

**SALISBURY UNIVERSITY
DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

**Financial Statements, Supplemental Schedule and Independent Auditor's Report
as of and for the Years Ended June 30, 2023 and 2022**

**DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
Statements of Net Position.....	8
Statements of Revenues, Expenses and Changes in Net Position	9
Statements of Cash Flows.....	10
Notes to the Financial Statements	11
SUPPLEMENTAL INFORMATION	
Schedule of Non-Federal Financial Support.....	18

INDEPENDENT AUDITOR'S REPORT

To The Board of Regents
Salisbury University
Salisbury, Maryland

Report on the Financial Statements

Opinion

We have audited the accompanying statements of net position of Delmarva Public Radio – WSCL-FM and WSDL-FM (“the Stations”) as of June 30, 2023, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Stations as of June 30, 2023 and 2022, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Stations (WSCL-FM and WSDL-FM) are intended to present the financial position, changes in financial position and cash flows of only that portion of the activities of Salisbury University that is attributable to the transactions of the Stations. They do not purport to, and do not, present fairly the financial position of Salisbury University as of June 30, 2023, the changes in its financial position or its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 the Stations and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management of the Financial Statements

The Stations' 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.

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 Stations' 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

Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 7 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.

Baltimore, Maryland
December 22, 2023

Monbo Group International
CERTIFIED PUBLIC ACCOUNTANTS

DELMARVA PUBLIC RADIO WSCL-FM AND WSDL-FM

Management's Discussion and Analysis Years Ended June 30, 2023 and 2022

Introduction

This section of the report provides a discussion and analysis of Delmarva Public Radio – WSCL-FM and WSDL-FM (the “Station”) financial performance for the year ended June 30, 2023. This analysis should be read in conjunction with the Stations’ basic financial statements and the notes to the basic financial statements.

Overview of the Financial Statements

The three primary financial statements of the Stations 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 Stations’ accounting policies, significant account balances and activities, obligations and subsequent events, if any and can be found beginning on page 10 of this report.

The information contained in the basic financial statements of the Stations is incorporated within Salisbury University’s Annual Financial Statements.

Statements of Net Position

The Statements of Net Position present the financial position of the Stations at the end of the fiscal year and includes all assets and liabilities of the Stations. 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 Stations. A summary of assets, liabilities, and net position at June 30, 2023 and 2022, is as follows:

<i>For The Years Ended June 30,</i>	2023	2022
Assets		
Current assets	\$ 18,566	\$ 19,386
Capital assets, net of accumulated depreciation	151,867	190,528
Lease assets, net of accumulated amortization	29,464	58,929
Total Assets	199,897	268,843
Liabilities		
Current liabilities	377,930	286,163
Noncurrent liabilities	25,893	62,533
Total Liabilities	403,823	348,696
Net Position		
Net investment in capital assets	151,867	190,528
Unrestricted	(355,793)	(270,381)
Total Net Position	(203,926)	(79,853)
Total Liabilities and Net Position	\$ 199,897	\$ 268,843

DELMARVA PUBLIC RADIO WSCL-FM AND WSDL-FM

Management's Discussion and Analysis Years Ended June 30, 2023 and 2022

Fiscal Year 2023 compared to Fiscal Year 2022

- Current Assets in fiscal year 2023 decreased by \$820 or 4% over fiscal year 2022 mainly due to a decrease in prepaid expenses compared to fiscal year 2022.
- Current Liabilities in fiscal year 2023 increased by \$91,767 or 32% over fiscal year 2022. This increase is due primarily to an increase in accrued payroll and due to Salisbury University.
- Total Net Position in fiscal year 2023 decreased by \$124,073 compared to fiscal year 2022.

Statements of Revenues, Expenses and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position present the Stations' results of operations. The statements distinguish revenues and expenses between operating and non-operating categories and provide a view of the Stations' operating margin. A summary of revenues, expenses, and changes in net position for the years ended June 30, 2023 and 2022, is as follows:

<i>For The Years Ended June 30,</i>	2023	2022
Operating Revenues	\$ 560,614	\$ 498,625
Operating Expenses	1,002,276	931,832
Operating income (loss) before non-operating revenues	(441,662)	(433,207)
Non-operating Revenues	319,336	308,626
Total Changes in Net Position	(124,073)	(127,381)
Net Position		
Net position at June 30, 2022	(79,853)	47,528
Net position at June 30, 2023	\$ (203,926)	\$ (79,853)

Fiscal Year 2023 compared to Fiscal Year 2022

- Total Operating Revenues for fiscal year 2023 increased by \$61,989 or 12% from fiscal year 2022. This fluctuation is mainly due to an increase in other grants unrelated to Corporation for Public Broadcasting.
- Total Operating Expenses in fiscal year 2023 increased by \$70,444 or 8% compared to fiscal year 2022, due to an increase in Fundraising and Membership Development.
- Non-operating Revenues in fiscal year 2023 increased by \$10,710 or 3% from fiscal year 2022 mainly due to an increase in Donated Facilities and Administrative Support.

**DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

**Management's Discussion and Analysis
Years Ended June 30, 2023 and 2022**

Statements of Cash Flows

The Statements of Cash Flows provide information about the Stations' receipts and disbursements of cash during the year. These statements also assist users in assessing the Stations' 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, 2023 and 2022, is as follows:

<i>For The Years Ended June 30,</i>	2023	2022
Net cash provided (used) by operating activities	\$ (248,253)	\$ (247,200)
Net cash provided (used) by non-capital financing activities	250,000	250,000
Net cash provided (used) by capital and related financing activities	(1,747)	(2,800)
Increase (decrease) in cash and cash equivalents, during the year	-	-
Cash and cash equivalents, balance at the beginning of the year	-	-
Cash and Cash Equivalents, Balance at the End of the Year	\$ -	\$ -

Economic Factors That Will Affect The Future

The economic outlook for DPR is dependent on various external and internal factors.

- **Delmarva Public Media Collaboration:** DPR launched the Delmarva Public Media (DPM) collaboration with WESM-FM at the University of Maryland Eastern Shore on July 1, 2020. Fiscal year 2023 was the third full year of the DPM collaboration. The collaboration continues to provide spending reductions in programming costs, and savings in shared costs such as membership in professional organizations. In fiscal year 2023, DPR successfully negotiated with the National Public Radio (NPR) to bring its news magazines back to WSDL-FM. By eliminating BBC and adding NPR, DPR saved \$15,000. In fiscal year 2024, DPR identified \$19,200 of costs to be paid by WESM-FM instead of WSCL-FM and WSDL-FM, which was approved by the University of Maryland Eastern Shore, in the spirit of the collaboration, to help the bottom line of WSCL-FM and WSDL-FM.
- **Underwriting Support:** Fiscal year 2023 saw continued underwriting growth — 9% higher than fiscal year 2022 and 46% over fiscal year 2021. The support from the business community has rebounded greatly from the pandemic as DPR had hoped. DPR predicts a modest growth in underwriting support for fiscal year 2024.
- **Membership:** While many non-profit organizations have seen declining membership levels, DPR continues to predict a flat line, or small membership increases in the near future.

**DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

**Management's Discussion and Analysis
Years Ended June 30, 2023 and 2022**

Economic Factors That Will Affect The Future (continued)

- **Other Grants** (non-CPB): Fiscal year 2023 saw explosive growth in other grants unrelated to CPB — with growth up 250% over fiscal year 2022. Other grants will continue to vary from year-to-year. DPR anticipates that other grants will reach \$109,000 for fiscal year 2024.
- **Staff:** Fiscal year 2023 was the first full year of employment for our new Development Director. The Development Director's expertise in grant writing was proven in fiscal year 2023 as DPR saw significant grant growth.

DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM

Statements of Net Position
Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Accounts receivable, net	\$ 15,737	\$ 15,455
Prepaid expenses	2,829	3,931
Total Current Assets	18,566	19,386
Noncurrent assets:		
Capital assets (net of accumulated depreciation of \$601,129 and \$562,468 at June 30, 2023 and 2022 respectively)	151,867	190,528
Lease assets (net of accumulated amortization of \$265,182 and \$235,717 at June 30, 2023 and 2022 respectively)	29,464	\$58,929
Total Noncurrent Assets	181,331	249,457
Total Assets	\$ 199,897	\$ 268,843
Liabilities and Net Position:		
Current liabilities:		
Accounts payable and Other accrued expenses	\$ 2,131	\$ 1,791
Accrued vacation, current portion	10,433	8,672
Accrued payroll	30,869	16,385
Lease liability, current portion	38,514	36,256
Deferred revenue	6,119	16,231
Due to Salisbury University	289,864	206,828
Total Current Liabilities	377,930	286,163
Noncurrent liabilities:		
Lease liability	-	38,514
Accrued vacation	25,893	24,019
Total Noncurrent Liabilities	25,893	62,533
Total Liabilities	403,823	348,696
Net position:		
Net investment in capital assets	151,867	190,528
Unrestricted	(355,793)	(270,381)
Total Net Position	(203,926)	(79,853)
Total Liabilities and Net Position	\$ 199,897	\$ 268,843

See accompanying notes to financial statements

DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM

Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating Revenues:		
Corporate and Public Donations	\$ 155,085	\$ 191,531
Underwriting income	160,477	159,141
Grants from the Corporation for Public Broadcasting	97,931	97,040
Other grants	147,121	41,965
Miscellaneous Income	-	8,948
Total Operating Revenues	560,614	498,625
Operating Expenses:		
Program services:		
Programming and production	268,514	276,025
Broadcasting	248,324	230,106
Program information	37,532	17,155
Total program services	554,370	523,286
Support services:		
Management and general	163,982	197,019
Fundraising & membership development	283,924	211,527
Total support services	447,906	408,546
Total Operating Expenses	\$ 1,002,276	\$ 931,832
Operating income (loss) before non-operating revenues	(441,662)	(433,207)
Non-operating Revenues		
Appropriation from Salisbury University	250,000	250,000
Donated facilities and administrative support from Salisbury University	69,336	58,626
Total Non-operating Revenues	319,336	308,626
Change in Net Position before Other Revenues, Expenses, Gains and Losses	(122,326)	(124,581)
Other Expenses		
Interest Expense, Lease	1,747	2,800
Total other expenses	1,747	2,800
Total Changes in Net Position	(124,073)	(127,381)
Net Position		
Net position at June 30, 2022	(79,853)	47,528
Net position at June 30, 2023	\$ (203,926)	\$ (79,853)

See accompanying notes to financial statements

DELMARVA PUBLIC RADIO WSCL-FM AND WSDL-FM

Statements of Cash Flows For The Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Corporate and Public Donations	\$ 155,085	\$ 191,531
Underwriting income	150,083	162,048
Grants from the Corporation for Public Broadcasting	97,931	97,040
Other grants	147,121	41,965
Miscellaneous Income	-	8,948
Payments to employees	(545,123)	(572,377)
Payments to suppliers and contractors	(253,350)	(176,355)
Net cash provided (used) by operating activities	(248,253)	(247,200)
Cash Flows from Noncapital Financing Activities		
Appropriations from Salisbury University	250,000	250,000
Net cash provided (used) by noncapital financing activities	250,000	250,000
Cash Flows from Capital-Related Financing Activities		
Interest Expense, Lease	(1,747)	(2,800)
Net cash provided (used) by capital-related financing activities	(1,747)	(2,800)
Increase (decrease) in cash and cash equivalents during the year	-	-
Cash and cash equivalents balance at the beginning of the year	-	-
Cash and Cash Equivalents Balance at the End of the Year	\$ -	\$ -
Reconciliation of Operating (Loss) Income to Net Cash Used in Operating Activities		
Operating income (loss)	(441,662)	(433,207)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities		
Depreciation expense	38,661	38,661
Donated facilities and administrative support from Salisbury University	69,336	58,626
Changes in Assets and Liabilities		
Accounts Receivable	(282)	723
Prepaid expenses	1,102	(165)
Lease assets, Net	29,465	29,465
Accounts payable and accrued liabilities	340	(7,409)
Accrued payroll	14,484	2,796
Accrued vacation	3,635	(11,931)
Lease liability	(36,256)	(34,097)
Deferred revenue	(10,112)	2,184
Due to Salisbury University	83,036	107,154
Net cash used by operating activities	\$ (248,253)	\$ (247,200)

See accompanying notes to financial statements

DELMARVA PUBLIC RADIO

WSCL-FM AND WSDL-FM

Notes to Financial Statements

Years Ended June 30, 2023 and 2022

Note 1 - Reporting Entity

Delmarva Public Radio – WSCL-FM and WSDL-FM (“the Stations”) is a non-profit, National Public Radio Station licensed and owned by Salisbury University (the “University”). The Stations which broadcast in stereo on a frequency of 89.5 MHz and 90.7 MHz began operating in 1987 and serves the Salisbury/Ocean City Metropolitan area. Both the University and the Stations are governed by a Board of Regents appointed by the Governor of Maryland.

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

Note 2 - Summary of Significant Accounting Policies

(a) Basis of Accounting

The Stations’ 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.

(b) 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.

(c) Cash Equivalents

The Stations participate 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 Stations are considered cash equivalents.

(d) Accounts Receivable

Accounts receivable consists of amounts due to the Stations for underwriting contracts and other miscellaneous revenue sources. Accounts receivable are presented at their net realizable amount. The allowance for doubtful accounts as of June 30, 2023 and 2021 were \$0 and \$ \$0, respectively.

(e) Music Collections

The Stations have 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

The accompanying notes are an integral part of the financial statements

**DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

**Notes to Financial Statements
Years Ended June 30, 2023 and 2022**

Note 2 - Summary of Significant Accounting Policies (continued)

Music Collections (continued)

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.

(f) 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	20 - 40 years
Studio and Other equipment	3 - 15 years

(g) 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.

(h) Net Position

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

- ***Net Investment in Capital Assets:*** This represents the Stations' 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.

(i) 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.

The accompanying notes are an integral part of the financial statements

**DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

**Notes to Financial Statements
Years Ended June 30, 2023 and 2022**

Note 2 - Summary of Significant Accounting Policies (continued)

(j) Classification of Revenues and Expenses

The Stations have classified its revenues as either operating or non-operating 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 Salisbury University and donated facilities and administrative support from Salisbury University.

(k) Donated Facilities and Administrative Support

The University provides certain facilities and administrative support to the Stations. Donated facilities and administrative support represent the Stations allocated amounts of institutional support and donated facilities and is recorded as revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position. Institutional support is based on the Stations pro-rata share of the University's total salaries, wages, and administrative expenses. Donated facilities are the Stations pro-rata share of the University's total plant expenses along with calculated occupancy costs permitted by the Corporation for Public Broadcasting. For the year ended June 30, 2023, the Stations allocated amounts of donated facilities and administrative support are calculated based on amounts stated in the University's audited financial statements.

(l) Appropriation From Salisbury University

The appropriation from Salisbury University represents support from the University for salaries and operating expenses not provided through other sources.

(m) Income Taxes

The Stations are a component of Salisbury University (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 Stations' financial statements.

(n) Risk Management

The Stations are part of the University's overall risk management program. The Stations are 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 Stations, through the University, participate in the State's various self-insurance programs. The State is self-insured

The accompanying notes are an integral part of the financial statements

**DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

**Notes to Financial Statements
Years Ended June 30, 2023 and 2022**

Note 2 - Summary of Significant Accounting Policies (continued)

Risk Management (Continued)

for general liability, property and casualty, workers' compensation, environmental and antitrust liabilities, and certain employee health benefits.

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.

Note 3 - Cash and Cash Equivalents

The Stations participated in the University's pooled cash accounts for fiscal years 2023 and 2021 and pooled investment accounts for fiscal years 2023 and 2022. For fiscal years 2023 and 2022, cash and cash equivalents are held as cash by the University on behalf of the Stations. For purposes of basic financial statements for fiscal year 2023, cash and cash equivalents consist of the University's bank deposits, and other investments with original maturities of three months or less.

Note 4 - Noncurrent Liabilities

Changes in noncurrent liabilities consisted of the following for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amount Due Within One Year
Accrued Vacation	\$32,691	\$9,503	\$5,868	\$36,326	\$10,433
Total Noncurrent Liabilities	<u>\$32,691</u>	<u>\$9,503</u>	<u>\$5,868</u>	<u>\$36,326</u>	<u>\$10,433</u>

Changes in noncurrent liabilities consisted of the following for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amount Due Within One Year
Accrued Vacation	\$44,622	\$(5,027)	\$6,904	\$32,691	\$8,672
Total Noncurrent Liabilities	<u>\$44,622</u>	<u>\$(5,027)</u>	<u>\$6,904</u>	<u>\$32,691</u>	<u>\$8,672</u>

The accompanying notes are an integral part of the financial statements

**DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

**Notes to Financial Statements
Years Ended June 30, 2023 and 2022**

Note 5 - Endowment

The WSCL Radio endowment is owned by Salisbury University Foundation. The asset related to the WSCL Radio endowment is recorded on the balance sheet of Salisbury University Foundation. The WSCL Radio endowment is permanently restricted to support the programs and equipment needs of the Stations. The fair market value of the WSCL Radio endowment at June 30, 2023 and 2022 were \$55,947 and \$50,473, respectively.

Note 6 - Capital Assets

The Stations' capitalization policy recognizes one year depreciation expense in the year of acquisition of an asset. Capital asset activity for the year ended June 30, 2023 is summarized as follows:

Capital Assets	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
Depreciated assets				
Buildings and Improvements	\$ 228,403	\$ -	\$ -	\$ 228,403
Studio and Other Equipment	524,593	-	-	524,593
Total Capital Assets, Depreciable	<u>\$ 752,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 752,996</u>
Less: Accumulated depreciation				
Buildings and Improvements	126,891	15,227	-	142,118
Studio and Other Equipment	435,577	23,434	-	459,011
Total Accumulated Depreciation	<u>562,468</u>	<u>38,661</u>	<u>-</u>	<u>601,129</u>
Total Capital Assets, Net	<u>\$ 190,528</u>	<u>\$ (38,661)</u>	<u>\$ -</u>	<u>\$ 151,867</u>

Capital asset activity for the year ended June 30, 2022 is summarized as follows:

Capital Assets	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022
Depreciated assets				
Buildings and Improvements	\$ 228,403	\$ -	\$ -	\$ 228,403
Studio and Other Equipment	524,593	-	-	524,593
Total Capital Assets, Depreciable	<u>\$ 752,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 752,996</u>
Less: Accumulated depreciation				
Buildings and Improvements	111,664	15,227	-	126,891
Studio and Other Equipment	412,143	23,434	-	435,577
Total Accumulated Depreciation	<u>523,807</u>	<u>38,661</u>	<u>-</u>	<u>562,468</u>
Total Capital Assets, Net	<u>\$ 229,189</u>	<u>\$ (38,661)</u>	<u>\$ -</u>	<u>\$ 190,528</u>

Depreciation expense for June 30, 2023 and 2022 were \$38,661, and \$38,661, respectively.

The accompanying notes are an integral part of the financial statements

**DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

**Notes to Financial Statements
Years Ended June 30, 2023 and 2022**

Note 7 - Lease

DPR leases a tower space under a one-year operating lease with nine one-year renewal options which will expire on June 30, 2024. Total costs for such lease was \$38,003 for the year ended June 30, 2023. The future minimum lease payment for the lease are as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 38,514	\$ 629	\$ 39,143
	\$ 38,514	\$ 629	\$ 39,143

Note 8 - Related Party Transactions

The Stations receive 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 2023 and 2022, these non-monetary contributions for facilities and administrative support totaled \$69,336 and \$58,626, respectively.

Note 9 - Subsequent Events

The Stations have evaluated subsequent events through December 22, 2023, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2023, but prior to December 22, 2023 that provided additional evidence about conditions that existed at June 30, 2023 have been recognized in the financial statements for the year ended June 30, 2023. Events or transactions that provided evidence about conditions that did not exist at June 30, 2023 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2023.

Note 10 - Retirement Plans

Eligible employees of the Stations, 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 Stations' only liability for retirement and post-employment benefits is its required annual contribution made by the University, which was fully funded during the years ended June 30, 2023 and 2022. The Stations' share of these contributions amounted to \$14,850 and \$9,965 for the years ended June 30, 2023 and 2022, respectively.

The cost of the Stations retirees' health care benefits is expensed when paid and totaled \$9,185 and \$6,117 for the years ended June 30, 2023 and 2022, respectively.

The accompanying notes are an integral part of the financial statements

**DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

**Notes to Financial Statements
Years Ended June 30, 2023 and 2022**

Note 10 - Retirement Plans (continued)

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.

The accompanying notes are an integral part of the financial statements

**SALISBURY UNIVERSITY
DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

**Schedule of Non-Federal Financial Support
Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Direct Revenue	\$ 712,683	\$ 642,637
Indirect Administrative Support	<u>69,336</u>	<u>58,626</u>
Total Non-Federal Financial Support	<u>\$ 782,019</u>	<u>\$ 701,263</u>