



WAER-FM RADIO
(A Department of Syracuse University)

Financial Statements

June 30, 2021 and 2020

(With Independent Auditors' Report Thereon)

WAER-FM RADIO
(A Department of Syracuse University)

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KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Board of Trustees
Syracuse University:

We have audited the accompanying financial statements of WAER-FM Radio, a department of Syracuse University, which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WAER-FM Radio, a department of Syracuse University, as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

January 11, 2022

WAER-FM RADIO
(A Department of Syracuse University)
Statements of Financial Position
June 30, 2021 and 2020

Assets	2021	2020
Current assets:		
Cash	\$ 136,948	10,852
Prepaid expenses	5,856	11,088
Accounts receivable	<u>25,872</u>	<u>29,273</u>
Total current assets	168,676	51,213
Equipment, net	<u>98,821</u>	<u>145,750</u>
Total assets	<u><u>\$ 267,497</u></u>	<u><u>196,963</u></u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 7,453	5,481
Deferred revenues	<u>14,630</u>	<u>8,260</u>
Total current liabilities	22,083	13,741
Net assets, without donor restrictions	<u>245,414</u>	<u>183,222</u>
Total liabilities and net assets	<u><u>\$ 267,497</u></u>	<u><u>196,963</u></u>

See accompanying notes to financial statements.

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Statements of Activities

Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Change in net assets, without donor restrictions:		
Support and revenues:		
General appropriation – Syracuse University	\$ 598,759	599,851
Indirect support – Syracuse University	448,854	391,147
Underwriting contracts	246,482	322,312
Corporation for Public Broadcasting grants	294,282	216,757
NYS Public Broadcasting grant	58,471	59,516
In-kind contributions	34,200	21,385
Contributions and miscellaneous income	300,781	268,815
Total support and revenues	<u>1,981,829</u>	<u>1,879,783</u>
Expenditures:		
Program services	953,873	957,404
Fundraising	351,870	331,143
Management and general	613,894	626,871
Total expenditures	<u>1,919,637</u>	<u>1,915,418</u>
Change in net assets, without donor restrictions	62,192	(35,635)
Net assets, without donor restrictions at beginning of year	<u>183,222</u>	<u>218,857</u>
Net assets, without donor restrictions at end of year	<u>\$ 245,414</u>	<u>183,222</u>

See accompanying notes to financial statements.

WAER-FM RADIO
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Statements of Cash Flows
Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 62,192	(35,635)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	25,098	32,237
Loss on disposal of equipment	21,831	
Changes in assets and liabilities that provide (use) cash:		
Prepaid expenses	5,232	(181)
Accounts receivable	3,401	12,354
Accounts payable	1,972	(1,128)
Deferred revenues	6,370	(9,989)
Net cash provided by (used in) operating activities	<u>126,096</u>	<u>(2,342)</u>
Cash flows from investing activities:		
Purchase of equipment		<u>(113,392)</u>
Net cash used in investing activities		<u>(113,392)</u>
Net increase (decrease) in cash	126,096	(115,734)
Cash at beginning of year	<u>10,852</u>	<u>126,586</u>
Cash at end of year	<u>\$ 136,948</u>	<u>10,852</u>

See accompanying notes to financial statements.

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Notes to Financial Statements
June 30, 2021 and 2020

(1) Summary of Significant Accounting Policies

(a) Nature of Operations

WAER-FM Radio (the Station) is a department of Syracuse University (the University) and is included in the University's consolidated financial statements. The accompanying financial statements have been prepared on the accrual basis of accounting and are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, which addresses the presentation of financial statements for not-for-profit entities. Additionally, the financial statements present the financial position and activities of the Station and do not purport to present the results of operations for the University as a whole.

(b) Net Assets Classification

The accompanying financial statements present information regarding the Station's financial position and activities according to net asset classes. The classes are differentiated by the presence or absence of donor restrictions. The net assets of the Station are classified as follows:

Without donor restrictions net assets are not subject to external stipulations restricting their use but they may be designated for specific purposes by the Station or may be limited by contractual agreements with outside parties.

With donor restrictions net assets are subject to stipulations that expire by the passage of time, can be fulfilled or removed by actions pursuant to the stipulations, or which may be perpetual. Currently, the Station has no net assets subject to donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as having donor restrictions increasing that net asset class. If a restriction is fulfilled in the same time period in which the contribution is received, the Station reports the support as without donor restrictions.

(c) Cash

The Station's cash is commingled with the University's other cash balances. The balance represents the Station's claim against such University cash balances.

(d) Equipment

Equipment is recorded at cost or, in the case of donated equipment, at estimated fair value at the date of donation. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets (generally five years for equipment). Equipment comprises original costs of \$187,172 and \$214,461, net of accumulated depreciation of \$88,351 and \$68,711 at June 30, 2021 and 2020, respectively. The Station follows the University's capitalization policy whereby all movable equipment expenditures over \$5,000 and with a useful life of one year or more are capitalized. Expenditures for repairs and maintenance are charged to operating expense as incurred. At the time equipment is replaced, retired, or otherwise disposed of, the cost and associated accumulated depreciation is removed from the respective accounts and any gain or loss resulting from sale or retirement is recorded in the statement of activities of the Station.

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(e) Revenue from Federal and State Grants

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant making organization responsible for funding more than 1,000 television and radio stations nationwide. CPB distributes annual Community Service Grants (CSGs) to qualifying public telecommunications entities. CSGs are used to augment the financial resources of public broadcasting stations and thereby enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated Section 396(k)(7) (1983) Supplement. In any event, each grant must be expended within two years of the initial grant authorization.

These grants include certain guidelines that must be satisfied in connection with the application and use of the grants to maintain eligibility and compliance requirements. These guidelines pertain to the use of grant funds, recordkeeping, audits, financial reporting, and licensee status with the Federal Communications Commission.

CPB grants are provided in connection with the purchase or production of national programming and must be utilized for that specific purpose. These amounts are also subject to the aforementioned guidelines pertaining to recordkeeping, audits, financial reporting, and licensee status with the Federal Communications Commission.

Grants and contracts awarded by federal and other sponsors, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. Grants and contracts whose restrictions are met in the same fiscal year as their revenue is recognized and are reported as grants and contracts without donor restrictions.

(f) Underwriting Contracts

Underwriting contracts consist of financial support from individual businesses. Revenue is recognized when earned, and a written agreement between the Station and the business or organization is executed by both parties. The financial support is based on the number of announcements aired for the business, and terms are net, 30 days.

(g) In-Kind Contributions

In-kind contributions represent goods and services received in exchange for sponsorship. The fair value of in-kind contributions is recognized as revenue and expense in the period in which the sponsorship services are provided. The fair value of in-kind contributions for which sponsorship has not yet been provided is recorded as deferred revenues within the statement of financial position and will be recognized when aired.

(h) Contributions and Other Support

Contributions, including unconditional pledges, are recognized as revenues when the donor's commitment is received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected after one year are recorded at their net present value.

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Support from the University consists of general appropriations and indirect support primarily for the Station's salaries and benefits and administrative costs.

(i) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

(j) Tax Status

The Station is a department of Syracuse University, which is a tax-exempt corporation as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes pursuant to Section 501(a) of the Internal Revenue Code. The Station believes there are no significant uncertain tax positions.

(2) Financial Assets and Liquidity Resources

As of June 30, 2021 and 2020, financial assets and liquidity resources available within one year for general expenditure, including operating expenses and program services, are as follows:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash	\$ 136,948	10,852
Accounts receivable	<u>25,872</u>	<u>29,273</u>
Total financial assets available within one year	<u>\$ 162,820</u>	<u>40,125</u>

To manage liquidity, the Station maintains sufficient cash to meet the Station's working capital needs as they may arise. The University also provides the Station with direct and indirect administrative support.

(3) Accounts Receivable

Accounts receivable, which represents amounts due to the Station as part of underwriting contracts, are \$25,872 and \$29,273 at June 30, 2021 and 2020, respectively, and there are no allowances for uncollectible accounts receivable.

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(4) Related-Party Transactions and Economic Dependence

During fiscal years 2021 and 2020, the University provided the Station with indirect support, for the following functions:

	<u>2021</u>	<u>2020</u>
Indirect institutional administrative support	\$ 196,175	211,515
Indirect support for physical plant operations	142,213	116,244
Indirect support for buildings and tower facilities	<u>110,466</u>	<u>63,388</u>
Total indirect support	<u>\$ 448,854</u>	<u>391,147</u>

The University provided general appropriations of \$598,759 and \$599,851 in fiscal years 2021 and 2020, respectively. Such amounts are recorded as part of support and revenues, as well as an equivalent amount of expenditures.

In addition to economic support provided by the University, the Station also receives revenues on underwriting contracts with the University and its affiliates. These contracts totaled \$9,018 and \$8,335 in fiscal years 2021 and 2020, respectively, and are included in underwriting contracts on the statements of activities.

Since the Station is a department of the University, with a majority of its revenue received from the University, it is economically dependent upon the University.

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(5) Natural Classification of Expenses

The Station's primary program activity is programming services. Expenses reported as fundraising and management and general are incurred in support of this primary program activity. Expenses presented by natural classification and function are as follows for the fiscal years ended June 30, 2021 and 2020:

	2021			
	Program services	Fundraising	Management and general	Total
Salaries and employee benefits	\$ 437,251	269,350	197,739	904,340
Indirect support:				
Administrative support			401,925	401,925
Depreciation	21,831			21,831
Loss on disposal of equipment	25,098			25,098
Outside services	335,974	45,505	193	381,672
Production costs	23,807			23,807
Telephone	5,526	3,316	2,211	11,053
Audio visual	5,638	5,638	5,638	16,914
Office supplies	14,653	1,335	2,747	18,735
Advertising and promotion	1,622	2,584		4,206
Advertising and promotion – in-kind contributions	34,200			34,200
Dues and subscriptions	15,013	6,041	1,485	22,539
Travel and entertainment	21,411	470	1,956	23,837
Repairs and maintenance		3,264		3,264
Freight and postage		2,229		2,229
Equipment and software	11,849	12,138		23,987
Total expenses	\$ <u>953,873</u>	<u>351,870</u>	<u>613,894</u>	<u>1,919,637</u>

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	2020			
	Program services	Fundraising	Management and general	Total
Salaries and employee benefits	\$ 426,974	269,770	197,898	894,642
Indirect administrative support			391,147	391,147
Outside services	337,335	23,147	70	360,552
Production costs	21,450			21,450
Telephone	5,982	3,673	2,450	12,105
Audio visual	4,938	4,937	4,937	14,812
Office supplies	2,483	1,442	3,834	7,759
Advertising and promotion	6,495	8,416	299	15,210
Advertising and promotion – in-kind contributions	21,385			21,385
Dues and subscriptions	31,640	3,689	1,540	36,869
Travel and entertainment	24,183	6,299	8,117	38,599
Repairs and maintenance	3,303		5,359	8,662
Freight and postage	69	4,310		4,379
Equipment and software	38,930	5,460	11,220	55,610
Depreciation	32,237			32,237
Total expenses	\$ <u>957,404</u>	<u>331,143</u>	<u>626,871</u>	<u>1,915,418</u>

(6) Subsequent Events

The Station has evaluated subsequent events for potential recognition or disclosure through January 11, 2022, the date on which the financial statements were available to be issued.