Southern Illinois University Carbondale

SIU Broadcasting Service

(WSIU Public Broadcasting)

Financial Statements
for the Year Ended June 30, 2014
Table of Contents

Independent Auditors’ Report 3
Management’s Discussion and Analysis 6
Statement of Net Position 11
Statement of Revenues, Expenses and Changes in Net Position 12
Statement of Cash Flows 14
Notes to Financial Statements 16
Schedule of Functional Expenses – Combined 28
Schedule of Functional Expenses – TV 29
Schedule of Functional Expenses – FM 30
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards 31
Independent Auditors' Report

The Board of Trustees
Southern Illinois University

Report on the Financial Statements

We have audited the accompanying financial statements of Southern Illinois University Broadcasting Service (SIU Broadcasting Service, a/k/a WSIU Public Broadcasting) as of and for the year ended June 30, 2014, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the
entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of SIU Broadcasting Service as of June 30, 2014, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited SIU Broadcasting Service’s 2013 financial statements, and our report dated December 18, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

As discussed in Note 1, the financial statements of SIU Broadcasting Service are intended to present the financial position, the changes in financial position, and cash flows of only SIU Broadcasting Service’s portion of Southern Illinois University’s financial position, the changes in financial position, and cash flows attributable to the transactions of the SIU Broadcasting Service. They do not purport to, and do not, present fairly the financial position of Southern Illinois University as of June 30, 2014, the changes in its financial position or its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 6 - 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the
required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying Schedules of Functional Expenses for the year ended June 30, 2014, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 23, 2014, on our consideration of SIU Broadcasting Service’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering SIU Broadcasting Service’s internal control over financial reporting and compliance.

Springfield, Illinois
December 23, 2014
Southern Illinois University Broadcasting Service
Management’s Discussion and Analysis
June 30, 2014

The following discussion and analysis of the financial statements of WSIU Public Broadcasting which includes WSIU/WUSI TV & WSIU/WUSI/VWSI FM STATIONS provides an overview of the SIU Broadcasting Service financial activities for the year ended June 30, 2014 with comparative information for the year ended June 30, 2013. This discussion and analysis focuses on the financial activities of the Broadcasting Service, a public service unit housed within Academic Affairs in the College of Mass Communication and Media Arts at Southern Illinois University Carbondale (University). Complete financial statements for Southern Illinois University may be obtained from the University directly. This discussion has been prepared by management and should be read in conjunction with the financial statements and related footnotes.

Introduction

The financial statements are prepared in accordance with guidance found in the statements issued by the Governmental Accounting Standards Board (GASB), including the financial reporting format and underlying concepts for public higher education reporting of GASB Statement No. 35, "Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges and Universities."

As required by accounting principles, the annual report consists of three basic financial statements that provide information on the WSIU Public Broadcasting Service as a whole: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. Each of these statements will be discussed.

Financial Highlights

Statement of Net Position

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Net Position is the difference between assets and liabilities and is one way to measure the financial health of WSIU Public Broadcasting.

The Statement of Net Position presents end-of-year data concerning assets (current and non-current), liabilities (current and non-current), and net position. In general, current assets are those that are available to satisfy current liabilities. Current liabilities are usually those that will be paid within one year of the date of the Statement of Net Position.

Net Position represents the difference between WSIU Public Broadcasting assets and liabilities and are divided into three major categories. The first category, net investment in capital assets, represents WSIU Broadcasting’s equity in property, plant and equipment. The next asset category is restricted net position, which is divided into two categories, non-expendable and expendable. Non-expendable restricted net position consists of endowments with specific restrictions requiring that the principal be invested and only the earnings be used. Expendable restricted net position is available for expenditure by WSIU but must be spent for purposes as determined by donors or other external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position, which represents balances from operational activities that have not been restricted by external parties and are available for use by WSIU Public Broadcasting.
The following summarizes the WSIU Public Broadcasting’s assets, liabilities, and net position at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$923,351</td>
<td>$868,898</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>2,746,279</td>
<td>3,327,524</td>
</tr>
<tr>
<td>Restricted assets</td>
<td>139,677</td>
<td>124,563</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$3,809,307</td>
<td>$4,320,985</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$466,065</td>
<td>$276,721</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>2,746,279</td>
<td>3,327,524</td>
</tr>
<tr>
<td>Non-expendable restricted</td>
<td>109,973</td>
<td>108,009</td>
</tr>
<tr>
<td>Expendable restricted</td>
<td>189,475</td>
<td>228,185</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>297,515</td>
<td>380,546</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>3,343,242</td>
<td>4,044,264</td>
</tr>
<tr>
<td><strong>Total Net Position and Liabilities</strong></td>
<td>$3,809,307</td>
<td>$4,320,985</td>
</tr>
</tbody>
</table>

**Statement of Revenues, Expenses and Changes in Net Position**

The changes in total net position as presented on the Statement of Net Position are based on the activities presented in the Statement of Revenues, Expenses and Changes in Net Position. The statement presents the operating results of WSIU Public Broadcasting, as well as the non-operating revenues and expenses.

In general, operating revenues are received for providing educational programs, goods and production services to agencies outside of the University to the public and private sector. Operating revenues from grants and contracts are from activities that have the characteristics of exchange transactions. In an exchange transaction, both parties receive a material benefit from the transaction. Operating expenses are those expenses paid to acquire goods or services provided in return for the operating revenues, and to carry out the mission of WSIU Public Broadcasting. Non-operating revenues and expenses include state capital appropriations, investment income and capital grants. State appropriations are mandated as non-operating because they are provided by the legislature to the University without the legislature directly receiving commensurate goods and services for those revenues. Therefore, an operating loss will always result.
The following summarizes the WSIU Public Broadcasting's financial activity for fiscal years ended June 30, 2014 and 2013:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended June 30, 2014</th>
<th>Year Ended June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating grants</td>
<td>$1,370,323</td>
<td>$1,247,832</td>
</tr>
<tr>
<td>Local support</td>
<td>982,308</td>
<td>992,455</td>
</tr>
<tr>
<td>Special events</td>
<td>7,243</td>
<td>9,520</td>
</tr>
<tr>
<td>Project grants</td>
<td>39,712</td>
<td>74,554</td>
</tr>
<tr>
<td>Production and uplink</td>
<td>3,587</td>
<td>51,982</td>
</tr>
<tr>
<td>University support</td>
<td>2,476,070</td>
<td>2,600,042</td>
</tr>
<tr>
<td>Other</td>
<td>171,254</td>
<td>152,432</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>5,050,497</td>
<td>5,128,817</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>(6,997,023)</td>
<td>(7,058,760)</td>
</tr>
<tr>
<td><strong>Operating Loss</strong></td>
<td>(1,946,526)</td>
<td>(1,929,943)</td>
</tr>
<tr>
<td><strong>Non-operating revenues - net</strong></td>
<td>1,245,504</td>
<td>1,837,023</td>
</tr>
<tr>
<td><strong>Decrease in Net Position</strong></td>
<td>(701,022)</td>
<td>(92,920)</td>
</tr>
<tr>
<td><strong>Net Position, Beginning of Year</strong></td>
<td>4,044,264</td>
<td>4,137,184</td>
</tr>
<tr>
<td><strong>Net Position, End of Year</strong></td>
<td>$3,343,242</td>
<td>$4,044,264</td>
</tr>
</tbody>
</table>

The Statement of Revenues, Expenses and Changes in Net Position reflects a loss resulting in a decrease in the net position at the end of the year.
Operating Expenses (by functional classification)

A summary of WSIU Public Broadcasting's operating expenses by functional classification for fiscal years ended June 30, 2014 and 2013 is as follows:

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>Year Ended June 30, 2014</th>
<th>Year Ended June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local programming and production</td>
<td>$ 3,486,080</td>
<td>$ 3,367,663</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>1,041,621</td>
<td>1,079,886</td>
</tr>
<tr>
<td>Program information</td>
<td>337,583</td>
<td>385,711</td>
</tr>
<tr>
<td>Fund raising and membership development</td>
<td>373,391</td>
<td>466,891</td>
</tr>
<tr>
<td>Underwriting and grant solicitation</td>
<td>271,477</td>
<td>149,531</td>
</tr>
<tr>
<td>Management and general administration</td>
<td>783,774</td>
<td>889,879</td>
</tr>
<tr>
<td>Depreciation</td>
<td>703,097</td>
<td>719,199</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>$ 6,997,023</strong></td>
<td><strong>$ 7,058,760</strong></td>
</tr>
</tbody>
</table>

Statement of Cash Flows

The Statement of Cash Flows presents detailed information about the cash activities of WSIU Public Broadcasting during the fiscal year. This statement helps users assess the WSIU Public Broadcasting's ability to generate net cash flows, its ability to meet obligations as they come due, and its need for external financing.

The WSIU Public Broadcasting's statement uses the direct method presentation, which indicates the cash effects categorized by operations, non-capital financing activities, capital and related financing activities, and investing activities.

A summary of the WSIU Public Broadcasting's cash flow for fiscal years ended June 30, 2014 and 2013 is as follows:

<table>
<thead>
<tr>
<th>Cash Provided By (Used In)</th>
<th>Year Ended June 30, 2014</th>
<th>Year Ended June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td>$ (1,383,737)</td>
<td>$ (1,111,917)</td>
</tr>
<tr>
<td>Non-capital financing activities</td>
<td>1,049,004</td>
<td>979,218</td>
</tr>
<tr>
<td>Capital financing and related financing activities</td>
<td>90,921</td>
<td>62,978</td>
</tr>
<tr>
<td>Investing activities</td>
<td>3,543</td>
<td>3,686</td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalents</td>
<td>(240,269)</td>
<td>(66,035)</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>595,447</td>
<td>661,482</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents, End of Year</strong></td>
<td><strong>$ 355,178</strong></td>
<td><strong>$ 595,447</strong></td>
</tr>
</tbody>
</table>
Capital Asset and Debt Administration

WSIU Public Broadcasting has no long-term debt activity.

Economic Outlook

Fiscal year 2014 appropriations for higher education operations were approved by the State of Illinois and the funding level was flat compared to the fiscal year 2013 appropriations. The State continues to work on plans to fix the retirement payment shortfall in future years. The University State appropriations for 2015 were the same as 2014 continuing the flat budget. The State of Illinois passed a retirement plan for future years that will require public universities and employees to contribute more toward the cost of retirement which will impact future funding.

WSIU Public Broadcasting's 2014 state appropriated funds have not been held as a contingency by the University and consist of salary dollars allocated to pay WSIU staff wages. For fiscal years 2003 through 2014, each unit has been asked to streamline operations, reallocating funds, reviewing priorities and utilizing other efficiency measures. The economic downturn impacted the ability to raise funds for the years 2009, 2010, 2011, 2012, 2013, and 2014 for both the state and university. The outlook for 2015 is unknown but does not look favorable for current funding levels.

The administrative staff continues to develop a long-term strategy to increase net fundraising revenues from all external funding sources to support the mission and goals of WSIU Public Broadcasting.
Southern Illinois University Broadcasting Service  
Statement of Net Position  
June 30, 2014 (with Comparative Totals for 2013)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>FM</th>
<th>TOTAL</th>
<th>2013 (Comparative Totals Only)</th>
<th>TV</th>
<th>FM</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest in pooled cash</td>
<td>$</td>
<td>-</td>
<td>$ 713,520</td>
<td>$ 713,520</td>
<td>$</td>
<td>-</td>
<td>$ 648,690</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>45,481</td>
<td>53,865</td>
<td>99,346</td>
<td>51,396</td>
<td>22,768</td>
<td>74,164</td>
<td></td>
</tr>
<tr>
<td>Grants receivable</td>
<td>89,700</td>
<td>26,765</td>
<td>110,485</td>
<td>133,822</td>
<td>12,222</td>
<td>146,044</td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>135,181</td>
<td>788,170</td>
<td>923,351</td>
<td>185,218</td>
<td>683,680</td>
<td>868,898</td>
<td></td>
</tr>
<tr>
<td><strong>Non-current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>139,677</td>
<td>-</td>
<td>139,677</td>
<td>124,563</td>
<td>-</td>
<td>124,563</td>
<td></td>
</tr>
<tr>
<td><strong>Total Restricted Assets</strong></td>
<td>139,677</td>
<td>-</td>
<td>139,677</td>
<td>124,563</td>
<td>-</td>
<td>124,563</td>
<td></td>
</tr>
<tr>
<td><strong>Capital Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>21,194</td>
<td>2,193</td>
<td>23,387</td>
<td>21,194</td>
<td>2,193</td>
<td>23,387</td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>7,697,505</td>
<td>508,820</td>
<td>8,206,325</td>
<td>7,697,505</td>
<td>508,820</td>
<td>8,206,325</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>4,731,799</td>
<td>828,952</td>
<td>5,560,751</td>
<td>4,940,650</td>
<td>828,952</td>
<td>5,769,602</td>
<td></td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(9,781,799)</td>
<td>(1,262,385)</td>
<td>(11,044,184)</td>
<td>(9,413,063)</td>
<td>(1,258,727)</td>
<td>(10,671,790)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Capital Assets, net</strong></td>
<td>2,688,699</td>
<td>77,580</td>
<td>2,766,279</td>
<td>3,246,266</td>
<td>81,238</td>
<td>3,327,524</td>
<td></td>
</tr>
<tr>
<td><strong>Total Non-current Assets</strong></td>
<td>2,808,376</td>
<td>77,580</td>
<td>2,885,956</td>
<td>3,370,849</td>
<td>81,238</td>
<td>3,452,087</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 2,943,557</td>
<td>$ 865,750</td>
<td>$ 3,809,307</td>
<td>$ 3,556,067</td>
<td>$ 764,918</td>
<td>$ 4,320,985</td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities and Net Position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overdraft in pooled cash</td>
<td>$ 358,342</td>
<td>-</td>
<td>$ 358,342</td>
<td>$ 53,243</td>
<td>$</td>
<td>-</td>
<td>$ 53,243</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>33,138</td>
<td>10,301</td>
<td>43,439</td>
<td>58,032</td>
<td>133,738</td>
<td>191,770</td>
<td></td>
</tr>
<tr>
<td>Accrued salaries</td>
<td>37,424</td>
<td>5,101</td>
<td>42,525</td>
<td>8,072</td>
<td>2,568</td>
<td>10,640</td>
<td></td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>11,105</td>
<td>10,654</td>
<td>21,759</td>
<td>13,054</td>
<td>8,014</td>
<td>21,068</td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$ 440,009</td>
<td>26,056</td>
<td>466,065</td>
<td>132,401</td>
<td>144,320</td>
<td>276,721</td>
<td></td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>2,668,699</td>
<td>77,580</td>
<td>2,746,279</td>
<td>3,246,266</td>
<td>81,238</td>
<td>3,327,524</td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-expendable</td>
<td>109,973</td>
<td>-</td>
<td>109,973</td>
<td>108,009</td>
<td>-</td>
<td>108,009</td>
<td></td>
</tr>
<tr>
<td>Expendable</td>
<td>77,700</td>
<td>111,775</td>
<td>189,475</td>
<td>105,007</td>
<td>123,178</td>
<td>228,185</td>
<td></td>
</tr>
<tr>
<td>Unrestricted (deficit)</td>
<td>(352,824)</td>
<td>650,339</td>
<td>297,515</td>
<td>(35,636)</td>
<td>416,182</td>
<td>380,546</td>
<td></td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>2,503,548</td>
<td>839,694</td>
<td>3,343,242</td>
<td>3,423,666</td>
<td>620,598</td>
<td>4,044,264</td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Position</strong></td>
<td>$ 2,943,557</td>
<td>$ 865,750</td>
<td>$ 3,809,307</td>
<td>$ 3,556,067</td>
<td>$ 764,918</td>
<td>$ 4,320,985</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
Southern Illinois University Broadcasting Service  
Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended June 30, 2014 (With Comparative Totals for 2013)

<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TV</td>
<td>FM</td>
</tr>
<tr>
<td>Operating grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State of Illinois grant</td>
<td>$190,300</td>
<td>$26,000</td>
</tr>
<tr>
<td>CPB CSG grant</td>
<td>964,490</td>
<td>199,533</td>
</tr>
<tr>
<td>Local support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership income</td>
<td>281,140</td>
<td>159,777</td>
</tr>
<tr>
<td>Contributions</td>
<td>1,405</td>
<td>1,602</td>
</tr>
<tr>
<td>Underwriting</td>
<td>281,440</td>
<td>254,067</td>
</tr>
<tr>
<td>Local SIRIS Support</td>
<td>-</td>
<td>2,368</td>
</tr>
<tr>
<td>Special events</td>
<td>11,000</td>
<td>28,712</td>
</tr>
<tr>
<td>Project grants</td>
<td>3,587</td>
<td>-</td>
</tr>
<tr>
<td>Production and uplink activities</td>
<td>281,649</td>
<td>159,777</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal work study</td>
<td>24,257</td>
<td>10,726</td>
</tr>
<tr>
<td>Tower rental income</td>
<td>7,560</td>
<td>70,969</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>57,743</td>
<td>-</td>
</tr>
<tr>
<td>University support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>288,025</td>
<td>76,500</td>
</tr>
<tr>
<td>Personnel related</td>
<td>129,548</td>
<td>2,342</td>
</tr>
<tr>
<td>Indirect-in-kind services and materials</td>
<td>617,589</td>
<td>216,636</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>3,717,469</td>
<td>1,333,028</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TV</td>
<td>FM</td>
</tr>
<tr>
<td>Local programming and production</td>
<td>2,622,214</td>
<td>863,866</td>
</tr>
<tr>
<td>Broadcasting</td>
<td>878,083</td>
<td>163,538</td>
</tr>
<tr>
<td>Program Information</td>
<td>268,738</td>
<td>68,845</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising (Membership)</td>
<td>224,746</td>
<td>148,645</td>
</tr>
<tr>
<td>Underwriting</td>
<td>153,847</td>
<td>117,630</td>
</tr>
<tr>
<td>Management and general</td>
<td>621,663</td>
<td>162,121</td>
</tr>
<tr>
<td>Depreciation</td>
<td>699,439</td>
<td>3,658</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>5,488,720</td>
<td>1,528,303</td>
</tr>
<tr>
<td>Operating Loss</td>
<td>(1,751,251)</td>
<td>(195,275)</td>
</tr>
</tbody>
</table>
Southern Illinois University Broadcasting Service
Statement of Revenues, Expenses and Changes in Net Position - Continued
For the Year Ended June 30, 2014 (With Comparative Totals for 2013)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TV</td>
<td>FM</td>
</tr>
<tr>
<td><strong>Non Operating Revenues (Expenses)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State of Illinois University direct appropriations</td>
<td>$738,558</td>
<td>$310,446</td>
</tr>
<tr>
<td>PBS WARN Generator Grant</td>
<td>(9,980)</td>
<td>-</td>
</tr>
<tr>
<td>USDA Grant</td>
<td>187,823</td>
<td>-</td>
</tr>
<tr>
<td>Investment income</td>
<td>18,657</td>
<td>-</td>
</tr>
<tr>
<td>Equipment donation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Non Operating Revenues</strong></td>
<td>935,058</td>
<td>310,446</td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td>(816,193)</td>
<td>115,171</td>
</tr>
<tr>
<td>Net Position, Beginning of Year</td>
<td>3,423,666</td>
<td>620,598</td>
</tr>
<tr>
<td>Reallocation of Net Position</td>
<td>(103,925)</td>
<td>103,925</td>
</tr>
<tr>
<td><strong>Net Position, End of Year</strong></td>
<td>$2,503,548</td>
<td>$839,694</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
Southern Illinois University Broadcasting Service
Statement of Cash Flows
For the Year Ended June 30, 2014 (With Comparative Totals for 2013)

<table>
<thead>
<tr>
<th>Cash Flows From Operating Activities</th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received from customers</td>
<td>$635,941</td>
<td>$631,885</td>
</tr>
<tr>
<td>Cash operating grants</td>
<td>1,141,688</td>
<td>1,105,262</td>
</tr>
<tr>
<td>Gifts and contributions</td>
<td>25,662</td>
<td>58,942</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(1,275,568)</td>
<td>(1,369,088)</td>
</tr>
<tr>
<td>Payments for goods and services</td>
<td>(1,561,919)</td>
<td>(1,450,768)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Cash Used in Operating Activities</td>
<td>(1,034,196)</td>
<td>(1,023,767)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows From Noncapital Financing Activities</th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>738,558</td>
<td>703,867</td>
</tr>
<tr>
<td></td>
<td>310,446</td>
<td>275,351</td>
</tr>
<tr>
<td></td>
<td>1,049,004</td>
<td>979,218</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Cash Provided By Noncapital Financing Activities</th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>738,558</td>
<td>703,867</td>
</tr>
<tr>
<td></td>
<td>310,446</td>
<td>275,351</td>
</tr>
<tr>
<td></td>
<td>1,049,004</td>
<td>979,218</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows From Capital and Related Financing Activities</th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reallocation of net position for capital</td>
<td>(103,925)</td>
<td>31,328</td>
</tr>
<tr>
<td>Capital grants received</td>
<td>236,070</td>
<td>764,814</td>
</tr>
<tr>
<td>Payments for capital acquisitions</td>
<td>(145,149)</td>
<td>(696,226)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5,610)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(701,836)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Cash Provided By (Used In) Capital and Related Financing Activities</th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(13,004)</td>
<td>99,916</td>
</tr>
<tr>
<td></td>
<td>103,925</td>
<td>(36,938)</td>
</tr>
<tr>
<td></td>
<td>90,921</td>
<td>62,978</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities</th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest payments received</td>
<td>18,657</td>
<td>13,606</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(15,114)</td>
<td>(9,920)</td>
</tr>
<tr>
<td></td>
<td>(3,543)</td>
<td>(3,686)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Cash Provided By Investing Activities</th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,543</td>
<td>3,686</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Increase (Decrease) in Cash and Cash Equivalents</th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(305,099)</td>
<td>(216,298)</td>
</tr>
<tr>
<td></td>
<td>64,830</td>
<td>150,263</td>
</tr>
<tr>
<td></td>
<td>(240,269)</td>
<td>(66,035)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and Cash Equivalents (Overdraft), Beginning of Year</th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(53,243)</td>
<td>163,055</td>
</tr>
<tr>
<td></td>
<td>648,690</td>
<td>498,427</td>
</tr>
<tr>
<td></td>
<td>595,447</td>
<td>661,482</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash and Cash Equivalents (Overdraft), End of Year</th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(358,342)</td>
<td>(53,243)</td>
</tr>
<tr>
<td></td>
<td>713,520</td>
<td>$ 648,690</td>
</tr>
<tr>
<td></td>
<td>$ 355,178</td>
<td>595,447</td>
</tr>
</tbody>
</table>
Southern Illinois University Broadcasting Service
Statement of Cash Flows - Continued
For the Year Ended June 30, 2014 (With Comparative Totals for 2013)

<table>
<thead>
<tr>
<th>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</th>
<th>2014</th>
<th>2013 (Comparative Totals Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Loss</td>
<td>$(1,751,251)</td>
<td>$(1,728,441)</td>
</tr>
<tr>
<td>Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>699,439</td>
<td>708,629</td>
</tr>
<tr>
<td>Change in assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>5,915</td>
<td>(21,722)</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>(14,102)</td>
<td>18,203</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(1,690)</td>
<td>3,557</td>
</tr>
<tr>
<td>Accrued salaries</td>
<td>29,352</td>
<td>21,803</td>
</tr>
<tr>
<td>Deferred revenues</td>
<td>(1,949)</td>
<td>(1,042)</td>
</tr>
<tr>
<td>Total adjustments</td>
<td>717,055</td>
<td>704,674</td>
</tr>
<tr>
<td>Net Cash Used in Operating Activities</td>
<td>$(1,034,196)</td>
<td>$(1,023,767)</td>
</tr>
</tbody>
</table>

Non-cash Capital and Related Financing Activity

<table>
<thead>
<tr>
<th>Equipment donation</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$35,261</td>
<td>$35,261</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
1. Organization Description

WSIU Public Broadcasting is a public telecommunications service operated by Southern Illinois University (University) as part of the Academic Affairs department within the College of Mass Communication and Media Arts located at the University's campus in Carbondale, Illinois. WSIU Public Broadcasting consists of WSlU-TV and WSIU-FM of Carbondale, IL; WUSI-TV and WUSI-FM of Olney, IL; and WWSI-FM of Mount Vernon, IL.

WSIU Public Broadcasting is a part of the University as a whole, and thus, for financial reporting purposes the financial balances and activities included in these financial statements are also included in the University's financial statements. These financial statements present only SIU Broadcasting Service, and do not purport to, and do not, present fairly the financial position of Southern Illinois University as of June 30, 2014, and changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

2. Summary of Significant Accounting Principles

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 35, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities. SIU Broadcasting Service now follows the business-type activity reporting requirements of GASB Statement No. 35 that provides a comprehensive, entity-wide perspective of WSIU Public Broadcasting’s financial activities and replaces the fund group presentation previously required.

For financial reporting purposes, WSIU Public Broadcasting is considered a part of the University, and thus, like the University is a special-purpose government engaged only in business-type activities. Accordingly, WSIU Public Broadcasting’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting applicable to public colleges and universities. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation to pay has been incurred. All significant intra-agency transactions have been eliminated.

The accounts of WSIU Public Broadcasting are still maintained internally in accordance with the principles of fund accounting. Under fund accounting, resources are classified for accounting and reporting purposes into funds according to specified activities or objectives.
Southern Illinois University Broadcasting Service
Notes to Financial Statements
For the Year Ended June 30, 2014

2. Summary of Significant Accounting Principles - Continued

Prior Year Information

The basic financial statements include certain prior year partial comparative information, which has been derived from WSIU Public Broadcasting's 2013 financial statements. Such information does not include all disclosures required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the WSIU Public Broadcasting's financial statements for the year ended June 30, 2013.

Cash and Cash Equivalents

To provide for efficiencies and economies in their management, the University has pooled its cash and investments, except for certain funds that are required by bond resolution to be in separate accounts. Interest in pooled cash at June 30, 2014 represents WSIU Public Broadcasting's share of this pooled cash account.

Cash deposits and cash equivalents of the University include bank accounts and investments with original maturities of ninety days or less at the time of purchase, primarily U.S. Treasury Bills and money market funds. The University classifies its investment in The Illinois Funds as a deposit for financial statement purposes.

The University's investments are reported at fair value. The fair value is determined to be the amount at which financial instruments could be exchanged in current transactions between willing partners, usually quoted at market prices. It is University policy to invest funds in a manner which will provide investment returns and security consistent with good business practices, while meeting the daily cash flow demands of the University and conforming to all statutes governing the investment of funds.

Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position.

Additional information regarding the University's deposits and investments may be obtained from the financial statements of Southern Illinois University, a copy of which may be obtained by writing Southern Illinois University, Board Treasurer, 1400 Douglas Drive, Mailcode 6801, Carbondale, Illinois 62901.

Accounts Receivable

Accounts receivable represent uncollected underwriting revenue, uncollected promises-to-give, and monthly rental payments due under lease agreements for the right to utilize space on transmission towers. WSIU Public Broadcasting considers receivables to be fully collectible. If they become uncollectible, they will be charged to operations when that determination is made.
2. Summary of Significant Accounting Principles - Continued

Capital Assets

Capital assets are recorded at cost at the date of acquisition or at the fair market value at the date of donation in the case of gifts. In accordance with accounting principles generally accepted in the United States of America for public colleges and universities, depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following month prorate convention is being used, in which no depreciation is recorded in the month of acquisition and an entire month of depreciation is recorded in the month of disposition. Capitalization thresholds and useful lives are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Threshold</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$</td>
<td>Not depreciated</td>
</tr>
<tr>
<td>Improvements</td>
<td>25,000</td>
<td>15 years</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>1,000,000</td>
<td>20 years</td>
</tr>
<tr>
<td>Buildings</td>
<td>100,000</td>
<td>40 years</td>
</tr>
<tr>
<td>Building improvements</td>
<td>25,000</td>
<td>15 years</td>
</tr>
<tr>
<td>Equipment</td>
<td>5,000</td>
<td>5-7 years</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>100,000</td>
<td>7-20 years</td>
</tr>
</tbody>
</table>

Electronic data processing equipment is depreciated over 5 years. Other equipment is depreciated over 7 years.

Net Position

WSIU Public Broadcasting's net position is classified as follows:

- Invested in capital assets: This represents the total investment in capital assets, net of accumulated depreciation
- Restricted net position, non-expendable: Restricted non-expendable net position consist of endowments with specific restrictions requiring that the principal be invested and only the earnings be used.
- Restricted net position, expendable: Restricted expendable net position include resources in which WSIU Public Broadcasting is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.
- Unrestricted net position: Unrestricted net position represents resources that have not been restricted by external parties and are available for use by WSIU Public Broadcasting.

It is WSIU Public Broadcasting's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for the purposes for which both restricted and unrestricted net position are available.
Southern Illinois University Broadcasting Service  
Notes to Financial Statements  
For the Year Ended June 30, 2014

2. Summary of Significant Accounting Principles - Continued

Donor-restricted Endowments

Donor-restricted endowments are held and administered by the Southern Illinois University Foundation. The Foundation holds the funds as agency funds based upon and consistent with the desire of the donor.

The State of Illinois adopted the Uniform Prudent Managements of Institutional Funds Act (UPMIFA), effective June 30, 2009. UPMIFA added certain prudent spending measures to the Uniform Management of Institutional Funds Act. In accordance with UPMIFA, the Board of Directors of Southern Illinois University Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund; general economic conditions; the possible of inflation and deflation; the expected total return from income and the appreciation of investments; other resources of the institution; and the investment policies of the Foundation.

Revenue Recognition

WSIU Public Broadcasting has classified its revenues as either operating or non-operating revenues as follows:

Operating revenues include activities that have the characteristics of exchange transactions, such as providing educational programs, goods and production services to the public and private sector, and include most grants and contracts.

Non-operating revenues include activities that have the characteristics of non-exchange transactions, and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities that Use Proprietary Fund Accounting, and GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, such as state appropriations, investment income, and capital grants. Appropriations made to the University from the State of Illinois General Revenue Fund are recognized as non-operating revenues in the year appropriated to the extent expended. Other non-operating revenues include transactions relating to capital and financial activities, non-capital financing activities, and investing activities.

Grants are recorded as revenue when all applicable eligibility requirements have been met.

University Support

Facilities allocated from the University consist of office and studio space together with related occupancy costs and are recorded in revenue and expense on a prorated basis. Administrative support from the University consists of adjusted allocated financial and physical plant charges incurred by the University on behalf of WSIU Public Broadcasting.
2. Summary of Significant Accounting Principles - Continued

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Revenues, Expenses, and Changes in Net Position. Accordingly, certain costs have been allocated among the programs and supporting services benefited, using estimates if necessary.

Use of Estimates

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

Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through December 23, 2014, which is the date the financial statements were available to be issued. Through December 23, 2014, no subsequent events required recognition or disclosure in the financial statements.

3. Accounts and Grants Receivable

Accounts and grants receivable consisted of the following at June 30, 2014:

<table>
<thead>
<tr>
<th>Accounts and grants receivable</th>
<th>TV</th>
<th>FM</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memberships</td>
<td>$23,945</td>
<td>$6,270</td>
<td>$30,215</td>
</tr>
<tr>
<td>Underwriting</td>
<td>21,536</td>
<td>47,595</td>
<td>69,131</td>
</tr>
<tr>
<td>Total accounts receivable</td>
<td>$45,481</td>
<td>$53,865</td>
<td>$99,346</td>
</tr>
<tr>
<td>Grants receivable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State of Illinois</td>
<td>$89,700</td>
<td>$20,785</td>
<td>$110,485</td>
</tr>
<tr>
<td>Total grants receivable</td>
<td>$89,700</td>
<td>$20,785</td>
<td>$110,485</td>
</tr>
</tbody>
</table>
Southern Illinois University Broadcasting Service  
Notes to Financial Statements  
For the Year Ended June 30, 2014

4. Restricted Assets

Restricted assets consist of life insurance policies and shares of an investment pool, both of which are held and administered by the Southern Illinois University Foundation. The shares of the investment pool are stated at fair value. During fiscal year 2014, WSIU Public Broadcasting’s share of realized gains on investments totaled $10,431 and unrealized gains on investments totaled $8,226, resulting in a balance of $115,869 held by the Foundation for WSIU Public Broadcasting at June 30, 2014. The Foundation distributes earnings to the University on a quarterly basis. Payments during fiscal year 2014 for WSIU Public Broadcasting totaled $3,777.

The life insurance policies are stated at net cash surrender value.

Fair values and unrealized appreciation at June 30, 2014 are summarized as follows:

<table>
<thead>
<tr>
<th>Restricted assets</th>
<th>Cost</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life insurance policies</td>
<td>$23,808</td>
<td>$23,808</td>
</tr>
<tr>
<td>Shares of Foundation investment pool</td>
<td>$86,165</td>
<td>115,869</td>
</tr>
<tr>
<td><strong>Total restricted assets</strong></td>
<td><strong>$109,973</strong></td>
<td><strong>$139,677</strong></td>
</tr>
</tbody>
</table>

Further information regarding the investments held by the Foundation may be obtained from the financial statements of Southern Illinois University Foundation.

5. Investment Income

The following schedule summarizes the investment return and its classification in the Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2014:

<table>
<thead>
<tr>
<th>Investment returns</th>
<th>Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net realized/unrealized losses</td>
<td>$18,657</td>
</tr>
</tbody>
</table>

6. Non-expendable Restricted Net Position

Non-expendable restricted net position is available for the following purposes at June 30, 2014:

<table>
<thead>
<tr>
<th>Donor-restricted endowments</th>
<th>TV</th>
<th>FM</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>WSIU/WUSI Future Excellence</td>
<td>$91,405</td>
<td></td>
<td>$91,405</td>
</tr>
<tr>
<td>O'Brien Student of Year</td>
<td>$18,568</td>
<td></td>
<td>18,568</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$109,973</strong></td>
<td><strong>$</strong></td>
<td><strong>$109,973</strong></td>
</tr>
</tbody>
</table>
7. Expendable Restricted Net Position

Expendable restricted net position is available for the following purposes at June 30, 2014:

<table>
<thead>
<tr>
<th>Fund/Program</th>
<th>TV</th>
<th>FM</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIRIS FY14</td>
<td>$</td>
<td>$13,315</td>
<td>$13,315</td>
</tr>
<tr>
<td>SIRIS Various Grant</td>
<td>-</td>
<td>$37,044</td>
<td>$37,044</td>
</tr>
<tr>
<td>PBS Teacherline</td>
<td>1,745</td>
<td>-</td>
<td>1,745</td>
</tr>
<tr>
<td>WSIU FM CPB Restricted</td>
<td>-</td>
<td>$15,645</td>
<td>$15,645</td>
</tr>
<tr>
<td>WSIU Friends Board Campaign</td>
<td>16,214</td>
<td>40</td>
<td>16,254</td>
</tr>
<tr>
<td>Early Childhood Services</td>
<td>11,636</td>
<td>-</td>
<td>11,636</td>
</tr>
<tr>
<td>O’Brien Student of the Year</td>
<td>2,361</td>
<td>-</td>
<td>2,361</td>
</tr>
<tr>
<td>WSIU/WUSI Future Excellence</td>
<td>28,332</td>
<td>-</td>
<td>28,332</td>
</tr>
<tr>
<td>TV Equipment Support Fund</td>
<td>40</td>
<td>-</td>
<td>40</td>
</tr>
<tr>
<td>TV News Excellence Fund</td>
<td>4,289</td>
<td>-</td>
<td>4,289</td>
</tr>
<tr>
<td>WSIU/WUSI Development</td>
<td>3,047</td>
<td>-</td>
<td>3,047</td>
</tr>
<tr>
<td>K-12 Education Support</td>
<td>1,190</td>
<td>-</td>
<td>1,190</td>
</tr>
<tr>
<td>WSIU Community Outreach</td>
<td>3,825</td>
<td>-</td>
<td>3,825</td>
</tr>
<tr>
<td>SIRIS Outreach Fund</td>
<td>-</td>
<td>$36,270</td>
<td>$36,270</td>
</tr>
<tr>
<td>WSIU-FM Mt. Vernon Clear Signal</td>
<td>-</td>
<td>543</td>
<td>543</td>
</tr>
<tr>
<td>Electoral Coverage Support</td>
<td>360</td>
<td>-</td>
<td>360</td>
</tr>
<tr>
<td>FM Equipment Support Fund</td>
<td>-</td>
<td>571</td>
<td>571</td>
</tr>
<tr>
<td>FM Local Production Fund</td>
<td>-</td>
<td>4,877</td>
<td>4,877</td>
</tr>
<tr>
<td>FM News Excellence Fund</td>
<td>-</td>
<td>2,122</td>
<td>2,122</td>
</tr>
<tr>
<td>WSIU/WUSI FM Miscellaneous Income</td>
<td>-</td>
<td>696</td>
<td>696</td>
</tr>
<tr>
<td>SIRIS Equipment Support</td>
<td>-</td>
<td>652</td>
<td>652</td>
</tr>
<tr>
<td>Central Park Five Grant</td>
<td>4,661</td>
<td>-</td>
<td>4,661</td>
</tr>
</tbody>
</table>

**Total** $77,700 $111,775 $189,475
Southern Illinois University Broadcasting Service
Notes to Financial Statements
For the Year Ended June 30, 2014

8. Grants

WSIU Public Broadcasting is the recipient of several grant awards. During the fiscal year ended June 30, 2014, WSIU Public Broadcasting was awarded the following grant funds:

<table>
<thead>
<tr>
<th>Granting Agency</th>
<th>Grant Funds Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporation for Public Broadcasting</td>
<td>$ 1,154,023</td>
</tr>
<tr>
<td>State of Illinois Public Broadcasting/IAC</td>
<td>216,300</td>
</tr>
<tr>
<td>Illinois State Library</td>
<td>28,712</td>
</tr>
<tr>
<td>Other</td>
<td>11,000</td>
</tr>
<tr>
<td></td>
<td>$ 1,410,035</td>
</tr>
</tbody>
</table>

The Corporation for Public Broadcasting (CPB) provides a major source of funding for SIU Broadcasting Service. The operating grant for fiscal year 2014 was $1,154,023. The grant period is October 1, 2013 through September 30, 2015. The purpose of the grant is to augment the capability of CPB-qualified public broadcasting stations to expand the quality and scope of their services to the community.

The Illinois Arts Council grants are operating grants provided to help further WSIU Public Broadcasting’s mission of providing educational programs. The grant period is from October 15, 2013 through August 31, 2014.

The Illinois State Library grant funds were used to provide library services and augment media services to blind and physically handicapped residents within the coverage area of WSIU-FM/WUSI-FM. The grant period was from July 1, 2013 through June 30, 2014.
9. Capital Assets

A summary of the changes in capital assets is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance as of June 30, 2013</th>
<th>Additions</th>
<th>Deductions</th>
<th>Transfers</th>
<th>Balance as of June 30, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets not being depreciated Land</td>
<td>$23,387</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$23,387</td>
</tr>
<tr>
<td>Capital assets being depreciated Building</td>
<td>8,206,325</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,206,325</td>
</tr>
<tr>
<td>Equipment</td>
<td>5,769,602</td>
<td>123,391</td>
<td>-</td>
<td>(332,242)</td>
<td>5,560,751</td>
</tr>
<tr>
<td>Total capital assets being depreciated</td>
<td>13,975,927</td>
<td>123,391</td>
<td>-</td>
<td>(332,242)</td>
<td>13,767,076</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(10,671,790)</td>
<td>(703,097)</td>
<td>-</td>
<td>330,703</td>
<td>(11,044,184)</td>
</tr>
<tr>
<td>Total capital assets being depreciated, net</td>
<td>3,304,137</td>
<td>(579,706)</td>
<td>-</td>
<td>(1,539)</td>
<td>2,722,892</td>
</tr>
<tr>
<td>Total Capital Assets</td>
<td>$3,327,524</td>
<td>(579,706)</td>
<td>-</td>
<td>$ (1,539)</td>
<td>$2,746,279</td>
</tr>
</tbody>
</table>

10. Lease Commitments

WSIU Public Broadcasting currently has an operating lease agreement with Wabash Independent Networks Incorporated to lease space on the tower located at the 300 block of Old US-50 West, Flora, IL to transmit the digital television signal. The term of the lease is five years for the period July 1, 2012 to June 30, 2017. Lease payments are $8,000 annually.

WSIU Public Broadcasting currently has an operating lease agreement with Allied Wireless to lease land and space on the tower located at 15621 North 42nd Street, Mount Vernon, IL to transmit an FM radio signal. The term of the lease is ten years for the period July 1, 2012 to June 30, 2022. Lease payments are $4,800 annually.

WSIU Public Broadcasting currently has an operating lease agreement with Joink, LLC to lease space on the tower located at Terre Haute, IN to transmit its signal. The term of the lease is three years for the period March 1, 2011 to February 28, 2014. Lease payments are $4,800 annually. The lease is now month to month while negotiating a new lease.

Future minimum lease payments under these leases are as follows:

<table>
<thead>
<tr>
<th>Year ending June 30</th>
<th>Rental payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>12,800</td>
</tr>
<tr>
<td>2016</td>
<td>12,800</td>
</tr>
<tr>
<td>2017</td>
<td>12,800</td>
</tr>
<tr>
<td>2018</td>
<td>4,800</td>
</tr>
<tr>
<td>2019</td>
<td>4,800</td>
</tr>
<tr>
<td>2020-2022</td>
<td>14,400</td>
</tr>
</tbody>
</table>
11. State University Retirement System

Plan Description

The University, and therefore WSIU Public Broadcasting, contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of the state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents and other beneficiaries of state employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the Illinois Compiled Statutes. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing SURS, 1901 Fox Drive, Champaign, IL 61820 or by calling 1-800-275-7877.

Funding Policy

Plan members are required to contribute 8% of their annual covered salary, and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate is 35.8% of annually covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly. WSIU Public Broadcasting's contribution to SURS for the year ended June 30, 2014 was approximately $567,178, an amount equal to the required contributions for the year.

Like all employees of Southern Illinois University, employees of WSIU Public Broadcasting are covered in the pension plan of the University.
12. Post-Employment Benefits

The State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the Department of Healthcare and Family Services along with the Department of Central Management Services. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employee's Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes $5,000.

The State pays the WSIU Public Broadcasting's portion of employer costs for the benefits provided. The total cost of the State's portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as expenditure by the State in the Illinois Comprehensive Annual Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and their dependents.

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Healthcare and Family Services. A copy of the financial statements of the Department of Healthcare and Family Services may be obtained by writing to the Department of Healthcare and Family Services, 201 South Grand Ave., Springfield, Illinois, 62763-3838.

13. Commitments and Contingencies

The University and the WSIU Public Broadcasting, received monies from federal and state government agencies under grants and contracts for research and other activities, including medical service reimbursements. The costs, both direct and indirect, charged to these grants and contracts are subject to audit and disallowance by the granting agency. WSIU Public Broadcasting's management believes that any disallowances or adjustments would not have a material effect on WSIU Public Broadcasting's financial position.
Southern Illinois University Broadcasting Service
Notes to Financial Statements
For the Year Ended June 30, 2014

14. Reallocation of Net Position

WSIU Public Broadcasting is a Joint University licensee that maintains and administers both television and radio stations. WSIU has a fundraising process that solicits funds for the overall benefit of both television and radio. WSIU Public Broadcasting's revenue allocation policy for funds not specifically designated for Television or Radio is allocated 70% to television and 30% to radio. The pooled Capital Campaign funds and WSIU Public Broadcasting funds are an example of pooled funds for the benefit of both television and radio.

However, actual use of the funds may differ from the percentages indicated above. During the year ended June 30, 2014, the actual use and release of pooled funds resulted in adjustments to the cash flow and the net position between television and radio in the amount of $103,925.

15. Reclassification

Certain amounts in the prior-year comparative totals have been reclassified to conform to the presentation in the current-year financial statements.
## Schedule of Functional Expenses – Combined

**SOUTHERN ILLINOIS UNIVERSITY - SIU BROADCASTING SERVICES**

**Fiscal Year Ended June 30, 2014**

<table>
<thead>
<tr>
<th>Local Programming and Production</th>
<th>Broadcasting</th>
<th>Program Information</th>
<th>Fund Raising and Membership</th>
<th>Underwriting and Grant Solicitation</th>
<th>Management and General</th>
<th>Total (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$ 902,612</td>
<td>$ 292,975</td>
<td>$ 119,127</td>
<td>$ 117,875</td>
<td>$ 118,754</td>
<td>$ 333,684</td>
</tr>
<tr>
<td>Payroll taxes and employee benefits</td>
<td>393,799</td>
<td>120,704</td>
<td>50,742</td>
<td>57,769</td>
<td>59,214</td>
<td>158,737</td>
</tr>
<tr>
<td>Professional services, excluding in-kind contributions</td>
<td>43,244</td>
<td>33,664</td>
<td>2,850</td>
<td>17,936</td>
<td>28,296</td>
<td>31,745</td>
</tr>
<tr>
<td>Professional services and support, in-kind contributions</td>
<td>503,016</td>
<td>141,807</td>
<td>46,556</td>
<td>54,850</td>
<td>35,051</td>
<td>104,219</td>
</tr>
<tr>
<td>Supplies</td>
<td>10,816</td>
<td>20,325</td>
<td>4,924</td>
<td>2,684</td>
<td>856</td>
<td>5,152</td>
</tr>
<tr>
<td>Telephone</td>
<td>3,206</td>
<td>11,305</td>
<td>664</td>
<td>13,450</td>
<td>1,054</td>
<td>46,384</td>
</tr>
<tr>
<td>Postage</td>
<td>976</td>
<td>2,034</td>
<td>4,616</td>
<td>18,182</td>
<td>325</td>
<td>2,758</td>
</tr>
<tr>
<td>Advertising</td>
<td>1,188</td>
<td>-</td>
<td>52,962</td>
<td>140</td>
<td>949</td>
<td>4,826</td>
</tr>
<tr>
<td>Occupancy</td>
<td>170,742</td>
<td>220,815</td>
<td>16,463</td>
<td>4,143</td>
<td>2,072</td>
<td>46,757</td>
</tr>
<tr>
<td>Rental and maintenance of equipment</td>
<td>125,967</td>
<td>144,937</td>
<td>5,365</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>5,172</td>
<td>1,770</td>
<td>29,125</td>
<td>15,486</td>
<td>1,077</td>
<td>4,856</td>
</tr>
<tr>
<td>Travel</td>
<td>28,597</td>
<td>9,956</td>
<td>2,395</td>
<td>1,887</td>
<td>2,949</td>
<td>18,243</td>
</tr>
<tr>
<td>Operating taxes and licenses</td>
<td>159,985</td>
<td>2,645</td>
<td>47</td>
<td>-</td>
<td>-</td>
<td>4,952</td>
</tr>
<tr>
<td>Program acquisition</td>
<td>1,053,934</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous, excluding in-kind contributions</td>
<td>73,826</td>
<td>38,483</td>
<td>1,497</td>
<td>66,925</td>
<td>20,880</td>
<td>22,455</td>
</tr>
<tr>
<td>Miscellaneous, in-kind contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,864</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total** $3,486,080 $1,041,621 $337,563 $373,391 $271,477 $783,774 $6,293,928
Schedule of Functional Expenses – TV
SOUTHERN ILLINOIS UNIVERSITY – SIU BROADCASTING SERVICES
Fiscal Year Ended June 30, 2014

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>Local Programming and Production</th>
<th>Broadcasting</th>
<th>Program Information</th>
<th>Fund Raising and Membership</th>
<th>Underwriting and Grant Solicitation</th>
<th>Management and General</th>
<th>Total (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$ 663,114</td>
<td>$ 261,643</td>
<td>$ 95,767</td>
<td>$ 59,323</td>
<td>$ 59,508</td>
<td>$ 266,926</td>
<td>$ 1,409,281</td>
</tr>
<tr>
<td>Payroll taxes and employee benefits</td>
<td>286,222</td>
<td>105,038</td>
<td>41,653</td>
<td>28,914</td>
<td>26,817</td>
<td>126,983</td>
<td>618,432</td>
</tr>
<tr>
<td>Professional services, excluding in-kind contributions</td>
<td>37,939</td>
<td>29,323</td>
<td>2,280</td>
<td>12,555</td>
<td>26,296</td>
<td>21,797</td>
<td>132,190</td>
</tr>
<tr>
<td>Professional services and support, in-kind contributions</td>
<td>374,585</td>
<td>120,402</td>
<td>40,134</td>
<td>33,445</td>
<td>20,087</td>
<td>82,305</td>
<td>670,938</td>
</tr>
<tr>
<td>Office supplies</td>
<td>17,803</td>
<td>15,420</td>
<td>4,568</td>
<td>2,023</td>
<td>856</td>
<td>4,048</td>
<td>44,718</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>1,409</td>
<td>2,555</td>
<td>551</td>
<td>9,251</td>
<td>527</td>
<td>35,073</td>
<td>49,366</td>
</tr>
<tr>
<td>Postage</td>
<td>782</td>
<td>1,703</td>
<td>4,749</td>
<td>9,730</td>
<td>18</td>
<td>1,907</td>
<td>19,032</td>
</tr>
<tr>
<td>Advertising</td>
<td>330</td>
<td>-</td>
<td>25,941</td>
<td>98</td>
<td>949</td>
<td>4,449</td>
<td>21,767</td>
</tr>
<tr>
<td>Occupancy</td>
<td>144,063</td>
<td>171,351</td>
<td>13,961</td>
<td>3,482</td>
<td>1,741</td>
<td>38,175</td>
<td>372,773</td>
</tr>
<tr>
<td>Rental and maintenance of equipment</td>
<td>98,173</td>
<td>122,302</td>
<td>4,292</td>
<td>-</td>
<td>-</td>
<td>5</td>
<td>221,772</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>3,989</td>
<td>1,741</td>
<td>28,256</td>
<td>10,855</td>
<td>583</td>
<td>3,883</td>
<td>49,309</td>
</tr>
<tr>
<td>Travel</td>
<td>25,373</td>
<td>9,799</td>
<td>2,341</td>
<td>1,531</td>
<td>1,513</td>
<td>14,458</td>
<td>55,015</td>
</tr>
<tr>
<td>Operating taxes and licenses</td>
<td>147,082</td>
<td>2,645</td>
<td>47</td>
<td>-</td>
<td>-</td>
<td>3,862</td>
<td>153,736</td>
</tr>
<tr>
<td>Program acquisition/Production</td>
<td>773,674</td>
<td>1</td>
<td>47</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>773,675</td>
</tr>
<tr>
<td>Miscellaneous, excluding in-kind contributions</td>
<td>50,696</td>
<td>34,180</td>
<td>1,198</td>
<td>51,757</td>
<td>10,009</td>
<td>17,675</td>
<td>165,495</td>
</tr>
<tr>
<td>Miscellaneous, in-kind contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,782</td>
<td>-</td>
<td>-</td>
<td>1,782</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 2,622,214</strong></td>
<td><strong>$ 878,083</strong></td>
<td><strong>$ 268,738</strong></td>
<td><strong>$ 224,746</strong></td>
<td><strong>$ 153,847</strong></td>
<td><strong>$ 621,653</strong></td>
<td><strong>$ 4,789,281</strong></td>
</tr>
</tbody>
</table>
## Schedule of Functional Expenses – FM

**SOUTHERN ILLINOIS UNIVERSITY - SIU BROADCASTING SERVICES**

Fiscal Year Ended June 30, 2014

<table>
<thead>
<tr>
<th>Local Programming and Production</th>
<th>Broadcasting</th>
<th>Program Information</th>
<th>Fund Raising and Membership</th>
<th>Underwriting and Grant Solicitation</th>
<th>Management and General</th>
<th>Total (Memorandum Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$ 239,498</td>
<td>$ 31,332</td>
<td>$ 20,360</td>
<td>$ 58,552</td>
<td>$ 59,246</td>
<td>$ 66,758</td>
</tr>
<tr>
<td>Payroll taxes and employee benefits</td>
<td>107,577</td>
<td>15,686</td>
<td>9,089</td>
<td>28,855</td>
<td>29,597</td>
<td>31,749</td>
</tr>
<tr>
<td>Professional services, excluding in-kind contributions</td>
<td>5,305</td>
<td>4,541</td>
<td>570</td>
<td>5,381</td>
<td>-</td>
<td>9,048</td>
</tr>
<tr>
<td>Professional services and support, in-kind contributions</td>
<td>128,431</td>
<td>21,405</td>
<td>6,422</td>
<td>21,405</td>
<td>14,984</td>
<td>21,914</td>
</tr>
<tr>
<td>Office supplies</td>
<td>2,013</td>
<td>4,805</td>
<td>356</td>
<td>861</td>
<td>-</td>
<td>1,104</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>1,797</td>
<td>8,750</td>
<td>113</td>
<td>4,199</td>
<td>527</td>
<td>10,311</td>
</tr>
<tr>
<td>Postage</td>
<td>214</td>
<td>331</td>
<td>67</td>
<td>6,452</td>
<td>144</td>
<td>851</td>
</tr>
<tr>
<td>Advertising</td>
<td>855</td>
<td>-</td>
<td>27,041</td>
<td>42</td>
<td>-</td>
<td>377</td>
</tr>
<tr>
<td>Occupancy</td>
<td>28,879</td>
<td>49,464</td>
<td>2,532</td>
<td>661</td>
<td>331</td>
<td>8,582</td>
</tr>
<tr>
<td>Rental and maintenance of equipment</td>
<td>30,794</td>
<td>22,635</td>
<td>1,073</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Printing and publications</td>
<td>1,183</td>
<td>29</td>
<td>669</td>
<td>4,631</td>
<td>494</td>
<td>971</td>
</tr>
<tr>
<td>Travel</td>
<td>3,224</td>
<td>157</td>
<td>54</td>
<td>356</td>
<td>1,436</td>
<td>3,785</td>
</tr>
<tr>
<td>Operating taxes and licenses</td>
<td>12,903</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>990</td>
</tr>
<tr>
<td>Program acquisition/Production</td>
<td>280,260</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous, excluding in-kind contributions</td>
<td>23,130</td>
<td>4,323</td>
<td>299</td>
<td>15,168</td>
<td>10,871</td>
<td>4,780</td>
</tr>
<tr>
<td>Miscellaneous, in-kind contributions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,082</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$ 863,866</td>
<td>$ 163,538</td>
<td>$ 66,845</td>
<td>$ 148,845</td>
<td>$ 117,830</td>
<td>$ 162,121</td>
</tr>
</tbody>
</table>
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Trustees
Southern Illinois University

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Southern Illinois University Broadcasting Service (SIU Broadcasting Service) as of and for the year ended June 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated December 23, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SIU Broadcasting Service’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SIU Broadcasting Service’s internal control. Accordingly, we do not express an opinion on the effectiveness of SIU Broadcasting Service’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether SIU Broadcasting Service's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Springfield, Illinois
December 23, 2014