



**WAER-FM RADIO**  
(A Department of Syracuse University)  
Financial Statements  
June 30, 2020 and 2019  
(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, 2020 and 2019, 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, 2020 and 2019, 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**

December 18, 2020

**WAER-FM RADIO**  
(A Department of Syracuse University)  
Statements of Financial Position  
June 30, 2020 and 2019

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Current assets:		
Cash	\$ 10,852	126,586
Prepaid expenses	11,088	10,907
Accounts receivable	29,273	41,327
Pledges receivable, net	—	300
Total current assets	51,213	179,120
Equipment, net	145,750	64,595
Total assets	\$ 196,963	243,715
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 5,481	6,609
Deferred revenues	8,260	18,249
Total current liabilities	13,741	24,858
Net assets, without donor restrictions	183,222	218,857
Total liabilities and net assets	\$ 196,963	243,715

See accompanying notes to financial statements.

**WAER-FM RADIO**  
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Statements of Activities  
Years ended June 30, 2020 and 2019

	<b>2020</b>	<b>2019</b>
Change in net assets, without donor restrictions:		
Support and revenues:		
General appropriation – Syracuse University	\$ 599,851	588,439
Indirect administrative support – Syracuse University	391,147	375,401
Underwriting contracts	322,312	393,263
Corporation for Public Broadcasting grants	216,757	142,329
NYS Public Broadcasting grant	59,516	58,471
In-kind contributions	21,385	39,624
Contributions and miscellaneous income	268,815	288,123
Total support and revenues	1,879,783	1,885,650
Expenditures:		
Program services	957,404	889,923
Fundraising	331,143	362,143
Management and general	626,871	598,547
Total expenditures	1,915,418	1,850,613
Change in net assets, without donor restrictions	(35,635)	35,037
Net assets, without donor restrictions at beginning of year	218,857	183,820
Net assets, without donor restrictions at end of year	\$ 183,222	218,857

See accompanying notes to financial statements.

**WAER-FM RADIO**  
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Statements of Cash Flows  
Years ended June 30, 2020 and 2019

	<b>2020</b>	<b>2019</b>
Cash flows from operating activities:		
Change in net assets	\$ (35,635)	35,037
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	32,237	10,670
Gain from sale of equipment	—	(3,325)
Changes in assets and liabilities that provide (use) cash:		
Prepaid expenses	(181)	(1,994)
Pledges and accounts receivable	12,354	1,419
Accounts payable	(1,128)	(435)
Deferred revenues	(9,989)	1,304
Net cash (used in) provided by operating activities	(2,342)	42,676
Cash flows from investing activities:		
Purchase of fixed assets	(113,392)	(23,320)
Proceeds from sale of equipment	—	3,325
Net cash used in investing activities	(113,392)	(19,995)
Net (decrease) increase in cash	(115,734)	22,681
Cash at beginning of year	126,586	103,905
Cash at end of year	\$ 10,852	126,586

See accompanying notes to financial statements.

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Notes to Financial Statements  
June 30, 2020 and 2019

**(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 imposed 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 is comprised of original costs of \$214,461 and \$106,622, net of accumulated depreciation of \$68,711 and \$42,027 at June 30, 2020 and 2019, 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

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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. 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.

**(k) Recent Accounting Pronouncements**

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU is intended to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The Station's adoption of the ASU in fiscal year 2020 on a modified prospective basis did not have a material effect on the Station's financial statements.

**(2) Financial Assets and Liquidity Resources**

As of June 30, 2020 and 2019, financial assets and liquidity resources available within one year for general expenditure, including operating expenses and program services, are as follows:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash	\$ 10,852	126,586
Receivables	<u>29,273</u>	<u>41,627</u>
Total financial assets available within one year	<u>\$ 40,125</u>	<u>168,213</u>

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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) Receivables**

Unconditional pledges receivable of \$0 and \$300 at June 30, 2020 and 2019, respectively, do not contain donor restrictions and there are no allowances for uncollectible pledges receivable. The Station generally uses pledges for capital purchases and operating purposes. Pledges are generally due within one year. Accounts receivable, which represents underwriting contracts are \$29,273 and \$41,327 at June 30, 2020 and 2019, respectively, and there are no allowances for uncollectible accounts receivable.

**(4) Related-Party Transactions and Economic Dependence**

During fiscal years 2020 and 2019, the University provided the Station with indirect administrative support of \$391,147 and \$375,401, respectively, for the following functions:

	<b>2020</b>	<b>2019</b>
Indirect institutional support	\$ 211,515	89,462
Indirect support for physical plant operations	116,244	219,585
Indirect support for buildings and tower facilities	63,388	66,354
Total indirect administrative support	\$ 391,147	375,401

The University provided general appropriations of \$599,851 and \$588,439 in fiscal years 2020 and 2019, 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 \$8,335 and \$29,921 in fiscal years 2020 and 2019, 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, 2020 and 2019:

	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	\$ 957,404	331,143	626,871	1,915,418

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	<b>2019</b>			
	<b>Program services</b>	<b>Fundraising</b>	<b>Management and general</b>	<b>Total</b>
Salaries and employee benefits	\$ 419,143	280,646	197,225	897,014
Indirect administrative support	—	—	375,401	375,401
Outside services	309,498	41,117	1,047	351,662
Production costs	24,290	9,637	—	33,927
Telephone	6,461	3,876	2,584	12,921
Audio/visual	1,481	—	1,500	2,981
Office supplies	69	—	5,002	5,071
Advertising and promotion	8,631	5,386	316	14,333
Advertising and promotion – in-kind contributions	39,624	—	—	39,624
Dues and subscriptions	22,687	4,706	2,005	29,398
Travel and entertainment	30,178	9,067	7,284	46,529
Repairs and maintenance	3,653	—	308	3,961
Freight and postage	108	3,107	—	3,215
Equipment and software	13,430	4,601	5,875	23,906
Depreciation	10,670	—	—	10,670
Total expenses	\$ 889,923	362,143	598,547	1,850,613

**(6) Subsequent Events**

The Station has evaluated subsequent events for potential recognition or disclosure through December 18, 2020, the date on which the financial statements were available to be issued.