

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENTS REPORT

WVUB-FM
A PUBLIC RADIO STATION OPERATED
BY VINCENNES UNIVERSITY
VINCENNES, INDIANA

July 1, 2012 to June 30, 2013



FILED
01/29/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Vice President for Financial Services and Government Relations	Phillip S. Rath	07-01-12 to 06-30-14
President	Richard E. Helton	07-01-12 to 06-30-14
Chairman of the Board	John R. Gaylor	07-01-12 to 06-30-14
General Manager	Phillip L. Smith	07-01-12 to 06-30-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WVUB-FM, A PUBLIC RADIO STATION
OPERATED BY VINCENNES UNIVERSITY, VINCENNES, INDIANA

Report on the Financial Statements

We have audited the accompanying financial statements of the WVUB-FM, a public radio station operated by Vincennes University (Public Radio Station), as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Public Radio Station's basic financial statements as listed in the Table of Contents.

Management's Responsibility

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 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 Public Radio Station's internal control. Accordingly, we express no such opinion. An audit 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 our audits evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Public Radio Station, as of June 30, 2013 and 2012, and the respective changes in financial position and cash flows, where applicable, thereof and for the years then ended, in accordance 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, as listed in the Table of Contents, 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.


Paul D. Joyce, CPA
State Examiner

January 23, 2014

WVUB-FM

A PUBLIC RADIO STATION OPERATED BY VINCENNES UNIVERSITY

Management's Discussion and Analysis

INTRODUCTION

WVUB-FM (the Station) is proud to present its financial statements for fiscal year 2013. This discussion and analysis provides an overview of the financial position and activities of WVUB-FM for the year ended June 30, 2013 with comparative information for the year ended June 30, 2012. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes following this section.

WVUB-FM is a 50,000 watt public radio station serving twelve counties in Southwestern Indiana. WVUB-FM began broadcasting on December 7, 1970, making it one of the first Public Radio stations to go on the air in Indiana. WVUB HD-3, Blazer Bilingue is the only Spanish language radio station in the state of Indiana south of Indianapolis. WVUB-FM is licensed to the Board of Trustees of Vincennes University.

USING THE FINANCIAL STATEMENTS

The WVUB-FM report includes three financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. These financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) principles. WVUB-FM follows GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions* and GASB Statement No. 35, *Basic Financial Statements-Management's Discussion and Analysis-for Public Colleges and Universities*. These statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus on the entity as a whole, with resources classified for accounting and reporting purposes into four net position categories.

STATEMENT OF NET POSITION

The Statement of Net Position presents the financial position of WVUB-FM at the end of the fiscal year and includes all assets and liabilities of WVUB-FM. The difference between total assets and total liabilities--net position-- is one indicator of the current financial condition of WVUB-FM, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allowance for depreciation. A summarization of the WVUB-FM's assets, liabilities, and net position at June 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Current Assets	\$ 245,843	\$ 228,602
Noncurrent Assets		
Capital Assets, net of depreciation	<u>70,062</u>	<u>96,289</u>
Total Assets	<u>315,905</u>	<u>324,891</u>
Current Liabilities	145,675	146,707
Net Position	<u>\$ 170,230</u>	<u>\$ 178,184</u>

Current assets consist of cash and cash equivalents, accounts receivable and prepaid expense. Current liabilities consist of accounts payable and unearned revenue. WVUB-FM has no long-term liabilities.

Net Position

Net position represents the residual interest in WVUB-FM's assets after liabilities are deducted. WVUB-FM's net position at June 30, 2013 and 2012 are summarized as follows:

	<u>2013</u>	<u>2012</u>
Net Investment in Capital Assets	\$ 70,062	\$ 96,289
Unrestricted	100,168	81,895
Total Net Position	<u>\$ 170,230</u>	<u>\$ 178,184</u>

Net Investment in Capital Assets represents the station's equity in property, plant and equipment net of accumulated depreciation.

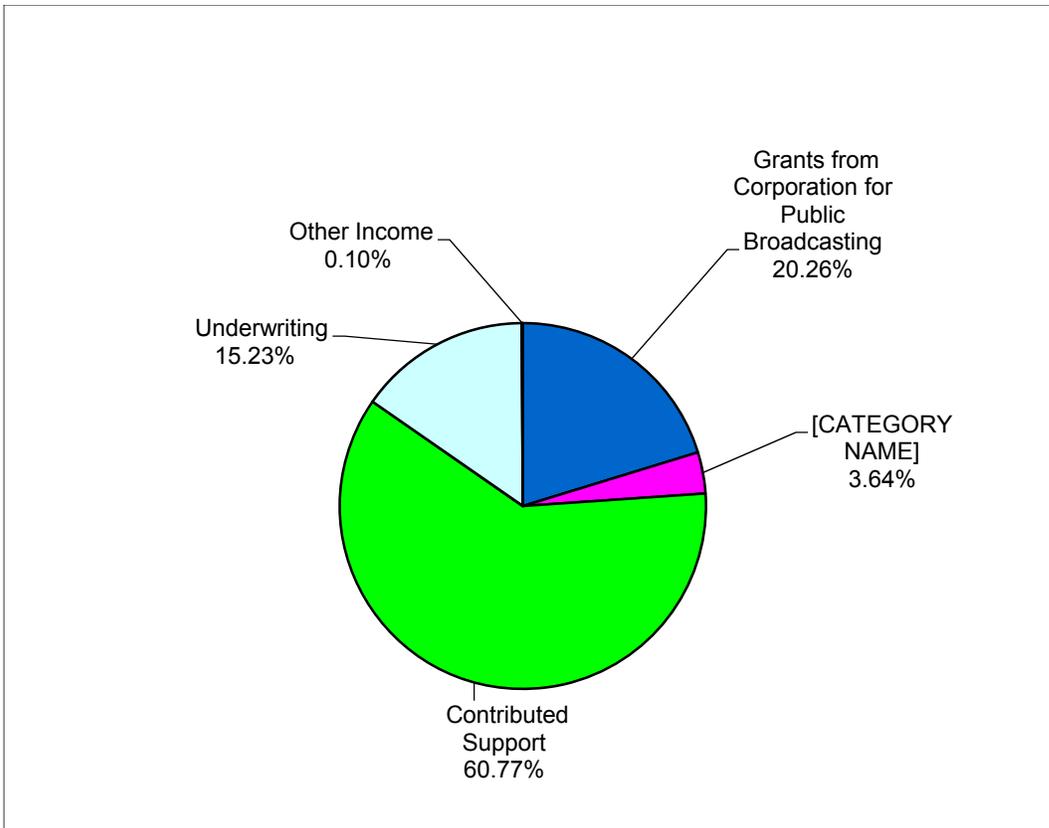
Unrestricted Net Position is the net amount of assets and liabilities that are not included in the determination of net investment in capital assets.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenue, Expenses and Changes in Net Position present the operating results of WVUB-FM as well as the non-operating revenues and expenses. Governmental appropriations, while used for operations, are considered non-operating revenues as defined by GASB Statement No. 35. A summary of the Statement of Revenue, Expenses and Changes in Net Position for the year ended June 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Operating Revenue	\$ 695,314	\$ 704,800
Operating Expenses	<u>729,401</u>	<u>793,423</u>
Net Operating Loss	(34,087)	(88,623)
Non-operating Revenue	<u>26,133</u>	<u>28,637</u>
Decrease in Net Position	(7,954)	(59,986)
Net Position - Beginning of year	<u>178,184</u>	<u>238,170</u>
Net Position - End of year	<u>\$ 170,230</u>	<u>\$ 178,184</u>

The following is a graphic illustration of revenues by source (both operating and non-operating) used to fund WVUB-FM for the year ended June 30, 2013:

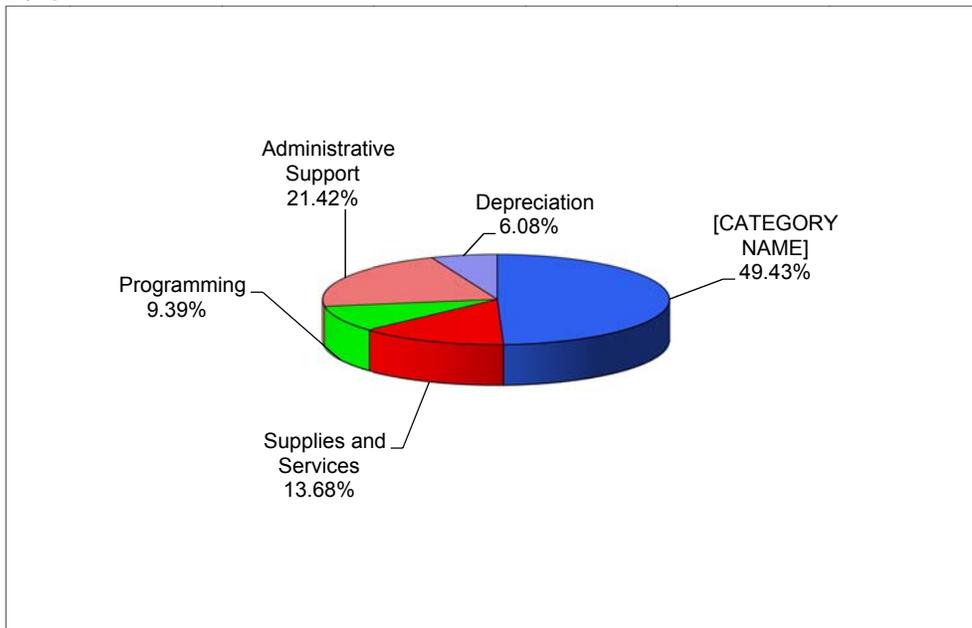


WVUB-FM continues to make cost containment an ongoing effort and these efforts are reflected in the 2013 results as operating expenses have decreased \$64,000 from prior year. This action is necessary since the radio station received only \$282,000 in operating revenue from the Corporation for Public Broadcasting, government appropriations, and underwriting to help support the station's operating expenses of \$729,000 during the fiscal year of 2013. The station received a total of \$439,000 of contributions from Vincennes University and other outside sources to help support \$447,000 of programming and production operating expenses that the station incurred during the fiscal year of 2013.

A summary of WVUB-FM's operating expenses by object for the year ended June 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Operating:		
Compensation and Benefits	\$ 360,580	\$ 374,998
Supplies and Services	99,752	100,543
Programming Costs	68,499	79,814
Depreciation	44,330	47,016
Administrative Support	156,240	191,052
Total Operating Expenses	<u>\$ 729,401</u>	<u>\$ 793,423</u>

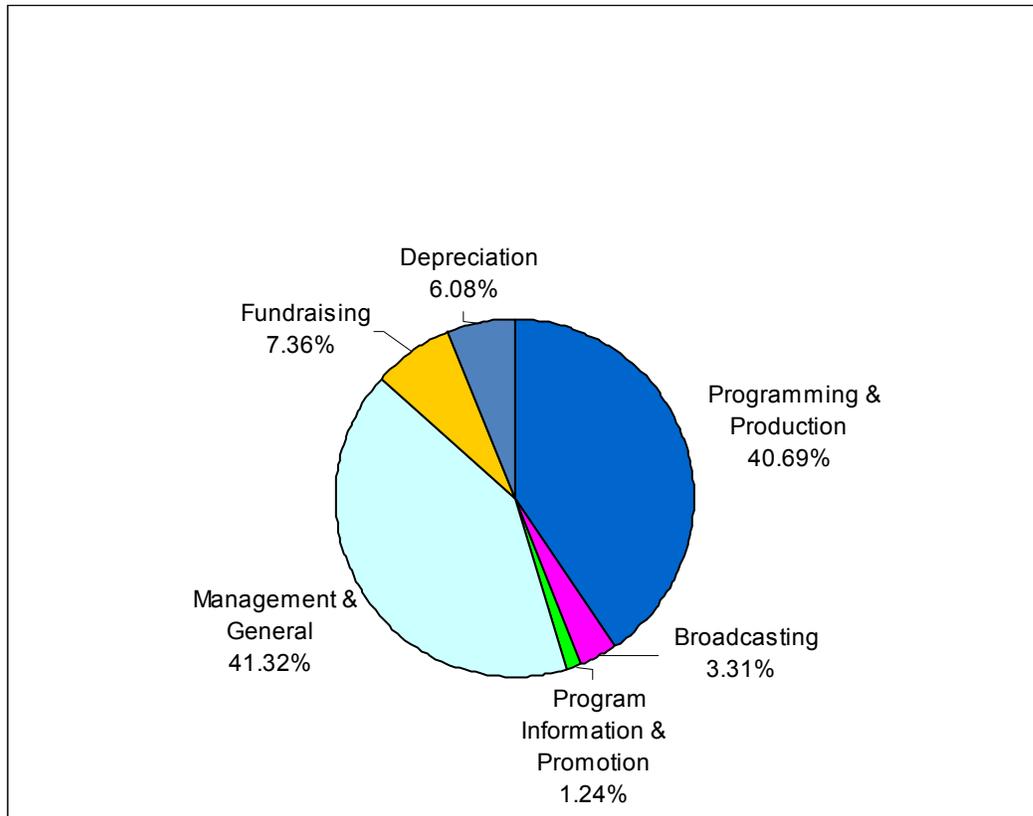
The following is a graphic illustration of total expenses by object for the year ended June 30, 2013:



In addition to their natural (object) classification, it is also informative to review operating expenses by function. A summary of WVUB-FM's expenses by functional classification for the year ended June 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Operating:		
Programming & Production	\$ 296,805	\$ 369,670
Broadcasting	24,165	13,576
Program Information & Promotion	9,044	20,210
Management & General	301,404	302,651
Fundraising	53,653	40,300
Depreciation	44,330	47,016
Total operating expenses	<u>\$ 729,401</u>	<u>\$ 793,423</u>

The following graphic illustration presents total expenses by function for the year ended June 30, 2013:



STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides additional information about WVUB-FM's financial results by reporting the major sources and uses of cash. A summary of the Statement of Cash Flows for the year ended June 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Cash received from operations	\$ 482,808	\$ 485,356
Cash expended for operations	(489,207)	(507,277)
Net cash used in operating activities	<u>(6,399)</u>	<u>(21,921)</u>
Net cash provided by non-capital financing activities	27,088	28,638
Net cash used in capital and related financing activities	(4,336)	(7,454)
Net increase (decrease) in cash and cash equivalents	<u>16,353</u>	<u>(737)</u>
Cash and cash equivalents, beginning of year	223,003	223,740
Cash and cash equivalents, end of year	<u><u>\$ 239,356</u></u>	<u><u>\$ 223,003</u></u>

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

Management believes that WVUB-FM is positioned to continue in good financial condition and can serve the general public well by offering quality programming coupled with local origination events and activities focusing on community issues and concerns. The station continues to provide the highest quality of broadcasting for the area and has managed to keep staffing levels constant. WVUB-FM has the smallest staffing of all Indiana Public Radio Stations.

WVUB-FM's programming is not only known statewide as leading the industry but during this year's Indiana Broadcasters Association spectrum Awards, WVUB-FM was selected as the top small market radio station, including public and commercial stations, in the state of Indiana because of the station's positive community focused programming. WVUB-FM also won the award for the Top Community Service Activity for small market radio stations in the state with the "Meth-Not Even Once" program that included posters and PSA's written and produced by grade, middle and high schools through the area. Because of the station's community focus, it was one the three finalists nominated for the Service to Indiana Award which is the most prestigious award in Indiana Broadcasting.

WVUB-FM is considered a small rural station by CPB. Because of the small station classification, the station is also eligible for rural assistance for equipment and study grants from Corporation for Public Broadcasting although these have recently been limited. This year WVUB-FM had good success with the Legislature and the State Budget Agency. The station had

a large increase in state funding for each year of the biennium. It is calculated that WVUB-FM will show an increase of \$13,384 with total state funding of \$39,722, as compared to \$26,338 received in fiscal year 2013. The Indiana Public Broadcasting Station dues are expected to increase but the new influx of money will help replace state funding almost to the original high levels from over four years ago.

Management has been working diligently on partnerships with both public and commercial stations and entities to help improve operations and local programming coupled with underwriting possibilities. Currently management is working closely with WNIN (NPR) in Evansville on cost cutting initiatives, particularly in the area of reducing development costs by sharing development employees and to allow joint underwriting sales. Management has also been working with all Indiana Public TV and radio stations through the Indiana Public Broadcasting Stations, Inc. on cost cutting projects and cooperative efforts. The Lilly Foundation has given the Indiana Public Broadcasting Association a \$340,000 grant for interconnecting all stations, including TV. WVUB-FM also has agreements and partnerships with WFML radio who helps supply news and with WTHI-TV who supplies the regular daily weather forecasting.

FINANCIAL STATEMENTS

The financial statements and accompanying notes were prepared by management of the Public Radio Station. The financial statements and notes are presented as intended by the Public Radio Station.

WVUB-FM
 A PUBLIC RADIO STATION OPERATED BY VINCENNES UNIVERSITY
 STATEMENT OF NET POSITION
 June 30, 2013 And 2012

<u>ASSETS</u>	<u>06-30-13</u>	<u>06-30-12</u>
Current Assets:		
Cash and Cash Equivalents	\$ 239,356	\$ 223,003
Accounts Receivable	5,000	5,030
Prepaid Expense	<u>1,487</u>	<u>569</u>
Total Current Assets	<u>245,843</u>	<u>228,602</u>
Noncurrent Assets:		
Capital Assets	575,884	564,079
Less Accumulated Depreciation	<u>(505,822)</u>	<u>(467,790)</u>
Total Noncurrent Assets	<u>70,062</u>	<u>96,289</u>
Total Assets	<u><u>\$ 315,905</u></u>	<u><u>\$ 324,891</u></u>
 <u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 12,892	\$ 350
Unearned Revenue	<u>132,783</u>	<u>146,357</u>
Total Current Liabilities	<u>145,675</u>	<u>146,707</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	70,062	96,289
Unrestricted	<u>100,168</u>	<u>81,895</u>
Total Net Position	<u><u>\$ 170,230</u></u>	<u><u>\$ 178,184</u></u>

The accompanying notes are an integral part of the financial statements.

WVUB-FM
 A PUBLIC RADIO STATION OPERATED BY VINCENNES UNIVERSITY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 For The Years Ended June 30, 2013 And 2012

	06-30-13	06-30-12
Operating Revenue:		
Grants From Corporation for Public Broadcasting	\$ 146,327	\$ 119,749
Contributed Support	438,985	494,700
Underwriting	110,002	90,351
Total Operating Revenue	695,314	704,800
Operating Expenses:		
Programming and Production	296,805	369,670
Broadcasting	24,165	13,576
Program Information and Promotion	9,044	20,210
Management and General	301,404	302,651
Fundraising and Membership Development	53,653	40,300
Depreciation	44,330	47,016
Total Operating Expenses	729,401	793,423
Operating Loss	(34,087)	(88,623)
Nonoperating Revenues (Expenses):		
Governmental Appropriations	26,338	27,887
Other Income	750	750
Loss on Disposition of Capital Assets	(955)	-
Total Nonoperating Revenues	26,133	28,637
Decrease in Net Position	(7,954)	(59,986)
Net Position - Beginning of Year	178,184	238,170
Net Position - End of Year	\$ 170,230	\$ 178,184

The accompanying notes are an integral part of the financial statements.

WVUB-FM
A PUBLIC RADIO STATION OPERATED BY VINCENNES UNIVERSITY
STATEMENT OF CASH FLOWS
For The Years Ended June 30, 2013 And 2012

	06-30-13	06-30-12
Cash Flows From Operating Activities:		
Grants From Corporation for Public Broadcasting	\$ 132,753	\$ 146,357
Underwriting and Other Contributions	110,032	85,351
Support From Vincennes University	240,023	253,648
Payments to Suppliers	(128,627)	(132,278)
Payments to Employees	(260,584)	(274,597)
Payments for Benefits	(99,996)	(100,402)
	(6,399)	(21,921)
Net Cash Used in Operating Activities		
Cash Flows From Noncapital Financing Activities:		
Governmental Appropriations	26,338	27,888
Other Income	750	750
	27,088	28,638
Net Cash Provided by Noncapital Financing Activities		
Cash Flows From Capital and Related Financing Activities:		
Purchases of Capital Assets	(4,336)	(7,454)
	(4,336)	(7,454)
Net Cash Used in Capital and Related Financing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	16,353	(737)
Cash and Cash Equivalents - Beginning of Year	223,003	223,740
Cash and Cash Equivalents - End of Year	\$ 239,356	\$ 223,003
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:		
Operating Loss	\$ (34,087)	\$ (88,623)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation Expenses	44,330	47,016
Contributions of Property, Plant, and Equipment	(14,722)	-
Changes in Assets and Liabilities:		
Accounts Receivable	30	(2,064)
Prepaid Expense	(918)	41
Accounts Payable and Accrued Liabilities	12,542	(1,963)
Deferred Revenue	(13,574)	23,672
	(6,399)	(21,921)
Net Cash Used in Operating Activities	\$ (6,399)	\$ (21,921)

The accompanying notes are an integral part of the financial statements.

WVUB-FM
A PUBLIC RADIO STATION OPERATED BY VINCENNES UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For The Years Ended June 30, 2013 And June 30, 2012

Note 1. Summary of Significant Accounting Policies

Reporting Entity: WVUB-FM (Public Radio Public Radio Station) is a public radio station operated by Vincennes University (University). The University is an institution of higher education and is considered to be a component unit of the State of Indiana.

Financial Statement Presentation: The financial statements have been prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities – An Amendment of GASB Statement No. 34*, and with other accounting principles generally accepted in the United States of America, as prescribed by the GASB. During fiscal year 2013, the Public Radio Station adopted GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements," GASB Statement No. 62, "Codification of Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements," and GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position." The Public Radio Station did not have service concession arrangements under GASB Statement No. 60 to report for fiscal year 2013.

Basis of Accounting: For financial reporting purposes, the Public Radio Station is considered a special-purpose government engaged only in business-type activities. Accordingly, the Public Radio Station's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements, imposed by the provider, have been met.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash Equivalents: For purposes of the Statement of Cash Flows, the Public Radio Station considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable: Accounts receivable consist of underwriting revenue. Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Management has concluded that realized losses on balances outstanding at year end will be immaterial and, accordingly, no allowance for uncollectible accounts is necessary.

Capital Assets: Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation in the case of gifts. For equipment, the Public Radio Station's capitalization policy includes all items with a unit cost of \$500 or more and an estimated useful life of greater than one year. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Inventories of materials and supplies at year end are not considered material; therefore, are not reflected in the financial statements.

WVUB-FM
A PUBLIC RADIO STATION OPERATED BY VINCENNES UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For The Years Ended June 30, 2013 And June 30, 2012
(Continued)

Depreciation is computed using the straight-line method over the estimated useful life of the asset, generally 40 to 50 years for buildings, 20 to 25 years for infrastructure and land improvements, and 3 to 10 years for equipment.

Unearned Revenues: Unearned revenues include amounts received from grant and contract sponsors that have not yet been earned.

In-Kind Contributions: Contributed materials, supplies, facilities, and property are recorded at their estimated fair value at the date of donation. If the fair value of contributed materials, supplies, facilities, and property cannot be reasonably determined they are not recorded. Donated personal services of nonprofessional volunteers, as well as national and local programming services, are not recorded as revenue and expense as there is no objective basis available to measure the value of such services.

Contributed advertising and promotion are recorded at the fair value of the contribution portion of the total value received.

Indirect Administrative Support: Administrative support from the University consists of indirect costs incurred by the Universities on behalf of the Public Radio Station, determined by establishing cost pools, which are grouped into functional categories such as institutional support and physical plant support, which are then allocated, based on the Public Radio Station's direct costs in accordance with guidelines established by the Corporation for Public Broadcasting (CPB).

The University also provides office, studio, and tower facilities, the benefit for which is included as a building use allowance.

Net Position: The Public Radio Station's net position is classified as follows:

Net Investment in Capital Assets: This represents the Public Radio Station's total investment in capital assets. There is no outstanding debt related to these capital assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.

Unrestricted Net Position: Unrestricted net position represents resources derived from grants, underwriting, and fees. These resources are used for transactions relating to the educational and general operations of the Public Radio Station. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflow of resources that are not included in the determination of net investment in capital assets.

Classification of Revenues: The Public Radio Station has classified its revenues as operating revenues according to the following criteria:

Operating Revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as grants and contracts. Operating revenues include (1) operating grants from CPB, federal and state agencies, and other entities, (2) contributions from various sources for operating activities and (3) underwriting.

WVUB-FM
A PUBLIC RADIO STATION OPERATED BY VINCENNES UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For The Years Ended June 30, 2013 And June 30, 2012
(Continued)

Nonoperating Revenues: Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No .9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as governmental appropriations.

Contributed support represents expenses paid on behalf of a public telecommunications entity by others outside the reporting entity, and includes support from Vincennes University, donated materials, or facilities, and indirect administrative support.

Grants to finance noncapital projects are recorded as unearned revenue until an expenditure is incurred for which the grant was intended. The amounts are then included in revenues, and the expenditures are recorded.

Corporation for Public Broadcasting Community Service Grants: The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant making organization responsible for funding more than 1,000 television and radio stations. The CPB distributes annual Community Service Grants (CSGs) to qualifying public broadcasting entities. The CSGs are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

Advertising Costs: Advertising costs are expensed in the period in which they are incurred.

Reclassifications: Certain reclassifications have been made to the June 30, 2012 financial statements to conform to the June 30, 2013 financial statement presentation. These reclassifications had no effect on previously reported results of operations or net position.

Note 2. Cash

Cash as of June 30, 2013, and June 30, 2012, is stated at market value. Cash deposits are insured by agencies of the federal government up to \$250,000. Amounts over \$250,000 are covered by the Indiana Public Depository Insurance Fund, which covers all public funds held in approved depositories. The total amount reported for checking accounts at various banks at June 30, 2013, and June 30, 2012, is \$239,356 and \$223,003, respectively.

WVUB-FM
A PUBLIC RADIO STATION OPERATED BY VINCENNES UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For The Years Ended June 30, 2013 And June 30, 2012
(Continued)

Note 3. Capital Assets

	Beginning Balances 07-01-12	Increases	Decreases	Ending Balances 06-30-13
Capital Assets Being Depreciated:				
Equipment	\$ 564,079	\$ 19,058	\$ 7,253	\$ 575,884
Total Capital Assets Being Depreciated	<u>564,079</u>	<u>19,058</u>	<u>7,253</u>	<u>575,884</u>
Less Accumulated Depreciation for:				
Equipment	<u>467,790</u>	<u>44,330</u>	<u>6,298</u>	<u>505,822</u>
Total Accumulated Depreciation	<u>467,790</u>	<u>44,330</u>	<u>6,298</u>	<u>505,822</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 96,289</u>	<u>\$ (25,272)</u>	<u>\$ 955</u>	<u>\$ 70,062</u>

Note 4. Functional Statement

Operating expenses by functional classification is summarized as follows:

	Program Services				Support Services			Total 06-30-13
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Total Support Services	
Salaries, Wages, and Benefits	\$ 244,541	\$ -	\$ -	\$ 244,541	\$ 116,039	\$ -	\$ 116,039	\$ 360,580
Professional Services	-	-	-	-	7,826	53,653	61,479	61,479
Supplies	-	-	-	-	4,287	-	4,287	4,287
Occupancy	-	-	-	-	5,693	-	5,693	5,693
Postage	-	-	-	-	877	-	877	877
Advertising	-	-	9,044	9,044	-	-	-	9,044
Conferences and Meetings	-	-	-	-	9,361	-	9,361	9,361
Repairs and Maintenance	-	4,901	-	4,901	-	-	-	4,901
Programming Costs	49,235	19,264	-	68,499	-	-	-	68,499
Membership and Dues	3,029	-	-	3,029	1,081	-	1,081	4,110
Administrative Support	-	-	-	-	156,240	-	156,240	156,240
Depreciation	-	-	-	-	44,330	-	44,330	44,330
Totals	<u>\$ 296,805</u>	<u>24,165</u>	<u>\$ 9,044</u>	<u>\$ 330,014</u>	<u>\$ 345,734</u>	<u>\$ 53,653</u>	<u>\$ 399,387</u>	<u>\$ 729,401</u>

Note 5. Indirect Administrative Support

Indirect administrative support from other state agencies consists of allocated institutional support and physical plant costs incurred by the University for which the Public Radio Station receives benefits. The fair value of this support is recognized in the Statement of Revenues, Expenses, and Changes in Net Position as Contributed Support and also as an expense in the management and general functional expense category. The value of this support for the years ended June 30, 2013, and June 30, 2012, was \$156,240 and \$191,052, respectively.

WVUB-FM
A PUBLIC RADIO STATION OPERATED BY VINCENNES UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
For The Years Ended June 30, 2013 And June 30, 2012
(Continued)

Note 6. Contributed In-Kind Support

Contributed in-kind support represents expenses paid on behalf of the Public Radio Station by others outside the reporting entity, and includes donated materials. The fair value of this support is recognized in the Statement of Revenues, Expenses, and Changes in Net Position as Contributed Support. As expenses of an equivalent amount are also recognized, there is no impact on net position. The total support for June 30, 2013, and June 30, 2012, was \$28,000 and \$50,000, respectively.

Note 7. Support From Vincennes University

Vincennes University contributes support to the Public Radio Station by partially funding the operations, studio, and production facility. The total costs for this support totaled \$254,745 and \$253,648 for the years ended June 30, 2013, and June 30, 2012, respectively.

Note 8. Risk Management

WVUB-FM is licensed to the Board of Trustees of Vincennes University. The University is exposed to various risks of loss: torts, theft, damage or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; health and other medical benefits provided to employees and their dependents. The University handles these risks of loss through combinations of risk retention and commercial insurance. For building and contents, the risk retention is \$100,000 per incident. General liability, commercial crime, aviation, worker's compensation, commercial automobile, and medical malpractice are all handled through fully insured commercial policies.

For health benefits, the University has an insured self-funded arrangement. The University retains the risk for medical benefits up to a stop loss provision of \$325,000 per member. There is a liability for incurred but unpaid claims. This liability is estimated to be \$721,475 for the fiscal year 2012-2013 and \$795,450 for the fiscal year 2011-2012.

Changes in the total reported self-insured health, dental, and drug benefit liability during the year ending June 30, 2013, were as follows:

Balance, Beginning of Year	\$ 795,450
Claims Incurred	9,746,026
Claim Payments	<u>(9,820,001)</u>
Balance, End of Year	<u>\$ 721,475</u>