

WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE**

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To The Board of Regents
University Of Maryland Eastern Shore
Princess Anne, Maryland

We have audited the accompanying statement of net position of WESM 91.3 FM (“the Station”) as of June 30, 2025, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended and the related notes to the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Station as of June 30, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WESM 91.3 FM and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

Responsibilities of Management of 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.

Responsibilities of Management of the Financial Statements (Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Station's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Station's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 financial statements as a whole. The supplemental Schedule of Non-Federal Financial Support is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Non-Federal Financial Support is fairly stated in all material respects in relation to the financial statements as a whole.

PKS & Company, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Salisbury, Maryland
February 5, 2026

WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

INTRODUCTION

This section of the report provides a discussion and analysis of WESM 91.3 FM (the “Station”) financial performance for the year ended June 30, 2025. This analysis should be read in conjunction with the Station’s basic financial statements and the notes to the basic financial statements.

OVERVIEW OF FINANCIAL STATEMENTS

The three primary financial statements of the Station presented are the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements are prepared in conformity with accounting principles generally accepted in the United States and as prescribed by Government Accounting Standards Board (GASB).

The notes to the financial statements provide required disclosures and other information that are essential to full understanding of the material data provided in the statements. The notes present information about the Station’s accounting policies, significant account balances and activities, obligations and subsequent events, if any, and can be found beginning on page 13 of this report.

The information contained in the basic financial statements of the Station is incorporated within the University of Maryland Eastern Shore’s Annual Financial Statements.

STATEMENT OF NET POSITION

The Statement of Net Position present the financial position of the Station at the end of the fiscal year and includes all assets and liabilities of the Station. Assets and liabilities are presented as either current or noncurrent to provide an indication of their anticipated liquidation. The difference between total assets and total liabilities equals net position. The net position is an indicator of the current financial condition of the Station.

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

STATEMENT OF NET POSITION (Continued)

A summary of assets, liabilities, and net position at June 30, 2025 and 2024, is as follows:

For the Years Ended June 30,	2025	2024
Assets		
Current assets	\$ 502,397	\$ 482,995
Capital assets, net of accumulated depreciation	139,768	128,520
Total assets	642,165	611,515
Liabilities		
Total liabilities	495,486	462,501
Total liabilities	495,486	462,501
Net Position		
Net investment in capital assets	139,768	128,520
Unrestricted	6,911	20,494
Total net position	146,679	149,014
Total liabilities and net position	\$ 642,165	\$ 611,515

FISCAL YEAR 2025 COMPARED TO FISCAL YEAR 2024

- Current Assets in fiscal year 2025 increased by \$19,402 or 4% over fiscal year 2024 mainly due to an increase in cash.
- Total Liabilities in fiscal year 2025 increased by \$32,985 or 7% over fiscal year 2024. This increase is due primarily to an increase in deferred revenue.
- Total Net Position in fiscal year 2025 decreased by \$2,335 compared to fiscal year 2024.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position present the Station's results of operations. The statements distinguish revenues and expenses between operating and non-operating categories and provide a view of the Station's operating margin.

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(Continued)**

A summary of revenues, expenses, and changes in net position for the years ended June 30, 2025 and 2024, is as follows:

For the Years Ended June 30,	2025	2024
Operating revenues	\$ 286,446	\$ 279,018
Operating expenses	524,390	595,886
Operating loss before non-operating revenues	(237,944)	(316,868)
Non-operating revenues	235,609	306,245
Total changes in net position	(2,335)	(10,623)
Net position, beginning of the year	149,014	159,637
Net position, end of the year	\$ 146,679	\$ 149,014

FISCAL YEAR 2025 COMPARED TO FISCAL YEAR 2024

- Total Operating Revenues for fiscal year 2025 increased by \$7,428 or 3% from fiscal year 2024. This fluctuation is mainly due to an increase in grants from the Corporation for Public Broadcasting.
- Total Operating Expenses in fiscal year 2025 decreased by \$71,496 or 12% compared to fiscal year 2024, due to a decrease in programming service.
- Non-Operating Revenues in fiscal year 2025 decreased by \$70,636 or 23% from fiscal year 2024 due to a decrease in the University Support of Operating Expenses.

WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE
MANAGEMENT’S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provide information about the Station’s receipts and disbursements of cash during the year. These statements also assist users in assessing the Station’s ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing. A summary of cash flows for the years ended June 30, 2025 and 2024, is as follows:

For the Years Ended June 30,	2025	2024
Net cash (used) by operating activities	\$ (147,427)	\$ (385,659)
Net cash provided by non-capital financing activities	196,270	267,926
Net cash used by capital and related financing activities	(36,219)	
Increase (decrease) in cash and cash equivalents, during the year	12,624	(117,733)
Cash and cash equivalents, beginning of the year	368,887	486,620
Cash and cash equivalents, end of the year	\$ 381,511	\$ 368,887

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The economic outlook for WESM-FM remains stable despite the loss of federal funding.

- **Loss of Federal Funding:** Federal funding, which comprised approximately 40% of WESM-FM’s annual operating budget, was eliminated in FY26. Because this reduction was anticipated, management implemented advance planning to diversify revenue sources. New revenue strategies include increased pursuit of foundation and government grants. In addition, through its collaboration with Salisbury University, WESM-FM has implemented sponsorship and membership revenue-sharing arrangements. The station also secured a significant short-term bridge grant that offsets the majority of the federal funding loss in FY26, providing time to develop and stabilize alternative revenue streams.
- **Local News Content Expansion:** While other media organizations have reduced coverage or exited the Delmarva Peninsula, WESM-FM continues to expand its local content. In early FY25, WESM-FM launched *Intergenerational Beats*, a program that pairs an experienced journalist with a university student to provide consistent coverage of local issues, including the arts and local history. The station is also exploring hiring an agriculture and environment reporter.

WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE (Continued)

- **Local Music Programming:** WESM-FM added *Jazz Horizons*, a locally produced music program hosted by the station's Music Director. This program complements other locally produced, live-hosted jazz programming aired on weekdays.
- **Grant and Other Funding Opportunities:** Programming and partnership initiatives position WESM-FM to pursue additional grant funding and corporate underwriting to support operations and mitigate the impact of federal funding reductions.
- **Staffing and Leadership:** WESM-FM hired new leadership in FY26, including the appointment of a new General Manager with experience in nonprofit and media strategy, operations, and fundraising, and a new Music Director who is also an active musician and music instructor.

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE**

STATEMENT OF NET POSITION

YEAR ENDED JUNE 30, 2025

ASSETS

	<u>2025</u>
CURRENT ASSETS	
Cash and cash equivalents	\$ 381,511
Accounts receivable, net	112,973
Prepaid expenses	7,913
Total current assets	<u>502,397</u>
NONCURRENT ASSETS	
Capital assets, net of accumulated depreciation	<u>139,768</u>
 Total assets	 <u><u>\$ 642,165</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and other accrued expenses	\$ 3,137
Accrued payroll	14,057
Accrued vacation, current portion	7,048
Deferred revenue	463,297
Total current liabilities	<u>487,539</u>
NONCURRENT LIABILITIES	
Accrued vacation	<u>7,947</u>
 Total liabilities	 <u>495,486</u>
NET POSITION	
Net investment in capital assets	139,768
Unrestricted	6,911
Total net position	<u>146,679</u>
 Total liabilities and net assets	 <u><u>\$ 642,165</u></u>

The accompanying notes are an integral part of these financial statements.

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE**

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION**

YEAR ENDED JUNE 30, 2025

	2025
OPERATING REVENUES	
Corporate and public donations	\$ 16,753
Underwriting income	18,082
Grants from the Corporation for Public Broadcasting	251,611
Total operating revenues	286,446
OPERATING EXPENSES	
Program services:	
Programming and production	213,756
Broadcasting	45,864
Program information	29,789
Total program services	289,409
Support services:	
Management and general	215,198
Fundraising & membership development	19,783
Total support services	234,981
Total operating expenses	524,390
Operating loss before non-operating revenues	(237,944)
NON-OPERATING REVENUES	
Appropriation from the University of Maryland Eastern Shore	196,270
Administrative support from the University of Maryland Eastern Shore	39,339
Total non-operating revenues	235,609
Change in net position	(2,335)
NET POSITION, BEGINNING OF THE YEAR	149,014
NET POSITION, END OF THE YEAR	\$ 146,679

The accompanying notes are an integral part of these financial statements.

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE**

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2025

	<u>2025</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Corporate and public donations	\$ 16,753
Underwriting income	18,082
Grants from the Corporation for Public Broadcasting	251,611
Payments to employees	(204,066)
Payments to suppliers and contractors	(229,807)
Net cash used by operating activities	<u>(147,427)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Appropriations from University of Maryland Eastern Shore	196,270
Net cash provided by noncapital financing activities	<u>196,270</u>
CASH FLOWS FROM CAPITAL-RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(36,219)
Net cash used by capital-related financing activities	<u>(36,219)</u>
Increase in cash and cash equivalents during the year	12,624
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>368,887</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u><u>\$ 381,511</u></u>

The accompanying notes are an integral part of these financial statements.

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE**

STATEMENT OF CASH FLOWS (Continued)

YEAR ENDED JUNE 30, 2025

	<u>2025</u>
RECONCILIATION OF OPERATING LOSS TO CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (237,944)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Depreciation expense	24,971
Administrative support from University	39,339
CHANGES IN ASSETS AND LIABILITIES	
Accounts receivable	5,389
Prepaid expenses	1,390
Accounts payable and accrued liabilities	(4,330)
Accrued payroll	3,233
Accrued vacation	6,479
Deferred revenue	14,046
Net cash used by operating activities	<u>\$ (147,427)</u>

The accompanying notes are an integral part of these financial statements.

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

REPORTING ENTITY

WESM 91.3 FM (“the Station”) is a non-profit, National Public Radio Station licensed and owned by the University of Maryland Eastern Shore (the “University”). The Station which broadcast in stereo on a frequency of 91.3 MHz began operating in 1987 and serves the tri-state area of Maryland, Virginia, and Delaware on the Delmarva Peninsula, as well as portions of Maryland and Virginia located across the Chesapeake Bay. Both the University and the Station are governed by a Board of Regents appointed by the Governor of Maryland.

The financial activity of the Station is included in the financial statements of the University. These accompanying financial statements of the Station presents only that portion of the business-type activities of the University that is attributable to the transactions of the Station. They do not present the financial position, changes in financial position, or cash flows of the University. The Station is dependent upon support from the Corporation for Public Broadcasting, the University and the public.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Station’s financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation is incurred.

Use of Estimates

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

Cash Equivalents

The Station participates in the University’s pooled investment accounts. For financial statements purposes, all highly liquid investments with an original maturity of three months or less that are held by the University for the benefit of the Station is considered cash equivalents.

Accounts Receivable

Accounts receivable consists of amounts due to the Station from the University and other miscellaneous revenue sources. Accounts receivable are presented at their net realizable amount. Accounts receivable as of June 30, 2025 was \$112,973.

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Music Collections

The Station has adopted a policy of not capitalizing its music collections in its financial statements. Accordingly, no music collection items are recognized as assets. The music collections are made up of rare and out-of-print music recordings of musical significance that are held for educational, research, and public broadcasting purposes. Each of the music recordings is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation. The University's capitalization policy includes all equipment with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Depreciation is computed using a straight- line basis over the estimated useful lives of the assets. Capital assets purchased during the fiscal year is treated as though was placed in service on the first day of the fiscal year and a full-year's depreciation is taken. The useful lives of the following categories of capital assets are as follows:

Building and improvements	39 years
Studio and Other equipment	5 - 15 years

Compensated Absences

Employee vacation pay is accrued at year-end for financial statement purposes. The liability and expenses incurred are recorded at year-end as accrued vacation in the statement of net position, and as a component of the appropriate functional category of expenses in the statement of revenues, expenses, and changes in net position.

Net Position

The Station's net position is classified for financial reporting in the following net categories:

- ***Net Investment in Capital Assets***: This represents the Station's total investment in capital assets, net of accumulated depreciation and outstanding principal balances of debt, if any, attributable to the acquisition, construction or improvement of those assets.
- ***Unrestricted***: Unrestricted net position represents resources derived from donations, underwriting income, and other miscellaneous income.

Revenue Recognition

Underwriting income represents income generated from advertising spots purchased by corporate sponsors. Deposits and monies received for advertising spots in advance of airing a spot are not recognized as underwriting income until completion of the airing of the advertising spot.

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Revenues and Expenses

The Station has classified its revenues according to the following criteria:

- **Operating:** Operating revenues include activities that have the characteristics of exchange transactions such as donations, grants income, underwriting income and other miscellaneous income.
- **Non-operating:** Non-operating revenues include activities that have the characteristics of nonexchange transactions such as appropriations from the University of Maryland Eastern Shore and donated facilities and administrative support from the University of Maryland Eastern Shore.

Administrative Support

The University provides certain administrative support to the Station. Administrative support represent the Station allocated amounts of institutional support and is recorded as revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position. Institutional support is based on the Station's pro-rata share of the University's total salaries, wages, and administrative expenses. For the year ended June 30, 2025, the Station's allocated amounts of administrative support are calculated based on amounts stated in the University's audited financial statements.

Appropriation From the University Of Maryland Eastern Shore

The appropriation from University of Maryland Eastern Shore represents support from the University for salaries and operating expenses not provided through other sources.

Income Taxes

The Station is a component of the University of Maryland Eastern Shore (a political subdivision of the State of Maryland) and are exempt from federal income taxes under the provisions of Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the Station's financial statements.

Risk Management

The Station is part of the University's overall risk management program. The Station is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; and natural disasters. The Station, through the University, participate in the State's various self-insurance programs. The State is self-insured for general liability, property and casualty, workers' compensation, environmental and antitrust liabilities, and certain employee health benefits.

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk Management (Continued)

The State allocates the cost of providing claims servicing and claims payment by charging a “premium” to the University based on a percentage of the University’s estimated current-year payroll or based on the average loss experienced by the University. This charge considers recent trends in actual claims experience of the State as a whole and makes provisions for catastrophic losses.

CASH AND CASH EQUIVALENTS

The Station participated in the University’s pooled cash accounts and pooled investment accounts for fiscal year 2025. Cash and cash equivalents are held as cash by the University on behalf of the Station. For purposes of basic financial statements for fiscal year 2025, cash and cash equivalents consist of the University’s bank deposits, and other investments with original maturities of three months or less.

NONCURRENT LIABILITIES

Changes in noncurrent liabilities consisted of the following:

	Balance			Balance	Amount Due
	June 30, 2024	Additions	Reductions	June 30, 2025	Within
					One Year
Accrued Vacation	\$ 8,516	\$ 14,995	\$ 8,516	\$ 14,995	\$ 7,048
Total Noncurrent Liabilities	<u>\$ 8,516</u>	<u>\$ 14,995</u>	<u>\$ 8,516</u>	<u>\$ 14,995</u>	<u>\$ 7,048</u>

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

CAPITAL ASSETS

The Station's capitalization policy recognizes one year depreciation expense in the year of acquisition of an asset. Capital asset activity is summarized as follows:

	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2025</u>
Depreciated Assets				
Buildings	\$ 41,306	\$	\$	\$ 41,306
Equipment	<u>416,348</u>	<u>36,219</u>	<u> </u>	<u>452,567</u>
	457,654	36,219		493,873
Less: Accumulated Depreciation				
Buildings	41,306			41,306
Equipment	<u>287,828</u>	<u>24,971</u>	<u> </u>	<u>312,799</u>
	<u>329,134</u>	<u>24,971</u>	<u> </u>	<u>354,105</u>
	<u>\$ 128,520</u>	<u>\$ 11,248</u>	<u>\$</u>	<u>\$ 139,768</u>

Depreciation expense for June 30, 2025 was \$24,971.

RELATED PARTY TRANSACTIONS

The Station receives non-monetary contributions from the University for certain facilities and administrative support which are reported as operating revenues and expenses in accordance with valuation guidelines prescribe by the Corporation for Public Broadcasting. During 2025, these non-monetary contributions for administrative support totaled \$39,339.

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025

RETIREMENT PLANS

Eligible employees of the Station, as employees of the University, are covered under the Pension and Retirement Plans of the State Retirement and Pension System of Maryland and are also entitled to certain health care benefits upon retirement.

The Station's only liability for retirement and post-employment benefits is its required annual contribution made by the University, which was fully funded during the year ended June 30, 2025. The Station's share of these contributions amounted to \$24,401 for the year ended June 30, 2025.

The cost of the Station retirees' health care benefits is expensed when paid and totaled \$12,757 for the year ended June 30, 2025.

The State Retirement and Pension System of Maryland is considered part of the State of Maryland's financial reporting entity and is not considered a part of the University's reporting entity. The State Retirement and Pension System of Maryland prepares a separate Comprehensive Annual Financial Report, which can be obtained from the State Retirement and Pension System of Maryland at 120 East Baltimore Street, Baltimore, Maryland 21202.

SUBSEQUENT EVENTS

Subsequent to the year end, federal funding for the Station, consisting of 40% of the operating budget, was eliminated. Anticipating this loss, management implemented advanced planning to diversify revenue, such as, pursuit of foundation and government grants, sponsorship and membership revenue sharing arrangements in collaboration with Salisbury University, and securing a short term bridge grant offsetting the majority of the loss in 2026.

**WESM 91.3 FM
UNIVERSITY OF MARYLAND EASTERN SHORE**

SCHEDULE OF NON-FEDERAL FINANCIAL SUPPORT

YEAR ENDED JUNE 30, 2025

	<u>2025</u>
Direct revenue	\$ 231,105
Indirect administrative support	<u>39,339</u>
Total non-federal financial support	<u><u>\$ 270,444</u></u>