

whom the ministries are to be directed. I would also ask that each of you pray for the Lord's guidance in how you might personally become involved in these ministries; because, as active members of The Lutheran Church--Missouri Synod, these are our ministries.

And please recognize that when I came to Saint Louis I left each and every one of you with a very special ministry of your own. It is a "Wife-Sitting Ministry." The Lady of My Life has been entrusted to your spiritual care until she is able to join me in Saint Louis. Please keep Lorna and the kids in your prayers during our separation.

Much of the earlier rambling about my responsibilities, notably the part outlining the ministry vision of the "Master's Plan", is partially drawn from Paul's Letter to the Philippians, where we are shown how we can enjoy a oneness of purpose, attitude, goal and labor if we place Christ as our model of humility and service. I would like to close this letter with a quote from that Epistle (2:1-11), which I prayerfully encourage you to use to guide you in every thing that you do, both in church work and in your personal endeavors:

"Therefore, if there is any consolation in Christ, if any comfort of love, if any fellowship of the Spirit, if any affection and mercy; fulfill my joy by being like-minded, having the same love, being of one accord, of one mind. Let nothing be done through selfish ambition or conceit; but in lowliness of mind, let each esteem others better than himself. Let each of you look out not only for his own interests, but also for the interests of others.

"Let this mind be in you, which was also in Christ Jesus; who, being in the form of God did not consider it robbery to be equal with God; but made Himself of no reputation, taking the form of a servant, and coming in the likeness of men. And being found in appearance as man, He humbled Himself and became obedient to the point of death, even the death of the cross.

"Therefore God also has highly exalted Him and has given Him the name which is above every name, that at the name of Jesus every knee shall bow, of those in heaven, of those on earth, of those under the earth; and that every tongue should confess that Jesus Christ is Lord, to the Glory of God the Father."

God bless all of you. He has certainly blessed me because I can not only call you "Brothers and Sisters In Christ" but I can call you "Friends." You are held dearly in my heart.

Yours In Christ,

Ken Lombardi

P.S. For those of you who might be interested, I'm at:

85 Founders Lane
Saint Louis, Missouri 63105
(314) 725-3030

SUBJECT: Equal Opportunity Employer Date 7-1-82 000001**Number 114****POLICY****002376**

- 1.0 It is the policy of this Station, as set forth by the Board of Directors, to provide employment, training, compensation, promotion and other conditions of employment without regard to race, color, religion, national origin, sex or age, except where religious affiliation is a bona fide occupational requirement.
- 1.2 It shall continue to the Station's policy to apply appropriate job-related standards to the conditions of employment and to maintain such standards at a level consistent with the healthy growth of the Station in a highly complex field of endeavor.
- 1.4 To the extent possible and in keeping with 1.2 above, it is the Station's policy to take affirmative action to seek out individuals whose potential has not been developed, with the objective of assisting them to meet those standards.
- 1.6 Affirmative action includes finding additional sources of applicants who can become qualified through appropriate training and development within the Station's ability to provide such training and development.

PROCEDURES

- 2.0 When an opening exists at the Station attempts shall be made to fill the vacancy from within with a qualified individual prior to seeking applicants from outside.
- 2.2 The General Manager shall be responsible for the administration of the Station's personnel matters in accordance with the intent of equal opportunity and affirmative action.

EQUAL OPPORTUNITY FOR EMPLOYMENT
(An Affirmative Action Policy Statement)

J.C. 100

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The Lutheran Church--Missouri Synod and its component parts (Districts, boards, agencies, institutions) is obligated by the demands of Christian conscience, as well as by legislative requirements, to ensure equal opportunities for employment without regard to race, color, religion, sex, or national origin except as these are bona fide qualifications for job performance. This must be a high priority among the objectives of every member of the Synod's family of employees. It is a particularly acute responsibility of every individual who is involved in the recruitment, selection, training, supervision, and evaluation of synodical employees.

Because we are a church body certain positions demand extensive understanding of and commitment to the doctrinal view of the Synod. For such situations it is necessary for us to seek out individuals with specific religious training. However, religious affiliation shall be a criteria for employment only in those specific positions.

Our commitment to equal opportunity recognizes two basic concepts: non-discrimination and affirmative action.

The recognition of non-discrimination demands the elimination of all prohibited discriminatory conditions, whether purposeful or inadvertent. The Lutheran Church--Missouri Synod is pledged to the careful and systematic examination of all its employment policies to be certain that such policies do not operate to the detriment of any individual on the grounds of race, color, religion, sex, or national origin.

Our commitment to Affirmative Action prompts us to do more than ensure neutrality with regard to race, color, religion, sex, or national origin. The Synod is pledged to programs which place special emphasis upon our efforts to recruit, employ, and promote qualified members of all such groups.

Our recognition of these two basic areas of responsibility prompts us to establish and utilize programs and policies which guarantee to all persons, whether or not they are members of designated "minority groups," equal opportunities for employment, advancement, and related benefits.

These programs and policies related to our Affirmative Action commitment shall be designed to enhance the employment and advancement opportunities for women and minorities. However, no overt attempt shall be made to eliminate or dilute standards which are necessary for successful performance of job functions. Our Affirmative Action program does not require that we employ or promote any unqualified person. The Synod recognizes its responsibility to foster reasonable standards and procedures which govern all employment, training, and promotion practices. We are dedicated to the concept through which any tests or other criteria by which qualifications for appointment, retention, or promotions are judged shall be valid predictors of job performance without bias toward race, color, religion, sex, or national origin.

This commitment does not ignore or obviate the range of permissible discretion which has characterized employment judgment. There are real and proper limitations on the extent to which criteria for certain non-routine positions can be explicitly articulated. However, we shall monitor all such discretionary judgments to eliminate arbitrary and discriminatory employment decisions.

The Synod further pledges itself to ensure non-discrimination in all terms and conditions of work assignments, educational and training opportunities, use of facilities, and career advancement. Those employees who are performing jobs to which the Equal Pay Standard applies shall be compensated accordingly. Employees performing jobs requiring equal skill, effort, responsibility, and having the same degree of accountability shall be granted equal rates of compensation without regard for race, color, religion, sex, or national origin.

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RADIO STATION KFUC
ST LOUIS, MISSOURI
BALANCE SHEET
AS OF 06/30/83

ASSETS

I. CURRENT FUNDS		
CASH		\$ (5,835.90)
PETTY CASH		200.00
ACCOUNTS RECEIVABLE		8,472.85
NOTES RECEIVABLE		7,000.00
INVESTMENTS:		
SAVINGS ACCOUNT		2,272.25
STOCKS		284,124.53
DEEDS OF TRUST		5,313.73
INVENTORIES		9,050.78
PREPAID EXPENSES		265.00

		\$ 310,863.24
II. PLANT FUNDS		
UNEXPENDED PLANT FUNDS:		
NOTES RECEIVABLE		\$ 605.92
CASH DUE FROM OTHER FUNDS		2,477.89
INVESTMENT IN PLANT:		
BUILDING	260,906.13	
IMPROVEMENTS OTHER THAN BLDG	8,656.89	
BROADCAST EQUIPMENT:		
TRANSMITTERS	88,598.85	
RADIATING EQUIPMENT	25,880.73	
SHORT WAVE EQUIPMENT	2,515.36	
STUDIO EQUIPMENT	74,902.19	
FURNITURE & FIXTURES	83,074.24	
ACCUMULATED DEPRECIATION	478,830.00	

		\$ 68,788.20
III. RESTRICTED FUNDS		
CASH DUE FROM OTHER FUNDS		\$ 6,906.88
IV. ENDOWMENT FUNDS		
INVESTMENT TRUST FUND (LC-MS)		13,700.00
V. AGENCY FUNDS		

		\$ 400,258.32
		=====

LIABILITIES & FUND BALANCES

I. CURRENT FUNDS		
ALLOW FOR UNCOLLECTABLE ACCTS		\$ 1,009.45
ACCOUNTS PAYABLE		962.64
DUE TO OTHER FUNDS		9,384.77
DEFERRED INCOME CREDITS		3,310.00
UNRESTRICTED CURRENT FUND BAL.		416,580.12
OPERATING BALANCE		(120,383.74)

		\$ 310,863.24
II. PLANT FUNDS		
UNEXPENDED PLANT FUND BALANCE		\$ 3,083.81
NET INVESTMENT IN PLANT		65,704.39
III. RESTRICTED FUNDS		
RESTRICTED FUND BALANCE		\$ 6,906.88
IV. ENDOWMENT FUNDS		
ENDOWMENT FUND PRINCIPAL		13,700.00
V. AGENCY FUNDS		

		\$ 400,258.32
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000002

RADIO STATION KFUD
ST LOUIS, MISSOURI
COMPARATIVE STATEMENT OF
CURRENT INCOME & EXPENDITURES

PERIOD: 06/01/83 TO 06/30/83

	CURRENT-PERIOD AMOUNT	YEAR-TO-DATE AMOUNT	SAME-PERIOD-LAST-YR AMOUNT	YEAR-TO-DATE-LAST-YR AMOUNT
I. CURRENT INCOME				
GIFTS & GRANTS				
INDIVIDUALS	\$ 11,833.23	\$ 138,644.98	\$ 11,726.42	\$ 148,877.36
CONGREGATIONS	4,086.86	40,639.54	3,946.76	42,361.26
ORGANIZATION	4,924.42	12,307.50	20.00	6,342.53
OTHER INCOME	12,106.20	27,459.47	326.60	17,083.68
PROGRAM SUBSCRIPTIONS	260.50	1,630.00	394.50	3,198.34
SPONSORSHIP INCOME	3,327.50	27,055.40	2,202.50	33,116.13
	<u>\$ 36,538.71</u>	<u>\$ 247,736.89</u>	<u>\$ 18,616.78</u>	<u>\$ 250,979.30</u>
LEGACIES, BEQUESTS & OTHER GIFTS				
BIRTHDAYS	\$ 9.00	\$ 4,213.44	\$ 122.00	\$ 3,024.78
LEGACIES & BEQUESTS	17,617.46	137,458.09	22,444.88	169,834.12
MEMORIAL WREATHS	1,360.00	22,771.00	2,666.50	19,807.00
INVESTMENT EARNINGS	6,383.27	45,051.57	3,207.93	42,232.55
	<u>\$ 25,369.73</u>	<u>\$ 209,494.10</u>	<u>\$ 28,441.31</u>	<u>\$ 234,898.45</u>
EXTENSION SERVICE	\$ 1,042.35	\$ 7,900.47	\$ 405.78	\$ 14,782.44
TOTAL CURRENT INCOME	<u>\$ 62,950.79</u>	<u>\$ 465,131.46</u>	<u>\$ 47,463.87</u>	<u>\$ 500,660.19</u>
II. CURRENT EXPENDITURES				
CAPITAL EXPENDITURES	\$ 4,221.09	\$ 4,696.33	\$.00	\$ 14,792.25
PUBLIC RELATIONS & PROMOTIONS	10,266.61	79,460.27	9,214.92	69,793.17
TECHNICAL DEPARTMENT	10,237.06	100,831.76	10,859.18	107,466.46
PROGRAM DEPARTMENT	12,817.40	129,073.81	8,901.51	99,123.39
RELIGIOUS DEPARTMENT	5,403.13	43,678.14	4,972.55	40,929.52
EXTENSION SERVICES	9,587.18	75,739.54	6,031.55	70,046.49
ADMINISTRATIVE & GENERAL	12,437.46	152,035.35	14,493.73	152,835.45
	<u>\$ 64,969.93</u>	<u>\$ 585,515.20</u>	<u>\$ 54,473.44</u>	<u>\$ 554,986.73</u>
OPERATING BALANCE (DEFICIT)	<u>\$ (2,019.14)</u>	<u>\$ (120,383.74)</u>	<u>\$ (7,009.57)</u>	<u>\$ (54,326.54)</u>

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RADIO STATION KFUD
ST LOUIS, MISSOURI
COMPARATIVE STATEMENT OF
CURRENT INCOME & EXPENDITURES

PERIOD: 06/01/83 TO 06/30/83

	CURRENT-PERIOD AMOUNT	YEAR-TO-DATE AMOUNT	CURRENT-PERIOD AMOUNT	BUDGETED YEAR-TO-DATE AMOUNT
I. CURRENT INCOME				
GIFTS & GRANTS				
INDIVIDUALS	\$ 11,833.23	\$ 138,644.98	\$ 13,750.00	\$ 165,000.00
CONGREGATIONS	4,086.86	40,639.54	4,163.00	50,000.00
ORGANIZATION	4,924.42	12,307.50	674.00	8,000.00
OTHER INCOME	12,106.20	27,459.47	2,924.00	35,000.00
PROGRAM SUBSCRIPTIONS	260.50	1,630.00	337.00	4,000.00
SPONSORSHIP INCOME	3,327.50	27,055.40	4,174.00	50,000.00
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	\$ 36,538.71	\$ 247,736.89	\$ 26,022.00	\$ 312,000.00
LEGACIES, BEQUESTS & OTHER GIFTS				
BIRTHDAYS	\$ 9.00	\$ 4,213.44	\$ 337.00	\$ 4,000.00
LEGACIES & BEQUESTS	17,617.46	137,458.09	10,837.00	130,000.00
MEMORIAL WREATHS	1,360.00	22,771.00	1,674.00	20,000.00
INVESTMENT EARNINGS	6,383.27	45,051.57	3,337.00	40,000.00
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	\$ 25,369.73	\$ 209,494.10	\$ 16,185.00	\$ 194,000.00
EXTENSION SERVICE	\$ 1,042.35	\$ 7,900.47	\$ 1,674.00	\$ 20,000.00
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TOTAL CURRENT INCOME	\$ 62,950.79	\$ 465,131.46	\$ 43,881.00	\$ 526,000.00
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II. CURRENT EXPENDITURES				
CAPITAL EXPENDITURES	\$ 4,221.09	\$ 4,696.33	\$ 1,186.00	\$ 14,144.00
PUBLIC RELATIONS & PROMOTIONS	10,266.61	79,460.27	5,751.00	68,979.00
TECHNICAL DEPARTMENT	10,237.06	100,831.76	7,750.00	93,000.00
PROGRAM DEPARTMENT	12,817.40	129,073.81	11,328.00	135,892.00
RELIGIOUS DEPARTMENT	5,403.13	43,678.14	3,755.00	44,950.00
EXTENSION SERVICES	9,587.18	75,739.54	5,337.00	64,000.00
ADMINISTRATIVE & GENERAL	12,437.46	152,035.35	11,219.00	134,617.00
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TOTAL EXPENDITURES	\$ 64,969.93	\$ 585,515.20	\$ 46,326.00	\$ 555,582.00
	=====	=====	=====	=====
OPERATING BALANCE (DEFICIT)	\$ (2,019.14)	\$ (120,383.74)	\$ (2,445.00)	\$ (29,582.00)
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RADIO STATION KFUD
ST. LOUIS, MISSOURI
SUPPLEMENTAL COMPARATIVE STATEMENT
OF INCOME & EXPENDITURES
JULY 1, 1984 TO JUNE 30, 1985

	YEAR-TO-DATE AMOUNT	BUDGETED YEAR-TO-DATE AMOUNT	YEAR-TO-DATE LAST YEAR AMOUNT
I. INCOME			
INDIVIDUALS & BIRTHDAYS	\$ 145,888.19	\$ 177,300.00	\$ 160,812.45
INDIVIDUALS - DESIGNATED	52,023.45	0.00	0.00
CONGREGATIONS & ORGANIZATIONS	58,784.68	54,000.00	49,646.41
PROGRAM HIGHLIGHTS	231.00	1,500.00	396.75
UNDERWRITING GRANTS	17,481.08	17,000.00	19,146.74
MEMORIALS	31,442.50	38,000.00	23,550.50
LEGACIES & BEQUESTS	475,437.89	230,000.00	117,605.19
INVESTMENT EARNINGS	21,806.10	25,000.00	20,292.18
OTHER INCOME	49,057.40	12,000.00	15,227.50
	\$ 852,152.29	\$ 546,800.00	\$ 406,677.72
EXTENSION SERVICE	\$ 37,006.71	\$ 79,500.00	\$ 12,333.22
COMMERCIAL INCOME-FM	248,018.00	277,000.00	165,346.00
	\$ 1,137,177.00	\$ 903,300.00	\$ 584,356.94
II. EXPENDITURES			
CAPITAL EXPENDITURES	45,028.91	59,388.00	8,676.63
DEVELOPMENT & PUBLIC RELATIONS	78,889.73	113,172.00	83,445.31
ENGINEERING DEPARTMENT	116,246.90	105,575.00	105,679.29
NEWS & PUBLIC AFFAIRS	40,000.98	35,592.00	42,483.77
RELIGIOUS PROGRAMMING	44,779.18	52,160.00	48,076.49
EXTENSION SERVICES	27,590.27	46,824.00	75,464.92
GREAT COMMISSION CONVOCATION	22,711.15	51,384.00	0.00
FM PROGRAMMING	87,315.35	88,350.00	78,075.14
COMMISSIONS & TRADES	104,069.40	110,508.00	56,869.97
PRODUCTION & TRAFFIC	41,021.01	34,824.00	30,901.74
ADMINISTRATIVE SERVICES	114,765.46	108,107.00	93,049.04
BUSINESS SERVICES	96,581.53	97,416.00	110,606.87
	\$ 818,999.87	\$ 903,300.00	\$ 733,329.17
OPERATING BALANCE (DEFICIT)	\$ 318,178.11	\$ 0.00	\$ (148,972.23)

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RADIO STATION KFUD
ST LOUIS, MISSOURI
BALANCE SHEET
AS OF 06/30/86

ASSETS

I. CURRENT FUNDS		
CASH		\$ 2,616.41
PETTY CASH		200.00
ACCOUNTS RECEIVABLE		67,274.10
NOTES RECEIVABLE		13,150.00
INVESTMENTS:		
SAVINGS ACCOUNT		.57
STOCKS		139,584.95
SYNOCDICAL TREASURY ACCOUNT		479,648.41
INVENTORIES		6,653.30
PREPAID EXPENSES		265.00

		\$ 709,392.74
II. PLANT FUNDS		
UNEXPENDED PLANT FUNDS:		
CASH DUE FROM OTHER FUNDS		\$ 20,896.89
INVESTMENT IN PLANT:		
BUILDING	266,216.50	
IMPROVEMENTS OTHER THAN BLDG	8,656.89	
BROADCAST EQUIPMENT:		
TRANSMITTERS	173,368.01	
RADIATING EQUIPMENT	25,880.73	
SHORT WAVE EQUIPMENT	2,515.36	
STUDIO EQUIPMENT	120,950.61	
FURNITURE & FIXTURES	150,771.51	
ACCUMULATED DEPRECIATION		497,316.00

		\$ 271,940.50
III. RESTRICTED FUNDS		
CASH DUE FROM OTHER FUNDS		\$ 6,600.88
IV. ENDOWMENT FUNDS		
INVESTMENT TRUST FUND (LC-MS)		20,183.40
V. AGENCY FUNDS		

		\$ 1,008,117.52
		=====

LIABILITIES & FUND BALANCES

I. CURRENT FUNDS		
ACCOUNTS PAYABLE		\$ 42,729.01
DUE TO OTHER FUNDS		27,497.77
UNRESTRICTED CURRENT FUND BAL		414,259.65
OPERATING BALANCE		221,655.31

		\$ 706,141.74
II. PLANT FUNDS		
UNEXPENDED PLANT FUND BALANCE		\$ 3,183.81
RESTRICTED PLT FNDS-HISTORY RM		2,289.53
RESTRICTED PLT FNDS-A/C SYSTEM		(15,423.45)
NET INVESTMENT IN PLANT		251,043.61

		\$ 271,940.50
III. RESTRICTED FUNDS		
RESTRICTED FUND BALANCE		\$ 9,851.88
IV. ENDOWMENT FUNDS		
ENDOWMENT FUND PRINCIPAL		20,183.40
V. AGENCY FUNDS		

		\$ 1,008,117.52
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RADIO STATION KFUD
ST LOUIS, MISSOURI
COMPARATIVE STATEMENT OF
CURRENT INCOME & EXPENDITURES

PERIOD: 06/01/86 TO 06/30/86

	CURRENT-PERIOD AMOUNT	YTD DATE AMOUNT	SAME-PERIOD-LAST-YR AMOUNT	YEAR-TO-DATE-LAST-YR AMOUNT
I. CURRENT INCOME				
INDIVIDUALS & BIRTHDAYS	\$ 3,087.65	\$ 132,752.03	\$ (50,833.65)	\$ 144,927.94
CONGREGATIONS & ORGANIZATIONS	2,509.05	45,485.15	3,300.38	57,998.54
UNDERWRITING GRANTS	780.00	17,362.19	.00	17,481.08
MEMORIALS	3,366.00	41,594.65	1,580.00	30,103.50
LEGACIES & BEQUESTS	99,094.84	576,979.72	89,486.63	475,437.89
INVESTMENT EARNINGS	5,045.36	33,765.78	1,328.53	21,806.10
OTHER INCOME	1,583.97	26,078.08	25,149.60	49,057.00
	<u>\$ 115,466.87</u>	<u>\$ 874,017.60</u>	<u>\$ 70,013.49</u>	<u>\$ 796,812.05</u>
EXTENSION SERVICE	\$ 387.66	\$ 5,720.86	\$ 795.10	\$ 36,476.71
COMMERCIAL INCOME FM	41,148.73	368,507.53	30,836.80	248,018.00
TOTAL CURRENT INCOME	<u>\$ 157,003.26</u>	<u>\$ 1,248,245.99</u>	<u>\$ 101,647.39</u>	<u>\$ 1,081,306.76</u>
II. CURRENT EXPENDITURES				
CAPITAL EXPENDITURES	\$ 48,843.27	\$ 130,742.06	\$ (3,592.10)	\$ 45,028.91
DEVELOPMENT & PUBLIC RELATIONS	5,001.14	86,803.18	7,236.27	78,889.73
ENGINEERING DEPARTMENT	4,661.41	103,101.89	5,159.32	116,246.90
NEWS & PUBLIC AFFAIRS	4,233.81	53,340.56	3,931.06	40,000.98
RELIGIOUS PROGRAMMING	5,800.12	44,242.14	4,967.50	44,779.18
EXTENSION SERVICES	(23.81)	28,145.29	3,709.02	45,802.49
FM PROGRAMMING	10,643.40	140,271.62	8,596.97	87,315.35
PROMOTION & SALES	126.87	86,755.64	2,103.55	104,069.40
TRADES	9,948.15	77,175.95	.00	.00
PRODUCTION & TRAFFIC	1,769.51	36,126.68	4,719.01	41,021.01
ADMINISTRATIVE SERVICES	31.30	71,436.71	13,129.07	114,765.46
BUSINESS SERVICES	12,830.95	135,892.08	8,593.43	98,581.53
TOTAL EXPENDITURES	<u>\$ 103,866.12</u>	<u>\$ 994,033.90</u>	<u>\$ 58,555.10</u>	<u>\$ 814,500.94</u>
OPERATING BALANCE (DEFICIT)	<u>\$ 53,137.14</u>	<u>\$ 254,212.19</u>	<u>\$ 43,092.29</u>	<u>\$ 266,805.82</u>

000007

RADIO STATION KFUC
ST. LOUIS, MISSOURI
COMPARATIVE STATEMENT OF
CURRENT INCOME & EXPENDITURES

PERIOD: 02/01/86 TO 06/30/86

BUDGETED

	CURRENT-PERIOD AMOUNT	YEAR-TO-DATE AMOUNT	CURRENT-PERIOD AMOUNT	YEAR-TO-DATE AMOUNT
I. CURRENT INCOME				
INDIVIDUALS & BIRTHDAYS	\$ 3,067.65	\$ 132,752.03	\$ 16,700.00	\$ 200,400.00
CONGREGATIONS & ORGANIZATIONS	2,504.05	45,485.15	5,025.00	60,300.00
UNDERWRITING GRANTS	780.00	17,362.19	1,500.00	18,000.00
MEMORIALS	3,366.00	41,594.65	2,500.00	30,000.00
LEGACIES & BEQUESTS	99,094.84	576,979.72	15,633.00	189,996.00
INVESTMENT EARNINGS	5,045.36	33,765.78	1,633.00	21,996.00
OTHER INCOME	1,583.97	26,078.08	1,759.00	21,106.00
	<u>\$ 115,466.87</u>	<u>\$ 874,017.60</u>	<u>\$ 45,150.00</u>	<u>\$ 541,800.00</u>
EXTENSION SERVICE	\$ 387.66	\$ 5,720.86	\$ 883.00	\$ 10,596.00
COMMERCIAL INCOME FM	41,148.73	368,507.53	28,458.00	341,496.00
TOTAL CURRENT INCOME	<u>\$ 157,003.26</u>	<u>\$ 1,248,245.99</u>	<u>\$ 74,491.00</u>	<u>\$ 893,892.00</u>
II. CURRENT EXPENDITURES				
CAPITAL EXPENDITURES	\$ 48,843.27	\$ 130,742.06	\$ 1,662.00	\$ 19,944.00
DEVELOPMENT & PUBLIC RELATIONS	5,001.14	86,803.18	7,480.00	89,760.00
ENGINEERING DEPARTMENT	4,661.41	103,101.89	8,836.00	106,010.00
NEWS & PUBLIC AFFAIRS	4,233.81	53,340.56	3,919.00	47,028.00
RELIGIOUS PROGRAMMING	5,800.12	44,242.14	5,511.00	66,132.00
EXTENSION SERVICES	(23.81)	28,145.29	3,111.00	37,332.00
FM PROGRAMMING	10,643.40	140,271.62	11,575.00	138,900.00
PROMOTION & SALES	126.67	86,755.64	8,584.00	103,008.00
TRADES	9,948.15	77,175.95	1,042.00	12,504.00
PRODUCTION & TRAFFIC	1,769.51	36,126.68	3,415.00	40,980.00
ADMINISTRATIVE SERVICES	31.30	71,436.71	7,403.00	88,836.00
BUSINESS SERVICES	12,830.95	135,892.08	11,955.00	143,460.00
	<u>\$ 103,866.12</u>	<u>\$ 994,033.80</u>	<u>\$ 74,493.00</u>	<u>\$ 893,894.00</u>
OPERATING BALANCE (DEFICIT)	<u>\$ 53,137.14</u>	<u>\$ 254,212.19</u>	<u>\$ (2.00)</u>	<u>\$ (2.00)</u>

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RADIO STATIONS KFUD-AM and KFUD-FM
a DEPARTMENT, of
THE LUTHERAN CHURCH-MISSOURI SYNOD

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 1987

RADIO STATIONS KFUC-AM and KFUC-FM, a
DEPARTMENT, of THE LUTHERAN CHURCH-MISSOURI SYNOD

000009

JUNE 30, 1987

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THE LUTHERAN CHURCH-MISSOURI SYNOD



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Internal Audit Department

The Standing Committee on Broadcast
Radio Stations KFUD-AM and KFUD-FM
St. Louis, Missouri

We have examined the balance sheets of the several funds of Radio Stations KFUD-AM and KFUD-FM, St. Louis, Missouri, an operating department of The Lutheran Church-Missouri Synod, as of June 30, 1987 and 1986, and the related statement of changes in fund balances and statement of current fund revenue, expenditures, and other changes for the year ended June 30, 1987. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, as internal auditors, the financial statements referred to above, present fairly the financial position of Radio Stations KFUD-AM and KFUD-FM, at June 30, 1987 and 1986, and changes in fund balances and current fund revenue, expenditures, and other changes for the year ended June 30, 1987, in conformity with generally accepted accounting principles applied on a consistent basis after restatement for the change, with which we concur, in the method of accounting for investments as described in note 14 to the financial statements.

THE LUTHERAN CHURCH-MISSOURI SYNOD
Internal Audit Department

A handwritten signature in black ink, appearing to read "Robert W. Brumby", written in a cursive style.

St. Louis, Missouri
August 7, 1987

PLANT FUND		ENDOWMENT FUND	TOTAL ALL FUNDS	
UNEXPENDED	NET INVESTED		1987	1986 (Note 1g)
\$	\$	\$	\$ 435,128	\$ 576,980
			252,563	260,404
			324,038	368,507
		500	44,783	33,766
		(500)	-	-
	2,320		5,415	5,721
			20,174	14,784
			2,320	-
		637	9,192	12,612
<u>-</u>	<u>2,320</u>	<u>637</u>	<u>1,093,613</u>	<u>1,272,774</u>
			80,032	54,144
			77,213	79,855
			93,274	105,762
			48,684	36,983
			73,896	45,021
			25,116	29,920
			62,492	77,292
			355,531	299,142
			127,290	136,003
2,320			2,320	-
	58,712		58,712	39,636
<u>2,320</u>	<u>58,712</u>	<u>-</u>	<u>1,004,560</u>	<u>903,758</u>
(2,320)	(56,392)	637	89,053	369,016
86,930			-	-
(90,114)	90,114		-	-
(5,504)	33,722	637	\$ <u>89,053</u>	\$ <u>369,016</u>
<u>10,754</u>	<u>272,860</u>	<u>16,432</u>		
<u>\$ 5,250</u>	<u>\$ 306,582</u>	<u>\$ 17,069</u>		

RADIO STATIONS KFUD-AM and KFUD-FM
a DEPARTMENT, of
THE LUTHERAN CHURCH-MISSOURI SYNOD
STATEMENT OF CURRENT FUND REVENUE, EXPENDITURES, AND OTHER CHANGES
FOR THE YEAR ENDED JUNE 30, 1987

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	1987	1986 (Note 1g)	INCREASE (DECREASE)
REVENUE AND OTHER ADDITIONS			
Legacies and Bequests	\$ 435,128	\$ 576,980	\$ (141,852)
Gifts and Grants -			
Synod	-	955	(955)
Individuals	127,739	122,253	5,486
Congregations	39,739	37,090	2,649
Organizations	7,194	8,395	(1,201)
Underwriting Grants	22,443	17,362	5,081
Birthday Offerings	2,402	2,435	(33)
Memorial Wreaths	35,270	41,595	(6,325)
Other	17,776	24,214	(6,438)
FM Commercial Income	324,038	368,507	(44,469)
Investment Income (Note 4)	44,283	33,266	11,017
Designation of Endowment Income	500	500	-
Extension Service	5,415	5,721	(306)
Operating Lease (Note 13)	20,174	14,784	5,390
Unrealized Gain on Investment	8,555	11,273	(2,718)
Total	<u>1,090,656</u>	<u>1,265,330</u>	<u>(174,674)</u>
EXPENDITURES			
News and Public Affairs	80,032	54,144	25,888
Development and Public Relations	77,213	79,855	(2,642)
Technical	93,274	105,762	(12,488)
Production and Traffic	48,684	36,983	11,701
Religious Programming	73,896	45,021	28,875
Extension Service	25,116	29,920	(4,804)
Administration and General	62,492	77,292	(14,800)
FM Programming	355,531	299,142	56,389
Business Services	127,290	136,003	(8,713)
Total	<u>943,528</u>	<u>864,122</u>	<u>79,406</u>
INCREASE BEFORE OTHER CHANGES	<u>147,128</u>	<u>401,208</u>	<u>(254,080)</u>
OTHER CHANGES - ADDITIONS (DEDUCTIONS)			
Non-Mandatory Transfers -			
Capital Appropriations	(86,930)	(180,905)	93,975
NET INCREASE (DECREASE)	<u>\$ 60,198</u>	<u>\$ 220,303</u>	<u>\$ (160,105)</u>

See Notes to Financial Statements

RADIO STATIONS KFUA-AM and KFUA-FM
a DEPARTMENT, of
THE LUTHERAN CHURCH-MISSOURI SYNOD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1987

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ORGANIZATION -

Radio Stations KFUA-AM and KFUA-FM are operated and controlled by The Lutheran Church-Missouri Synod (Synod). In July, 1986, the 56th Convention of the Synod resolved to amend the bylaws making Radio Station KFUA-AM and FM, as broadcast facilities owned by the Synod, a part of the Board for Communication Services. The new bylaws governing the Board for Communication Services call for it to manage and operate the business and affairs of the Radio Stations through its Standing Committee on Broadcast. All tangible and intangible assets, including real property and equipment, are the property of the Synod.

1. Summary of Significant Accounting Policies

- a. The financial statements of Radio Stations KFUA-AM and KFUA-FM have been prepared on the accrual basis. The Statement of Current Fund Revenue, Expenditures, and Other Changes is a statement of financial activities of current funds related to the current reporting period. It is not intended to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenue and expenses.
- b. To ensure observance of limitations and restrictions placed on the use of the resources available to the Radio Stations, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes.

Operating and plant funds restricted by the donor, grantor, or other outside party for particular operating purposes or for plant acquisitions are deemed to be earned and reported as revenues of operating funds or as additions to plant funds, respectively, when the Radio Stations have incurred expenditures in compliance with the specific restrictions. Such amounts received but not yet earned are reported as restricted deferred amounts.

Uses of operating funds for plant acquisitions and principal debt service payments are accounted for as transfers to plant funds. Proceeds from the sale of plant assets, if unrestricted, are transferred to operating fund balances, or, if restricted, to deferred amounts restricted for plant acquisitions.

All gains and losses arising from the sale, collection or other disposition of investments and other non-cash assets are accounted for in the fund that owned the assets. Ordinary income from investments, receivables, and the like is accounted for in the fund owning the assets, except income derived from investments of endowment funds, which is accounted for as revenue in the endowment fund and is allocated to the current operating fund.

RADIO STATIONS KFUD-AM and KFUD-FM
a DEPARTMENT, of
THE LUTHERAN CHURCH-MISSOURI SYNOD
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 1987

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1. Summary of Significant Accounting Policies (Continued)
 - c. Investments are carried at market value.
 - d. Buildings were recorded at appraised value at June 1941. Buildings acquired subsequent to June 1941, and all other improvements and equipment are recorded at cost.
 - e. Cash transactions are processed through the current fund and are reflected in the interfund "due to" and "due from" accounts.
 - f. Depreciation of building and plant has been calculated using the straight-line method.
 - g. The financial information shown for 1986 is included to provide a basis for comparison with 1987 and presents combined totals only. The 1986 amounts are not intended to include all of the information necessary for a fair presentation in accordance with generally accepted accounting principles.
2. On November 3, 1985, Radio Station KFUD-FM entered into an agreement with Multiplex Music Company for the non-exclusive use of an antenna, transmitter, equipment and lines, and commercial building located at 532 DeBaliviere Avenue, St. Louis, Missouri. The basic terms of the agreement grant KFUD-FM the use of the above mentioned equipment to operate its FM broadcasting on 99.1 megacycles for an initial term of ten years. In addition, the agreement grants Multiplex the right to sub-channel for a like period of time. KFUD-FM retains the right to terminate this agreement upon 30 days written notice to Multiplex, subject to other terms and conditions outlined in the agreement.

In order to retain its class C license, Radio Station KFUD-FM filed form 301 with the Federal Communications Commission (FCC) on December 28, 1984 to move its tower to a site in unincorporated St. Louis County. Formal opposition to block this application was filed with the FCC by KREI, Inc., Farmington, Missouri and by Target Media, Inc., Gordonville, Missouri, against EZ Communications, owner of the new tower, and Radio Station KFUD-FM, on the grounds of short spacing problems. On June 10, 1987, an agreement was reached between EZ Communications, KREI, and Radio Station KFUD-FM to have KREI withdraw its opposition to the application, in exchange for the sum of \$150,000 to be paid jointly and severally by Radio Station KFUD-FM and EZ Communications, as soon as the application is approved by the FCC. A separate agreement, dated May 26, 1987, between EZ Communications and Radio Station KFUD-FM, details the rights and obligations of the two parties to pay this joint liability based on future events which could not be predicted at June 30, 1987. Target Media, Inc., has not withdrawn its opposition to the move and as of August 7, 1987, the FCC had not granted its approval for the FM tower relocation.

RADIO STATIONS KFUA-AM and KFUA-FM
a DEPARTMENT, of
THE LUTHERAN CHURCH-MISSOURI SYNOD
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 1987

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3. Details of Investments are as follow:

	INTEREST RATES	MATURITY DATES	MARKET VALUES	
			JUNE 30	
			1987	1986
<u>CURRENT FUND</u>				
Savings Accounts	5.5%	Demand	\$ -	\$ 1
Common Stock	-	-	86,213	62,568
Sundry Trust Funds - The Lutheran Church-Missouri Synod	Variable	Demand	<u>160,411</u>	<u>164,201</u>
			<u>\$246,624</u>	<u>\$226,770</u>
<u>ENDOWMENT FUND</u>				
Sundry Trust Funds - The Lutheran Church-Missouri Synod	Variable	Demand	<u>\$ 24,586</u>	<u>\$ 23,644</u>

4. Operating funds held by Synod represent interest-bearing demand deposits which earn interest on the daily balance in the account. Interest rates on the accounts ranged from 5.0% to 6.25% for the twelve months ended June 30, 1987.

Interest earned on this account has been reported as investment income and amounted to \$30,431 for the year ended June 30, 1987.

5. The Radio Stations are beneficiaries in the income of trusts held by The Lutheran Church-Missouri Synod. At June 30, 1987, the trustee reported the following:

	PRINCIPAL MARKET VALUE	BALANCE TRUSTEE'S CARRYING VALUE
The Ehmer-Krutz Endowment Fund	\$ 7,322	\$ 6,501
The Benjamin L. Lehman and Elsie W. Lehman Endowment Fund	15,561	9,317

The trusts are not recorded on the Radio Stations' books and income is recorded when received. For the year ended June 30, 1987, \$932 was received from the trustee.

6. The land on which the Radio Stations' building has been constructed is a part of the Concordia Seminary campus owned by The Lutheran Church-Missouri Synod.

RADIO STATIONS KFUA-AM and KFUA-FM
a DEPARTMENT, of
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NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 1987

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7. Radio Stations KFUA-AM and KFUA-FM participate in the worker benefit plan of The Lutheran Church-Missouri Synod. Substantially all full-time employees are covered by this retirement and survivor program. The Radio Stations contributed a fixed percentage of each participant's salary to the plan. Retirement and survivor expense for the fiscal year ending June 30, 1987 and 1986 amounted to \$17,479 and \$20,254, respectively.

8. Property, liability and comprehensive insurance is provided under a plan of insurance carried by The Lutheran Church-Missouri Synod, and is supplemented by local property insurance carried by Radio Stations KFUA-AM and KFUA-FM. In the opinion of management, the coverage was considered adequate at June 30, 1987.

RADIO STATIONS KFUD-AM and KFUD-FM
a DEPARTMENT, of
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NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 1987

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9. On February 25, 1983, the Board of Directors of The Lutheran Church-Missouri Synod authorized the sale of commercial airtime to be broadcast on its FM station. Commercial broadcasting began March 14, 1983. The following schedule represents the net results of operations for the year ended June 30, 1987 and June 30, 1986 after giving effect to allocation of revenue and expense of the AM and FM operations as determined by station management:

	J U N E 3 0 , 1 9 8 7			J U N E 3 0 , 1 9 8 6		
	AM	FM	TOTAL	AM	FM	TOTAL
REVENUE						
Legacies and Bequests	\$ 435,128	\$ -	\$ 435,128	\$ 576,980	\$ -	\$ 576,980
Gifts and Grants	250,518	2,045	252,563	244,131	10,168	254,299
FM Commercials	-	324,038	324,038	-	368,507	368,507
Investment Income	44,283	-	44,283	13,006	20,260	33,266
Designation of Endowment Income	500	-	500	500	-	500
Extension Service	5,415	-	5,415	5,721	-	5,721
Operating Lease	-	20,174	20,174	-	14,784	14,784
Unrealized Gain on Investment	3,422	5,133	8,555	-	-	-
Total	<u>739,266</u>	<u>\$ 351,390</u>	<u>1,090,656</u>	<u>\$ 840,338</u>	<u>\$ 413,719</u>	<u>\$1,254,057</u>
EXPENDITURES						
News and Public Affairs	80,032	-	80,032	48,445	5,699	54,144
Development and Public Relations	77,213	-	77,213	77,291	2,564	79,855
Technical	48,215	45,059	93,274	39,372	66,390	105,762
Production and Traffic	10,027	38,657	48,684	16,534	20,449	36,983
Religious Programming	73,896	-	73,896	43,560	1,461	45,021
Extension Service	25,116	-	25,116	29,920	-	29,920
Administration and General	38,961	23,531	62,492	31,490	45,802	77,292
FM Programming	-	355,531	355,531	-	299,142	299,142
Business Services	54,202	73,088	127,290	64,621	71,382	136,003
Total	<u>407,662</u>	<u>535,866</u>	<u>943,528</u>	<u>351,233</u>	<u>512,889</u>	<u>864,122</u>
RESULTS OF OPERATIONS BEFORE TRANSFERS						
	331,604	(184,476)	147,128	489,105	(99,170)	389,935
TRANSFERS						
Non-Mandatory Transfers-Capital Appropriations	(50,962)	(35,968)	(86,930)	(41,325)	(139,580)	(180,905)
NET RESULTS OF OPERATIONS						
	<u>\$ 280,642</u>	<u>\$(220,444)</u>	<u>\$ 60,198</u>	<u>\$ 447,780</u>	<u>\$(238,750)</u>	<u>\$ 209,030</u>

The Lutheran Church-Missouri Synod may be subject to federal taxes on net income earned by this commercial operation in future years.

RADIO STATIONS KFUA-AM and KFUA-FM
a DEPARTMENT, of
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NOTES TO FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED JUNE 30, 1987

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10. Accumulated depreciation consisted of the following:

	<u>ACCUMULATED DEPRECIATION</u>	
	<u>1987</u>	<u>1986</u>
Equipment -		
Transmitter	\$ 129,993	\$ 110,805
Radiating	25,881	25,881
Studio Technical	100,979	85,322
Furniture and Fixtures	90,413	68,789
Buildings	239,133	237,323
Improvements Other Than Buildings	<u>6,277</u>	<u>5,844</u>
	<u>\$ 592,676</u>	<u>\$ 533,964</u>

11. In accordance with the accounting policy explained in Note 1b, Deferred Revenue - Restricted Funds were accounted for as follows:

DEFERRED REVENUE - RESTRICTED

	<u>1987</u>	<u>1986</u>
<u>CURRENT FUND</u>		
Funds Received	\$ -	\$ 10,461
Balance - Beginning of Year	17,916	10,807
Restricted Funds Available	<u>17,916</u>	<u>21,268</u>
Funds Expended and Recognized as Revenue	-	3,352
Balance - End of Year	<u>\$ 17,916</u>	<u>\$ 17,916</u>
<u>PLANT FUND</u>		
Funds Received	\$ -	\$ -
Balance - Beginning of Year	17,713	17,713
Restricted Funds Available	<u>17,713</u>	<u>17,713</u>
Funds Expended and Recognized as Revenue	-	-
Balance - End of Year	<u>\$ 17,713</u>	<u>\$ 17,713</u>

12. As a part of normal operating procedures, the Radio Stations follow the practice of exchanging commercial air time for certain assets. These assets are recorded at the fair market value of the commercial air time provided. As of June 30, 1987, the Radio Stations had a liability of \$5,250 for commercial air time yet to be rendered.