

SCHEDULE B
CALCULATION OF PERCENTAGE OF ALLOCATION FOR INSTRUCTIONAL SUPPORT
KDAQ-FM, KLSA-FM, KBSA-FM, and KLDN-FM RADIO STATIONS
For The Year Ended June 30, 1996

Expenditures	Per Financial Statements	Less Capital Outlay	Net	
Instruction	10,859,587	338,391	10,521,196	
Research	616,954	97,228	519,726	
Public Service	634,050	45,994	588,056	
Total	12,110,591	481,613	11,628,978	
Radio Station	631,489	45,994	585,495	
Station Expenses			585,495	
			11,628,978	0.05034793255
Square Footage Occupied by Station			2,180	
Square Footage Occupied by Licensee			662,281	0.00329165415

SCHEDULE A-1
FISCAL YEAR 1996

**REVENUE NOT MEETING CRITERIA FOR
 INCLUSION AS NFFS**

Unless revenue meet the specific criteria defined in the Communications Act of 1934, as amended, they must be excluded from NFFS. This Schedule (A-1) is used to report revenue that must be excluded from the total reported on Schedule A. The criteria are defined as follows:

- Source:* A commercial (profit-making) business enterprise, including a for-profit subsidiary, or any individual.
- Form:* Payment in exchange for any services or materials.
- Purpose:* Services or materials for any related activity of the public broadcasting entity.
- Recipient:* A public broadcasting entity.

List revenue from for-profit corporations or individuals reported on Schedule A which is for the sales of goods and services:

1. Production, taping, or other broadcast related activities	\$ _____	(1)
2. Telecasting production/teleconferencing.	_____	(2)
3. Foreign rights.	_____	(3)
4. Rentals of membership lists.	_____	(4)
5. Rentals of studio space, equipment, tower, parking space.	_____ 24,200	(5)
6. Leasing of SCA, VBI, ITFS channels.	_____	(6)
7. Sale of programs or program rights for public performance.	_____ -	(7)
8. Sale or rental of program transcripts or recordings for other than public performance including private use.	_____	(8)
9. Gains on sale of assets (property, equipment or securities.)	_____	(9)
10. Sale of premiums.	_____	(10)
11. Licensing fees reported as royalty income	_____	(11)
12. Other (Attach list of other excludable revenue not listed above.)	_____	(12)

List any revenue claimed on Schedule A from:

13. A wholly owned or partially owned for-profit subsidiary regardless of the nature of business.	_____	(13)
14. A wholly owned or partially owned nonprofit subsidiary engaged in nontelecommunications work.	_____	(14)
15. Sale of program guides.	_____	(15)
16. Program guide advertising attributable to that percent of total copies distributed that have been sold through normal retail outlets and/or by magazine subscription.	_____	(16)
17. Refunds, rebates, reimbursements, and insurance proceeds.	_____	(17)
18. Other (Specify any other excludable revenue not previously itemized.)	_____	(18)
19. Total Excludable Revenue. (Sum of lines 1 through 18). Forward to Schedule A, line 22.	\$ _____ 24,200	(19)

SCHEDULE B
FISCAL YEAR 1996

INDIRECT ADMINISTRATIVE SUPPORT

For Use By Institutional Licensees Only

	Institutional Support	Physical Plant Operations
1. Costs per licensee financial statements	<u>2,481,008</u>	<u>1,425,986</u>
2. LESS: Costs groups that do not benefit the operations of the public broadcast station	<u>467,747</u>	<u>379,676</u>
3. Adjusted balance (line 1 minus line 2) <i>Attach a listing of cost groups included in this amount</i>	<u>2,013,261</u>	<u>1,046,310</u>
4. Percentage of allocation <i>basis of allocation must be stated below</i>	<u>.0503</u>	<u>.00329</u>
5. Portion of support activity benefiting station (line 3 times line 4)	<u>101,267</u> 5a	<u>3,442</u> 5b
6. Total support activity benefiting station sum of lines 5a and 5b		<u>104,709</u> -
7. Occupancy value - <i>check one</i> <input checked="" type="checkbox"/> Annual Value - same as FY95 <input type="checkbox"/> NEW Annual value Occupancy forms attached		<u>758</u>
8. LESS: any fees paid to the licensee for overhead recovery, assessment, etc.		<u>--</u>
9. Total Indirect administrative support sum of lines 6 and 7 minus line 8. Forward to line 2 of the Schedule of NFFS.		<u>\$ 105,467</u>

Basis of allocation used for line 4 above

Institutional support *explain*

Station Operating Expenses/Licensee's Total Direct Activities

Physical plant operations *explain*

Square footage

SCHEDULE B - WORKSHEET

FISCAL YEAR 1996

INDIRECT ADMINISTRATIVE SUPPORT

Using the Other Sponsored Activities Indirect Cost Rate

For Use By Institutional Licensees Only

1. Determine station net direct expenditures

Total station operating expenditures		\$ _____
<i>Audited amounts</i>		
Less: Capital Outlays	\$ _____	
Depreciation	_____	
Amortization	_____	
In-kind services	_____	
Donated property	_____	
Other	_____	
Total		(_____)
Net Station Direct Expenses		_____ (1)

2. Modify licensee negotiated cost rate

If the station's direct expenses are not included in the cost base, do not continue with this worksheet.

1996 Licensee negotiated indirect cost rate	_____ %
<i>attach rate sheet</i>	
Less: portion of rate that does not benefit the operation of the station:	
Departmental administration	_____
Sponsored projects administration	_____
Library support	_____
Other	_____
Modified cost rate	_____ %

3. Apply modified rate to station net direct expenditures

Station net direct expenditures	\$ _____
Modified other sponsored activities rate	X _____
Total indirect support (forward to line 6 of Schedule B)	\$ _____ None

NOTE: Do not claim a value for occupancy if the cost pool includes a rate for building use

SCHEDULE C

FISCAL YEAR 1996

IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS

This support must be recognized in the station's statement of activities

Attach supporting documentation for all claims

	Type of Donor		
1. PROFESSIONAL SERVICES			
(a) Legal	_____	\$ _____	(a)
(b) Accounting/Auditing	_____	_____	(b)
(c) Engineering	_____	_____	(c)
(d) Other (specify exact type)			
_____	_____	_____	(d)
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
Total Professional Services		\$ _____	(1)

2. GENERAL OPERATIONAL SERVICES			
(a) Annual Rental Value of Space (Studios, Offices, or Tower)	_____	\$ _____	(a)
(b) Annual Value of Land used for Locating a Station-Owned Transmission Tower	_____	_____	(b)
(c) Station Operating Expenses	_____	_____	(c)
(d) Other (specify exact type)			
Office Supplies	ID	150	(d)
Compact discs	ID	101	
_____	_____	_____	
Total General Operational Services		\$ 251	(2)

SCHEDULE C - continued
FISCAL YEAR 1996

IN-KIND CONTRIBUTIONS - SERVICES AND OTHER ASSETS

Attach supporting documentation for all claims

	Type of Donor		
3. OTHER SERVICES			
(a) ITV or Educational Radio	_____	\$ _____	(a)
(b) State Public Broadcasting Agencies (APBC, FL DOE, NYN, OEB and PPTN only)	_____	_____	(b)
(c) Local Advertising	_____	_____	(c)
(d) National Advertising	_____	_____	(d)
Total Other Services		\$ _____	-- (3)
4. Total in-Kind Contributions - Services and Other Intangibles (Sum of Lines 1 through 3)		\$ _____	251 (4)
5. In-Kind Contributions from Federal and Public Broadcasting Entities Included in Line 4		_____	-- (5)
6. Total Nonfederal In-Kind Contributions - Services and Other Intangibles (Line 4 less Line 5) Forward to Line 3a of the Schedule of Nonfederal Financial Support.		\$ _____	251 (6)

SCHEDULE D
FISCAL YEAR 1996

IN-KIND CONTRIBUTIONS - PROPERTY AND EQUIPMENT

Support claimed on this schedule must follow licensee guidelines for capitalization. All claims must be recognized in the station's audited financial statements

Attach supporting documentation for all claims

	Type of Donor		
1. Land	_____	\$	_____ (1)
2. Building	_____		_____ (2)
3. Equipment	_____		_____ (3)
4. Vehicle	_____		_____ (4)
5. Other (specify)	_____		_____ (5)
	_____		_____ (5)
6. Total In-Kind Contributions - Property and Equipment (Sum of Lines 1 through 5)		\$	_____ (6)
7. In-Kind Contributions from Federal and Public Broadcasting Entities Included in Line 6			_____ (7)
8. Total Nonfederal In-Kind Contributions - Property (Line 6 less Line 7) Forward to Line 3b of the Schedule of Nonfederal Financial Support		\$	<u>None</u> (8)

SCHEDULE E
FISCAL YEAR 1996

EXPENDITURES

Include both cash and noncash expenditures

Round all figures
to nearest dollar

PROGRAM SERVICES

1. Programming and Production	\$	<u>201,145</u>	(1)
2. Broadcasting		<u>170,850</u>	(2)
3. Program Information and Promotion		<u>9,861</u>	(3)

SUPPORT SERVICES

4. Management and General		<u>195,252</u>	(4)
5. Fund Raising and Membership Development		<u>76,444</u>	(5)
6. Underwriting and Grant Solicitation		<u>37,410</u>	(6)
7. Depreciation and Amortization*		<u>--</u>	(7)
8. Total Operating Expenditures (Lines 1 to 7)	\$	<u>690,962</u>	(8)

ADDITIONAL INFORMATION

9. Cost of Capital Assets Purchased or Donated			
Land and Buildings	\$	<u> </u>	(9a)
Equipment		<u>45,300</u>	(9b)
All Other		<u> </u>	(9c)
		<u>45,300</u>	(9)
10. Total Expenditures (Sum of Lines 8 and 9)	\$	<u><u>736,262</u></u>	(10)

ADDITIONAL INFORMATION REQUIRED

1. What percent of line 8 is attributed to salaries, wages, and benefits? 37.99 %

* If depreciation and amortization are not allocated to the various functional categories, report the full amount on this line.

RECONCILIATION FORM

FISCAL YEAR 1996

As stated in the 1996 Annual Financial Report Handbook of Instructions, a station's AFR must be reconciled with its audited financial statements. This form may be used to assist in reconciling the two reports. Remember that all NFFS reported for any given year by a station must be recognized as support and revenue in the station's audited financial statements for that year.

CPB Annual Financial Report

list revenue reported on the following lines:

Schedule A, line 18	\$ 561,038
Schedule A, line 10 write-off of uncollectible pledges	---
Schedule B, line 9	105,467
Schedule C, line 4	251
Schedule D, line 6	---
TOTAL	\$ 666,756

Audited Financial Statements

Total support and revenue as recognized in the statement of activities	\$ 561,038
Capital grants	---
Other <i>(please explain below)</i>	105,718
TOTAL	\$ 666,756

**Difference - Total CPB Annual Financial Report
less total audited financial statements** \$ ---
explain in the space provided

Indirect administrative support of \$105,467

In-kind contribution of \$251

SCHEDULE B - CALCULATION OF INDIRECT ADMINISTRATIVE SUPPORT **
KDAQ-FM, KLSA-FM, KBSA-FM, and KLDN-FM RADIO STATIONS
For The Year Ended June 30, 1996

	Institutional Support	Physical Plant Operations
Chancellor	213,908	--
Business affairs	402,498	--
Human resource management	130,697	--
Purchasing	114,184	--
Campus mail	44,105	--
Campus police	187,673	--
Casualty insurance	252,586	--
Computing services	504,302	--
Information services	84,439	--
Legal services	17,501	--
Legislative Auditor	21,845	--
LSU Internal Auditor	11,069	--
Membership in organizations	17,111	--
Motor pool	3,180	--
Office of state civil service	7,990	--
Staff Senate	173	--
Administration	--	137,142
Building operations	--	150,009
Grounds	--	118,229
Power plant	--	640,930
	2,013,261	1,046,310

** Amounts taken from 6/30/96 Financial Statements. Sum of analysis C-2A and C-2B.

AUDITOR'S
CERTIFIER'S QUALIFICATION STATEMENT
1996

CERTIFICATION OF INDEPENDENT AUDITOR
WHO IS NOT A REPRESENTATIVE OF AN INDEPENDENT CPA FIRM

ONLY ORIGINALS OF THIS PAGE SHOULD BE FILED WITH CPB

Licensee/Station(s) LSU in Shreveport KDAQ-FM

I certify that:

1. I qualify to ^{audit} certify this financial report based on the following explanation of my independence from the () licensee and/or () station:

I am not in any way responsible for the accounting operations of the station in either a working or supervisory capacity.

I am not in any way responsible for, or connected with, establishment of the overhead rates or other factors that govern the amounts of indirect or other in-kind contributions included in the station's Schedule of Nonfederal Financial Support.

I was not involved with the operations of the station during the period covered by this Report.

2. I qualify to ^{audit} certify this financial report based on the following explanation of my technical training and experience. (See Certification Requirements, Acceptable Auditors section, CPB Handbook of Instructions.)


CHECK ONE:

I am employed by a state audit agency which qualifies as an acceptable independent audit agency. (See pages 14 and 15 of the Handbook of Instructions.)

OR

I am an internal auditor who is also a:

Certified Public Accountant _____, licensed to practice in _____ (state)
Licensed Public Accountant _____, licensed to practice in _____ (state)

Daniel G. Kyle, CPA, CFE
Name of Independent Auditor

Authorized Signature

(504) 339-3800
Telephone Number

Legislative Auditor
Title
P. O. Box 94397, Baton Rouge, LA 70804
Address
10/11/96
Date

SCHEDULE A
FISCAL YEAR 1996

DIRECT REVENUE

Round all figures
to nearest dollar

1. Amounts provided directly by federal government agencies.

Name of Agency

A. PTFP (NTIA) Facilities Grants	\$ _____	(1A)
B. Department of Education	_____	(1B)
C. Department of Health and Human Services	_____	(1C)
D. Nat'l. End. for the Arts and Humanities	_____	(1D)
E. National Science Foundation	_____	(1E)
F. Other federal funds (specify) _____	_____	(1F)
Total federal government	\$ _____	(1)

2. Amounts provided by public broadcasting entities such as CPB, PBS, NPR, AIT, CTW, FCI, other stations and regional networks.

Name of Organization

A. CPB - Community Service Grants	\$ 77,134	(2A)
B. Annenberg/CPB Project Grants	_____	(2B)
C. CPB - NPPAG	20,588	(2C)
D. CPB - Interconnection grants	_____	(2D)
E. CPB - all other funds	1,162	(2E)
F. PBS - all payments	_____	(2F)
G. NPR - all payments	1,000	(2G)
H. Public broadcasting stations - all payments	_____	(2H)
I. Other (specify) _____	_____	(2I)
Total public broadcasting entities	\$ 99,884	(2)

3. Local boards and departments of education or other local government or agency sources.

_____ (3)

4. State boards and departments of education or other state government or agency sources.

_____ (4)

5. State colleges and universities.

_____ (5)

6. Other tax-supported colleges and universities.

_____ (6)

7. Private colleges and universities.

_____ (7)

8. Foundations and nonprofit associations (include underwriting).

39,629 (8)

9. Business and Industry (include underwriting).

119,181 (9)

10. Subscription and membership revenue 266,830
less write-off of uncollectible pledges --
(include miscellaneous contributions from individuals.) 266,830 (10)

10a. Total number of contributors 3,650 (10a)

SCHEDULE B - CALCULATION OF INDIRECT ADMINISTRATIVE SUPPORT **
KDAQ-FM, KLSA-FM, KBSA-FM, and KLDN-FM RADIO STATIONS
For The Year Ended June 30, 1996

	Institutional Support	Physical Plant Operations
Per Licensee Financial Statements	2,481,008	1,425,986
Less:		
Academic Affairs	198,623	--
Alumni Association	512	--
Bad Debt Expense	33,861	--
Capital Outlays	58,621	3,066
College Workstudy	4,573	--
Commencement and Diplomas	11,004	--
Credit Card Charges	22,998	--
General Publications	13,554	--
Institutional Research	2,987	--
Faculty Senate	1,733	--
LSU-S Foundation	7,755	--
Official Functions	8,844	--
Student Handbook	11,344	--
Custodial Services	--	355,532
Grounds - Parking	--	21,078
University Relations	91,338	--
Total	467,747	379,676
Adjusted Balance	2,013,261	1,046,310

** Amounts taken from 6/30/96 Financial Statements. Sum of analysis C-2A and C-2B.

**KDAQ-FM, KLSA-FM, KBSA-FM, AND
KLDN-FM RADIO STATIONS
LOUISIANA STATE UNIVERSITY IN SHREVEPORT
STATE OF LOUISIANA
Shreveport, Louisiana**

**Financial Statements and
Independent Auditor's Reports
As of and for the Year Ended June 30, 1996
With Supplemental Information Schedule**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

November 13, 1996

SCHEDULE A - continued
Fiscal Year 1996

11. Revenue from friends groups less any revenue included on line 10.		_____	(11)
11a. Total number of friends contributors _____ (11a)			
12. Revenue from subsidiary enterprises and related organizations. See instructions for determining extent of includability.		_____	(12)
13. Auction revenue.		_____	(13)
14. Net revenue from special fund raising activities.		_____	(14)
15. Passive income (from all sources).			
15A. Interest and dividends _____	9,131		
15B. Royalties _____		9,131	(15)
15C. Copyright Tribunal Distributions _____			
16. Gains (losses) on sale of assets.		_____	(16)
17. Other (specify).			
	Description	Amount	
	_____	_____	
	Misc. grants	2,183	
	Lease agreements	24,200	
			26,383 (17)
18. Total Revenue (Sum of lines 1 through 17)		\$ 561,038	(18)
<i>Adjustments to Revenue:</i>			
19. Federal revenue from line 1.		_____	(19)
20. Public broadcasting revenue from line 2.		99,884	(20)
21. Specified fund raising costs.		_____	(21)
22. Other revenue on line 18 not meeting the source, form, purpose, or recipient criteria (Schedule A-1, line 19).		24,200	(22)
23. Revenue on line 18 that has been previously claimed as NFFS.		_____	(23)
24. Total Direct Nonfederal Financial Support (Line 18 less lines 19 through 23). Forward to Line 1 of the Schedule of Nonfederal Financial Support.		\$ 436,954	(24)

ADDITIONAL INFORMATION REQUIRED

1. Revenue received as underwriting from foundations and nonprofits (line 8)	\$ 10,459
2. Revenue received as underwriting from business and industry (line 9)	\$ 119,181

SCHEDULE OF NONFEDERAL FINANCIAL SUPPORT

ONLY ORIGINALS OF THIS PAGE SHOULD BE FILED WITH CPB

SUMMARY OF NONFEDERAL FINANCIAL SUPPORT

Fiscal Year 1996

1. Direct Revenue (Schedule A)	\$ 436,954
2. Indirect Administrative Support (Schedule B)	105,467
3. In-Kind Contributions	
a. Services and Other Assets (Schedule C)	251
b. Property and Equipment (Schedule D)	--
4. Total Nonfederal Financial Support (sum of lines 1, 2 and 3)	\$ 542,672

CERTIFICATION BY LICENSEE

I certify that the above Schedule of Nonfederal Financial Support for the fiscal year ending 6/30/96 conforms with the definition of nonfederal financial support set forth in the Communications Act of 1934, as amended, and adheres to the appropriate source, form, purpose, and recipient criteria as described in the Corporation for Public Broadcasting's Fiscal Year 1996 Annual Financial Report Handbook of Instructions.

Signature of Station Manager or Chief Executive

Virginia B. Hem (318) 797-5392
Name and phone number of person completing this report

KDAQ-FM LSU in Shreveport
Call Letters and Licensee Name

One University Place, Shreveport, LA 71115
Address of Station

REPORT OF INDEPENDENT AUDITOR

We have audited, in accordance with generally accepted auditing standards, the financial statements of KDAQ-FM for the year ended 6/30/96 and have issued our report thereon dated Oct. 17, 1996. We have also audited the above Schedule of Nonfederal Financial Support (Schedule) for the year ended 6/30/96 pursuant to the Public Telecommunications Financing Act of 1978. This Schedule is the responsibility of the management of KDAQ-FM. Our responsibility is to express an opinion on this Schedule 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 assurance about whether the above Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

The above Schedule was prepared for the purpose of complying with the criteria for revenue established in the Corporation for Public Broadcasting's Fiscal Year 1996 Annual Financial Report Handbook of Instructions, and is not intended to be a complete presentation of KDAQ-FM revenue.

In our opinion, the above Schedule presents fairly, in all material respects, the nonfederal financial support of KDAQ-FM for the year ended 6/30/96 as defined by the Communications Act of 1934, as amended; and adheres to the appropriate source, form, purpose, and recipient criteria as described in the Corporation for Public Broadcasting's Fiscal Year 1996 Annual Financial Report Handbook of Instructions; and includes only amounts that are also included in KDAQ-FM's financial statements for the year ended 6/30/96.

This report is intended solely for the information and use of the board of directors and management of KDAQ-FM and the Corporation for Public Broadcasting and should not be used for any other purpose.

Daniel G. Kyle, CPA, CFE

Name of Independent Auditor

Daniel G. Kyle
Authorized Signature

10/11/96
Date

P. O. Box 94397, Baton Rouge, LA 70804

Address

(504) 339-3800

Telephone Number

STATE OF LOUISIANA LEGISLATIVE AUDITOR

KDAQ-FM, KLSA-FM, KBSA-FM, and
KLDN-FM Radio Stations
Louisiana State University in Shreveport
State of Louisiana
Shreveport, Louisiana

November 13, 1996



Financial and Compliance Audit Division

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor

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LEGISLATIVE AUDITOR

Daniel G. Kyle, Ph.D., CPA, CFE

DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

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**KDAQ-FM, KLSA-FM, KBSA-FM, AND
KLDN-FM RADIO STATIONS
LOUISIANA STATE UNIVERSITY IN SHREVEPORT
STATE OF LOUISIANA**

Financial Statements and
Independent Auditor's Report
As of and for the Year Ended June 30, 1996
With Supplemental Information Schedule

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OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

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LEGISLATIVE AUDITOR

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (504) 339-3800
FACSIMILE: (504) 339-3870

October 17, 1996

Independent Auditor's Report
on the Financial Statements

LOUISIANA STATE UNIVERSITY IN SHREVEPORT
STATE OF LOUISIANA
Shreveport, Louisiana

We have audited the accompanying Statement of Financial Position, Statement of Activities, and Statement of Cash Flows of Radio Stations KDAQ-FM, KLSA-FM, KBSA-FM, and KLDN-FM, Louisiana State University in Shreveport, public telecommunications entities operated by Louisiana State University in Shreveport, as of and for the year ended June 30, 1996. These financial statements are the responsibility of management of the radio stations. 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.

As described in note 1, the financial statements of Radio Stations KDAQ-FM, KLSA-FM, KBSA-FM, and KLDN-FM, Louisiana State University in Shreveport, are intended to present the financial position, results of operations, and cash flows of only that portion of the funds of Louisiana State University in Shreveport that is attributable to the transactions of the radio stations.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Radio Stations KDAQ-FM, KLSA-FM, KBSA-FM, and KLDN-FM, Louisiana State University in Shreveport, at June 30, 1996, and the results of its operations and the cash flows for the year then ended, in conformity with generally accepted accounting principles.

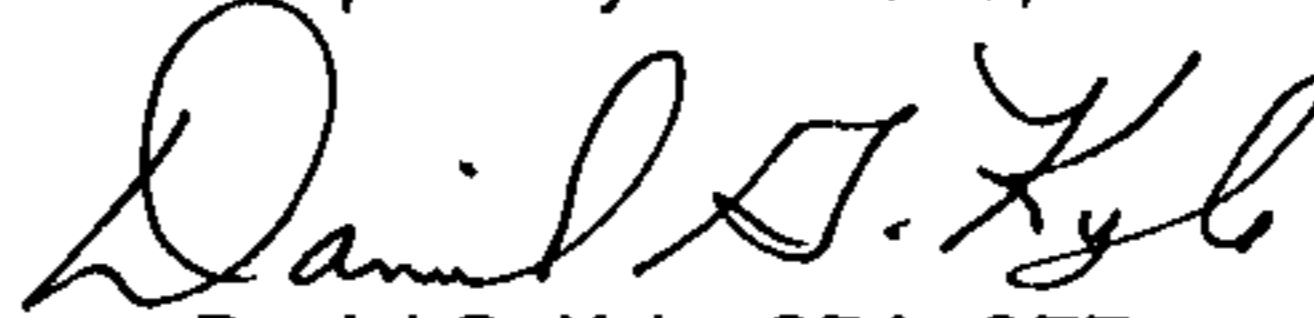
As discussed in note 1-E, the radio stations changed the presentation of their financial statements in 1996 to include a Statement of Cash Flows, as required by Statement on Financial Accounting Standard No. 117. The 1995 Statement of Changes in Financial Position has been reclassified and is presented as comparative data in the 1996 Statement of Cash Flows.

LEGISLATIVE AUDITOR

LOUISIANA STATE UNIVERSITY IN SHREVEPORT
STATE OF LOUISIANA
Audit Report, June 30, 1996

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements of Radio Stations KDAQ-FM, KLSA-FM, KBSA-FM, and KLDN-FM, Louisiana State University in Shreveport. Such information has been subjected to the procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

RLA:MAN:dl

[LSU-SRAD]

KDAQ-FM, KLSA-FM, KBSA-FM, AND KLDN-FM RADIO STATIONS
A Public Telecommunications Entity Operated by
Louisiana State University in Shreveport
Statement of Financial Position
June 30, 1996
(with Comparative Totals for 1995)

Statement A

	1996		Total	1995 Total
	Unrestricted	Operating Funds Restricted		
ASSETS				
Current Assets- -				
Cash and Cash Equivalents	\$ 173,431	\$ 27,069	\$ 200,500	\$ 282,982
Accounts Receivable	780	--	780	6,595
Total Current Assets	174,211	27,069	201,280	289,577
Property and Equipment- -				
Equipment	747,412	382,316	1,129,728	1,088,144
Total assets	\$ 921,623	\$ 409,385	\$ 1,331,008	\$ 1,377,721
LIABILITIES AND NET ASSETS				
Current Liabilities- -				
Accounts payable and accrued expenses	\$ 2,875	\$ --	\$ 2,875	\$ 11,453
Accrued payroll and benefits	--	--	--	9,515
Deferred revenue - unexpended grants	--	27,069	27,069	24,261
Total Current Liabilities	2,875	27,069	29,944	45,229
Long Term Liabilities- -				
Accrued sick and annual leave payable	15,142	--	15,142	17,702
Total Liabilities	18,017	27,069	45,086	62,931
Net Assets- -				
Unrestricted	903,606	--	903,606	938,215
Restricted	--	382,316	382,316	376,575
Total net assets	903,606	382,316	1,285,922	1,314,790
Total liabilities and net assets	\$ 921,623	\$ 409,385	\$ 1,331,008	\$ 1,377,721

The accompanying notes are an integral part of this statement.

KDAQ-FM, KLSA-FM, KBSA-FM, AND KLDN-FM RADIO STATIONS
Louisiana State University in Shreveport
Statement of Activities
For The Year Ended June 30, 1996
(With Comparative Totals for 1995)

Statement B

	1996			1995 Total
	Operating Funds Unrestricted	Restricted	Total	
Revenues, gains, and other support:				
Contributions	\$ 266,830	\$ --	\$ 266,830	\$ 242,025
Investment income	9,131	--	9,131	7,456
Underwriting	129,640	--	129,640	170,696
Corporation for public broadcasting				
Community service grant	--	77,134	77,134	88,533
Signal expansion	--	--	--	11,990
Small station education improvement	--	1,162	1,162	1,091
National program production and acquisition grant	--	20,588	20,588	17,431
State Appropriation	--	--	--	6,595
Community Foundation grant	--	12,635	12,635	3,572
Temple Foundation grant	--	11,000	11,000	1,000
Other grants	--	8,718	8,718	11,239
Lease Agreements	24,200	--	24,200	23,219
Other income	--	--	--	16,362
Total revenues, gains, and other support	429,801	131,237	561,038	601,209
Expenses:				
Program services- -				
Programming and production	99,525	101,620	201,145	204,452
Broadcasting	157,363	13,487	170,850	167,500
Program information and promotion	9,861	--	9,861	10,123
Total program expenses	266,749	115,107	381,856	382,075
Supporting services- -				
Management and general	84,459	5,326	89,785	98,197
Fund raising and membership development	75,721	723	76,444	74,575
Underwriting and grant solicitation	34,820	2,590	37,410	35,372
Total supporting expenses	195,000	8,639	203,639	208,144
Total expenses	461,749	123,746	585,495	590,219
Change in net assets before capital additions	(31,948)	7,491	(24,457)	10,990
Capital additions:				
Contributions	--	--	--	2,303
Equipment on inventory in excess of purchases	--	--	--	(183)
Loss on disposition of property and equipment	(2,661)	(1,750)	(4,411)	--
Total capital additions	(2,661)	(1,750)	(4,411)	2,120
Change in net assets after capital additions	(34,609)	5,741	(28,868)	13,110
Net assets, beginning of year	938,215	376,575	1,314,790	1,301,680
Net assets, end of year	\$ 903,606	\$ 382,316	\$ 1,285,922	\$ 1,314,790

The accompanying notes are an integral part of this statement.

KDAQ-FM, KLSA-FM, KBSA-FM, AND KLDN-FM RADIO STATIONS
Louisiana State University in Shreveport
Statement of Cash Flows
For the Year Ended June 30, 1996
(With Comparative Totals for 1995)

Statement C

	1996		Total	1995 Total
	Unrestricted Fund	Restricted Fund		
Cash flows from operating activities:				
Change in net assets	(\$ 34,609)	\$ 5,741	(\$ 28,868)	\$ 13,110
Adjustments to reconcile change in net assets to net cash used by operating activities				
Decrease in accounts receivable	5,815	--	5,815	867
Increase (decrease) in accounts payable and accrued expense	779	(9,357)	(8,578)	9,329
Increase (decrease) in accrued payroll and benefits	(9,515)	--	(9,515)	7,171
Increase (decrease) in accrued sick and annual leave payable	(2,560)	--	(2,560)	636
Increase in deferred revenue - unexpended grants	--	2,808	2,808	16,895
Net cash provided (used) by operating activities	(40,090)	(808)	(40,898)	48,008
Cash flows from investing activities:				
Purchase of property and equipment	(38,504)	(7,491)	(45,995)	(10,732)
Loss on disposition of property and equipment	2,661	1,750	4,411	--
Net cash (used) by investing activities	(35,843)	(5,741)	(41,584)	(10,732)
Net increase (decrease) in cash and cash equivalents	(75,933)	(6,549)	(82,482)	37,276
Cash and cash equivalents at beginning of year	249,364	33,618	282,982	245,706
Cash and cash equivalents at end of year	\$ 173,431	\$ 27,069	\$ 200,500	\$ 282,982

The accompanying notes are an integral part of this statement.

KDAQ-FM, KLSA-FM, KBSA-FM, AND KLDN-FM RADIO STATIONS
Louisiana State University in Shreveport
Schedule of Functional Expenses
For The Year Ended June 30, 1996
(With Comparative Totals for 1995)

Schedule 1

	Program Services			Supporting Services			Total Expense			
	Programming & production	Broadcasting	Public information & promotion	Total program services	Management and general	Fund raising & membership development	Underwriting & grant solicitation	Total supporting services	1996	1995
Employees salaries and wages	\$ 80,835	\$ 41,297	\$ --	\$ 122,132	\$ 30,041	\$ 49,120	\$ 27,249	\$ 106,410	\$ 228,542	\$ 242,891
Employee benefits	12,889	6,585	--	19,474	2,231	7,841	4,381	14,453	33,927	36,967
Travel	1,723	1,723	--	3,446	1,740	--	--	1,740	5,186	13,411
Postage	--	--	5,301	5,301	1,060	2,121	2,121	5,302	10,603	10,384
Telephone	--	--	--	--	2,494	2,216	831	5,541	5,541	8,117
Rental and maintenance of equipment	--	51,808	--	51,808	6,500	--	--	6,500	58,308	57,746
Utilities	--	39,697	--	39,697	--	--	--	--	39,697	40,342
Printing, publications and graphics	--	--	4,560	4,560	--	3,649	911	4,560	9,120	9,458
Other operating services	101,315	22,293	--	123,608	9,389	3,357	--	12,746	136,354	124,305
Supplies	4,383	5,530	--	9,913	5,165	5,163	--	10,328	20,241	12,786
Professional services	--	1,917	--	1,917	31,165	--	1,917	33,082	34,999	32,341
Other charges	--	--	--	--	--	2,977	--	2,977	2,977	1,471
Total	\$ 201,145	\$ 170,850	\$ 9,861	\$ 381,856	\$ 89,785	\$ 76,444	\$ 37,410	\$ 203,639	\$ 585,495	\$ 590,219



CORPORATION FOR PUBLIC BROADCASTING

Annual Financial Report

STATION FISCAL PERIOD ENDING June 30 1996
(or December 31, 1995)

CALL LETTERS OR NETWORK DESIGNATION

Television Station

OR Radio Station

City

State

R03375 KDAQ-FM

Shreveport

Louisiana

In 1996, a translator was established in Grambling, Louisiana, to be operated by LSU-S as a simulcast of KDAQ-FM. The translator numbers K214CE were assigned by the FCC on March 10, 1996.

KDAQ-FM, KLSA-FM, KBSA-FM and KLDN-FM Radio Stations (a.k.a. Red River Public Radio Network) are departmental budget units of LSU-S and are reported in the University's Annual Financial Statements in the same respect as a "public service department." The total departmental expenditures are reported in Analysis Schedule C-2A and C-2B of LSU-S's financial statements for the network.

B. Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the network, the accounts of the network are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

The assets, liabilities, and net assets of the station are reported in two self-balancing operating funds, which include unrestricted and restricted resources. These funds represent resources available for support of the networks operations.

C. Expendable Restricted Resources

Operating funds restricted by the donor, grantor, or other outside party for particular operating purposes are deemed to be earned and reported as revenues when the network has incurred expenses in compliance with the specific restrictions. Such amounts received but not yet earned are reported on the Statement of Financial Position as restricted "deferred revenue unexpended grants."

D. Contributions and Pledges

Contributions and pledges are recorded as revenue in the Statement of Activities when received.

E. Statement of Cash Flows

Cash flows are presented using the indirect method. Cash equivalents include demand deposits and bank certificates of deposit. A Statement of Changes in Financial Position was presented for 1995. Therefore, the comparative data included in the Statement of Cash Flows is a restatement of the data presented in the Statement of Changes in Financial Position from the prior year.

F. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been

summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among program and supporting services benefited based on total personnel costs or other systematic bases.

G. Contributed Facilities

The network occupies without charge certain premises located in and owned by the state.

Donated facilities from LSU-S consist of office and studio space together with related occupancy costs and are recorded as indirect administrative support from LSU-S. The total for indirect administrative support for fiscal year 1995-96 is \$105,467. Computation for the above is reflected in Schedule B of the Corporation for Public Broadcasting Annual Financial Report.

II. Income Taxes

The network is exempt from federal income tax, except on activities unrelated to its exempt purpose, under Internal Revenue Code Section 501(c)(3). There was no required provision for income taxes for fiscal year 1996.

I. Property and Equipment

Property and equipment are recorded at cost, or in the case of donated property, at their estimated fair value at the date of receipt. As a State Agency, depreciation is not recognized by the University. The University maintains a physical inventory of all moveable equipment with an acquisition value of \$250 or more.

2. Moveable Equipment

A summary of property and equipment (acquisition value of \$250 or more) is as follows:

	<u>July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 1996</u>
Office Furniture and Fixtures	\$ 33,699	\$ 1,118	\$2,327	\$ 32,490
Transmission and Antenna	804,563	41,353	--	845,916
Satellite Dish	20,185	--	--	20,185
Studio and Other Broadcast Equipment	<u>229,697</u>	<u>2,829</u>	<u>1,389</u>	<u>231,137</u>
Total Equipment	<u>\$1,088,144</u>	<u>\$45,300</u>	<u>\$3,716</u>	<u>\$1,129,728</u>

3. Long-Term Debt

The radio network has entered into no long-term debt agreements.

KDAQ-FM, KLSA-FM, KBSA-FM, and KLDN-FM RADIO STATIONS
Public Telecommunications Entities Operated By
LOUISIANA STATE UNIVERSITY IN SHREVEPORT
A Member of the LSU System

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996

1. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis. The significant accounting policies that follow are provided to enhance the usefulness of the financial statements to the reader.

A. Organization

Louisiana State University in Shreveport is a publicly supported institution of higher education. The University is a political subdivision of the State of Louisiana, and is under the management and supervision of a body corporate known as the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College. The Board of Supervisors (the Board) is the governing body over all campuses under the organizational structure of the Louisiana State University (LSU) System. All members of the Board of Supervisors are appointed by the Governor. The Board of Supervisors are the legal holders of the licenses of all the stations in this network.

On September 14, 1981, the Board of Supervisors (the Board), approved establishment of a public radio station (network) to be housed at, and operated by, Louisiana State University in Shreveport (LSU-S). On October 29, 1982, the Federal Communication Commission (FCC) assigned it the call letters KDAQ-FM. The Corporation for Public Broadcasting (CPB) was contacted in an effort to gain an understanding of the requirements to becoming a CPB "supported" station. In 1985, the radio station attained this status.

In 1985, a second station was established on the Louisiana State University at Alexandria campus (LSU-A). This station was established to be operated by LSU-S as a simulcast of KDAQ-FM. On May 17, 1985, the FCC assigned it the call letters KLSA-FM.

In 1987, a third station was established in El Dorado, Arkansas, to be operated by LSU-S as a simulcast of KDAQ-FM. On June 4, 1987, the FCC assigned it the call letters KBSA-FM.

In 1991, a fourth station was established in Lufkin, Texas, to be operated by LSU-S, as a simulcast of KDAQ-FM. On December 7, 1989, the FCC assigned it the call letters KLDN-FM.

4. Leases

The network is obligated for operating leases for the rental of tower space for the operation of stations KLSA-FM, KBSA-FM, and KLDN-FM. Total rental expense for 1996 was \$30,420.

The future lease payments due under the lease agreements at June 30, 1996 are as follows:

<u>Nature of Lease</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>Thereafter</u>
Tower Rentals	\$30,420	\$24,153	\$20,820	\$13,920	\$14,040

5. Accrued Leave Payable

Employees accrue and accumulate annual and sick leave in accordance with policies established by the LSU Board of Supervisors for unclassified personnel, and by the Department of Civil Service for classified personnel. Substantially all employees accumulate annual and sick leave without limitation.

Upon separation of employment, personnel, or their heirs, are compensated for accumulated annual leave not to exceed 300 hours.

In addition, personnel, or their heirs, are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Upon retirement, any annual or sick leave not compensated for is used as credited service in either Louisiana Teacher's Retirement System or Louisiana State Employees' Retirement System.

The liability for unused annual and sick leave at June 30, 1996, computed in accordance with GASB 16, is estimated to be \$15,142 and zero, respectively as reflected in Statement A. This estimated liability for compensated absences is calculated on a maximum of 300 hours for each employee having accumulated annual leave, and on a maximum of 200 hours of accumulated sick leave for unclassified employees having at least 10 years of retirement system credit. The liability is not calculated on sick leave balances accumulated by classified employees, since lump sum payments for sick leave are made only to retiring unclassified employees. Accrued leave payable for the year ended June 30, 1996, decreased by \$2,560. This amount is reflected as a reduction in management and general expenses on Statement B.

6. Pension Plan

Substantially, all employees of the network are members of the Louisiana State Employees' Retirement System (LSERS) and the Louisiana Teachers' Retirement System (TRS). Both plans are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. TRS and LSERS provide retirement, disability, and survivors' benefits to plan members and beneficiaries. Benefits granted by the retirement system are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service. Article 10, Section 29 of the Constitution of 1974 assigns the authority to establish and amend benefit provisions to the State legislature. The

Systems issue annual publicly available financial reports that include financial statements and required supplementary information for the Systems. The reports may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6446 and/or the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (504) 922-0608 or (800) 256-3000.

The contribution requirements of plan members and the radio station are established and may be amended by the State legislature. The legislature annually sets the required employer contribution rate equal to the actuarially required employer contribution as set forth in Louisiana Revised Statute (LSA-R.S.) 11:102. Employees contribute 8 percent (TRS) and 7.5 percent (LSERS) of covered salaries. The state is required to contribute 16.5 percent of covered salaries to TRS and 12 percent of covered salaries to LSERS. The radio station's employer contribution is funded by the State of Louisiana through the annual appropriation to the radio station. The radio station's employer contributions to TRS for the years ended June 30, 1996, 1995, and 1994, were \$9,489, \$8,828, and \$7,930 respectively, and to LSERS for the years ended June 30, 1996, 1995, and 1994, were \$12,699, \$12,683, and \$13,891 respectively, equal to the required contributions for each year.

7. Optional Retirement System

LSA-R.S. 11:921 created an optional retirement plan for academic and administrative employees of public institutions of higher education. This program was designed to aid the radio station in recruiting employees who may not be expected to remain in the Teachers Retirement System (TRS) for ten or more years. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants.

The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRS and purchase retirement and death benefits through contracts provided by designated companies.

Contributions by the radio station are 16.5 percent of the covered payroll. The participant's contribution, less any monthly fee required to cover the cost of administration and maintenance of the optional retirement plan, is remitted to the designated company or companies. Upon receipt of the employer's contribution, the TRS pays over to the appropriate company or companies, on behalf of the participant, an amount equal to the employer's portion of the normal cost contribution, determined actuarially. The TRS retains the balance of the employer contribution for application to the unfunded accrued liability of the system. Employer contributions to the optional retirement plan totaled \$5,816 for the year ended June 30, 1996.

8. Changes in Deferred Support and Revenues

Balance, beginning of year	\$ 24,261
Additions - Contributions and grants	134,045
Deductions - Contributions and grants recognized as revenue or support	<u>131,237</u>
Balance, end of year	<u>\$ 27,069</u>

9. Prior Year Financial Statements

The financial information shown for 1995 in the accompanying financial statements is included to provide a basis for comparison with 1996 and present summarized totals only.