

KHSU-FM RADIO
A Public Broadcasting Entity Operated by
Humboldt State University

**ACCOUNTANT'S REPORT AND
FINANCIAL STATEMENTS**
June 30, 2007 and 2006

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June 30, 2007

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INDEPENDENT AUDITORS' REPORT

Humboldt State University and
KHSU-FM Radio

We have audited the accompanying basic financial statements of KHSU-FM Radio, a Public Telecommunications Entity operated by Humboldt State University, as of and for the years ended June 30, 2007 and 2006, as listed in the table of contents. These basic financial statements are the responsibility of KHSU-FM Radio's management. Our responsibility is to express an opinion on these basic 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of KHSU-FM Radio at June 30, 2007 and 2006, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of KHSU-FM Radio taken as a whole. The other supplementary information on page 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements of KHSU-FM Radio. Such information had been subjected to the procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Aycock and Edgmon
December 14, 2007

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2007

Introduction

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of KHSU-FM (the Station) for the year ended June 30, 2006. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follows this section.

This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board Statement 35, Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities. Note A to Financial Statements further describes the organization and nature of activities of KHSU-FM and the basis of presentation of these financial statements.

The financial statements include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows. These statements are supplemented in the annual report by Notes to Financial Statements, required supplementary or statistical information, and this section (the Management's Discussion and Analysis). All sections must be considered together to obtain a complete understanding of the financial picture of the Station.

Balance Sheet: The Balance Sheet includes all assets and liabilities. Assets and liabilities are reported at their book value, on an accrual basis, as of the statement date. It also identifies major categories of restrictions on the net assets of the Station.

Statement of Revenues, Expenses, and Changes in Net Assets: The Statement of Revenues, Expenses, and Changes in Net Assets presents the revenues earned and expenses incurred during the year on an accrual basis, and the resulting effect of operations on net assets of the Station.

Statement of Cash Flows: The Statement of Cash Flows presents the inflows and outflows of cash, summarized by operating, capital, financing, and investing activities.

Reporting Entity

Note A to Financial Statements describes the relationships between Humboldt State University and its auxiliary corporation, the Humboldt State University Foundation, relevant to the operation of KHSU-FM.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2007

Analytical Overview

The combined net assets of KHSU-FM decreased by \$63,471 during the fiscal year ending June 30, 2007. Combined operating and non-operating revenue decreased from \$945,702 in the 05/06 fiscal year to \$882,689 in 06/07. While the station's fundraising efforts actually increased revenues by nearly \$4,000 in underwriting and nearly \$12,000 in membership, those gains were offset by continuing cuts in appropriations from Humboldt State University and corresponding decreases from the Corporation for Public Broadcasting.

Total expenses increased in all categories, from \$796,634 to \$946,160. Except for the addition of a staff member in engineering, the largest increase came from the university's Sponsored Programs Foundation in the form of indirect costs. KHSU is charged 8% for each financial transaction within its General Trust account. All funds in that account are generated from KHSU's fundraising efforts in the form of membership, underwriting and special events. Please see discussion below for further analysis.

The following discussion highlights management's understanding on the key financial aspects of the Station's financial activities. Included are comparative analysis of current and prior year activities and balances; a discussion of restrictions of station net assets; a discussion of capital assets; and factors impacting future reporting periods.

Comparative Analysis of Current and Prior Year Activities and Balances

A summary of key financial statement information is used as a basis for reviewing current year results in comparison with the prior year.

	<u>FY 2005/06</u>	<u>FY 2006/07</u>	<u>Change</u>
Assets			
Current assets	\$ 453,069	\$ 392,537	\$ (60,532)
Noncurrent assets	114,593	103,100	(11,493)
Total Assets	<u>\$ 567,662</u>	<u>\$ 495,637</u>	<u>\$ (72,025)</u>
Liabilities			
Current liabilities	\$ 28,601	\$ 30,109	\$ 1,508
Deferred revenue	37,126	27,064	(10,062)
Total Liabilities	<u>\$ 65,727</u>	<u>\$ 57,173</u>	<u>\$ (8,554)</u>
Net Assets			
Unrestricted	\$ 387,342	\$ 335,364	\$ (51,978)
Capital assets	114,593	103,100	(11,493)
Total Net Assets	<u>\$ 501,935</u>	<u>\$ 438,464</u>	<u>\$ (63,471)</u>
Operating Revenue			
Business and industry	\$ 148,985	\$ 152,943	\$ 3,958
In-kind support	27,612	25,572	(2,040)
Total Operating Revenue	<u>\$ 176,597</u>	<u>\$ 178,515</u>	<u>\$ 1,918</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2007

Analytical Overview - Continued

	<u>FY 2005/06</u>	<u>FY 2006/07</u>	<u>Change</u>
Non-Operating Revenue			
Membership	\$ 196,789	\$ 208,600	\$ 11,811
HSU appropriations	223,502	193,972	(29,530)
HSU indirect support	97,921	122,988	25,067
CPB grants	215,161	156,619	(58,542)
Other	35,732	21,995	(13,737)
Total Non-Operating Revenue	<u>\$ 769,105</u>	<u>\$ 704,174</u>	<u>\$ (64,931)</u>
Expenses			
Programming	\$ 226,444	\$ 252,991	\$ (26,547)
Broadcasting/Technical	45,608	116,009	(70,401)
Fund-raising	148,459	154,474	(6,015)
Management and general	254,298	274,098	(19,800)
HSU indirect expenses	97,921	122,988	(25,067)
Depreciation	23,904	25,600	(1,696)
Total Expenses	<u>\$ 796,634</u>	<u>\$ 946,160</u>	<u>\$ (149,526)</u>
Beginning Net Assets	\$ 352,867	\$ 501,935	\$ 149,068
Change in net assets	<u>149,068</u>	<u>(63,471)</u>	<u>(212,539)</u>
Ending Net Assets	<u>\$ 501,935</u>	<u>\$ 438,464</u>	<u>\$ (63,471)</u>

The Station's total support and revenues decreased by \$63,013. As previously noted, although the station membership and underwriting revenues saw gains of nearly \$12,000 and \$4,000 respectively, continuing decreases in appropriations from the university are having long-term negative effects on KHSU's overall revenue picture. Decreases from the university affect the annual appropriation from the Corporation for Public Broadcasting. As those two revenue sources decline, the station is forced to use funds from its General Trust account to cover more and more expenses. KHSU is charged 8% for each financial transaction through the Foundation which, in turn, cause spiraling increases in the expense side of the equation, as discussed below.

Please note that during KHSU's previous financial year, the station had rollover funds it was able to utilize from former university allocations. No such rollover was available this year, which has exacerbated the negative revenue situation.

Note B to Financial Statements describes the offsetting non-operating revenue and expenses associated with donated facilities and administrative support provided to the Station by Humboldt State University. As noted above, the station experienced increases in all areas of stations expenditures. Programming expenses rose by more than \$26,500. That is a trend that is expected to continue, with increases coming primarily through American Public Media and National Public Radio. Engineering expenses increased by \$70,000 because the station hired a ¾ time engineer which was essential to station operations. Please see last year's audit. This expense was predicted and accounted for.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2007

Analytical Overview - Continued

Fundraising and management expenses also rose, due to some modest salary increases, and overall rising costs for station operations, services and materials.

One of the largest single increases in expenses came from indirect charges levied against the station from the Sponsored Programs Foundation. Again, because other revenue sources have declined, KHSU has been forced to use monies from its General Trust Account to cover an increasing number of station costs. Each financial transaction costs KHSU an additional 8%. This has amounted to an unprecedented increase in expenses of more than \$28,000, a situation the station can ill afford.

Programming costs were increased to the Station by \$26,547 and fund-raising expenses, where the Station is concentrating more resources, rose by \$6,015

Resources

Assets of the Station include funds that have legal restrictions placed on their use. Funds may be expendable for a specific purpose or they may be nonexpendable. The following table summarizes which funds are restricted, the type of restriction, and the amount:

Restricted Funds at June 30, 2007

Expendable:		
CPB community service grants	\$	1,965
OES digital conversion grants		14,419
CPB internet acquisition		32
CPB studio renovation		495
Health dialogues		1,084
Total	\$	<u>17,995</u>

Capital Assets and Long-term Debt

Capital Assets

Note E to Financial Statements describe the Station's capital assets, which include equipment and improvements to Humboldt State University buildings.

Long-term Debt

KHSU-FM, as an individual program within Humboldt State University, has no long-term debt. Obligations of Humboldt State University and its auxiliaries are reflected in those organizations' financial statements and are not meaningful with respect to the operation of the Station.

Factors Impacting Future Periods

KHSU's fiscal year 07/08 CPB Community Service Grant is \$128,131. In July 2007, the Station received a Rural Listener Access Incentive Fund from CPB in the amount of \$32,500, which can be utilized for this fiscal year. The station was also awarded a \$5,000 mini grant from KQED for a *Health Dialogues* project.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2007

Factors Impacting Future Periods - Continued

Early indications are that our membership and underwriting efforts will continue to yield at least modest increases. In addition, the station is ramping up its overall fundraising efforts and community outreach to do what we can to help improve our revenue situation.

However, the Station is also experiencing spiraling increases in expenses as noted in this audit statement and large decreases in revenues from university appropriations and the Corporation for Public Broadcasting. Humboldt State University cut KHSU's revenues by an additional \$20,000 this fiscal year. This is the fifth straight year of cuts KHSU has sustained from the university. As already stated, the negative impacts of those cuts are magnified by corresponding reductions from CPB and the 8% indirect costs surcharge from HSU's Sponsored Programs Foundation. Programming costs charged by network providers such as National Public Radio, American Public Media and Public Radio International have risen sharply and will continue to rise. In addition the Station has added a permanent engineer whose salary and benefits amount to more than \$72,000 annually.

KHSU's fiscal 2007/08 budget allocation from Humboldt State University is \$177,557. Those funds cover the salaries of KHSU's General Manager and Chief Engineer. The station receives no operating expense funds from the university. The salaries of all other employees, and all station expenses except for programming come from the funds the station raises through membership, underwriting and station events. KHSU's Community Service Grant from the Corporation for Public Broadcasting pays for the bulk of the station's programming.

The financial picture as stated in this audit and the outlook for future trends are cause for concern. In short, the total funds raised by KHSU, combined with the revenues it receives from the university and the Corporation for Public Broadcasting are inadequate to meet ongoing station needs and the challenges of rising expenses. KHSU is currently tapping into its reserves to meet these costs. This situation must be reversed if the station is to continue to serve the university, be a viable source of public radio programming and fulfill its community service obligations in an increasingly competitive rural marketplace.

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BALANCE SHEET

June 30, 2007 and 2006

	2007	2006
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 376,903	\$ 432,881
Accounts receivable	15,008	14,801
Prepaid expenses	626	5,387
Total Current Assets	392,537	453,069
Noncurrent Assets		
Capital assets	523,274	509,167
Accumulated depreciation	(420,174)	(394,574)
Total Noncurrent Assets	103,100	114,593
TOTAL ASSETS	\$ 495,637	\$ 567,662
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 1,141	\$ 2,396
Deferred revenue	27,064	37,126
Accrued vacation	28,968	26,205
Total Current Liabilities	57,173	65,727
NET ASSETS		
Invested in capital assets	103,100	114,593
Unrestricted net assets	335,364	387,342
TOTAL NET ASSETS	438,464	501,935
TOTAL LIABILITIES AND NET ASSETS	\$ 495,637	\$ 567,662

The accompanying notes to financial statements are an integral part of this statement.

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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Years Ended June 30, 2007 and 2006

	2007	2006
REVENUES		
Operating Revenues		
Business and industry	\$ 152,943	\$ 148,985
In-kind contributions	25,572	27,612
Total Operating Revenues	178,515	176,597
 OPERATING EXPENSES		
Program Services		
Programming and production	252,991	226,444
Broadcasting	116,009	45,608
Total Program Services	369,000	272,052
Support Services		
Management and general	422,686	376,123
Fund-raising	154,474	148,459
Total Support Services	577,160	524,582
 TOTAL OPERATING EXPENSES	946,160	796,634
 Operating Income (Loss)	(767,645)	(620,037)
 NONOPERATING REVENUES (EXPENSES)		
General appropriation from Humboldt State University	193,972	223,502
Donated facilities and administrative support from Humboldt State University	122,988	97,921
Corporation for Public Broadcasting Grant	156,619	215,161
Memberships	208,600	196,789
Other grants and contracts	10,088	14,182
Other income (expenses)	11,907	21,550
 TOTAL NONOPERATING REVENUES (EXPENSES)	704,174	769,105
 INCREASE (DECREASE) IN NET ASSETS	(63,471)	149,068
 NET ASSETS - BEGINNING OF YEAR	501,935	352,867
 NET ASSETS - END OF YEAR	\$ 438,464	\$ 501,935

The accompanying notes to financial statements are an integral part of this statement.

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STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2007 and 2006

	2007	2006
OPERATING ACTIVITIES		
Receipts for business and industry	\$ 152,198	\$ 144,307
Payments to suppliers	(437,480)	(245,090)
Payments to employees	(328,251)	(399,309)
NET CASH USED IN OPERATING ACTIVITIES	(613,533)	(500,092)
NONCAPITAL FINANCING ACTIVITIES		
General appropriations from Humboldt State University	193,972	223,502
Nongovernmental grants and contracts	158,570	182,873
Memberships	207,213	196,789
Other	11,907	21,549
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	571,662	624,713
CAPITAL AND RELATED ACTIVITIES		
Acquisition of capital assets	(14,107)	(16,962)
NET CASH USED BY CAPITAL AND RELATED ACTIVITIES	(14,107)	(16,962)
INCREASE IN CASH	(55,978)	107,659
CASH- BEGINNING OF YEAR	432,881	325,222
CASH- END OF YEAR	\$ 376,903	\$ 432,881
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (767,645)	\$ (620,037)
Depreciation expense	25,600	23,904
Donated facilities and administration	122,988	97,921
Changes in operating assets and liabilities		
Accounts receivable	1,180	(4,592)
Prepaid expenses	4,761	(926)
Accounts payable	(1,255)	1,264
Deferred underwriting revenue	(1,926)	(85)
Accrued vacation	2,764	2,459
NET CASH USED IN OPERATING ACTIVITIES	\$ (613,533)	\$ (500,092)
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION		
Donated facilities and administrative support from Humboldt State University	122,988	97,921
In-kind contributions from business and industry	25,572	27,612

The accompanying notes to financial statements are an integral part of this statement.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2007 and 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

KHSU-FM Radio (the Station) is operated by Humboldt State University (the University) in Arcata, California, under a license granted by the Federal Communications Commission. All amounts contained in this report are included in the audited financial statements of Humboldt State University, a component unit of the State of California. The Station is part of the University and as such, is exempt from federal and state income taxes.

The Humboldt State University Foundation, an auxiliary corporation of the University, provides certain functions for the Station under an operating agreement with the University. The functions are performed under the direction of the University and include employing the number of full-time and part-time staff as the University deems necessary to operate the Station, and providing payroll, benefit administration services, and related human resources services, and performing other functions necessary for the operation of the Station.

The basic financial statements present only the Balance Sheet, Statement of Revenues, Expenses, and Changes in Net Assets, and Statement of Cash Flows of the Station and does not purport to, and does not, present fairly the financial position of Humboldt State University as of June 30, 2006 and 2005, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Station prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the Governmental Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, and Statement No. 35, Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities, the Station's financial reporting provides a comprehensive, entity-wide perspective of the Station's assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows. Accordingly, the 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.

Revenue Recognition

Contributions, pledges, and grants are recorded as revenues in the accompanying statement of revenues, expenses, and changes in net assets. In-kind contributions, other than the contribution from the University, are recognized as revenue at the estimated fair market value at the date of the gift.

The portion of the University's indirect costs attributable to the Station's operations and the value of space provided to the Station by the University are included as revenues and expenses, and are computed in accordance with guidelines established by the Corporation for Public Broadcasting.

NOTES TO FINANCIAL STATEMENTS

June 30, 2007 and 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and Cash Equivalents

For administrative purposes, cash balances of the Station are included in accounts maintained by the Humboldt State University Foundation (the Foundation). For purposes of the statement of cash flows, the Station considers all investments purchased with an original maturity of three months or less to be cash or cash equivalents.

The Foundation currently uses commercial banks and the State of California Local Agency Investment Fund as depositories.

Accounts Receivable

Accounts receivable consists of business and industry and membership activities. Accounts receivable are recorded net of uncollectible amounts.

Deferred Revenue

Deferred revenues include amounts received from grant and contract sponsors for which eligibility requirements have not been fully satisfied or that have not yet been earned.

Property and Equipment

Property and equipment are stated at cost at the date of acquisition or at an estimated fair market value at the date of donation in the case of donated property. Costs for repairs and maintenance are charged to expense when incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets, which is generally 5 to 10 years for equipment. Buildings and improvements are depreciated over an estimated useful life of 30 years.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Compensated Absences

Station policies permit most employees to accumulate vacation benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits as earned whether the employee is expected to realize the benefit as time off or in cash. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the date of the balance sheet.

NOTES TO FINANCIAL STATEMENTS

June 30, 2007 and 2006

NOTE B - DONATED FACILITIES AND ADMINISTRATIVE SUPPORT

Donated facilities and administrative support from the University is comprised of costs for institutional support and physical plant operations. These costs are allocated financial costs incurred by the University on behalf of the Station. These amounts are recorded in the accompanying statement of revenues, expenses, and changes in net assets as revenue and offsetting expenses and were calculated based on Corporation for Public Broadcasting guidelines using the basic method. Costs for institutional support and physical plant operations are as follows:

	2007	2006
Institutional support	\$ 91,076	\$ 73,890
Physical plant operations	31,912	24,031
Total facilities and administrative support	\$ 122,988	\$ 97,921

NOTE C - CONCENTRATION OF CREDIT RISK

All cash is pooled with the Humboldt State University Foundation. The Foundation, as a matter of Board policy, maintains their cash deposits in local banks, as well as the State of California Local Agency Investment Fund. At June 30, 2007 and 2006, some cash balances on deposit with local financial institutions were in excess of the FDIC/FSLIC maximums of \$100,000 and were uncollateralized by the financial institutions.

The Station's proportionate share of uncollateralized deposits as of June 30, 2007 and 2006 consisted of the following:

	2007	2006
<u>Cash in Local Banks</u>		
Total amount deposited	\$ 150,761	\$ 73,027
Uncollateralized deposits	134,777	59,997

The Foundation maintains cash in the State of California Local Agency Investment Fund (LAIF), an investment pool. The investment is not insured. However, these funds are invested in accordance with California Government Code Section 16430 and 16480, the stated investment authority for the Pooled Money Investment Account. The Station's proportionate share of cash in LAIF at June 30, 2007 and 2006 was \$226,142 and \$359,854, respectively.

NOTE D - PENSION PLAN

Humboldt State University Foundation has a defined contribution plan (the Plan) covering all employees with at least two years of service who agree to make contributions to the Plan. The Foundation contributed 4% of gross salaries for qualified employees to the plan for the years ended June 30, 2007 and 2006.

NOTES TO FINANCIAL STATEMENTS

June 30, 2007 and 2006

NOTE E - PROPERTY AND EQUIPMENT

A summary of the property and equipment at June 30, 2007 and 2006 follows:

	<u>July 1, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2007</u>
Computer equipment	\$ 43,931	\$ 7,795	\$ -	\$ 51,726
Production and broadcast equipment	354,827	6,312	-	361,139
Production and broadcast equipment (Federally funded)	60,345	-	-	60,345
Building and improvements	<u>50,064</u>	<u>-</u>	<u>-</u>	<u>50,064</u>
Total Property and Equipment	509,167	14,107	-	523,274
Accumulated Depreciation	<u>(394,574)</u>	<u>(25,600)</u>	<u>-</u>	<u>(420,174)</u>
Net Capital Assets	<u>\$ 114,593</u>	<u>\$ (11,493)</u>	<u>\$ -</u>	<u>\$ 103,100</u>

	<u>July 1, 2005</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2006</u>
Computer equipment	\$ 43,931	\$ -	\$ -	\$ 43,931
Production and broadcast equipment	337,865	16,962	-	354,827
Production and broadcast equipment (Federally funded)	60,345	-	-	60,345
Building and improvements	<u>50,064</u>	<u>-</u>	<u>-</u>	<u>50,064</u>
Total Property and Equipment	492,205	16,962	-	509,167
Accumulated Depreciation	<u>(370,670)</u>	<u>(23,904)</u>	<u>-</u>	<u>(394,574)</u>
Net Capital Assets	<u>\$ 121,535</u>	<u>\$ (6,942)</u>	<u>\$ -</u>	<u>\$ 114,593</u>

SUPPLEMENTARY INFORMATION

FUNCTIONAL EXPENSES

For the Year Ended June 30, 2007
(With Comparative Totals for the Year Ended June 30, 2006)

	Program Services		Total Program Services
	Program and Production	Broadcasting	
Salaries, Payroll taxes, and Employee Benefits	\$ 111,272	\$ 70,792	\$ 182,064
Supplies and Other Services			
Office supplies	38	-	38
Communications	-	8,455	8,455
Subscriptions	655	-	655
Postage and shipping	-	58	58
Occupancy	-	17,138	17,138
Expendable equipment	-	9,077	9,077
Equipment rental	-	1,261	1,261
Equipment repair and maintenance	-	5,383	5,383
Printing	-	-	-
Dues	-	-	-
Meetings, conferences, and travel	375	-	375
Local travel	-	-	-
Programming costs	129,982	-	129,982
Music expense	64	-	64
Advertising	361	-	361
Premiums	-	-	-
Professional services	10,245	3,845	14,090
Membership development	-	-	-
Volunteer expense	-	-	-
Training	-	-	-
Miscellaneous	-	-	-
	141,720	45,217	186,937
Total Supplies and Other Services			
Depreciation	-	-	-
Donated Facilities and Administrative Support	-	-	-
Total Expenses	\$ 252,992	\$ 116,009	\$ 369,001

<u>Support Services</u>		<u>Total Support Services</u>	<u>2007 Totals</u>	<u>2006 Totals</u>
<u>Fund-raising and Membership</u>	<u>Management and General</u>			
\$ 124,452	\$ 159,301	\$ 283,753	\$ 465,817	\$ 402,282
1,251	3,983	5,234	5,272	6,682
-	14,463	14,463	22,918	19,203
-	413	413	1,068	638
5,526	1,576	7,102	7,160	7,664
-	1,536	1,536	18,674	21,653
500	-	500	9,577	7,218
427	-	427	1,688	-
-	497	497	5,880	540
5,374	-	5,374	5,374	6,600
1,332	5,688	7,020	7,020	8,389
856	37	893	1,268	6,613
-	1,884	1,884	1,884	66
-	-	-	129,982	111,230
-	-	-	64	1,037
-	14,092	14,092	14,453	18,121
5,352	-	5,352	5,352	8,717
7,323	69,276	76,599	90,689	43,184
2,051	-	2,051	2,051	-
-	1,307	1,307	1,307	4,066
-	44	44	44	906
<u>30</u>	<u>-</u>	<u>30</u>	<u>30</u>	<u>-</u>
30,022	114,796	144,818	331,755	272,527
-	25,600	25,600	25,600	23,904
<u>-</u>	<u>122,988</u>	<u>122,988</u>	<u>122,988</u>	<u>97,921</u>
<u>\$ 154,474</u>	<u>\$ 422,685</u>	<u>\$ 577,159</u>	<u>\$ 946,160</u>	<u>\$ 796,634</u>

The accompanying notes to financial statements are an integral part of this statement.