



WAER-FM RADIO
(A Department of Syracuse University)

Financial Statements

June 30, 2023 and 2022

(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

Opinion

We have audited the financial statements of WAER-FM Radio (the Station), a department of Syracuse University, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Station as of June 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Station 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 for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

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 after the date that the financial statements are issued.

Auditors' 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 auditors' 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.

KPMG LLP

Albany, New York
November 30, 2023

WAER-FM RADIO
(A Department of Syracuse University)
Statements of Financial Position
June 30, 2023 and 2022

Assets	2023	2022
Current assets:		
Cash	\$ 410,845	375,274
Prepaid expenses	1,825	3,101
Accounts receivable	33,208	28,646
Total current assets	445,878	407,021
Equipment, net	50,679	73,723
Total assets	\$ 496,557	480,744
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 13,695	155,916
Deferred revenues	53,981	13,001
Total current liabilities	67,676	168,917
Net assets, without donor restrictions	428,881	311,827
Total liabilities and net assets	\$ 496,557	480,744

See accompanying notes to financial statements.

WAER-FM RADIO
(A Department of Syracuse University)
Statements of Activities
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Change in net assets, without donor restrictions:		
Support and revenues:		
General appropriation – Syracuse University	\$ 602,973	527,739
Indirect support – Syracuse University	439,169	375,848
Underwriting contracts	394,999	335,922
Corporation for Public Broadcasting grants	146,007	143,572
NYS Public Broadcasting grant	58,576	58,576
In-kind contributions	29,900	17,035
Contributions and miscellaneous income	<u>322,922</u>	<u>362,152</u>
Total support and revenues	<u>1,994,546</u>	<u>1,820,844</u>
Expenditures:		
Program services	910,110	859,713
Fundraising	329,696	363,501
Management and general	<u>637,686</u>	<u>531,217</u>
Total expenditures	<u>1,877,492</u>	<u>1,754,431</u>
Change in net assets, without donor restrictions	117,054	66,413
Net assets, without donor restrictions at beginning of year	<u>311,827</u>	<u>245,414</u>
Net assets, without donor restrictions at end of year	<u><u>\$ 428,881</u></u>	<u><u>311,827</u></u>

See accompanying notes to financial statements.

WAER-FM RADIO
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Statements of Cash Flows
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 117,054	66,413
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	23,044	25,098
Changes in assets and liabilities that provide (use) cash:		
Prepaid expenses	1,276	2,755
Accounts receivable	(4,562)	(2,774)
Accounts payable	(142,221)	148,463
Deferred revenues	40,980	(1,629)
Net cash provided by operating activities	<u>35,571</u>	<u>238,326</u>
Net increase in cash	35,571	238,326
Cash at beginning of year	<u>375,274</u>	<u>136,948</u>
Cash at end of year	<u><u>\$ 410,845</u></u>	<u><u>375,274</u></u>

See accompanying notes to financial statements.

WAER-FM RADIO
(A Department of Syracuse University)
Notes to Financial Statements
June 30, 2023 and 2022

(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 at June 30, 2023 and 2022, net of accumulated depreciation of \$136,493 and \$113,449 at June 30, 2023 and 2022, 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.

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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.

(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 in exchange for the broadcasting of public announcements and sponsorships. 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.

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(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.

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, 2023 and 2022, financial assets and liquidity resources available within one year for general expenditure, including operating expenses and program services, are as follows:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash	\$ 410,845	375,274
Accounts receivable	<u>33,208</u>	<u>28,646</u>
Total financial assets available within one year	<u>\$ 444,053</u>	<u>403,920</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 \$33,208 and \$28,646 at June 30, 2023 and 2022, respectively, and there are no allowances for uncollectible accounts receivable.

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(4) Related-Party Transactions and Economic Dependence

During fiscal years 2023 and 2022, the University provided the Station with indirect support, for the following functions:

	<u>2023</u>	<u>2022</u>
Indirect institutional administrative support	\$ 200,541	168,778
Indirect support for physical plant operations	174,091	143,532
Indirect support for buildings and tower facilities	<u>64,537</u>	<u>63,538</u>
Total indirect support	<u>\$ 439,169</u>	<u>375,848</u>

The University provided general appropriations of \$602,973 and \$527,739 in fiscal years 2023 and 2022, 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 \$39,588 and \$7,292 in fiscal years 2023 and 2022, 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.

(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, 2023 and 2022:

	<u>2023</u>			
	<u>Program services</u>	<u>Fundraising</u>	<u>Management and general</u>	<u>Total</u>
Salaries and employee benefits	\$ 475,112	242,736	181,512	899,360
Indirect support			439,169	439,169
Outside services	259,405	30,694	431	290,530
Production costs	24,120			24,120
Telephone	3,005	2,004	5,009	10,018
Utilities	5,913	5,913	6,092	17,918
Office supplies	5,479	2,275	1,650	9,404
Advertising and promotion	6,385	14,235		20,620
Advertising and promotion – in-kind contributions	29,900			29,900

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Notes to Financial Statements

June 30, 2023 and 2022

2023				
	Program services	Fundraising	Management and general	Total
Dues and subscriptions	\$ 26,062	7,220	436	33,718
Travel and entertainment	41,755	16,302	3,387	61,444
Repairs and maintenance	6,479			6,479
Freight and postage		1,064		1,064
Equipment depreciation	23,044			23,044
Equipment and software	3,451	7,253		10,704
Total expenses	<u>\$ 910,110</u>	<u>329,696</u>	<u>637,686</u>	<u>1,877,492</u>

2022				
	Program services	Fundraising	Management and general	Total
Salaries and employee benefits	\$ 417,090	277,258	134,901	829,249
Indirect support			375,848	375,848
Outside services	307,528	43,524	384	351,436
Production costs	22,825			22,825
Telephone	5,016	3,010	2,007	10,033
Utilities	5,756	5,586	5,586	16,928
Office supplies	7,990	140	4,493	12,623
Advertising and promotion	505	5,122	2,657	8,284
Advertising and promotion – in-kind contributions	17,035			17,035
Dues and subscriptions	5,911	6,554	1,292	13,757
Travel and entertainment	37,037	6,413	3,788	47,238
Repairs and maintenance	627			627
Freight and postage	48	2,666		2,714
Equipment depreciation	25,098			25,098
Equipment and software	7,247	13,228	261	20,736
Total expenses	<u>\$ 859,713</u>	<u>363,501</u>	<u>531,217</u>	<u>1,754,431</u>

(6) Subsequent Events

The Station has evaluated subsequent events for potential recognition or disclosure through November 30, 2023, the date on which the financial statements were issued.