

MOREHEAD STATE UNIVERSITY
WMKY-FM

Financial Statements & Supplementary Information

Years Ended June 30, 2018 and 2017
with Report of Independent Auditors

CONTENTS

Management's Discussion and Analysis (<i>unaudited</i>)	1-5
Report of Independent Auditors.....	6-7
Financial Statements:	
Statements of Net Position.....	8
Statements of Revenues, Expenses, and Changes in Net Position	9-10
Statements of Cash Flows	11
Notes to the Financial Statements	12-17
Supplementary Information:	
Schedule of General Appropriations from Morehead State University	18
Schedule of Restricted Contributions	19
Schedule of Other Contributions and Revenue	20
Schedule of Revenue Reconciliation	21
Schedule of Expense Reconciliation.....	22
Summary of Indirect Administrative Support.....	23
Calculation of Maintenance Support	24
Calculation of Institutional Support	25
Allocation of Indirect Administrative Support.....	26
Schedule of Functional Expenses	27

MOREHEAD STATE UNIVERSITY
WMKY-FM

Management's Discussion and Analysis (*unaudited*)

WMKY-FM (the Station) Management's Discussion and Analysis (MD&A) of its financial condition provides an overview of the financial performance of the Station for the year ended June 30, 2018. Management has prepared this discussion, along with the financial statements and related footnotes, to provide summary financial information. This MD&A should be read in conjunction with the accompanying financial statements and footnotes.

Reporting Entity

WMKY, Morehead State Public Radio, is a component unit of Morehead State University (the University) and the Commonwealth of Kentucky.

Using the Annual Report

This annual report consists of a series of financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These financial statements focus on the financial condition of the Station, the results of operations, and cash flows of the Station as a whole.

One of the most important questions asked about Station finances is whether the Station is better off as a result of the year's activities. The information needed to answer this question is in the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows.

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. GASB 35 requires University appropriations and gifts to be classified as non-operating revenues. Accordingly, the Station will generate a net operating loss prior to the addition of non-operating revenue. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

MOREHEAD STATE UNIVERSITY
WMKY-FM

Management's Discussion and Analysis (*unaudited*), continued

When evaluating financial viability of the Station, another important factor to consider is the ability to meet financial obligations as they occur. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, noncapital financing and capital financing activities.

The Statement of Net Position includes all assets and liabilities. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. The Station's net position (the difference between assets and liabilities) is indicative of the Station's financial health. Over time, increases or decreases in net position can indicate improvement or erosion of the Station's financial health.

Statements of Net Position
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
Current assets	\$316,884	\$227,987
Capital assets	<u>79,743</u>	<u>104,330</u>
Total Assets	<u>396,627</u>	<u>332,317</u>
<u>Liabilities</u>		
Unearned revenue	<u>124,556</u>	<u>115,507</u>
Total Liabilities	<u>124,556</u>	<u>115,507</u>
<u>Net Position</u>		
Net investment in capital assets	79,743	104,330
Unrestricted	<u>192,328</u>	<u>112,480</u>
 Total Net Position	<u>\$272,071</u>	<u>\$216,810</u>

MOREHEAD STATE UNIVERSITY
WMKY-FM

Management's Discussion and Analysis (*unaudited*), continued

Financial Highlights

The financial statements indicate that the Station's financial condition remained stable on June 30, 2018.

- Total assets were \$397 thousand. Significant components of the assets include \$317 thousand in cash and \$80 thousand in capital assets, net of depreciation.
- Operating revenues were \$236 thousand and operating expenses were \$660 thousand, resulting in an operating loss of approximately \$424 thousand.
- Net non-operating revenues of \$479 thousand were comprised primarily of appropriations from Morehead State University (the University).
- The combination of net loss from operations and the net non-operating revenues resulted in an increase in net position of \$55 thousand.

Assets

The Station's total assets as of June 30, 2018 were approximately \$397 thousand. On June 30, 2017, the total assets were approximately \$332 thousand. Cash of \$317 thousand is the Station's largest asset or approximately 80% of total assets at June 30, 2018. Investments in capital assets, net of depreciation, are the Station's next largest asset, totaling \$80 thousand or approximately 20% of total assets at June 30, 2018.

Liabilities

On June 30, 2018, the Station's liabilities totaled approximately \$125 thousand versus \$116 thousand on June 30, 2017. Total liabilities at June 30, 2018 are comprised of Unearned Revenue of \$125 thousand.

Net Position

Total net position increased by approximately \$55 thousand during the year ended June 30, 2018.

MOREHEAD STATE UNIVERSITY
WMKY-FM

Management's Discussion and Analysis (*unaudited*), continued

Revenue

Total operating revenues were approximately \$236 thousand for the year ended June 30, 2018. The total for June 30, 2017 was \$184 thousand. Sources of operating revenue for the Station are the Community Service Grant – Radio, of \$131 thousand or 56%, membership and subscriptions of \$55 thousand or 23%, underwriting of \$36 thousand or 15% Federal work-study of \$2 thousand or 1% and other revenue of \$12 thousand or 5%.

Total operating revenues increased \$52 thousand during the year ended June 30, 2018.

Expenses

Operating expenses for the year totaled approximately \$660 thousand versus \$701 thousand at June 30, 2017. Of this amount, approximately \$333 thousand or 50% was used for programming and production expense, \$118 thousand or 18% was used for broadcasting expenses, \$37 thousand or 6% was used for program information and promotions, \$123 thousand or 19% for management and general, \$23 thousand or 3% for fundraising and membership development, \$1 thousand or 0% for underwriting and grant solicitation, and \$25 thousand or 4% for depreciation.

Cash Flows

The Statement of Cash Flows helps financial statement readers assess the Station's ability to generate future net cash flows, to meet obligations as they become due and the Station's need for external financing.

Major sources of funds for the Station include the Community Service Grant, membership fees and underwriting. The largest cash outlays for operating activities were made to employees for wages and benefits, \$332 thousand and to suppliers, \$156 thousand. The largest cash receipt in the noncapital financing activities group is the operating appropriation from Morehead State University of \$345 thousand.

Capital Assets

Capital assets, net of accumulated depreciation, totaled approximately \$80 thousand at June 30, 2018 versus \$104 thousand at June 30, 2017. Depreciation expense for the year was \$25 thousand.

MOREHEAD STATE UNIVERSITY
WMKY-FM

Management's Discussion and Analysis (*unaudited*), continued

FACTORS IMPACTING FUTURE PERIODS

The Station is fairly well positioned for the immediate future. Management believes the Station's continued efforts to diversify revenue sources and increase membership and underwriting fees will strengthen its financial resources.

The Station's dependency upon the University and the Corporation for Public Broadcasting for a substantial part of its operating funds includes some degree of risk. Support from the Corporation for Public Broadcasting is tied directly to U.S. budgets and is subject to the actions of Congress. University funding is dependent upon funding from the Commonwealth of Kentucky and also subject to the actions of the governor and legislative entities.

The Station's management believes the current financial condition is strong enough to withstand pressures created by economic and funding uncertainties. Management also believes that increasing partnerships throughout the region will also increase the Station's financial standing.

Report of Independent Auditors

Members of the Board of Regents and
Dr. Joseph A. Morgan, President
Morehead State University
Morehead, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of WMKY-FM (Station), a public telecommunications entity operated by Morehead State University, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair representation 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 representation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our 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 we 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 the risks of material misstatement of the financial statements, whether due to fraud or error. 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 the entity's internal control. Accordingly, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WMKY-FM as of June 30, 2018 and 2017, and the changes in its net position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The supplemental information contained on pages 18 through 27 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Dean Dorton Allen Ford, PLLC

November 28, 2018
Lexington, Kentucky

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Statements of Net Position

June 30, 2018 and 2017

Assets	<u>2018</u>	<u>2017</u>
Current assets:		
Cash	\$ 316,884	\$ 227,987
Capital assets, net	<u>79,743</u>	<u>104,330</u>
Total assets	<u>396,627</u>	<u>332,317</u>
 Liabilities and Net Position		
Current liabilities:		
Unearned revenue	<u>124,556</u>	<u>115,507</u>
Total current liabilities	<u>124,556</u>	<u>115,507</u>
Net position:		
Net investment in capital assets	79,743	104,330
Unrestricted	<u>192,328</u>	<u>112,480</u>
Total net position	<u>\$ 272,071</u>	<u>\$ 216,810</u>

See accompanying notes.

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenues:		
CPB	\$ 131,246	\$ 113,041
Federal workstudy	2,331	1,511
Underwriting	35,437	25,710
Memberships and subscriptions	54,973	31,685
Other operating income	<u>11,950</u>	<u>12,397</u>
Total operating revenues	235,937	184,344
Operating expenses:		
Program services:		
Programming and production	333,174	350,412
Broadcasting	118,414	133,772
Program information and promotion	<u>37,379</u>	<u>46,340</u>
	488,967	530,524
Supporting services:		
Management and general	122,679	114,631
Fundraising and membership development	23,204	25,704
Underwriting and grant solicitation	656	726
Depreciation	<u>24,587</u>	<u>29,965</u>
	<u>171,126</u>	<u>171,026</u>
Total operating expenses	<u>660,093</u>	<u>701,550</u>
Operating loss	(424,156)	(517,206)

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Statements of Revenues, Expenses, and Changes in Net Position, Continued

Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Nonoperating revenues:		
General appropriation from MSU	345,056	290,306
Indirect administrative support	<u>134,361</u>	<u>150,115</u>
Net nonoperating revenues	<u>479,417</u>	<u>440,421</u>
Increase (decrease) in net position	55,261	(76,785)
Net position, beginning of year	<u>216,810</u>	<u>293,595</u>
Net position, end of year	<u>\$ 272,071</u>	<u>\$ 216,810</u>

See accompanying notes.

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Statements of Cash Flows

Years ended June 30, 2018 and 2017

Cash flows from operating activities:	<u>2018</u>	<u>2017</u>
Gifts and contracts	\$ 140,295	\$ 178,989
Private gifts and contracts	91,855	57,604
Payments to suppliers	(156,257)	(145,415)
Payments for salaries and benefits	<u>(332,052)</u>	<u>(362,356)</u>
Net cash used in operating activities	(256,159)	(271,178)
 Cash flows from noncapital financing activities:		
General appropriation from MSU	<u>345,056</u>	<u>290,306</u>
Net increase in cash	88,897	19,128
Cash, beginning of year	<u>227,987</u>	<u>208,859</u>
Cash, at end of year	<u>\$ 316,884</u>	<u>\$ 227,987</u>
 Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (424,156)	\$ (517,206)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	24,587	29,965
Expenses related to in-kind contributions from MSU	134,361	150,115
Changes in assets and liabilities:		
Unearned revenue	<u>9,049</u>	<u>65,948</u>
Net cash used in operating activities	<u>\$ (256,159)</u>	<u>\$ (271,178)</u>

See accompanying notes.

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Notes to the Financial Statements

1. Description of Organization

WMKY-FM (the Station) is a University sponsored radio station serving more than 20 counties in Kentucky, Ohio and West Virginia. The Station is a component unit of Morehead State University (University) and the Commonwealth of Kentucky. The financial records and activities of the Station are administered by Morehead State University and Morehead State University Foundation, Inc. (Foundation).

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, contributions are recognized as revenue when available (received).

These financial statements are prepared in accordance with GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, and subsequent standards issued by GASB. GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net asset categories:

- **Net Investment in Capital Assets:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted:**
 - Nonexpendable*– Net position subject to externally imposed stipulations that they be maintained permanently by the Station.
 - Expendable*– Net position whose use by the Station is subject to externally imposed stipulations that can be fulfilled by actions of the Station pursuant to those stipulations or that expire by the passage of time.
- **Unrestricted:** Net position whose use by the Station is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

MOREHEAD STATE UNIVERSITY
WMKY-FM

Notes to the Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Basis of Presentation, continued

The financial statement presentation required by GASB Statement No. 35 is intended to provide a comprehensive, entity-wide perspective of the Station's assets, liabilities, net position, revenues, expenses, changes in net position and cash flows.

Revenue Recognition

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 Station has incurred expenditures in compliance with the specific restrictions. Unrestricted pledges are reported as revenue when the pledged contributions are received.

Unearned Revenue

Deferred revenue includes amounts received from grants and contracts that have not yet been earned.

In-Kind Contributions

Contributions of donated noncash assets are recorded at their fair values in the period received. Donated personal services of volunteers are recorded as revenues and expenses in the accompanying statement of revenue, expenses and changes in net position at estimated fair value based upon standard valuation rates and job classifications developed by the Corporation for Public Broadcasting (CPB).

Capital Assets

Capital assets are recorded at cost for purchased assets and at fair value at date of donation in the case of gifts. Expenditures of greater than \$1,000 and computers at any cost are tagged and tracked for inventory purposes. Expenditures of \$5,000 or greater, which increase values or extend useful lives of the respective assets, are capitalized; whereas expenditures for repairs and maintenance are charged to expense as incurred. Depreciation is calculated by the straight-line method over the estimated useful lives (based on industry standards) of the assets, which range from two to twenty years.

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Notes to the Financial Statements, continued

2. Summary of Significant Accounting Policies, continued

Functional Allocation of Expenses

The costs of providing the various activities have been summarized on a functional basis in the accompanying statement of revenue, expenses, and changes in net position. Accordingly, certain costs have been allocated among functional classifications based on total personnel costs or other reasonable basis.

Indirect Administrative Support

Indirect administrative support from the University consists of allocated maintenance, institutional support, and certain other costs incurred by the University and allowable by CPB.

Operating Activities

The Station defines operating activities, as reported on the statement of revenues, expenses and changes in net position, as those that generally result from exchange transactions. Nearly all of the Station's expenses are from exchange transactions. Certain significant revenues relied upon for operations, such as appropriations from the University, are recorded as nonoperating revenues, in accordance with GASB No. 35.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenditures during the reporting period. Actual results could differ from the estimated amounts.

Subsequent Events

Management has evaluated subsequent events for accounting and disclosure requirements through November 28, 2018, the date that the financial statements were available to be issued.

3. Cash

At June 30, 2018 and 2017, the Station's bank balances were \$316,884 and \$227,987, respectively. These funds are reported as cash on the statement of net position. The Station maintains its cash balances in financial institutions, which at times, may exceed federally insured limits. The Station has not experienced any losses on such accounts. The Station believes it is not exposed to any significant credit risk related to its cash balances.

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Notes to the Financial Statements, continued

4. Capital Assets

Capital assets activity for the year ended June 30, 2018 is as follows:

	Balance July 1, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2018</u>
Furniture and equipment	\$ 781,061	\$ -	\$ -	\$ 781,061
Less accumulated depreciation	<u>(676,731)</u>	<u>(24,587)</u>	<u>-</u>	<u>(701,318)</u>
Total capital assets, net	<u>\$ 104,330</u>	<u>\$ (24,587)</u>	<u>\$ -</u>	<u>\$ 79,743</u>

Capital assets activity for the year ended June 30, 2017 is as follows:

	Balance July 1, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2017</u>
Furniture and equipment	\$ 781,061	\$ -	\$ -	\$ 781,061
Less accumulated depreciation	<u>(646,766)</u>	<u>(29,965)</u>	<u>-</u>	<u>(676,731)</u>
Total capital assets, net	<u>\$ 134,295</u>	<u>\$ (29,965)</u>	<u>\$ -</u>	<u>\$ 104,330</u>

MOREHEAD STATE UNIVERSITY
WMKY-FM

Notes to the Financial Statements, continued

5. Pension Plan

All regular employees of the Station participate in the Kentucky Teacher's Retirement System (TRS). Participants are fully vested after five years of service. For the years ended 2018 and 2017, eligible Station employees contributed 8.185% of covered payroll and the Station contributed 15.865% of payroll. For the years ended June 30, 2018 and 2017, the Station's contributions to TRS were \$32,102 and \$33,363, respectively.

Effective July 1, 2014, the University adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* recording its share of TRS' unfunded liability on the University's 2018 statement of net position. Effective July 1, 2017, the University adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)* (Statement 75). Statement 75 replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB recording its share of TRS' unfunded liability on the University's 2018 statement of net position. These liability amounts include the employees of the Station as the University views the Station's employees as their employees. Also, the University's funding of the Station is largely to offset the costs of the employees to the Station. As such, the Station and the University have chosen to house any pension and OPEB liabilities for the Station's employees on the University's statements of net position.

TRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at <https://trs.ky.gov/financial-reports-information>.

6. Related Party Transactions

Indirect administrative support of \$134,361 and \$150,115 was provided by the University during 2018 and 2017, respectively, this includes the use of a building, as well as donated maintenance and service related to the space. Donated services and facilities was \$15,709 for both 2018 and 2017.

The Foundation receives and maintains all contributions on behalf of the Station. The Station's expenses are paid through the Foundation.

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Notes to the Financial Statements, continued

7. Commitments and Contingencies

The Station receives financial assistance from the CPB in the form of grants. The receipt of funds received from the CPB requires compliance with terms and conditions, including that the Station be noncommercial, educational in nature, and provide significant service to the community of license. The Station is currently in compliance with all CPB requirements.

The Station is regulated by the Federal Communications Commission (FCC), and must be in compliance with the FCC's licensing requirements for radio stations that are noncommercial, educational broadcast facilities. The Station currently has a continuing license issued by the FCC.

8. Concentration of Revenue

The Station has a concentration of revenue due to receiving the majority of its operating revenue from grants through the CPB. Revenue from the CPB totaled approximately 56% and 61% of total operating revenues during 2018 and 2017, respectively.

SUPPLEMENTARY INFORMATION

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Schedule of General Appropriations from Morehead State University

Year ended June 30, 2018

Unrestricted contributions (University)

University other support	\$ 38,162
University salaries and fringe benefits	<u>306,894</u>
Total unrestricted contributions	<u>\$ 345,056</u>

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Schedule of Restricted Contributions

Year ended June 30, 2018

Restricted contributions

Federal workstudy \$ 2,331

Total restricted contributions \$ 2,331

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Schedule of Other Contributions and Revenue

Year ended June 30, 2018

Other contributions and revenue

Memberships and subscriptions	\$ 54,973
Other income	11,950
Underwriting	<u>35,437</u>

Total other contributions and revenue \$ 102,360

MOREHEAD STATE UNIVERSITY
WMKY-FM

Schedule of Revenue Reconciliation

Year ended June 30, 2018

Revenue reconciliation

Revenue per CPB Annual Report	\$ 580,993
Indirect administrative support (including occupancy)	<u>134,361</u>
Total per financial report	715,354
Total operating and nonoperating revenue per financial statements	<u>\$ 715,354</u>

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Schedule of Expense Reconciliation

Year ended June 30, 2018

Expense reconciliation

Per CPB Annual Report \$ 660,093

Less: capital equipment -

Total expenses per financial statements \$ 660,093

MOREHEAD STATE UNIVERSITY
WMKY-FM

Summary of Indirect Administrative Support

Year ended June 30, 2018

Physical plant support	\$ 12,216
Institutional support	<u>106,436</u>
	118,652
 Plus: occupancy allowance	 <u>15,709</u>
 Total indirect administrative support	 <u>\$ 134,361</u>

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Calculation of Maintenance Support

Year ended June 30, 2018

<u>Description</u>	<u>Expenditures</u>
Total unrestricted physical plant operations	\$ 12,271,834
Plus: reclassifications from institutional support for Office of Public Safety	<u>1,493,289</u>
Net Allowable Maintenance Cost	13,765,123
Less: units not benefiting WMKY	<u>(5,486,820)</u>
Total physical plant operations	8,278,303
 x Allowable rate	 <u>0.147584%</u>
 Total physical plant operations support	 <u>\$ 12,216</u>

Allowable Rate		
<u>Gross Assignable sq. ft. at WMKY</u>	4,132	= <u>0.147584 %</u>
Gross assignable total University sq. ft.	2,799,760	

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Calculation of Institutional Support

Year ended June 30, 2018

<u>Description</u>	<u>Total Expenditures</u>
Total institutional support	\$ 26,875,690
Less: O&M Operating & Personnel	(12,271,834)
Less: reclassification to physical plant operations for Office of Public Safety	(1,493,289)
Less: units not benefiting WMKY	<u>(3,493,523)</u>
Net institutional support	9,617,044
x Percentage of allocation	<u>1.106741%</u>
Total institutional support benefiting station	<u>\$ 106,436</u>

Percentage of Allocation		
<u>Total operating expenses (actual cash outflows)</u>	<u>490,640</u>	= <u>1.106741%</u>
Net direct costs	44,331,965	

	<u>Total Unrestricted Expenditures</u>
Total direct costs	
Instruction	\$ 39,824,880
Research	127,799
Public service	<u>4,379,286</u>
Totals	<u>\$ 44,331,965</u>

**MOREHEAD STATE UNIVERSITY
WMKY-FM**

Allocation of Indirect Administrative Support

Year ended June 30, 2018

	<u>Total</u>	<u>Programming and Production</u>	<u>Broad- casting</u>	<u>Program Information and Promotion</u>	<u>Management and General</u>	<u>Fundraising and Membership Development</u>	<u>Underwriting and Grant Solicitation</u>
Unrestricted Expenses (Non-Grant)	\$ 370,080	\$ 173,936	\$ 77,902	\$ 27,423	\$ 73,314	\$ 17,023	\$ 482
Percentage of total per functional area	100.000%	47.0000%	21.0500%	7.4100%	19.8100%	4.6000%	0.1300%
Allocation based on % of operating cost per functional area*	<u>\$ 134,361</u>	<u>\$ 63,150</u>	<u>\$ 28,283</u>	<u>\$ 9,956</u>	<u>\$ 26,617</u>	<u>\$ 6,181</u>	<u>\$ 174</u>

*Includes occupancy.

MOREHEAD STATE UNIVERSITY
WMKY-FM
Schedule of Functional Expenses
Year ended June 30, 2018

	<u>Programming and Production</u>	<u>Broadcasting</u>	<u>Program Information and Promotion</u>	<u>Management and General</u>	<u>Fundraising and Membership Development</u>	<u>Underwriting and Grant Solicitation</u>	<u>Depreciation</u>	<u>Total</u>
Unrestricted								
University salaries and wages	\$ 114,640	\$ 51,344	\$ 18,074	\$ 48,319	\$ 11,220	\$ 317	\$ -	\$ 243,914
University fringe benefits	34,996	15,674	5,518	14,751	3,425	96	-	74,460
University other expenses	17,936	8,033	2,828	7,560	1,755	50	-	38,162
Indirect (including occupancy)	63,150	28,283	9,956	26,617	6,181	174	-	134,361
MSU Foundation	5,269	2,360	830	2,222	516	16	-	11,213
CPB 16/18	61,400	10,179	-	22,698	-	-	-	94,277
CPB 17/19	<u>8,403</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,453</u>
Total Unrestricted	<u>\$ 305,794</u>	<u>\$ 115,873</u>	<u>\$ 37,206</u>	<u>\$ 122,217</u>	<u>\$ 23,097</u>	<u>\$ 653</u>	<u>\$ -</u>	<u>\$ 604,840</u>
Restricted								
CPB 16/18	1,975	1,200	-	-	-	-	-	3,175
CPB 17/19	24,310	850	-	-	-	-	-	25,160
Federal workstudy	<u>1,095</u>	<u>491</u>	<u>173</u>	<u>462</u>	<u>107</u>	<u>3</u>	<u>-</u>	<u>2,331</u>
Total Restricted	<u>27,380</u>	<u>2,541</u>	<u>173</u>	<u>462</u>	<u>107</u>	<u>3</u>	<u>-</u>	<u>30,666</u>
Depreciation								
Unrestricted	-	-	-	-	-	-	24,405	24,405
Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182</u>	<u>182</u>
Total Expenses	<u>\$ 333,174</u>	<u>\$ 118,414</u>	<u>\$ 37,379</u>	<u>\$ 122,679</u>	<u>\$ 23,204</u>	<u>\$ 656</u>	<u>\$ 24,587</u>	<u>\$ 660,093</u>