

MOREHEAD STATE UNIVERSITY
WMKY-FM

Financial Statements & Supplementary Information

Years Ended June 30, 2016 and 2015
with Report of Independent Auditors

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MOREHEAD STATE UNIVERSITY
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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, 2016. 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.

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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, 2016

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Current assets	\$208,859	\$257,199
Capital assets	<u>134,295</u>	<u>166,516</u>
Total Assets	<u>343,154</u>	<u>423,715</u>
<u>Liabilities</u>		
Unearned revenue	<u>49,559</u>	<u>85,212</u>
Total Liabilities	<u>49,559</u>	<u>85,212</u>
<u>Net Position</u>		
Net investment in capital assets	134,295	166,516
Unrestricted	<u>159,300</u>	<u>171,987</u>
Total Net Position	<u>\$293,595</u>	<u>\$338,503</u>

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

Financial Highlights

The financial statements indicate that the Station's financial condition remained stable on June 30, 2016.

- Total assets were \$343 thousand. Significant components of the assets include \$209 thousand in cash and \$134 thousand in capital assets, net of depreciation.
- Operating revenues were \$213 thousand and operating expenses were \$871 thousand, resulting in an operating loss of approximately \$658 thousand.
- Net non-operating revenues of \$613 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 a decrease in net position of \$45 thousand.

Assets

The Station's total assets as of June 30, 2016 were approximately \$343 thousand. On June 30, 2015, the total assets were approximately \$424 thousand. Cash of \$209 thousand is the Station's largest asset or approximately 61% of total assets at June 30, 2016. Investments in capital assets, net of depreciation, are the Station's next largest asset, totaling \$134 thousand or approximately 39% of total assets at June 30, 2016.

Liabilities

On June 30, 2016, the Station's liabilities totaled approximately \$50 thousand versus \$85 thousand on June 30, 2015. Total liabilities at June 30, 2016 are comprised of Unearned Revenue of \$50 thousand.

Net Position

Total net position decreased by approximately \$45 thousand during the year ended June 30, 2016.

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

Revenue

Total operating revenues were approximately \$213 thousand for the year ended June 30, 2016. The total for June 30, 2015 was \$217 thousand. Sources of operating revenue for the Station are the Community Service Grant – Radio, of \$136 thousand or 64%, membership and subscriptions of \$39 thousand or 18%, underwriting of \$26 thousand or 12% Federal work-study of \$1 thousand or 0% and other revenue of \$11 thousand or 6%.

Total operating revenues decreased \$5 thousand during the year ended June 30, 2016.

Expenses

Operating expenses for the year totaled approximately \$871 thousand versus \$854 thousand at June 30, 2015. Of this amount, approximately \$450 thousand or 52% was used for programming and production expense, \$160 thousand or 18% was used for broadcasting expenses, \$56 thousand or 6% was used for program information and promotions, \$140 thousand or 16% for management and general, \$32 thousand or 4% for fundraising and membership development, \$1 thousand or 0% for underwriting and grant solicitation, and \$32 thousand or 4% for depreciation and loss on disposal of equipment.

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, \$433 thousand and to suppliers, \$169 thousand. The largest cash receipt in the noncapital financing activities group is the operating appropriation from Morehead State University of \$389 thousand.

Capital Assets

Capital assets, net of accumulated depreciation, totaled approximately \$134 thousand at June 30, 2016 versus \$167 thousand at June 30, 2015. Depreciation expense for the year was \$32 thousand.

MOREHEAD STATE UNIVERSITY
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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. Wayne D. Andrews, 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, 2016 and 2015, 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 opinions 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 includes 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, 2016 and 2015, 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

Dean Dorton Allen Ford, PLLC

November 29, 2016
Lexington, Kentucky

MOREHEAD STATE UNIVERSITY
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Statements of Net Position

June 30, 2016 and 2015

Assets	<u>2016</u>	<u>2015</u>
Current assets:		
Cash	\$ 208,859	\$ 257,199
Capital assets, net	<u>134,295</u>	<u>166,516</u>
Total assets	<u>343,154</u>	<u>423,715</u>
 Liabilities and Net Position		
Current liabilities:		
Unearned revenue	<u>49,559</u>	<u>85,212</u>
Total current liabilities	<u>49,559</u>	<u>85,212</u>
Net position:		
Net investment in capital assets	134,295	166,516
Unrestricted	<u>159,300</u>	<u>171,987</u>
Total net position	<u>\$ 293,595</u>	<u>\$ 338,503</u>

See accompanying notes.

**MOREHEAD STATE UNIVERSITY
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Statements of Revenues, Expenses, and Changes in Net Position

Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues:		
CPB	\$ 136,447	\$ 126,738
Federal workstudy	788	2,714
Underwriting	25,883	32,677
Memberships and subscriptions	38,485	42,969
Other operating income	<u>10,947</u>	<u>12,338</u>
Total operating revenues	212,550	217,436
Operating expenses:		
Program services:		
Programming and production	449,855	442,136
Broadcasting	159,990	153,227
Program information and promotion	<u>55,839</u>	<u>54,024</u>
	665,684	649,387
Supporting services:		
Management and general	139,865	137,268
Fundraising and membership development	32,317	31,875
Underwriting and grant solicitation	914	900
Depreciation	<u>32,221</u>	<u>34,006</u>
	<u>205,317</u>	<u>204,049</u>
Total operating expenses	<u>871,001</u>	<u>853,436</u>
Operating loss	(658,451)	(636,000)

**MOREHEAD STATE UNIVERSITY
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Statements of Revenues, Expenses, and Changes in Net Position, Continued

Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Nonoperating revenues:		
General appropriation from MSU	388,752	410,882
Indirect administrative support	<u>224,791</u>	<u>222,665</u>
Net nonoperating revenues	<u>613,543</u>	<u>633,547</u>
Decrease in net position	(44,908)	(2,453)
Net position, beginning of year	<u>338,503</u>	<u>340,956</u>
Net position, end of year	<u>\$ 293,595</u>	<u>\$ 338,503</u>

See accompanying notes.

**MOREHEAD STATE UNIVERSITY
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Statements of Cash Flows

Years ended June 30, 2016 and 2015

Cash flows from operating activities:	<u>2016</u>	<u>2015</u>
Gifts and contracts	\$ 100,794	\$ 181,962
Private gifts and contracts	64,880	75,646
Sales of products and services	-	1,593
Payments to suppliers	(169,342)	(162,543)
Payments for salaries and benefits	<u>(433,424)</u>	<u>(423,682)</u>
Net cash used in operating activities	(437,092)	(327,024)
 Cash flows from noncapital financing activities:		
General appropriation from MSU	388,752	410,882
 Cash flows from capital and related financing activities:		
Purchase of capital assets	<u>-</u>	<u>(34,448)</u>
Net (decrease) increase in cash	(48,340)	49,410
Cash, beginning of year	<u>257,199</u>	<u>207,789</u>
Cash, at end of year	<u>\$ 208,859</u>	<u>\$ 257,199</u>
 Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (658,451)	\$ (636,000)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	32,221	34,006
Expenses related to in-kind contributions from MSU	224,791	222,665
Changes in assets and liabilities:		
Unearned revenue	(35,653)	55,208
Leases payable	<u>-</u>	<u>(2,903)</u>
Net cash used in operating activities	<u>\$ (437,092)</u>	<u>\$ (327,024)</u>

See accompanying notes.

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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). All of the Station's revenues and expenses are administered through the 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
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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
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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 29, 2016, the date that the financial statements were available to be issued.

3. Cash

At June 30, 2016 and 2015, the Station's bank balances were \$208,859 and \$257,199, respectively. These funds are reported as cash on the statement of net position. All deposits were secured by federal deposit insurance or pledged securities as of June 30, 2016 and 2015.

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Notes to the Financial Statements, continued

4. Capital Assets

Capital assets activity for the year ended June 30, 2016 is as follows:

	Balance July 1, <u>2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2016</u>
Furniture and equipment	\$ 781,061	\$ -	\$ -	\$ 781,061
Less accumulated depreciation	<u>(614,545)</u>	<u>(32,221)</u>	<u>-</u>	<u>(646,766)</u>
Total capital assets, net	<u>\$ 166,516</u>	<u>\$ (32,221)</u>	<u>\$ -</u>	<u>\$ 134,295</u>

Capital assets activity for the year ended June 30, 2015 is as follows:

	Balance July 1, <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2015</u>
Furniture and equipment	\$ 746,613	\$ 34,448	\$ -	\$ 781,061
Less accumulated depreciation	<u>(580,539)</u>	<u>(34,006)</u>	<u>-</u>	<u>(614,545)</u>
Total capital assets, net	<u>\$ 166,074</u>	<u>\$ 442</u>	<u>\$ -</u>	<u>\$ 166,516</u>

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Notes to the Financial Statements, continued

5. Pension Plan

All regular employees of the Station participate in the Kentucky Teacher's Retirement System (KTRS). Participants are fully vested after five years of service. For the years ended 2016 and 2015, eligible Station employees contributed 8.19% for 2016 and 7.68% for 2015 of covered payroll and the Station contributed 15.87% for 2016 and 15.36% for 2015 of payroll. For the years ended June 30, 2016 and 2015, the Station's contributions to KTRS were \$39,348 and \$37,499, respectively.

Effective July 1, 2014, the University adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* recording its share of KTRS' unfunded liability on the University's 2016 statement of net position. This liability amount includes 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 liability for the Station's employees on the University's statements of net position.

The KTRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Teachers Retirement System, 479 Versailles Road, Frankfort, Kentucky 40601 or by calling (502) 573-5120.

6. Related Party Transactions

Indirect administrative support of \$224,791 and \$222,665 was provided by the University during 2016 and 2015, 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 2016 and 2015.

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

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.

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Notes to the Financial Statements, continued

8. Concentration of Revenue

The Station has a concentration of revenue due to receiving the majority of its revenue from grants through the CPB. Revenue from the CPB totaled approximately 64% and 58% of total operating revenues during 2016 and 2015, respectively.

SUPPLEMENTARY INFORMATION

MOREHEAD STATE UNIVERSITY
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Schedule of General Appropriations from Morehead State University

Year ended June 30, 2016

Unrestricted contributions (University)

University other support	\$ 28,933
University salaries and fringe benefits	<u>359,819</u>
Total unrestricted contributions	<u>\$ 388,752</u>

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Schedule of Restricted Contributions

Year ended June 30, 2016

Restricted contributions

Federal workstudy \$ 788

Total restricted contributions \$ 788

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Schedule of Other Contributions and Revenue

Year ended June 30, 2016

Other contributions and revenue

Memberships and subscriptions	\$ 38,485
Other income	10,947
Underwriting	<u>25,883</u>
Total other contributions and revenue	<u>\$ 75,315</u>

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Schedule of Revenue Reconciliation

Year ended June 30, 2016

Revenue reconciliation

Revenue per CPB Annual Report	\$ 601,302
Indirect administrative support (including occupancy)	<u>224,791</u>
Total per financial report	826,093
Total operating and nonoperating revenue per financial statements	<u>\$ 826,093</u>

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Schedule of Expense Reconciliation

Year ended June 30, 2016

Expense reconciliation

Per CPB Annual Report	\$ 871,001
Less: capital equipment	<u> -</u>
Total expenses per financial statements	<u>\$ 871,001</u>

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Summary of Indirect Administrative Support

Year ended June 30, 2016

Physical plant support	\$ 17,109
Institutional support	<u>191,973</u>
	209,082
Plus: occupancy allowance	<u>15,709</u>
Total indirect administrative support	<u>\$ 224,791</u>

**MOREHEAD STATE UNIVERSITY
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Calculation of Maintenance Support

Year ended June 30, 2016

<u>Description</u>	<u>Expenditures</u>
Total unrestricted physical plant operations	\$ 11,142,975
Plus: reclassifications from institutional support for Office of Public Safety	<u>1,563,744</u>
Net Allowable Maintenance Cost	12,706,719
Less: units not benefiting WMKY	<u>(3,539,416)</u>
Total physical plant operations	9,167,303
 x Allowable rate	 <u>0.186637%</u>
 Total physical plant operations support	 <u>\$ 17,109</u>

Allowable Rate

<u>Gross Assignable sq. ft. at WMKY</u>	<u>4,132</u>	=	<u>0.186637 %</u>
Gross assignable total University sq. ft.	2,213,922		

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Calculation of Institutional Support

Year ended June 30, 2016

<u>Description</u>	<u>Total Expenditures</u>
Total institutional support	\$ 30,092,863
Less: O&M Operating & Personnel	(11,456,157)
Less: reclassification to physical plant operations for Office of Public Safety	(1,710,890)
Less: GASB 68 pension adjustment	(2,034,487)
Less: units not benefiting WMKY	<u>(230,268)</u>
Net institutional support	14,661,061
x Percentage of allocation	<u>1.309409%</u>
Total institutional support benefiting station	<u>\$ 191,973</u>

Percentage of Allocation

<u>Total operating expenses (actual cash outflows)</u>	<u>603,554</u>	=	<u>1.309409%</u>
Net direct costs	46,093,639		

		<u>Total Unrestricted Expenditures</u>
Total direct costs		
Instruction	\$ 41,765,129	
Research	150,666	
Public service	<u>4,177,844</u>	
Totals	<u>\$ 46,093,639</u>	

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Allocation of Indirect Administrative Support

Year ended June 30, 2016

	<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)	\$ 477,770	\$ 224,552	\$ 100,571	\$ 35,402	\$ 94,646	\$ 21,977	\$ 622
Percentage of total per functional area	100.0000%	47.0000%	21.0500%	7.4100%	19.8100%	4.6000%	0.1300%
Allocation based on % of operating cost per functional area*	<u>\$ 224,791</u>	<u>\$ 105,652</u>	<u>\$ 47,319</u>	<u>\$ 16,657</u>	<u>\$ 44,531</u>	<u>\$ 10,340</u>	<u>\$ 292</u>

*Includes occupancy.

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Schedule of Functional Expenses
Year ended June 30, 2016

	Programming and Production	Broadcasting	Program Information and Promotion	Management and General	Fundraising and Membership Development	Underwriting and Grant Solicitation	Depreciation	Total
Unrestricted								
University salaries and wages	\$ 161,278	\$ 72,232	\$ 25,427	\$ 67,977	\$ 15,785	\$ 446	\$ -	\$ 343,145
University fringe benefits	42,179	18,891	6,650	17,778	4,128	117	-	89,743
University other expenses	13,599	6,090	2,144	5,732	1,331	38	-	28,934
Indirect (including occupancy)	105,652	47,319	16,657	44,531	10,340	292	-	224,791
MSU Foundation	7,125	3,191	1,123	3,003	697	20	-	15,159
CPB 13/15	89	721	-	-	-	-	-	810
CPB 14/16	41,806	6,082	3,600	125	-	-	-	51,613
CPB 15/17	46,127	5,298	180	563	-	-	-	52,168
Total Unrestricted	<u>\$ 417,855</u>	<u>\$ 159,824</u>	<u>\$ 55,781</u>	<u>\$ 139,709</u>	<u>\$ 32,281</u>	<u>\$ 913</u>	<u>\$ -</u>	<u>\$ 806,363</u>
Restricted								
CPB 13/15	-	-	-	-	-	-	-	-
CPB 14/16	31,629	-	-	-	-	-	-	31,629
CPB 15/17	-	-	-	-	-	-	-	-
Federal workstudy	371	166	58	156	36	1	-	788
Total Restricted	<u>32,000</u>	<u>166</u>	<u>58</u>	<u>156</u>	<u>36</u>	<u>1</u>	<u>-</u>	<u>32,417</u>
Depreciation								
Unrestricted	-	-	-	-	-	-	17,756	17,756
Restricted	-	-	-	-	-	-	14,465	14,465
Total Expenses	<u>\$ 449,855</u>	<u>\$ 159,990</u>	<u>\$ 55,839</u>	<u>\$ 139,865</u>	<u>\$ 32,317</u>	<u>\$ 914</u>	<u>\$ 32,221</u>	<u>\$ 871,001</u>