></b>	<b><u>\$ 569,433</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
<b>Deferred Grant Revenue</b>	<b>\$ 373,259</b>	<b>\$ 384,558</b>
<b>Total Liabilities</b>	<u>373,259</u>	<u>384,558</u>
<b>Net Assets</b>		
<b>Unrestricted Net Assets</b>	<u>182,786</u>	<u>184,875</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 556,045</u></b>	<b><u>\$ 569,433</u></b>

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, 2016 and June 30, 2015**

	<u>Unrestricted Operating</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b>REVENUE</b>				
<b>Support</b>	<b>\$ 312,783</b>	-	<b>\$ 312,783</b>	<b>\$ 340,587</b>
<b>CPB Grant Funds Earned</b>	-	<b>186,822</b>	<b>186,822</b>	<b>159,999</b>
<b>Underwriting Revenue</b>	<b>5,400</b>		<b>5,400</b>	<b>9,561</b>
<b>Promotion Revenue</b>	<b>4,625</b>		<b>4,625</b>	<b>4,477</b>
<b>Net Assets released from restriction</b>	<b>186,822</b>	<b>(186,822)</b>	-	-
<b>Total Revenue</b>	<b>509,630</b>	-	<b>509,630</b>	<b>514,625</b>
<b>EXPENSES</b>				
<b>Program Service</b>	<b>231,718</b>	-	<b>231,718</b>	<b>187,763</b>
<b>Management and General</b>	<b>234,304</b>	-	<b>234,304</b>	<b>274,878</b>
<b>Underwriting Expense</b>	<b>25,636</b>		<b>25,636</b>	<b>26,928</b>
<b>Promotion Expense</b>	<b>7,947</b>		<b>7,947</b>	<b>11,017</b>
<b>Depreciation</b>	<b>12,114</b>	-	<b>12,114</b>	<b>14,538</b>
<b>Total Expenses</b>	<b>511,719</b>	-	<b>511,719</b>	<b>515,125</b>
<b>Change in Net Assets</b>	<b>(2,089)</b>	-	<b>(2,089)</b>	<b>(500)</b>
<b>Net Assets - Beginning of Year</b>	<b>184,875</b>	-	<b>184,875</b>	<b>185,375</b>
<b>Prior Period Adjustments</b>	-	-	-	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 182,786</b>	-	<b>\$ 182,786</b>	<b>\$ 184,875</b>

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, 2016 and June 30, 2015**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>2016</u>	<u>2015</u>
<b>Total Changes in Net Assets</b>	<b>\$ (2,089)</b>	<b>\$ (500)</b>
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
<b>Depreciation</b>	<b>12,114</b>	<b>14,538</b>
<b>Decrease (Increase) in Grants Receivable</b>	<b>(11,299)</b>	<b>8,713</b>
<b>Increase (decrease) in Deferred Grant Receivable</b>	<u>          </u>	<u>          </u>
<b>Net Cash Provided by Operating Activities</b>	<b><u>\$ (1,274)</u></b>	<b><u>\$ 22,751</u></b>
 <b>CASH FLOWS PROVIDED BY INVESTMENT ACTIVITIES</b>		
<b>Decrease (Increase) in Plant, Property &amp; Equipment</b>	<b>0</b>	<b>0</b>
<b>Net Cash Provided by Investing Activities</b>	<u>0</u>	<u>0</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Short Term Investments</b>	<b>0</b>	<b>0</b>
<b>Net Cash Provided By Financing Activities</b>	<u>0</u>	<u>0</u>
 <b>Net Increase (Decrease) in cash and cash equivalents</b>	<b>(1,274)</b>	<b>22,751</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>535,354</u>	<u>512,603</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 534,080</u></b>	<b><u>\$ 535,354</u></b>

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, 2016 and June 30, 2015

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Underwriting &amp; Promotion</u>	<u>Depreciation</u>	<u>2016 Total</u>	<u>2015 Total</u>
Compensation	\$ 92,319	\$ 136,565	\$ 25,125		\$ 254,009	\$ 247,997
Fringe Benefits	14,070	22,098	3,166		39,334	38,652
Travel		2,956			2,956	3,507
Supplies	10,695	5,535	2,596		18,826	23,892
Communications		11,760			11,760	14,474
Program Production & Acquisitions	35,872				35,872	37,606
Non-capital equipment	45,544	111			45,655	7,543
Promotion Costs			2,696		2,696	5,502
Depreciation				12,114	12,114	14,538
Other Costs	<u>33,218</u>	<u>55,279</u>			<u>88,497</u>	<u>121,413</u>
<b>TOTAL</b>	<u>\$ 231,718</u>	<u>\$ 234,304</u>	<u>\$ 33,583</u>	<u>\$ 12,114</u>	<u>\$ 511,719</u>	<u>\$ 515,124</u>

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 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.

**RUST COLLEGE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**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 2015</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>(\$701,821)</u>
Total		<u>\$21,965</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, 2016 as follows:

	Grant Awards	
2013-2015	\$	167,685
2014-2016	\$	168,712
2015-2017	\$	175,523

**RUST COLLEGE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Net Asset Detail**

**Net Assets:**

Invested in capital assets, net of debt and depreciation	\$	21,965
Unrestricted Licensee Reserve	\$	<u>160,821</u>
Total Net Assets at June 30, 2016	\$	<u>182,786</u>

**Basis of Accounting**

The accounting records of the radio station are kept in conjunction with the accounting records of Rust College, Inc., the radio station's licensee. The radio station is a non-community station owned and operated by Rust College. The statement of activities purports to show the support received and expended through the college and other contributions.

**Basis of Accounting**

The financial statements of the station have been prepared on the accrual basis of accounting.

**Fixed Assets**

Fixed assets are stated at cost at date of acquisition or fair market value at date of donation.

Fixed assets are depreciated using the straight-line method over the estimated service lives of the prospective assets.

**RUST COLLEGE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

<u>Description 2016</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>(\$701,821)</u>
Total		<u>\$21,965</u>

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles require management to make assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.