

KRVM 91.9 – 1280 KRVM AM
EUGENE COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016



12700 SW 72nd Ave.
Tigard, OR 97223

KRVM 91.9 – 1280 KRVM AM

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January 30, 2017

KRVM 91.9 – 1280 KRVM AM
Lane County, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Basic Financial Statements

We have audited the accompanying financial statements of KRVM – Radio of Lane County School District 4J, as of June 30, 2016, the statements of net position; revenues, expenditures and changes in net position; and cash flows for the year then ended, which comprise the basic financial statements, and the related notes to the basic financial statements. The basic financial statements as of and for the year ended June 30, 2015 were audited by other auditors whose report dated January 14, 2016 issued an unmodified opinion on those statements.

Management's Responsibility for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on these basic 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 basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the basic 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting estimates made by management, as well as evaluating the overall presentation of the basic 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 basic financial statements referred to above present fairly, in all material respects, the financial position of KRVM – Radio of Lane County School District 4J as of June 30, 2016, and the changes in its net position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C

**KRVM - RADIO OF LANE COUNTY SCHOOL DISTRICT NO. 4J MANAGEMENT'S
DISCUSSION AND ANALYSIS
JUNE 30, 2016**

As management of KRVM - Radio of Lane County School District No. 4J (the Station), we offer readers of the Station's financial statements this narrative overview and analysis of the financial activities of the Station for the fiscal year ended June 30, 2016.

FINANCIAL HIGHLIGHTS

- The assets of the Station exceeded its liabilities by \$290,021 at June 30, 2016. This amount is unrestricted and available to meet the Station's ongoing obligations to citizens and creditors.
- The activities of the year resulted in an increase of \$93,344 in its net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Station's financial statements. The Station's financial statements consist of five components: 1) Statements of Net Position, 2) Statements of Revenues, Expenses and Changes in Net Position, 3) Statements of Cash Flows, 4) Notes to the Financial Statements, and 5) Statements of Functional Expenses.

The Statements of Net Position. The statements of net position present information on all of the assets and liabilities of the Station as of the dates on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Station is improving or deteriorating.

The Statements of Revenues, Expenses and Changes in Net Position. The statements of revenues, expenses and changes in net position present information showing how the net position of the Station changed over the most recent fiscal years by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The Statements of Cash Flows. The statements of cash flows present information on the inflows and outflows of the Station's cash. The change in net cash is reconciled to the sources and uses of cash during the year.

The Notes to the Financial Statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the Station's financial statements.

The Statements of Functional Expenses. The statements of functional expenses present detailed information on the expenses of the Station for the years presented. Program Services include Programming Production, Broadcasting, and Program Information. Support Services include Management and General, Membership Development, and Underwriting and Grants. Expenses are detailed for each of these categories.

FINANCIAL ANALYSIS

Statements of Net Position The statement of net position below is provided on a comparative basis.

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the Station, assets exceeded liabilities by \$290,021 and \$196,677 as of June 30, 2016 and 2015, respectively.

	<u>June 30,</u>	
	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 111,959	\$ 15,909
Accounts and Other Receivables	22,679	18,439
Receivable from Lane County School District 4J	-	7,735
<i>Total Current Assets</i>	<u>134,638</u>	<u>42,083</u>
Noncurrent Assets		
Property and Equipment, net of Accumulated Depreciation	<u>164,693</u>	<u>164,993</u>
<i>Total Assets</i>	<u>299,331</u>	<u>207,076</u>
LIABILITIES		
Current Liabilities		
Accrued Compensated Absences	<u>9,310</u>	<u>10,399</u>
<i>Total Current Liabilities</i>	<u>9,310</u>	<u>10,399</u>
NET POSITION		
Unrestricted	<u>\$ 290,021</u>	<u>\$ 196,677</u>

Statements of Revenues, Expenses and Changes in Net Position During the current fiscal year, the Station's net position increased by \$93,344 compared to an increase of \$2,669 in the prior fiscal year. The key elements of the change in the Station's net position for the year ended June 30, 2016 are as follows:

- Total revenues increased \$ 32,131 (4.6 percent) over the prior year.
- Program Services expenses decreased by \$116,847 (30.4 percent) from the previous year.
- Support Services expenses increased by \$53,944 (17.5 percent) from the previous year.

	June 30,	
	2016	2015
REVENUES		
Contributions and Membership	\$ 216,476	\$ 193,082
Underwriting	237,814	228,214
Tower Rental	44,517	43,962
Lane County School District No. 4J		
Donated Facilities and Administrative Support	42,034	42,153
Payment for Services	3,232	4,078
Corporation for Public Broadcasting Grant	130,133	128,644
In-Kind Contributions	52,943	54,885
	<hr/>	<hr/>
<i>Total Revenues</i>	727,149	695,018
EXPENSES		
Program Services	267,005	383,852
Support Services	362,441	308,497
Other Expenses and Losses	4,359	-
	<hr/>	<hr/>
<i>Total Expenses</i>	633,805	692,349
	<hr/>	<hr/>
CHANGES IN NET POSITION	93,344	2,669
	<hr/>	<hr/>
BEGINNING NET POSITION	196,677	194,008
	<hr/>	<hr/>
ENDING NET POSITION	<u>\$ 290,021</u>	<u>\$ 196,677</u>

REQUESTS FOR INFORMATION

This financial report is designed to present the user (listeners, taxpayers, investors, and other interested parties) with a general overview of the Station's finances and to demonstrate the Station's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Financial Services, P.M.B. #237, 1574 Coburg Road, Eugene, Oregon 97401.

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**KRVM 91.9 – 1280 KRVM AM
EUGENE, OREGON**

BASIC FINANCIAL STATEMENTS

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KRVM - RADIO OF LANE COUNTY SCHOOL DISTRICT NO. 4J

Statements of Net Position

At June 30, 2016 and 2015

	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 111,959	\$ 15,909
Pledges receivable, net	305	-
Other receivables, net	22,374	18,439
Related party receivables	-	7,735
Total Current Assets	<u>134,638</u>	<u>42,083</u>
Property and Equipment		
Buildings and equipment, net of accumulated depreciation	25,071	25,371
Total Property and Equipment	<u>25,071</u>	<u>25,371</u>
Other Assets		
Intangible assets, net	139,622	139,622
Total Other Assets	<u>139,622</u>	<u>139,622</u>
Total Assets	<u>\$ 299,331</u>	<u>\$ 207,076</u>
Liabilities and Net Assets		
Current Liabilities		
Accrued vacation	9,310	10,399
Total Current Liabilities	<u>9,310</u>	<u>10,399</u>
Total Liabilities	<u>9,310</u>	<u>10,399</u>
Net Position		
Unrestricted	290,021	196,677
Total Net Position	<u>290,021</u>	<u>196,677</u>
Total Liabilities and Net Assets	<u>\$ 299,331</u>	<u>\$ 207,076</u>

KRVM - RADIO OF LANE COUNTY SCHOOL DISTRICT NO. 4J

Statements of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2016 and 2015

	For the Year Ended June 30,	
	2016	2015
Revenues		
Contributions and Membership	\$ 216,476	\$ 193,082
Underwriting	237,814	228,214
Tower Rental	44,517	43,962
Corporation for Public Broadcasting Grant Lane County School District No. 4J	130,133	128,644
Donated Facilities and Administrative Support (In-Kind)	42,034	42,153
Payment for Services	3,232	4,078
In-Kind Contributions	52,943	54,885
Total Revenues	<u>727,149</u>	<u>695,018</u>
Expenses		
Program Services		
Programming and Productions	72,847	84,422
Broadcasting	185,678	270,027
Program Information	8,480	29,403
Total Program Expenses	<u>267,005</u>	<u>383,852</u>
Support Services		
Management and General	202,242	161,476
Fundraising and Membership Development	62,932	43,679
Underwriting and Grant Solicitation	97,267	103,342
Total Support Expenses	<u>362,441</u>	<u>308,497</u>
Other Expenses		
Loss on Disposal of Asset	4,359	-
Total Expenses	<u>633,805</u>	<u>692,349</u>
Change in Net Position	93,344	2,669
Beginning Net Position	<u>196,677</u>	<u>194,008</u>
Ending Net Position	<u>290,021</u>	<u>196,677</u>

KRVM - RADIO OF LANE COUNTY SCHOOL DISTRICT NO. 4J

STATEMENTS OF CASH FLOWS

For the years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Position	\$ 93,344	\$ 2,669
Noncash Items Included in Income:		
Depreciation	4,803	62,808
Decrease, (Increase) In:		
Accounts Receivable	3,495	7,941
Increase, (Decrease) In:		
Accounts Payable	-	(62,087)
Accrued Expenses	(1,089)	307
Net Cash Provided By (Used In) Operating Activities	<u>100,553</u>	<u>11,638</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property and equipment	(4,503)	(15,179)
Net Cash Provided By (Used In) Investing Activities	<u>(4,503)</u>	<u>(15,179)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	96,050	(3,541)
Cash and Cash Equivalents at Beginning of Year	<u>15,909</u>	<u>19,450</u>
Cash and Cash Equivalents and Investments at End of Year	<u>\$ 111,959</u>	<u>\$ 15,909</u>
OTHER NONCASH ACTIVITY		
Donated revenues/expenses	<u>\$ 92,427</u>	<u>\$ 97,038</u>

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KRVM 91.9 – KRVM 1280 AM
EUGENE, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

KRVM – Radio (KRVM) is operated by Lane County School District No. 4J, Eugene, Oregon (the institutional licensee). Lane County School District No. 4J records the activities of the station in the District’s financial statements. Because these financial statements present only a selected portion of the activities of Lane County School District No. 4J, they are not intended to and do not present the financial positions, results of operations and cash flows for the District as a whole.

These financial statements are prepared in accordance with generally accepted accounting principles and in compliance with the Corporation for Public Broadcasting (CPB), *Principles of Accounting and Financial reporting for Public Telecommunications Entities*, as required by the CPB.

Even though KRVM is a non-profit entity without any governmental activities, they have prepared their basic financial statements in accordance with governmental accounting standards in order to reflect activity in a similar manner as Lane County School District No. 4J. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles and has been followed by the District. Those standards have been applied here to allow comparability except for contributions and intangible assets which follow FASB rules. The more significant accounting policies are described below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

These financial statements meet the requirements established for use by governmentally licensed broadcast stations of the accrual basis of accounting.

B. NET POSITION

Net position is comprised of the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net Investment in Capital Assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on assets use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are assets restricted for debt service, student services and capital projects.

Unrestricted – consists of all other assets that are not included in the other categories previously mentioned.

C. CASH AND CASH EQUIVALENTS

For basic financial statement purposes, all highly liquid investments with an original maturity of three months or less from the date of purchase are considered to be cash equivalents.

KRVM 91.9 – KRVM 1280 AM
EUGENE, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. USE OF ESTIMATES

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

E. CONTRIBUTIONS AND DEFERRED REVENUE

Contributions and pledges are recognized in accordance with FASB ACS 958-605. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Currently KRVM has no restricted funds. Grant funds are recorded as revenues when earned.

F. ACCOUNTS AND PLEDGES RECEIVABLE

Unconditional accounts and pledges receivable, less an allowance for uncollectible amounts, are recognized as revenues in the period the promise is made and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. The allowance for uncollectible pledges is an estimate based on management's knowledge of historical pledge collection rates.

G. NONCASH CONTRIBUTIONS

Noncash contributions are recorded as revenue or expense at their estimated fair value at the date of receipt. Noncash contributions consist of donated programs, promotions, services, materials, and other in-kind contributions. For the years ended June 30, 2016 and 2015, respectively, there were \$42,034 and \$42,153 in donations from Lane County School District 4J and \$52,943 and \$54,885 in in-kind contributions.

H. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

KRVM 91.9 – KRVM 1280 AM
EUGENE, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY (CONTINUED)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

I. FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities are summarized on a functional basis in the statements of revenue, expenses and changes in net position. Accordingly, certain costs have been allocated among program and support services based on total personnel costs or other systematic basis.

J. PROPERTY AND EQUIPMENT

Purchases of property and equipment are recorded at cost. Purchases exceeding \$5,000 and a useful life in excess of one year are capitalized. Costs of repairs and maintenance are expensed as incurred. Expenditures for property, equipment and major repairs that extend useful lives or add function are capitalized. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations.

Donated property and equipment is recorded at estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, expirations of donor restrictions are reported when the donated or acquired assets are placed in service as instructed by the donor.

Property and equipment is depreciated using the straight-line method over estimated useful lives ranging from three to thirteen years for equipment and ten to forty years for buildings.

K. PROGRAM UNDERWRITING

Revenue for program underwriting is recognized over the period covered. Expenditures of unrestricted funds are recognized as expenses when incurred. Costs incurred for programs that have not been broadcast are recorded as prepaid expenses. Revenues related to program underwriting for the years ended June 30, 2016 and 2015 were \$237,814 and \$228,214, respectively.

KRVM 91.9 – KRVM 1280 AM
EUGENE, OREGON
 NOTES TO THE BASIC FINANCIAL STATEMENTS

3. CONCENTRATIONS OF CREDIT RISK

KRVM has two bank accounts that hold the station's funds. One is maintained by KRVM the other is maintained by the School District and is held in a pool with the School District's other funds. In the case of deposits, there is a risk that in the event of a bank failure, the deposits may not be returned. As of June 30, 2016 and 2015 the insured bank balances were \$19,233 and \$10,025, respectively.

4. ACCOUNTS AND PLEDGES RECEIVABLE

Accounts and pledges receivable are summarized as follows on June, 30:

	2016	2015
Accounts Receivable	\$ 22,374	\$ 18,439
Pledges Receivable	305	-
Total Receivables	\$ 22,679	\$ 18,439

5. PENSION PLAN

KRVM contracts with the Lane County School District 4J for all employees who are members of PERS. All PERS contributions are made by the District on the KRVM payroll and are included in the District's financial statements. Total employer PERS contributions for the year ended June 30, 2016 were \$43,412.

6. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, less accumulated depreciation, on June 30:

	July 1, 2015	Adjustments	Additions	Deletions	June 30, 2016
Capital Assets, Depreciable					
Equipment	\$ 577,586	\$ 10,423	\$ -	\$ 5,920	\$ 582,089
Total Capital Assets, Depreciable	577,586	10,423	-	5,920	582,089
Accumulated Depreciation					
Equipment	552,215	-	6,364	1,561	\$ 557,018
Total Accumulated Depreciation	552,215	-	6,364	1,561	557,018
Total Property and Equipment, Net	\$ 25,371				\$ 25,071

During the course of the year KRVM disposed of a radio antenna, resulting in a loss of \$4,359.

KRVM had an adjustment to their equipment category in order to bring their book balance in agreement with their capital asset register.

7. INTANGIBLE ASSETS

On June 30, 2016 and 2015 intangible assets consisted of licenses for two radio stations. The purchased licenses covered the following radio stations: KRVM 91.9 and 1280 KRVM AM. Purchased licenses are recorded at cost, and donated licenses are recorded at the fair market value at the time of donation.

KRVM 91.9 – KRVM 1280 AM
EUGENE, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS

7. INTANGIBLE ASSETS (CONTINUED)

The provisions of FASB ASC 350, *Intangibles – Goodwill and Other* are followed. Under these provisions, assets with indefinite lives are not amortized. Licenses that had previously been amortized using estimated lives of 40 years are now considered to have indefinite lives. Accordingly, KRVM has not recognized amortization expense for these intangible assets since adopting the accounting standard in 2005.

The total amount of KRVM's current intangible assets is \$139,622, which has not changed over the past three fiscal years.

8. CLAIMS AND LITIGATION

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Corporation for Public Broadcasting. The amounts, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although KRVM expects such amounts, if any, to be immaterial.

Management has represented that there are no contingent liabilities that require disclosure or recognition. Such contingent liabilities would include, but not be confined to: notes or accounts receivable which have been discounted; pending suits; proceedings, hearings, or negotiations possibly involving retroactive adjustments; unsatisfied judgments or claims; taxes in dispute; endorsements or guarantees; and options.

9. OPERATING LEASES

KRVM currently has four operating leases with four different entities for building rentals and equipment. KRVM, through the Eugene School District, entered into a contract with California Oregon Broadcasting, Inc. on May 1, 2008 to run through May 30, 2017 to rent a building, tower and transmitting facilities, paid in quarterly payments of \$4,311 each. Total rent expense for the year is \$17,246.

On July 1, 2009 KRVM, through the Eugene School District, entered into a contract with Combined Communications, Inc. for the use of a tower site with its towers and connecting equipment. The contract is set to expire on June 30, 2019 with the option to renew in 2019 for an additional ten years. The rental expense per month is \$3,743 less an in-kind donation of \$561 for a net cash payment of \$3,182 and an annual total of \$38,180.

KRVM, through the Eugene School District, entered into an agreement on January 1, 2013 with Central Lincoln People's Utility District for the usage of and ability to install equipment on a building and a tower, which expired on December 31, 2016. KRVM is in the process of drafting a new agreement with the Utility District for continued use of the tower and equipment. The monthly payments were \$166 for a total annual expense for the year ended June 30, 2016 of \$1,996.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

9. OPERATING LEASES (CONTINUED)

On July 1, 2015 KRVM, through the Eugene School District, entered into an agreement to extend a prior lease with the City of Oakridge for a communications site to last until July 1, 2020. The monthly rent for the lease is \$1, for an annual total of \$12.

Future minimum lease payments for each contract are:

	<u>California Oregon Broadcasting, Inc.</u>	<u>Combined Communication</u>	<u>Central Lincoln Public Utility District</u>	<u>City of Oakridge</u>	<u>Totals</u>
Future Payments					
2016-17	\$ 12,934	\$ 38,180	\$ 998	\$ 12	\$ 52,124
2017-18	-	38,180	-	12	38,192
2018-19	-	38,180	-	12	38,192
2019-20	-	-	-	12	12
Total	<u>\$ 12,934</u>	<u>\$ 114,540</u>	<u>\$ 998</u>	<u>\$ 48</u>	<u>\$ 128,520</u>

10. IN-KIND CONTRIBUTIONS

In-kind contributions of property and professional services recorded as revenue and expense in the accompanying statements of revenues, expenses and changes in net position consist of the estimated fair value for the following:

	<u>2016</u>	<u>2015</u>
Legal and Other Professional Services	\$ 120	\$ 1,663
Rental Value of Space	6,940	6,895
Station Operating Expense	39,817	42,731
Fundraising Membership	6,066	3,596
Total In-Kind Contributions	<u>\$ 52,943</u>	<u>\$ 54,885</u>

11. CONCENTRATIONS OF REVENUE

The Corporation for Public Broadcasting, KRVM's primary grantor agency, is a major source of grant revenue used for both operations and special projects. Should funding from CPB cease, the Station finances would be substantially impacted. There are currently no known indications that this funding will cease.

SUPPLEMENTARY INFORMATION

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KRVM - RADIO OF LANE COUNTY SCHOOL DISTRICT NO. 4J

Statements of Functional Expenses

For the Years Ended June 30, 2016 and 2015

2016

	Program Services			Total
	Production Planning	Broadcasting	Program Information	
Salaries, Wages and Benefits	\$ 72,847	\$ 97,254	\$ -	\$ 170,101
Property Services	-	51,392	-	51,392
Professional Services	-	24,819	-	24,819
Travel	-	-	-	-
Communication	-	-	8,480	8,480
Supplies and Materials	-	50	-	50
Non-consumable Items	-	-	-	-
Computer Software and Hardware	-	5,738	-	5,738
Dues and Fees	-	61	-	61
Depreciation	-	6,364	-	6,364
Total Expenses	\$ 72,847	\$ 185,678	\$ 8,480	\$ 267,005

2015

	Program Services			Total
	Production Planning	Broadcasting	Program Information	
Salaries, Wages and Benefits	\$ 84,422	\$ 81,765	\$ -	\$ 166,187
Property Services	-	85,498	-	85,498
Professional Services	-	34,784	-	34,784
Travel	-	-	-	-
Communication	-	-	29,403	29,403
Supplies and Materials	-	3,953	-	3,953
Non-consumable Items	-	-	-	-
Computer Software and Hardware	-	787	-	787
Dues and Fees	-	432	-	432
Depreciation	-	62,808	-	62,808
Total Expenses	\$ 84,422	\$ 270,027	\$ 29,403	\$ 383,852

KRVM - RADIO OF LANE COUNTY SCHOOL DISTRICT NO. 4J

Statements of Functional Expenses

For the Years Ended June 30, 2016 and 2015

2016

	Support Services			Total
	Management and General	Membership Development	Underwriting and Grants	
Salaries, Wages and Benefits	\$ 125,538	\$ 31,393	\$ 97,267	\$ 254,198
Property Services	20,991	-	-	20,991
Professional Services	36,198	-	-	36,198
Travel	1,970	-	-	1,970
Communication	817	5,417	-	6,234
Supplies and Materials	14,060	26,122	-	40,182
Non-consumable Items	1,003	-	-	1,003
Computer Software and Hardware	857	-	-	857
Dues and Fees	808	-	-	808
Depreciation	-	-	-	-
Total Expenses	\$ 202,242	\$ 62,932	\$ 97,267	\$ 362,441

2015

	Support Services			Total
	Management and General	Membership Development	Underwriting and Grants	
Salaries, Wages and Benefits	\$ 116,203	\$ 30,935	\$ 103,342	\$ 250,480
Property Services	11,744	-	-	11,744
Professional Services	17,616	-	-	17,616
Travel	928	-	-	928
Communication	401	8,342	-	8,743
Supplies and Materials	8,615	4,402	-	13,017
Non-consumable Items	92	-	-	92
Computer Software and Hardware	114	-	-	114
Dues and Fees	5,763	-	-	5,763
Depreciation	-	-	-	-
Total Expenses	\$ 161,476	\$ 43,679	\$ 103,342	\$ 308,497