



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, 2017

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

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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), of June 30, 2017 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 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 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, 2017 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.



Booker T. Camper, Jr., CPA
Memphis, Tennessee
February 11, 2018

RUST COLLEGE, INC.
WURC-FM RADIO STATION
STATEMENT OF FINANCIAL POSITION
June 30, 2017 and June 30, 2016

ASSETS	<u>2017</u>	<u>2016</u>
Current Assets		
Cash & Equivalents	\$613,205	\$534,079
Grants Receivable	<u> </u>	<u> </u>
Total Current Assets	<u>613,205</u>	<u>534,079</u>
Fixed Assets		
Plant Property and Equipment	<u>14,219</u>	<u>21,965</u>
TOTAL ASSETS	<u>\$627,424</u>	<u>\$556,045</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Deferred Grant Revenue	\$434,932	\$373,259
Total Liabilities	<u>\$434,932</u>	<u>\$373,259</u>
Net Assets		
Unrestricted Net Assets	<u>192,492</u>	<u>182,786</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$627,424</u>	<u>\$556,045</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, 2017 and June 30, 2016

	<u>Unrestricted Operating</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
REVENUE				
Support	\$ 288,716	\$ -	\$288,716	\$312,783
CPB Grant Funds Earned	117,524	117,524	117,524	186,822
Underwriting & Business Contributions	10,594	-	10,594	-
Promotion Revenue	6,858	-	6,858	-
Net Assets Released from Restriction	<u>117,524</u>	<u>(117,524)</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>423,692</u>	<u>-</u>	<u>423,692</u>	<u>509,630</u>
EXPENSES				
Program Service	145,708	-	145,708	231,718
Management and General	231,746	-	231,746	234,304
Underwriting Expense	23,710	-	23,710	25,636
Promotion Expense	5,076	-	5,076	7,947
Depreciation	<u>7,746</u>	<u>-</u>	<u>7,746</u>	<u>12,114</u>
Total Expenses	<u>413,986</u>	<u>-</u>	<u>413,986</u>	<u>511,719</u>
Change in Net Assets	9,706	-	9,706	(2,089)
Net Assets - Beginning of Year	<u>182,786</u>	<u>-</u>	<u>182,786</u>	<u>184,875</u>
Prior Period Adjustments	-	-	-	-
NET ASSETS- END OF YEAR	<u>\$ 192,492</u>	<u>\$ -</u>	<u>\$192,492</u>	<u>\$182,786</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, 2017 and June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2017</u>	<u>2016</u>
Total Changes in Net Assets	\$ 9,706	\$ (2,089)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	7,746	12,114
Decrease (Increase) in Grants Receivable	61,673	(11,299)
Increase (Decrease) in Deferred Grant Receivable	<u> </u>	<u> </u>
Net Cash Provided by Operating Activities	<u>\$ 79,125</u>	<u>\$ (1,274)</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	79,125	(1,274)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>534,080</u>	<u>535,354</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$613,205</u></u>	<u><u>\$534,080</u></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, 2017 and June 30, 2016

	<u>Program Services</u>	<u>Management & General</u>	<u>Underwriting & Promotion</u>	<u>Depreciation</u>	<u>2017 Total</u>	<u>2016 Total</u>
Compensation	\$ 63,750	\$ 125,161	\$ 25,438		\$214,349	\$254,009
Fringe Benefits	9,612	23,535	1,425		34,572	39,334
Travel		1,085			1,085	2,956
Supplies	8,065	5,906	1,703		15,674	18,826
Communications		13,093			13,093	11,760
Program Production & Acquisitions	24,034				24,034	35,872
Non-Capital Equipment	9,876	127			10,003	45,655
Promotion Costs			220		220	2,696
Depreciation				7,746	7,746	12,114
Other Costs	<u>30,371</u>	<u>62,839</u>			<u>93,210</u>	<u>88,497</u>
TOTAL	<u>\$ 145,708</u>	<u>\$ 231,746</u>	<u>\$ 28,786</u>	<u>\$ 7,746</u>	<u>\$413,986</u>	<u>\$511,719</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 financial 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 its estimates and assumptions based upon historical experiences and various other factors and circumstances. The organization's management believes that its 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 its 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 2017</u>	<u>Life</u>	<u>Cost</u>
Records, Tapes and CDs	5 years	\$194,485
Furniture, Equipment and Machinery	10 years	<u>\$529,300</u>
Subtotal		\$723,785
Less Accumulated Depreciation		<u>(\$709,566)</u>
Total		<u><u>\$14,219</u></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, 2017 as follows:

	<u>Grant Awards</u>	
2014-2016	\$	167,685
2015-2017	\$	168,712
2015-2018	\$	179,197

RUST COLLEGE, INC.
NOTES TO THE FINANCIAL STATEMENTS

Net Asset Detail

Net Assets:

Invested in Capital Assets, Net of Debt and Depreciation	\$	14,219
Unrestricted Licensee Reserve	\$	<u>178,273</u>
Total Net Assets at June 30, 2017	\$	<u>192,492</u>

Basis of Accounting

The accounting records of the radio station are kept in conjunction with the accounting records of Rust College, Inc., [REDACTED] 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 2017</u>	<u>Life</u>	<u>Cost</u>
Records, Tapes and CDs	5 years	\$194,485
Furniture, Equipment and Machinery	10 years	<u>\$529,300</u>
Subtotal		\$723,785
Less Accumulated Depreciation		<u>(\$709,566)</u>
Total		<u><u>\$14,219</u></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.