



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, 2019

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

Table of Contents

<u>Report and Basic Financial Statements</u>	<u>Page</u>
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 Expenses.....	6
Notes to the Financial Statements.....	7-10



Whitehaven-Levi Center Phone: 901.398.3210
1067 E. Raines Rd. Fax: 901.398.4114
Memphis, TN 38116-6336 bcamper@btcjrcpa.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, 2019 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, 2019 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

December 31, 2019

**RUST COLLEGE, INC.
WURC-FM RADIO STATION
STATEMENT OF FINANCIAL POSITION
June 30, 2019 and June 30, 2018**

ASSETS	2019	2018
Current Assets		
Cash & Equivalents	\$669,126	\$647,709
Grants Receivable	_____	_____
Total Current Assets	<u>669,126</u>	<u>647,709</u>
Fixed Assets		
Plant Property and Equipment	<u>2,976</u>	<u>7,661</u>
TOTAL ASSETS	<u>\$672,102</u>	<u>\$655,370</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Deferred Grant Revenue	\$475,769	\$461,304
Total Liabilities	<u>\$475,769</u>	<u>\$461,304</u>
Net Assets		
Unrestricted Net Assets	<u>196,333</u>	<u>194,066</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$672,102</u>	<u>\$655,370</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, 2019 and June 30, 2018

	<u>Unrestricted Operating</u>	<u>Temporarily Restricted</u>	<u>2019 Total</u>	<u>2018 Total</u>
<u>REVENUE</u>				
Support	\$ 297,258	\$ -	\$297,258	\$307,843
CPB Grant Funds Earned	0	165,236	165,236	188,209
Underwriting & Business Contributions	6,532	-	6,532	4,107
Promotion Revenue	2,840	-	2,840	3,286
Net Assets Released from Restriction	165,236	(165,236)	-	-
Total Revenue	471,866	-	471,866	503,445
<u>EXPENSES</u>				
Program Service	227,797	-	227,797	223,493
Management and General	212,805	-	212,805	238,506
Underwriting Expense	24,197	-	24,197	33,064
Promotion Expense	115	-	115	250
Depreciation	4,685	-	4,685	6,558
Total Expenses	469,599	-	469,599	501,871
Change in Net Assets	2,267	-	2,267	1,574
Net Assets - Beginning of Year	194,066	-	194,066	192,492
Prior Period Adjustments	-	-	-	-
NET ASSETS - END OF YEAR	\$ 196,333	\$ -	\$196,333	\$194,066

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, 2019 and June 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES	2019	2018
Total Changes in Net Assets	\$ 2,267	\$ 1,574
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	4,685	6,558
Decrease (Increase) in Grants Receivable	0	26,372
Increase (Decrease) in Deferred Grant Receivable	<u>14,465</u>	<u> </u>
Net Cash Provided by Operating Activities	<u>\$ 21,417</u>	<u>\$ 34,504</u>
CASH FLOWS PROVIDED BY INVESTMENT ACTIVITIES		
Decrease (Increase) in Plant, Property & Equipment	0	0
Net Cash Provided by Investing Activities	0	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Short Term Investments	0	0
Net Cash Provided By Financing Activities	0	0
Net Increase (Decrease) in Cash and Cash Equivalents	21,417	34,504
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>647,709</u>	<u>613,205</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$669,126</u>	<u>\$647,709</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, 2019 and June 30, 2018

	Program Services	Management & General	Underwriting & Promotion	Depreciation	2019 Total	2018 Total
Compensation	\$ 82,034	\$ 129,582	\$ 18,217		\$229,833	\$250,822
Fringe Benefits	8,032	26,953	3,789		38,774	50,500
Travel	0				-	6,204
Supplies	16,954	1,472	2,191		20,617	18,718
Communications		3,356			3,356	17,718
Program Production & Acquisitions	44,965				44,965	36,637
Non-Capital Equipment	32,715				32,715	46,085
Promotion Costs			115		115	250
Depreciation				4,685	4,685	6,558
Other Costs	<u>43,097</u>	<u>51,442</u>			<u>94,539</u>	<u>68,379</u>
TOTAL	<u>\$ 227,797</u>	<u>\$ 212,805</u>	<u>\$ 24,312</u>	<u>\$ 4,685</u>	<u>\$469,599</u>	<u>\$501,871</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 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

Description 2019	Life	Cost
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>(\$720,809)</u>
Total		<u><u>\$2,976</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, 2019 as follows:

Grant Awards

2016-2018	\$	179,197
2017-2019	\$	172,998
2018-2020	\$	171,861

RUST COLLEGE, INC.
NOTES TO THE FINANCIAL STATEMENTS

Net Asset Detail

Net Assets:

Invested in Capital Assets, Net of Debt and Depreciation	\$ 2,976
Unrestricted Licensee Reserve	\$ <u>193,357</u>
Total Net Assets at June 30, 2019	\$ <u>196,333</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 2019</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>(\$720,809)</u>
Total		<u><u>\$2,976</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.