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**KRVS RADIO  
A DEPARTMENT OF  
THE UNIVERSITY OF LOUISIANA AT LAFAYETTE  
AUDIT REPORT  
JUNE 30, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the president, or his/her successor, of each school, entity and other governmental 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 **DEC 29 1999**

# **WEBER & AFFILIATES, LTD**

*A PROFESSIONAL ACCOUNTING CORPORATION*

*NATHAN P. WEBER, CPA*

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December 6, 1999

KRVS Radio  
A Department of  
The University of Louisiana at Lafayette  
Lafayette, LA

## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying statement of financial position of KRVS Radio, a department of the University of Louisiana at Lafayette as of June 30, 1999, and the related statements of activity, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KRVS Radio, a department of the University of Louisiana at Lafayette as of June 30, 1999, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

  
Weber & Associates, Ltd.

KRVS RADIO  
A DEPARTMENT OF  
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STATEMENT OF FINANCIAL POSITION  
JUNE 30, 1999

ASSETS

CURRENT ASSETS

Cash	\$ 156,442.01	
Accounts Receivable	3,600.00	
Total Current Assets		\$ 160,042.01

PROPERTY & EQUIPMENT

Property & Equipment	\$ 417,760.96	
Less: Accumulated Depreciation	(322,017.40)	
Total Property & Equipment		<u>95,743.56</u>

TOTAL ASSETS

\$ 255,785.57

LIABILITIES & NET ASSETS

CURRENT LIABILITIES

Unearned Revenues	\$ 7,971.13	
Total Current Liabilities		\$ 7,971.13

NET ASSETS

Unrestricted	\$ 247,814.44	
Total Net Assets		<u>\$ 247,814.44</u>

TOTAL LIABILITIES & NET ASSETS

\$ 255,785.57

SEE NOTES TO FINANCIAL STATEMENTS

KRVS RADIO  
A DEPARTMENT OF  
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STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 1999

Revenue and Other Support		
Community Service Grants from CPB	\$	2,160.84
State Grants		33,428.84
USL Support		220,868.56
Donated Facilities & Support U of L		24,968.92
General Appropriation from U of L		18,929.73
Contributions		57,302.97
Underwriting		32,362.00
Lease Income		7,200.00
Land Rent-Tower		100.00
Interest Income		2,948.10
Miscellaneous		39.00
Total Revenue and Other Support	\$	<u>400,308.96</u>
 Expenses		
Program Services		
Programming & Production	\$	29,752.64
Broadcasting		55,225.93
Management & General		302,289.28
Total Expenses	\$	<u>387,267.85</u>
 Changes in Net Assets	\$	13,041.11
 Net Assets at Beginning of Year		<u>234,773.33</u>
 Net Assets at End of Year	\$	<u><u>247,814.44</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

KRV5 RADIO  
 A DEPARTMENT OF  
 THE UNIVERSITY OF LOUISIANA AT LAFAYETTE

STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED JUNE 30, 1999

	Programming	Broadcasting	Mgmt. & Gen	Grant Expenses	Totals
Salaries & Fringe Benefits	\$ 29,752.64	\$ 38,295.34	\$ 135,989.99		\$ 204,037.97
Land Rent		100.00			100.00
Tower Utilities		16,830.59			16,830.59
Casual Labor			7,554.00		7,554.00
Depreciation			18,073.09		18,073.09
Indirect Support			24,968.92		24,968.92
Operating Services			37,874.99	30,628.54	68,503.53
Professional Services			34,045.35		34,045.35
Supplies			12,289.97	105.95	12,395.92
Travel			496.64	261.84	758.48
	<u>\$ 29,752.64</u>	<u>\$ 55,225.93</u>	<u>\$ 271,292.95</u>	<u>\$ 30,996.33</u>	<u>\$ 387,267.85</u>

SEE NOTES TO FINANCIAL STATEMENTS

KRVS RADIO  
A DEPARTMENT OF  
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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in Net Assets	\$ 13,041.11
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in Accounts Receivable	(600.00)
Decrease in Unearned Revenues	(10,589.68)
Depreciation	<u>18,073.09</u>
Net Cash Provided by Operating Activities	<u>19,924.52</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Equipment	<u>(11,299.84)</u>
Net Cash Used by Investing Activities	<u>(11,299.84)</u>
Net Increase in Cash and Cash Equivalents	8,624.68

Cash and Cash Equivalents June 30, 1998	<u>147,817.33</u>
Cash and Cash Equivalents June 30, 1999	<u><u>\$ 156,442.01</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

KRVS RADIO  
A DEPARTMENT OF  
THE UNIVERSITY OF LOUISIANA AT LAFAYETTE

NOTES TO FINANCIAL STATEMENT  
JUNE 30, 1999

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

KRVS Radio (A Public Telecommunications Entity) is operated by the University of Louisiana at Lafayette.

KRVS Radio started operations July 1, 1987. On that date USL Communications Corporation, dba KRVS Stereo FM, transferred all of its assets and liabilities to the University of Southwestern Louisiana. These assets and liabilities consisted of the following:

Cash-Unrestricted	\$56,027
Cash-Restricted	28,702
Equipment	253,341
Accrued Expenses	(11)

METHOD OF ACCOUNTING

The financial statements of KRVS Radio have been prepared utilizing the accrual basis of accounting.

CONTRIBUTIONS AND GRANTS

KRVS has adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Restricted contributions, pledges and grants are recorded as revenues when the purpose of the contribution, pledge or grant has been met.

PROPERTY & EQUIPMENT

Property and equipment are recorded at cost or, in the case of donated property, at the estimated fair value at the date of receipt. Depreciation on equipment is recorded based upon the estimated useful lives of the equipment. The straight-line method of depreciation is used based on a seven-year life of the assets. Expenses for repairs and maintenance are charged to operating expense as incurred. It is the policy of the University of Southwestern Louisiana to expense any capital item under \$ 250.00. During the current fiscal year, KRVS declared several pieces of equipment obsolete or unusable and removed them from the station. These items were fully depreciated and amounted to \$1,988 in original cost. An adjustment was made to remove these items from the financial statements for the current year.



KRVS RADIO  
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NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 4-UNEARNED REVENUE

The unearned revenue at June 30, 1999 represents the unexpended portion of the Community Service Grant and the Louisiana Educational TV Authority awarded for fiscal year 1998 and 1999. The amount of current year revenues of these grants are calculated as follows:

	<u>CSG</u>	<u>LETVA 98</u>	<u>LETVA99</u>	<u>TOTAL</u>
Unearned income at June 30, 1998	\$ 2543.40	\$ 16,017.41	\$ -0-	\$18,560.81
Current fiscal year grant awards	-0-		25,000.00	25,000.00
Less: Unexpended current year funds	<u>(382.56)</u>	<u>(39.92)</u>	<u>(7,548.65)</u>	<u>(7,971.13)</u>
Current year earned revenues	<u>\$ 2,160.84</u>	<u>\$15,977.49</u>	<u>\$17,451.35</u>	<u>\$35,589.68</u>

NOTE 5-CONCENTRATION OF CREDIT RISK

KRVS cash accounts are maintained through a clearing account under the University of Louisiana at Lafayette. These accounts are then distributed to various banks depending upon which department the program belongs to. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Any amounts over the \$100,000 limit are insured in accordance with state law, which requires the institution to pledge securities to cover these deposits.

NOTE 6-ACCOUNTS RECEIVABLE

The accounts receivable on the Statement of Financial Position represents an ongoing lease of tower space to a local communications company. The amount due as of June 30, 1999 is \$3600. The term of the lease is ongoing calling for with a monthly rental of \$600.

NOTE 7-CASH EQUIVALENTS

Cash and cash equivalents consist of highly liquid investments, which are checking accounts and certificates of deposit, which are readily accessible within a short period of time.



# Weber & Affiliates, Ltd.

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& LCPA

December 6, 1999

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

KRVS Radio

A Department of the University of Louisiana

Lafayette, LA 70504

Gentlemen:

We have audited the financial statements KRVS Radio, A Department of the University of Louisiana at Lafayette (a nonprofit organization) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 6, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether KRVS Radio's financial statements are free of material misstatement, we 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 our audit, and accordingly, we do not express such an opinion. The results of our 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 our audit, we considered KRVS Radio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our 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 condition in

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Weber & Associates, Ltd.*

Weber & Associates, Ltd.

Lafayette, LA