

# WYSU-FM YOUNGSTOWN STATE UNIVERSITY RADIO

## STATEMENTS OF NET ASSETS AT JUNE 30, 2012 AND 2011

|   | 2012         | 2011         |
|---|--------------|--------------|
| <b>ASSETS</b>   |              |              |
| <b>Current Assets</b>   |              |              |
| Cash and cash equivalents   | \$ 1,426,491 | \$ 1,267,719 |
| Investments   | 6,212        | 5,181        |
| Interest receivable   | -            | 452          |
| Accounts receivable (net of allowance of<br>\$1,529 in 2012 and \$728 in 2011)  | 7,766        | 5,169        |
| Pledges receivable (net of allowance of<br>\$2,241 in 2012 and \$4,109 in 2011) | 6,282        | 17,758       |
| <b>Total Current Assets</b>   | 1,446,751    | 1,296,279    |
| <b>Noncurrent Assets</b>  |              |              |
| Endowment investments   | 151,257      | 148,296      |
| Capital assets, net   | 154,620      | 213,586      |
| <b>Total Noncurrent Assets</b>  | 305,877      | 361,882      |
| <b>Total Assets</b>   | 1,752,628    | 1,658,161    |
| <b>LIABILITIES</b>  |              |              |
| <b>Current Liabilities</b>  |              |              |
| Accounts payable  | 6,686        | -            |
| Deferred revenue  | 142,858      | 134,454      |
| Compensated absences  | 6,603        | 7,309        |
| <b>Total Current Liabilities</b>  | 156,147      | 141,763      |
| <b>Noncurrent Liabilities</b>   |              |              |
| Compensated absences  | 87,134       | 83,240       |
| <b>Total Noncurrent Liabilities</b>   | 87,134       | 83,240       |
| <b>Total Liabilities</b>  | 243,281      | 225,003      |
| <b>NET ASSETS</b>   |              |              |
| Invested in capital assets, net of related debt                                 | 154,620      | 213,586      |
| Restricted:   |              |              |
| Nonexpendable   | 151,257      | 148,296      |
| Expendable  | 200,888      | 200,676      |
| Unrestricted  | 1,002,582    | 870,600      |
| <b>Total Net Assets</b>   | \$ 1,509,347 | \$ 1,433,158 |

See accompanying notes to financial statements.

# WYSU-FM YOUNGSTOWN STATE UNIVERSITY RADIO

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

|  | 2012         | 2011         |
|--|--------------|--------------|
| <b>REVENUES</b>  |              |              |
| <b>Operating Revenues</b>  |              |              |
| Corporation for Public Broadcasting grant                            | \$ 128,110   | \$ 124,790   |
| In-kind contributions  | 133,383      | 132,684      |
| eTech Ohio Commission grant  | 26,355       | 25,522       |
| Underwriting revenue   | 117,268      | 85,413       |
| <b>Total Operating Revenues</b>                                      | 405,116      | 368,409      |
| <b>EXPENSES</b>  |              |              |
| <b>Operating Expenses</b>  |              |              |
| Program Services   |              |              |
| Programming and production   | 437,377      | 416,988      |
| Broadcasting   | 220,579      | 206,092      |
| Program information  | 65,695       | 58,142       |
| Traffic and continuity   | 12,135       | 11,485       |
| Support Services   |              |              |
| Management and general   | 285,100      | 317,664      |
| Fund raising and membership development                              | 131,315      | 95,885       |
| Underwriting   | 50,177       | 56,843       |
| Clerical   | 59,959       | 72,982       |
| Depreciation   | 58,966       | 71,722       |
| <b>Total Operating Expenses</b>                                      | 1,321,303    | 1,307,803    |
| <b>Operating Loss</b>  | (916,187)    | (939,394)    |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>                             |              |              |
| General appropriation from the University                            | 570,925      | 550,221      |
| Donated facilities and administrative support<br>from the University | 187,199      | 201,334      |
| Membership revenue   | 227,496      | 249,177      |
| Net expenses from fund raising                                       | (1,191)      | (3,161)      |
| Investment gain, net of investment expense                           | 7,947        | 25,190       |
| <b>Net Non-operating Revenues</b>                                    | 992,376      | 1,022,761    |
| <b>Gain Before Other Revenues, Expenses, and Changes</b>             | 76,189       | 83,367       |
| <b>OTHER REVENUES, EXPENSES, AND CHANGES</b>                         |              |              |
| Capital grants and gifts   | -            | 100,000      |
| <b>Total Other Revenues, Expenses, and Changes</b>                   | -            | 100,000      |
| Change in Net Assets   | 76,189       | 183,367      |
| <b>NET ASSETS</b>  |              |              |
| Net Assets at the beginning of the year                              | 1,433,158    | 1,249,791    |
| <b>Net Assets at the End of the Year</b>                             | \$ 1,509,347 | \$ 1,433,158 |

See accompanying notes to financial statements.

# WYSU-FM YOUNGSTOWN STATE UNIVERSITY RADIO

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

|   | 2012         | 2011         |
|---|--------------|--------------|
| <b>Cash Flows from Operating Activities</b>   |              |              |
| Receipts from Corporation for Public Broadcasting grant                             | \$ 137,817   | \$ 127,727   |
| Receipts from eTech Ohio Commission grant   | 26,355       | 25,522       |
| Business and underwriting support   | 112,918      | 91,243       |
| Payments to suppliers   | (315,784)    | (310,304)    |
| Payments to employees   | (468,015)    | (450,808)    |
| Payments for benefits   | (147,632)    | (132,571)    |
| <b>Total Cash Flows Used in Operating Activities</b>                                | (654,341)    | (649,191)    |
| <b>Cash Flows from Noncapital Financing Activities</b>                              |              |              |
| General appropriation from the University   | 570,925      | 550,221      |
| Membership receipts   | 238,972      | 241,884      |
| Fundraising receipts  | 380          | 4,060        |
| Payments for fundraising  | (1,571)      | (7,221)      |
| <b>Total Cash Flows Provided by Noncapital Financing Activities</b>                 | 808,706      | 788,944      |
| <b>Cash Flows from Investing Activities</b>   |              |              |
| Interest on investments   | 5,438        | 4,651        |
| (Purchase) sale of investments  | (1,031)      | 12,775       |
| <b>Total Cash Flows Provided by Investing Activities</b>                            | 4,407        | 17,426       |
| <b>Cash Flows from Capital Financing Activities</b>                                 |              |              |
| Capital grants and gifts  | -            | 100,000      |
| Purchase of capital assets  | -            | (57,207)     |
| <b>Total Cash Flows Provided by Capital Financing Activities</b>                    | -            | 42,793       |
| <b>Change in Cash and Cash Equivalents</b>  | 158,772      | 199,972      |
| <b>Cash and Cash Equivalents - Beginning of year</b>                                | 1,267,719    | 1,067,747    |
| <b>Cash and Cash Equivalents - End of year</b>                                      | \$ 1,426,491 | \$ 1,267,719 |
| <b>Reconciliation of Operating Loss to Net Cash Flows from Operating Activities</b> |              |              |
| Operating loss  | \$ (916,187) | \$ (939,394) |
| Adjustments to reconcile operating loss to cash flows used in operating activities: |              |              |
| Depreciation  | 58,966       | 71,722       |
| Donated facilities and administrative support from the University                   | 187,199      | 201,334      |
| Changes in assets and liabilities:  |              |              |
| Accounts receivable, net  | (2,597)      | 1,010        |
| Accounts payable, compensated absences, and deferred revenue                        | 18,278       | 16,137       |
| <b>Cash Flows Used in Operating Activities</b>                                      | \$ (654,341) | \$ (649,191) |

See accompanying notes to financial statements.

# WYSU-FM YOUNGSTOWN STATE UNIVERSITY RADIO

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

### Note 1 – Organization and Summary of Significant Accounting Policies

#### Organization and Basis of Presentation

WYSU-FM Youngstown State University Radio (WYSU-FM or the Station) is operated as a department of the Division of Student Affairs at Youngstown State University (the University or YSU) and is subject to the policies established by the University's Board of Trustees. The Station reports annually to the Corporation for Public Broadcasting (CPB).

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB.

Under the provisions of GASB Statement No. 35, resources are classified for accounting and reporting purposes into the following four net asset categories:

- Invested in capital assets, net of related debt - Capital assets, net of accumulated depreciation, outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets and unspent borrowings.
- Restricted Nonexpendable - Net assets subject to externally imposed stipulations that they be maintained permanently by the Station. Such assets include the Station's permanent endowment fund.
- Restricted Expendable - Net assets whose use by the Station is subject to externally imposed stipulations that can be fulfilled by actions of the Station pursuant to those stipulations or that expire by the passage of time.
- Unrestricted - Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management, Board of Trustees, Board of Regents or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for Station programs, initiatives, and capital projects.

#### Summary of Significant Accounting Policies

The accompanying financial statements have been prepared on the accrual basis. The Station reports as a Business Type Activity, as defined by GASB Statement No. 35. Business Type Activities are those that are financed in whole or in part by fees charged to external parties.

The Station has the option to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The Station has elected to not apply FASB pronouncements issued after the applicable date.

# WYSU-FM YOUNGSTOWN STATE UNIVERSITY RADIO

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## NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEAR ENDED JUNE 30, 2012

Cash Equivalents - The Station considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are stated at cost, which approximates fair value and excludes amounts restricted by board designation or whose use is limited.

Accounts Receivable - Accounts receivable consist of underwriting charges for various Station programs. Also included are amounts due from private sources in connection with reimbursement of allowable expenditures under the applicable Station grants and contracts. Accounts are recorded net of allowance for uncollectible accounts.

Pledges Receivable - The Station receives pledges and bequests of financial support from corporations, foundations, and individuals. Revenue is recognized when a pledge representing an unconditional promise to pay is received and all eligibility requirements have been met. In the absence of a conditional pledge, revenue is recognized when the gift is received. Pledges are recorded net of an allowance for uncollectible amounts and are discounted to net present value.

Investments - In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are reported at fair value based on quoted market prices. Changes in unrealized gains (losses) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Assets.

Endowment Policy - The University Endowment Fund consists of 81 named funds, which includes the Station's endowment. Each named fund is assigned a number of shares in the University Endowment Fund based on the value of the gifts to that named fund. Investments are managed by The Youngstown State University Foundation (YSUF). The University's policy is to distribute realized gains and investment income monthly, based on each fund's pro-rata share to the total endowment shares.

Capital Assets - Capital assets are comprised of equipment and stated at cost or fair value at date of gift. The University's capitalization threshold for equipment is \$5,000. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The estimated useful life for equipment is 3 to 7 years. The antenna and tower are depreciated over 10 years.

When capital assets are sold, or otherwise disposed of, the carrying value of such assets and any accumulated depreciation is removed from asset accounts and net assets-invested in capital assets. The costs of normal maintenance and repairs that do not add to the value of the capital asset or materially extend the capital asset's life are expensed when incurred.

Deferred Revenue - Deferred revenue includes amounts received from grants and contract sponsors that have not yet been earned.

# WYSU-FM YOUNGSTOWN STATE UNIVERSITY RADIO

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## NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEAR ENDED JUNE 30, 2012

Compensated Absences - Accumulated unpaid vacation, personal and sick leave benefits have been accrued in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. The Station uses the termination method to accrue sick leave compensated absences on the Statement of Net Assets.

General Appropriation from the University - The general appropriation represents support from the University for salaries and operating expenses not provided through other sources.

Donated Facilities and Administrative Support - Donated facilities and administrative support represent the Station's allocated amounts of institutional support and donated facilities and is recorded as non-operating revenue and expenses in the Statement of Revenue, Expenses, and Changes in Net Assets. Administrative support is based on the Station's pro-rata share of the University's total salaries, wages, and administrative expenses. Donated facilities are the Station's pro-rata share of the University's total plant expenses along with calculated occupancy costs.

Income taxes - The Internal Revenue Service has ruled that the University's income is generally exempt from Federal income taxes under Section 115 of the Internal Revenue code. The University is subject to tax on unrelated business income.

Measurement Focus and Financial Statement Presentation - Operating revenues and expenses result from providing programming, production, and broadcasting support for the Station. The principal operating revenues include two grants, one from the CPB and one from the eTech Ohio Commission, along with underwriting revenue from area businesses. Principal operating expenses include programming, production, broadcasting, fundraising, and management services and support. The principal non-operating revenues are the general appropriation from the University and membership support.

Release of Restricted Funds - When an expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Station's policy to apply restricted resources first, then unrestricted resources as needed.

Management's Estimates - The preparation of the 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, liabilities, revenue and expenses during the reporting period. Disclosure of contingent assets and liabilities at the date of the financial statements may also be affected. Actual results could differ from these estimates.

### Note 2 – Cash and Cash Equivalents

For financial statement presentation purposes, cash in banks has been combined with the University's cash equivalents and temporary investments in repurchase agreements and certificates of deposit.

# WYSU-FM YOUNGSTOWN STATE UNIVERSITY RADIO

## NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEAR ENDED JUNE 30, 2012

The aggregate cost of repurchase agreements, which approximates fair value, included in the University's cash and cash equivalents is \$2,240,736 and \$1,420,864 at June 30, 2012 and 2011, respectively.

Depository funds held in the name of the University are secured by a pool of securities with a value of at least 105% of the total value of monies on deposit at the depository bank. During fiscal year 2009, the University entered into a continuing deposit security agreement with its depository bank to ensure continuous collateralization of its deposits. All collateral, both specific and pooled, is held by the Federal Reserve Bank or by a designated trustee as agent for the public depositories used by the University.

The University's cash and cash equivalents at June 30, 2012 and 2011 consist of the following:

|  | 2012                 | 2011                 |
|--|----------------------|----------------------|
| Carrying Amount (Cash and cash equivalents)  | <u>\$ 25,918,304</u> | <u>\$ 28,926,599</u> |
| FDIC Insured   | \$ 875,865           | \$ 769,448           |
| Uninsured but collateralized by pools of securities pledged by<br>the depository banks | 15,857,196           | 21,994,973           |
| Uninsured but assets held in name of YSU not pledged as<br>collateral elsewhere        | <u>10,827,643</u>    | <u>6,593,008</u>     |
| Bank Balance   | <u>\$ 27,560,704</u> | <u>\$ 29,357,429</u> |

The difference in carrying amount and bank balance is caused by items in transit and outstanding checks.

The Station's cash and cash equivalents are included in these totals and were \$1,426,491 and \$1,267,719 at June 30, 2012 and 2011, respectively.

Credit risk for deposits is the risk that, in the event of a bank failure, the University's deposits may not be returned to the University. At June 30, 2012, all uncollateralized or uninsured deposits of the University are exposed to credit risk. The University's investment policy and asset allocation guidelines facilitate the management and monitoring of credit risk.

### **Note 3 - Investments**

The University's investment policy authorizes the University to invest endowed University funds in compliance with provisions of the Ohio Revised Code including House Bill 524, Section 3345.05 of the Ohio Revised Code, and all other applicable laws and regulations.

In accordance with the Policies of the Board of Trustees of the University, investment types are not specifically limited but shall be made with care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

# WYSU-FM YOUNGSTOWN STATE UNIVERSITY RADIO

## NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEAR ENDED JUNE 30, 2012

Furthermore, investments shall be managed for the use and benefit of the University in a diversified portfolio that focuses, over time, on the preservation of capital, minimization of cost and risk, and maintenance of required levels of liquidity in the overall portfolio to meet cash flow requirements.

The University utilizes an investment advisor and investment managers for endowment funds. The University's endowment funds, which includes WYSU-FM's endowment fund, are managed by YSUF (see Note 7). The Station's investments represent a portion of the University's total investments. University investments held by YSUF were \$6,380,445 as of June 30, 2012 and \$5,757,267 as of June 30, 2011.

As of June 30, 2012, the Station had the following investments and maturities using the segmented time distribution method:

| Investment Type         | Fair Value        | Investment Maturities (in Years) |                  |                  |              |
|-------------------------|-------------------|----------------------------------|------------------|------------------|--------------|
|                         |                   | Less than 1                      | 1-5              | 6-10             | More than 10 |
| Common Stock            | \$ 115,740        | \$ 115,740                       | \$ -             | \$ -             | \$ -         |
| Corporate Bonds         | 22,046            | 6,456                            | 10,708           | 4,882            | -            |
| Preferred Stock         | 8,503             | 8,503                            | -                | -                | -            |
| U.S. Governmental Bonds | 6,141             | -                                | -                | 6,141            | -            |
| Other Securities        | 5,039             | 2,520                            | 2,519            | -                | -            |
|                         | <u>\$ 157,469</u> | <u>\$ 133,219</u>                | <u>\$ 13,227</u> | <u>\$ 11,023</u> | <u>\$ -</u>  |

All callable stocks were assumed to mature in less than one year.

As of June 30, 2011, the Station had the following investments and maturities using the segmented time distribution method:

| Investment Type  | Fair Value        | Investment Maturities (in Years) |                  |                 |                 |
|------------------|-------------------|----------------------------------|------------------|-----------------|-----------------|
|                  |                   | Less than 1                      | 1-5              | 6-10            | More than 10    |
| Common Stock     | \$ 107,269        | \$ 107,269                       | \$ -             | \$ -            | \$ -            |
| Corporate Bonds  | 23,802            | -                                | 16,430           | 7,372           | -               |
| Preferred Stock  | 10,267            | 7,576                            | -                | -               | 2,691           |
| Other Securities | 12,139            | 6,553                            | 5,586            | -               | -               |
|                  | <u>\$ 153,477</u> | <u>\$ 121,398</u>                | <u>\$ 22,016</u> | <u>\$ 7,372</u> | <u>\$ 2,691</u> |

All callable stocks were assumed to mature in less than one year.

As of June 30, 2012, investments had the following quality credit ratings:

| Investment Type       | Fair Value       | Aaa         | Aa              | A                | Baa             | Unrated     |
|-----------------------|------------------|-------------|-----------------|------------------|-----------------|-------------|
| Corporate Bonds       | \$ 22,046        | \$ -        | \$ 1,233        | \$ 13,908        | \$ 6,905        | \$ -        |
| U.S. Government Bonds | 6,141            | -           | 6,141           | -                | -               | -           |
|                       | <u>\$ 28,187</u> | <u>\$ -</u> | <u>\$ 7,374</u> | <u>\$ 13,908</u> | <u>\$ 6,905</u> | <u>\$ -</u> |



# WYSU-FM YOUNGSTOWN STATE UNIVERSITY RADIO

## NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEAR ENDED JUNE 30, 2012

As of June 30, 2011, investments had the following quality credit ratings:

| Investment Type | Fair Value | Aaa  | Aa       | A         | Baa      | Unrated |
|-----------------|------------|------|----------|-----------|----------|---------|
| Corporate Bonds | \$ 23,802  | \$ - | \$ 1,335 | \$ 15,948 | \$ 6,519 | \$ -    |

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's investment policy and asset allocation guidelines facilitate the management and monitoring of its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's investment policy and asset allocation guidelines contain provisions to manage credit risk.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. Investments that are both unregistered and uninsured are exposed to custodial credit risk if investments are held by the counterparty, or are held by the counterparty's trust department or agent but not in the name of the University. At June 30, 2012, the University had no exposure to custodial credit risk. The University does not address custodial credit risk in its investment policy and asset allocation guidelines.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. At June 30, 2012, the University had no material exposure to foreign currency risk. The University does not address foreign currency risk in its investment policy and asset allocation guidelines.

### Note 4 – Capital Assets

Capital assets activity for the year ended June 30, 2012 was as follows:

| Capital Assets                 | Beginning<br>Balance | Additions          | Reductions  | Transfers   | Ending<br>Balance |
|--------------------------------|----------------------|--------------------|-------------|-------------|-------------------|
| Depreciable assets:            |                      |                    |             |             |                   |
| Antenna and tower              | \$ 475,691           | \$ -               | \$ -        | \$ -        | \$ 475,691        |
| Studio and broadcast equipment | 404,504              | -                  | -           | -           | 404,504           |
| Total cost                     | 880,195              | -                  | -           | -           | 880,195           |
| Less: Accumulated depreciation | 666,609              | 58,966             | -           | -           | 725,575           |
| Capital assets, net            | <u>\$ 213,586</u>    | <u>\$ (58,966)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 154,620</u> |

# WYSU-FM YOUNGSTOWN STATE UNIVERSITY RADIO

## NOTES TO FINANCIAL STATEMENTS (CONT.) FOR THE YEAR ENDED JUNE 30, 2012

Capital assets activity for the year ended June 30, 2011 was as follows:

| Capital Assets                 | Beginning<br>Balance | Additions          | Reductions  | Transfers    | Ending<br>Balance |
|--------------------------------|----------------------|--------------------|-------------|--------------|-------------------|
| Nondepreciable assets:         |                      |                    |             |              |                   |
| Construction-in-progress       | \$ 118,318           | \$ -               | \$ -        | \$ (118,318) | \$ -              |
| Depreciable assets:            |                      |                    |             |              |                   |
| Antenna and tower              | 300,166              | 57,207             | -           | 118,318      | 475,691           |
| Studio and broadcast equipment | 404,504              | -                  | -           | -            | 404,504           |
| Total cost                     | 822,988              | 57,207             | -           | -            | 880,195           |
| Less: Accumulated depreciation | 594,887              | 71,722             | -           | -            | 666,609           |
| Capital assets, net            | <u>\$ 228,101</u>    | <u>\$ (14,515)</u> | <u>\$ -</u> | <u>\$ -</u>  | <u>\$ 213,586</u> |

### Note 5 – Deferred Revenue

Deferred revenue at June 30, 2012 and 2011 consists of the following:

|   | 2012              | 2011              |
|---|-------------------|-------------------|
| Corporation for Public Broadcasting grant | \$ 137,434        | \$ 127,727        |
| Underwriting agreements                   | 5,424             | 6,727             |
| Total deferred revenue                    | <u>\$ 142,858</u> | <u>\$ 134,454</u> |

### Note 6 – Long Term Liabilities

Long-term liability activity for the year ended June 30, 2012 was as follows:

|                      | Beginning<br>Balance | Net<br>Additions | Ending<br>Balance | Current<br>Portion |
|----------------------|----------------------|------------------|-------------------|--------------------|
| Compensated absences | \$ 90,549            | \$ 3,188         | \$ 93,737         | \$ 6,603           |

Long-term liability activity for the year ended June 30, 2011 was as follows:

|                      | Beginning<br>Balance | Net<br>Additions | Ending<br>Balance | Current<br>Portion |
|----------------------|----------------------|------------------|-------------------|--------------------|
| Compensated absences | \$ 81,719            | \$ 8,830         | \$ 90,549         | \$ 7,309           |

### Note 7 - Related Party

YSUF is a legally separate nonprofit organization exempt from federal income tax and classified as a public charity. YSUF is devoted to the support, expansion and development of educational programs at the University that are useful and beneficial to the students and the community. Under the terms of an agreement with the University, YSUF serves as an investment manager for the University's, and therefore the Station's, endowments. Proceeds are forwarded to the Station on an as needed basis to satisfy the individual endowment purpose. The management services are provided at no charge and investments are made in a manner consistent with the YSUF funds.