

WMUK-FM RADIO

A Public Telecommunications Entity Operated by
Western Michigan University

Financial Report

June 30, 2013

WMUK-FM RADIO

CONTENTS

REPORT LETTER	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-6
FINANCIAL STATEMENTS	
Statement of Net Position	7
Statement of Revenues, Expenses and Changes in Net Position	8
Statement of Cash Flows	9
Notes to Financial Statements	10-16



To the Board of Trustees
Western Michigan University
WMUK-FM

Report on the Financial Statements

We have audited the accompanying financial statements of WMUK-FM Radio (the "Station") as of and for the years ended June 30, 2013 and 2012 and the related notes to the financial statements, which collectively comprise WMUK-FM Radio'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 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 respective financial position of WMUK-FM Radio as of June 30, 2013 and 2012 and the respective changes in its financial position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees
Western Michigan University
WMUK-FM

Emphasis of Matter

The internal audit department is a unit of Western Michigan University. The director is a certified public accountant, and is not in any way responsible for the accounting operations of the radio station. The director is employed for the purpose of performing "independent examinations of the University's activities." Hence, the director is deemed to meet the qualifications of auditors established by the Corporation for Public Broadcasting. The undersigned does not purport to meet the independence status requirements specified by auditing standards generally accepted in the United States of America.

We draw attention to Note 1, which explains that these financial statements present only the Station, a department of Western Michigan University. As such, these financial statements do not purport to, and do not, present fairly the financial position of Western Michigan University as of June 30, 2013 and the changes in its financial position, and the changes in its cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the basic financial statements, effective July 1, 2012, the Station adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These statements introduce and define those elements as a consumption of net assets by the Station that is applicable to a future reporting period and an acquisition of net asset by the Station that is applicable to a future reporting period, respectively. The standards also incorporate deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-6 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, which 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 supplemental 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.



Thomas L. Comer
Director, Internal Audit

December 12, 2013

WMUK – FM RADIO
Management’s Discussion and Analysis

The following discussion and analysis of WMUK-FM’s financial statements provides an overview of the radio station’s activities for the year ended June 30, 2013. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the radio station’s management.

This annual financial report includes the report of independent auditors, this management’s discussion and analysis, the basic financial statements in the above referred format and notes to financial statements.

Financial Highlights

In the fiscal year ended June 30, 2013, the radio station’s expenses exceeded revenues, creating a decrease in net position of \$45,788. The decrease in net position is attributable to an increase in operating expenses and a decrease in operating revenues. In the fiscal year ended June 30, 2012, revenues exceeded expenses, creating a \$63,700 increase in net position. In the fiscal year ended June 30, 2011, revenues exceeded expenses, creating a \$71,949 increase in net position.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position

Following is a summary of the major components of the net position and operating results of the radio station for the year ended June 30:

	<u>2013</u>	<u>2012</u> As Restated (Note 7)	<u>2011</u>
Current assets	\$ 684,379	\$ 640,362	\$ 619,887
Non-current assets	<u>624,130</u>	<u>712,100</u>	<u>758,954</u>
 Total assets	 <u>\$ 1,308,509</u>	 <u>\$ 1,352,462</u>	 <u>\$ 1,378,841</u>
 Current liabilities	 \$ 94,774	 \$ 83,785	 \$ 161,641
Compensated absences	<u>31,904</u>	<u>41,058</u>	<u>53,281</u>
Total liabilities	<u>126,678</u>	<u>124,843</u>	<u>214,922</u>
 Net position:			
Net investment in capital assets	624,130	663,100	712,954
Restricted	39,516	27,215	17,453
Unrestricted	<u>518,185</u>	<u>537,304</u>	<u>433,512</u>
Total net position	<u>1,181,831</u>	<u>1,227,619</u>	<u>1,163,919</u>

WMUK – FM RADIO
Management’s Discussion and Analysis

Operating Results for the Year Ended June 30

	<u>2013</u>	<u>2012</u>	<u>2011</u>
		As Restated (Note 7)	
Operating revenues			
Grants and contracts	\$ 146,760	\$ 177,204	\$ 212,707
Other operating revenues	<u>239,260</u>	<u>263,575</u>	<u>177,514</u>
Total operating revenues	386,020	440,779	390,221
Operating expenses	<u>1,482,853</u>	<u>1,467,568</u>	<u>1,407,461</u>
Net operating loss	(1,096,833)	(1,026,789)	(1,017,240)
Nonoperating revenues			
Appropriations from WMU	614,014	662,882	641,889
Other nonoperating revenues	<u>437,031</u>	<u>427,607</u>	<u>447,300</u>
Total nonoperating revenues	<u>1,051,045</u>	<u>1,090,489</u>	<u>1,089,189</u>
Increase (decrease) in net position	(45,788)	63,700	71,949
Net position - Beginning of year	<u>1,227,619</u>	<u>1,163,919</u>	<u>1,091,970</u>
Net position - End of year	<u>\$ 1,181,831</u>	<u>\$ 1,227,619</u>	<u>\$ 1,163,919</u>

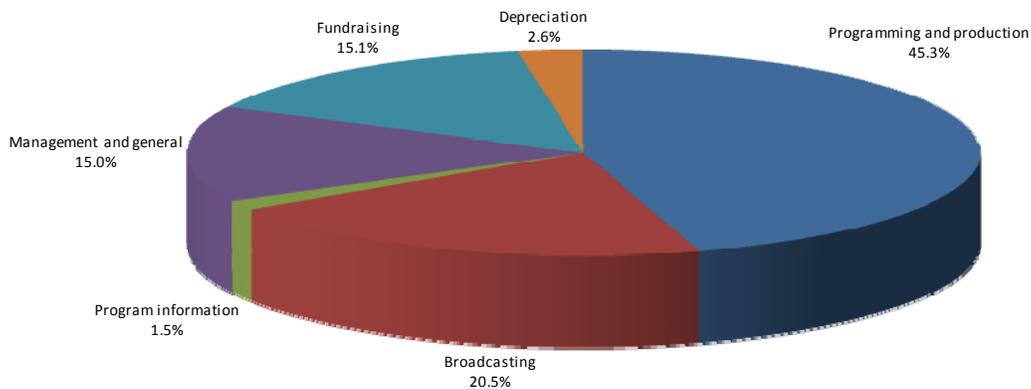
Operating Revenues

Operating revenues include all transactions that result in the sales and/or receipts from services, such as underwriting. In addition, certain federal, state and private grants are considered operating if they are not for capital purposes and are considered a contract for services. A significant source of operating revenue is \$146,760 in grants for the year ended June 30, 2013. This is compared to grant revenue of \$177,204 and \$212,707 for the years ended June 30, 2012 and 2011, respectively. A majority of this amount is from the Corporation for Public Broadcasting. Revenue received by the station for underwriting services amounted to \$232,640 for the year ended June 30, 2013. Revenue for underwriting services amount to \$256,374 and \$162,360 for the years ended June 30, 2012 and 2011, respectively.

WMUK – FM RADIO
Management’s Discussion and Analysis

Operating Expenses

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the radio station. Operating expenses totaled \$1,482,853 for the year ended June 30, 2013 as compared to \$1,467,568 and \$1,407,461 for the years ended June 30, 2012 and 2011, respectively. Salaries, wages, and benefits were \$846,840 for the year ended June 30, 2013, as compared to \$821,492 and \$896,209 for the years ended June 30, 2012 and 2011, respectively.



Nonoperating Revenues

Nonoperating revenues are all revenue sources that are primarily non-exchange in nature. They would consist primarily of appropriations and support from Western Michigan University and gifts and contributions received through fund-raising.

Statement of Cash Flows

Another way to assess the financial health of the radio station is to look at the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users assess:

- An entity’s ability to generate future net cash flows.
- Its ability to meet its obligations as they come due.

WMUK – FM RADIO
Management’s Discussion and Analysis

Cash Flows for the Year Ended June 30

	<u>2013</u>	<u>2012</u>	<u>2011</u>
		As Restated (Note 7)	
Cash provided by (used in):			
Operating activities	\$ (850,276)	\$ (881,886)	\$ (679,436)
Noncapital financing activities	886,798	861,727	844,414
Purchase of capital assets	-	-	(147,981)
Capital and related financing activities	<u>50,000</u>	<u>50,000</u>	<u>100,000</u>
Net increase (decrease) in cash	86,522	29,841	116,997
Cash - beginning of year	<u>371,919</u>	<u>342,078</u>	<u>225,081</u>
Cash - end of year	<u>\$ 458,441</u>	<u>\$ 371,919</u>	<u>\$ 342,078</u>

The most significant component of cash flows provided from operating activities is support received from underwriting activities and grants. Net cash used in operating activities was \$850,276 for the year ended June 30, 2013. This is compared to \$881,886 and \$679,436 for the years ended June 30, 2012 and 2011, respectively. The net cash provided from noncapital financing was \$886,798 in 2013, \$861,727 in 2012, and \$844,414 in 2011. This includes appropriations and support received from Western Michigan University, along with gifts received for unrestricted purposes within this category. There was \$50,000 cash provided by capital and related financing activities in the year ended June 30, 2013. Net cash provided by capital and related financing activities amounted to \$50,000 and \$100,000 for the years ended June 30, 2012 and 2011, respectively.

Capital Assets

At June 30, 2013, the radio station had \$624,130 invested in capital assets, net of accumulated depreciation of \$509,772. Depreciation charges totaled \$38,970 for the current fiscal year. This is compared to \$49,854 and \$48,171 for the years ended June 30, 2012 and 2011, respectively. Details of these assets for this year are shown below.

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Land	\$ 20,000	\$ 20,000	\$ 20,000
Transmitter, antenna and tower	949,357	949,357	949,357
Equipment	<u>164,545</u>	<u>170,225</u>	<u>170,225</u>
Total	<u>\$ 1,133,902</u>	<u>\$ 1,139,582</u>	<u>\$ 1,139,582</u>

WMUK-FM RADIO
A Public Telecommunication Entity Operated by
Western Michigan University
Statement of Net Position

	Year Ended June 30	
Assets	2013	2012
		As Restated (Note 7)
Current assets		
Cash (Note 2)	\$ 458,441	\$ 371,919
Accounts receivable	19,902	26,989
Accounts receivable from WMUF	186,019	226,524
Pledges receivable (Note 3)	20,017	14,930
Total current assets	684,379	640,362
Pledges receivable (Note 3)	-	49,000
Property and equipment, Net (Note 4)	624,130	663,100
Total assets	\$ 1,308,509	\$ 1,352,462
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 5,930	\$ 8,300
Accrued wages	49,328	48,270
Deferred revenue		
Unexpended grants	39,516	27,215
Total current liabilities	94,774	83,785
Accrued compensated absences (Note 6)	31,904	41,058
Total Liabilities	126,678	124,843
Net Position		
Net investment in capital assets	624,130	663,100
Restricted for:		
Expendable grants	39,516	27,215
Unrestricted	518,185	537,304
Total net position	1,181,831	1,227,619

See Notes to Financial Statements.

WMUK-FM RADIO
A Public Telecommunication Entity Operated by
Western Michigan University
Statement of Revenues, Expenses, and Changes in Net Position

	Year ended June 30	
	2013	2012
Revenues		As Restated (Note 7)
Corporation for Public Broadcasting support		
Community Service Grant	\$ 146,760	\$ 165,551
Nongovernmental grants	-	11,653
Underwriting	232,640	256,374
Other	6,620	7,201
Total operating revenues	<u>386,020</u>	<u>440,779</u>
Expenses		
Operating expenses:		
Program Services		
Programming and production	671,441	658,735
Broadcasting	303,052	288,463
Program information	22,575	52,151
Support Services		
Management and general	223,042	218,154
Fund raising	223,773	200,211
Depreciation	38,970	49,854
Total operating expenses	<u>1,482,853</u>	<u>1,467,568</u>
Operating loss	<u>(1,096,833)</u>	<u>(1,026,789)</u>
Nonoperating Revenues		
Western Michigan University		
General appropriation	28,064	56,895
Direct general fund staff support	387,285	409,013
Broadcast tower electricity and ground maintenance	38,438	36,092
Institutional support	79,008	80,652
Operations and maintenance of plant	59,209	59,582
Annual value of building facilities	22,010	20,648
Contributions through fund-raising projects	437,031	427,607
Net nonoperating revenues	<u>1,051,045</u>	<u>1,090,489</u>
(Decrease) Increase in net position	<u>(45,788)</u>	<u>63,700</u>
Net Position		
Beginning of year	<u>1,227,619</u>	<u>1,163,919</u>
End of year	<u>\$ 1,181,831</u>	<u>\$ 1,227,619</u>

See Notes to Financial Statements.

WMUK-FM RADIO
A Public Telecommunication Entity Operated by
Western Michigan University
Statement of Cash Flows

	Year ended June 30	
	2013	2012 As Restated (Note 7)
Cash Flows from Operating Activities		
Grants and contracts	\$ 159,061	\$ 186,967
Payments to suppliers	(393,084)	(499,090)
Payments to employees	(862,600)	(821,492)
Other	246,347	251,729
Net cash used in operating activities	(850,276)	(881,886)
Cash Flows from Noncapital Financing Activities		
General appropriations from WMU	415,349	465,908
Gifts and grants received for other than capital purposes	471,449	395,819
Net cash provided by noncapital financing activities	886,798	861,727
Cash Flows from Capital and Related Financing Activities		
Capital grant and gift proceeds	50,000	50,000
Net cash provided by capital and related financing activities	50,000	50,000
Net Increase in Cash	86,522	29,841
Cash - Beginning of year	371,919	342,078
Cash - End of year	\$ 458,441	\$ 371,919
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Used in Operating Activities:		
Operating loss	\$ (1,096,833)	\$ (1,026,789)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	38,970	49,854
Expense allocations to WMU (Note 5)	198,665	196,974
Decrease (increase) in assets:		
Accounts receivable	7,087	(11,846)
Increase (decrease) in liabilities:		
Accounts payable	(2,370)	(104,240)
Compensated absences	(9,154)	(12,223)
Accrued wages	1,058	16,622
Unexpended grants	12,301	9,762
Net cash used in operating activities	\$ (850,276)	\$ (881,886)

WMUK – FM RADIO
Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

A summary of significant accounting policies applied in the preparation of the accompanying financial statements follows:

Organization

WMUK-FM Radio (“Station”) is a department of Western Michigan University (“University”) providing students with opportunities for hands-on training in radio broadcasting and providing public radio programming to West Michigan listeners.

Federal Income Taxes

The Internal Revenue Service has ruled that the units of Western Michigan University, which include the Station, are exempt under Code Sections 115(a) and 501c(3) of the Internal Revenue Code.

Basis of Presentation

The financial statements have been prepared in accordance with guidelines set forth by the Corporation for Public Broadcasting and with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The Station, as part of the University, follows the “business-type” activities reporting requirements of GASB No. 34.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Accounts Receivable

Based on the Station’s collection history and management’s estimate, there was no allowance for doubtful accounts recorded as of June 30, 2013 and 2012. Accounts receivable from WMUF reflect contributions received by Western Michigan University Foundation (“WMUF”) for the benefit of the WMUK-FM that had yet to be transferred to the Station as of the fiscal year end.

In-Kind Contributions

Facilities are donated by Western Michigan University. Office and studio space, including related occupancy costs, are recorded as revenue and expense at estimated fair rental value. Support and revenues from Western Michigan University consist of certain direct and allocated expenses incurred by the University on behalf of the station.

WMUK – FM RADIO
Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Capital Assets

Capital Assets acquired for the exclusive or predominant use by the Station have been capitalized at cost. Physical assets, with the exception of land, are depreciated on the straight-line method over the estimated useful lives of the respective assets. Estimated service lives are as follows:

Land improvements	20 years
Buildings	50 years
Equipment	3-15 years

Net Assets

Station resources are classified for accounting and financial reporting purposes into the following net asset categories:

- Net Investment in Capital Assets – resources resulting from capital acquisition or construction, net of accumulated depreciation.
- Restricted Expendable – net assets subject to externally imposed stipulations as to use. These net assets are restricted to use for the benefit of the Station according to grant and donor restrictions.
- Unrestricted – net assets which are available for use of the Station.

Retirement Plans

All qualified employees performing services for the station are covered by Western Michigan University's noncontributory retirement plans. University contributions are made either to the Teachers' Insurance and Annuity Association - College Retirement Equities Fund (a defined-contribution plan) or to the Michigan Public School Employees' Retirement System (a defined-benefit plan). All plan disclosures can be found in Western Michigan University's notes to the financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

Operating and Nonoperating Revenue

Revenues are classified as either operating or nonoperating according to standards issued by GASB. Operating revenues include grants, underwriting and other exchange transactions.

Nonoperating revenues include certain significant revenue streams relied upon for operations including gifts and University allocations.

New Accounting Standards

Effective July 1, 2012, the Station implemented the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These statements introduce and define those elements as a consumption of net assets by the Station that is applicable to a future reporting period and an acquisition of net assets by the Station that is applicable to a future reporting period, respectively. The standards also incorporate deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provided a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

Note 2 - Cash and Investments

The Station's cash and investments are accounted for in the same method the University accounts for cash and investments. The University uses the "pooled cash" method of accounting for substantially all of its cash and investments. External investment managers are provided with an investment policy statement, as set forth by the Board of Trustees. A complete classification of the University's cash and investments is contained in the University's annual financial report.

Note 3 – Pledges Receivable

Pledges receivable represent amounts promised by donors for the benefit of the Station. These donations are solicited and collected by WMUF. The balance is presented net of a discount to present value and an allowance for uncollectible contributions. Those pledges that are expected to be collected over a period greater than one year are discounted to present value using the yield on a comparable Treasury bill at the time the commitment is made. The Station had one pledge with an outstanding balance of \$50,000 at June 30, 2012, that was discounted to its estimated net present value. The balance of the pledges receivable has a general valuation allowance of \$800 and \$600 at June 30, 2013 and 2012, respectively, or approximately 4% based on historical collection history. Pledges deemed uncollectible are charged against the allowance for uncollectible contributions in the period in which the determination is made.

WMUK – FM RADIO
Notes to Financial Statements

Note 3 – Pledges Receivable (Continued)

	2013	2012
Pledges expected to be collected within 1 year	\$ 20,817	\$ 15,530
Pledges expected to be collected within 1 - 5 years	-	50,000
Total	20,817	65,530
Less allowance for uncollectible contributions	(800)	(600)
Present value discount	-	(1,000)
Net pledges receivable	\$ 20,017	\$ 63,930

Note 4 – Property and Equipment

The following table presents the changes in the various fixed asset class categories for the year ended June 30, 2013:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets:				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Transmitter, antenna and tower	949,357	-	-	949,357
Equipment	170,225	-	5,680	164,545
Total capital assets	1,139,582	-	5,680	1,133,902
Less Accumulated Depreciation:				
Transmitter, antenna and tower	306,257	38,970	-	345,227
Equipment	170,225	-	5,680	164,545
Total accumulated depreciation	476,482	\$ 38,970	\$ 5,680	509,772
Capital assets, net	\$ 663,100			\$ 624,130

WMUK – FM RADIO
Notes to Financial Statements

Note 4 – Property and Equipment (Continued)

The following table presents the changes in the various fixed asset class categories for the year ended June 30, 2012:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets:				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Transmitter, antenna and tower	949,357	-	-	949,357
Equipment	170,225	-	-	170,225
Total capital assets	<u>1,139,582</u>	<u>-</u>	<u>-</u>	<u>1,139,582</u>
Less Accumulated Depreciation:				
Transmitter, antenna and tower	268,222	38,035	-	306,257
Equipment	158,406	11,819	-	170,225
Total accumulated depreciation	<u>426,628</u>	<u>\$ 49,854</u>	<u>\$ -</u>	<u>476,482</u>
Capital assets, net	<u>\$ 712,954</u>			<u>\$ 663,100</u>

Certain capital assets have been reclassified between equipment and transmitter for the years ended June 30, 2013, 2012, and 2011. The above tables reflect this reclassification.

Note 5 – Donated and In-kind Expenses by Function

The value of indirect expenses provided by the university broken down by function for the year ended June 30:

	2013	2012
Broadcasting	\$ 129,636	\$ 100,242
Management and general	45,722	44,308
Fund raising	7,348	9,678
Local programming	15,959	42,746
	<u>\$ 198,665</u>	<u>\$ 196,974</u>

WMUK – FM RADIO
Notes to Financial Statements

Note 6 – Compensated Absences

University employees earn sick leave each pay period and can accumulate up to 2,080 hours. Prior to July 1, 2010, employees who resigned and had at least seven years of service received twenty five percent of their accumulated sick leave balance and retirees received one hundred percent of their unused sick leave up to 1,040 hours. As of July 1, 2010, this policy was changed. Employees no longer receive a payout if they resign and employees hired after September 1, 2010 will not be eligible for a sick leave payout upon retirement.

Prior to July 1, 2010, annual leave accrued anywhere from 96 to 200 hours per year depending on years of service. In addition, employees were allowed to maintain a bank of up to 240 hours with the unused balance paid to the employee upon separation from the University, regardless of the reason. As of July 1, 2011, the University revised its policy and began to give employees their annual allotment of annual leave up front each fiscal year regardless of past service. The University has also reduced the number of hours employees were allowed to carry over year to year. Employees were allowed only 24 hours and 60 hours of carry forward, as of June 30, 2013 and June 30, 2012, respectively.

The annual leave portion of the compensated absences liability is calculated based on the pay rates in effect as of June 30 and the number of eligible payout hours in the employee's bank as of that date. The sick leave portion as of June 30, 2013 is based on an estimate of the Station's share of an actuarial calculated liability for all University employees.

WMUK – FM RADIO
Notes to Financial Statements

Note 7 – Prior Period Adjustment

The Station’s financial statements as of and for the fiscal year ending June 30, 2012 have been restated for an adjustment management deemed necessary to correct operating expenses.

The effects of the restatement on the previously issued 2012 financial statements are as follows:

	2012 As Previously Stated	Restatement	2012 As Restated
Components of Net Position			
Current assets	\$ 751,643	\$ (111,281)	\$ 640,362
Non-current assets	712,100	-	712,100
Total Assets	<u>1,463,743</u>	<u>(111,281)</u>	<u>1,352,462</u>
Current Liabilities	83,785	-	83,785
Non-current liabilities	41,058	-	41,058
Total Liabilities	<u>124,843</u>	<u>-</u>	<u>124,843</u>
Net position:			
Net investment in capital assets	663,100	-	663,100
Restricted	27,215	-	27,215
Unrestricted	648,585	(111,281)	537,304
Total net position	<u>1,338,900</u>	<u>(111,281)</u>	<u>1,227,619</u>
Operating Results			
Operating revenues	\$ 440,779	\$ -	\$ 440,779
Operating expenses	1,356,287	111,281	1,467,568
Net operating loss	<u>(915,508)</u>	<u>(111,281)</u>	<u>(1,026,789)</u>
Nonoperating revenues			
Appropriations from WMU	662,882	-	662,882
Contributions through fund raising projects	427,607	-	427,607
Total nonoperating revenues	<u>1,090,489</u>	<u>-</u>	<u>1,090,489</u>
Increase (Decrease) in net position	174,981	(111,281)	63,700
Net position - Beginning of year as previously states	1,163,919	-	1,163,919
Net position - End of year	<u>\$ 1,338,900</u>	<u>\$ (111,281)</u>	<u>\$ 1,227,619</u>