

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

**Financial Statements, Supplemental Schedule and Independent Auditor's Report
as of and for the Years Ended June 30, 2021 and 2020**

WESM 91.3 FM

(A Public Telecommunications Entity Operated by the University of Maryland Eastern Shore)

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
FINANCIAL STATEMENTS	
Statements of Net Position	6
Statements of Revenues, Expenses and Changes in Net Position	7
Statements of Cash Flows	8
Notes to the Financial Statements	9
SUPPLEMENTAL INFORMATION	
Schedule of Non-Federal Financial Support.....	15

MONBO GROUP INTERNATIONAL

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of net position of WESM 91.3 FM ("the Station") as of June 30, 2021, 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.

Management's Responsibility for the Financial Statements

The Station's 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.

Auditor's 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 auditor's 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 Station'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 Station'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 the Station as of June 30, 2021 and 2020, 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 Station (WESM 91.3 FM) are intended to present the financial position, changes in financial position and cash flows of only that portion of the activities of University Of Maryland Eastern Shore that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of the University of Maryland Eastern Shore as of June 30, 2021, 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.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 5 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
January 21, 2022

Monbo Group International
CERTIFIED PUBLIC ACCOUNTANTS

WESM 91.3 FM

(A Public Telecommunications Entity Operated by the University of Maryland Eastern Shore)

Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

Introduction

This section of the report provides a discussion and analysis of WESM 91.3 FM (the "Station") financial performance for the year ended June 30, 2021. This analysis should be read in conjunction with the Station's basic financial statements and the notes to the basic financial statements.

Overview of the Financial Statements

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

The notes to the financial statements provide required disclosures and other information that are essential to full understanding of the material data provided in the statements. The notes present information about the Station's accounting policies, significant account balances and activities, obligations and subsequent events, if any and can be found beginning on page 9 of this report.

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

Statements of Net Position

The Statements of Net Position present the financial position of the Station at the end of the fiscal year and includes all assets and liabilities of the Station. Assets and liabilities are presented as either current or noncurrent to provide an indication of their anticipated liquidation. The difference between total assets and total liabilities equals net position. The net position is an indicator of the current financial condition of the Station. A summary of assets, liabilities, and net position at June 30, 2021 and 2020, is as follows:

<i>For The Years Ended June 30,</i>	2021	2020
Assets		
Current assets	\$ 513,202	\$ 351,228
Capital assets, net of accumulated depreciation	119,828	67,436
Total Assets	633,030	418,664
Liabilities		
Current liabilities	500,129	328,196
Noncurrent liabilities	7,363	11,039
Total Liabilities	507,492	339,235
Net Position		
Net investment in capital assets	119,828	67,436
Unrestricted	5,710	11,993
Total Net Position	125,538	79,429
Total Liabilities and Net Position	\$ 633,030	\$ 418,664

WESM 91.3 FM

(A Public Telecommunications Entity Operated by the University of Maryland Eastern Shore)

Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

Fiscal Year 2021 compared to Fiscal Year 2020

- Current Assets in fiscal year 2021 increased by \$161,974 or 46% over fiscal year 2020 mainly due to an increase in a cash compared to fiscal year 2020.
- Current Liabilities in fiscal year 2021 increased by \$171,933 or 52% over fiscal year 2020. This increase is due primarily to an increase in deferred revenue.
- Total Net Position in fiscal year 2021 increased by \$46,109 compared to fiscal year 2020.

Statements of Revenues, Expenses and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position present the Station's results of operations. The statements distinguish revenues and expenses between operating and non-operating categories and provide a view of the Station's operating margin. A summary of revenues, expenses, and changes in net position for the years ended June 30, 2021 and 2020, is as follows:

<i>For The Years Ended June 30,</i>	2021	2020
Operating Revenues	\$ 255,372	\$ 280,560
Operating Expenses	495,063	504,448
Operating income (loss) before non-operating revenues	(239,691)	(223,888)
Non-operating Revenues	285,800	259,412
Total Changes in Net Position	46,109	35,524
Net Position		
Net position at June 30, 2020	79,429	43,905
Net position at June 30, 2021	\$ 125,538	\$ 79,429

Fiscal Year 2021 compared to Fiscal Year 2020

- Total Operating Revenues for fiscal year 2021 decreased by \$25,188 or 9% from fiscal year 2020. This fluctuation is mainly due to a decrease in grants from the Corporation for Public Broadcasting.
- Total Operating Expenses in fiscal year 2021 decreased by \$9,386 or 2% compared to fiscal year 2020, due to a decrease in program services.
- Non-operating Revenues in fiscal year 2021 increased by \$26,388 or 10% from fiscal year 2020 mainly due to an increase in the University Support of Operating Expenses.

WESM 91.3 FM

(A Public Telecommunications Entity Operated by the University of Maryland Eastern Shore)

Management's Discussion and Analysis Years Ended June 30, 2021 and 2020

Statements of Cash Flows

The Statements of Cash Flows provide information about the Station's receipts and disbursements of cash during the year. These statements also assist users in assessing the Station's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing. A summary of cash flows for the years ended June 30, 2021 and 2020, is as follows:

<i>For The Years Ended June 30,</i>	2021	2020
Net cash provided (used) by operating activities	\$ (17,781)	\$ (169,652)
Net cash provided (used) by non-capital financing activities	250,302	225,684
Net cash provided (used) by capital and related financing activities	(68,400)	(38,541)
Increase (decrease) in cash and cash equivalents, during the year	164,121	56,032
Cash and cash equivalents, balance at the beginning of the year	307,324	251,292
Cash and Cash Equivalents, Balance at the End of the Year	\$ 471,445	\$ 307,324

Economic Factors That Will Affect The Future

- Fiscal year 2021 was the first full year of the Delmarva Public Media (DPM) collaboration. WESM combined with WSCL and WSDL radio stations, at Salisbury University, to form a three-station operation. Both university's staff worked together for the benefit of all three stations.
- WESM now has a full-time development department to help raise funds. The WESM General Manager is also the General Manager of WSCL/WSDL.
- The live-hosted WESM programs are now broadcasted on WSDL in the Delaware and Maryland beach areas.
This will help develop a larger audience for WSDL and the DPM in general.
- A sales representative based in Delaware, was added during fiscal year 2021. DPM now has two sales representatives for the Delmarva Peninsula.
- WESM received financial help from the American Relief Act during fiscal year 2021. There is no indication this will happen again during the fiscal year 2022. Fortunately, early results show that business sales are up for 2022. DPM should meet both underwriting and membership goals for the fiscal year 2022. Despite the ongoing pandemic, businesses are spending marketing dollars.
- On January 1, 2022, WESM's Development Director resigned. WESM is hiring a new Development Director as soon as possible. In the interim, current staff is able to cover the development duties.

WESM 91.3 FM
(Operated by the University of Maryland Eastern Shore)

Statements of Net Position
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 471,445	\$ 307,324
Accounts receivable, net	36,048	35,066
Prepaid expenses	5,709	8,838
Total Current Assets	513,202	351,228
Noncurrent assets:		
Capital assets (net of accumulated depreciation of \$308,409 and \$292,401 at June 30, 2021 and 2020 respectively)	119,828	67,436
Total Noncurrent Assets	119,828	67,436
Total Assets	\$ 633,030	\$ 418,664
 Liabilities and Net Position:		
Current liabilities:		
Accounts payable and Other accrued expenses	\$ 8,747	\$ 9,375
Accrued vacation, current portion	6,529	9,789
Accrued payroll	5,134	6,698
Deferred revenue	479,719	302,334
Total Current Liabilities	500,129	328,196
Noncurrent liabilities:		
Accrued vacation	7,363	11,039
Total Noncurrent Liabilities	7,363	11,039
Total Liabilities	507,492	339,235
Net position:		
Net investment in capital assets	119,828	67,436
Unrestricted	5,710	11,993
Total Net Position	125,538	79,429
Total Liabilities and Net Position	\$ 633,030	\$ 418,664

See accompanying notes to financial statements

WESM 91.3 FM
(University of Maryland Eastern Shore)

Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues:		
Corporate and Public Donations	\$ 22,183	\$ 27,446
Underwriting income	26,788	16,330
Grants from the Corporation for Public Broadcasting	206,401	236,784
Total Operating Revenues	255,372	280,560
Operating Expenses:		
Program services:		
Programming and production	241,114	235,696
Broadcasting	27,443	33,857
Program information	40,266	43,338
Total program services	308,823	312,891
Support services:		
Management and general	145,608	137,131
Fundraising & membership development	40,632	54,426
Total support services	186,240	191,557
Total Operating Expenses	\$ 495,063	\$ 504,448
Operating income (loss) before non-operating revenues	(239,691)	(223,888)
Non-operating Revenues		
Appropriation from the University of Eastern Shore	250,302	225,684
Administrative support from the University of Eastern Shore	35,498	33,728
Total Non-operating Revenues	285,800	259,412
Change in Net Position before Other Revenues, Expenses, Gains and Losses	46,109	35,524
Total Changes in Net Position	46,109	35,524
Net Position		
Net position at June 30, 2020	79,429	43,905
Net position at June 30, 2021	\$ 125,538	\$ 79,429

See accompanying notes to financial statements

WESM 91.3 FM
(Operated by the University of Maryland Eastern Shore)

Statements of Cash Flows
For The Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Corporate and Public Donations	\$ 22,183	\$ 27,446
Underwriting income	26,788	14,362
Grants from the Corporation for Public Broadcasting	206,401	236,784
Payments to employees	(243,895)	(344,046)
Payments to suppliers and contractors	(29,258)	(104,198)
Net cash provided (used) by operating activities	(17,781)	(169,652)
Cash Flows from Noncapital Financing Activities		
Appropriations from University of Maryland Eastern Shore	250,302	225,684
Net cash provided (used) by noncapital financing activities	250,302	225,684
Cash Flows from Capital-Related Financing Activities		
Purchase of capital assets	(68,400)	(38,541)
Net cash provided (used) by capital-related financing activities	(68,400)	(38,541)
Increase (decrease) in cash and cash equivalents during the year	164,121	56,032
Cash and cash equivalents balance at the beginning of the year	307,324	251,292
Cash and Cash Equivalents Balance at the End of the Year	\$ 471,445	\$ 307,324

See accompanying notes to financial statements

WESM 91.3 FM

(A Public Telecommunications Entity Operated by the University of Maryland of Eastern Shore)

Notes to Financial Statements Years Ended June 30, 2021 and 2020

Note 1 - Reporting Entity

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

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

Note 2 - Summary of Significant Accounting Policies

(a) Basis of Accounting

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

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

(d) Accounts Receivable

Accounts receivable consists of amounts due to the Station from the University and other miscellaneous revenue sources. Accounts receivable are presented at their net realizable amount. The allowance for doubtful accounts as of June 30, 2021 and 2020 were \$0 and \$0, respectively.

(e) Music Collections

The Station has adopted a policy of not capitalizing its music collections in its financial statements. Accordingly, no music collection items are recognized as assets. The music collections

The accompanying notes are an integral part of the financial statements

WESM 91.3 FM

(A Public Telecommunications Entity Operated by the University of Maryland of Eastern Shore)

Notes to Financial Statements Years Ended June 30, 2021 and 2020

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	39 years
Studio and Other equipment	5 - 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 Station's net position is classified for financial reporting in the following net position categories:

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

(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

WESM 91.3 FM

(A Public Telecommunications Entity Operated by the University of Maryland of Eastern Shore)

Notes to Financial Statements Years Ended June 30, 2021 and 2020

Note 2 - Summary of Significant Accounting Policies (continued)

(j) Classification of Revenues and Expenses

The Station has 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 the University of Maryland Eastern Shore and donated facilities and administrative support from the University of Maryland Eastern Shore.

(k) Administrative Support

The University provides certain administrative support to the Station. Administrative support represent the Station allocated amounts of institutional support and is recorded as revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position. Institutional support is based on the Station's pro-rata share of the University's total salaries, wages, and administrative expenses. For the year ended June 30, 2021, the Station's allocated amounts of administrative support are calculated based on amounts stated in the University's audited financial statements.

(l) Appropriation From the University Of Maryland Eastern Shore

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

(m) Income Taxes

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

(n) Risk Management

The Station is part of the University's overall risk management program. The Station is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; and natural disasters. The Station, through the University, participate in the State's various self-insurance programs. The State is self-insured

The accompanying notes are an integral part of the financial statements

WESM 91.3 FM

(A Public Telecommunications Entity Operated by the University of Maryland of Eastern Shore)

Notes to Financial Statements Years Ended June 30, 2021 and 2020

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 Station participated in the University's pooled cash accounts for fiscal years 2021 and 2020 and pooled investment accounts for fiscal years 2021 and 2020. For fiscal years 2021 and 2020, cash and cash equivalents are held as cash by the University on behalf of the Station. For purposes of basic financial statements for fiscal year 2021, 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, 2021:

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Amount Due Within One Year</u>
Accrued Vacation	\$ 20,828	\$ 13,892	\$ 20,828	\$ 13,892	\$ 6,529
Total Noncurrent Liabilities	<u>\$ 20,828</u>	<u>\$ 13,892</u>	<u>\$ 20,828</u>	<u>\$ 13,892</u>	<u>\$ 6,529</u>

Changes in noncurrent liabilities consisted of the following for the year ended June 30, 2020:

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Amount Due Within One Year</u>
Accrued Vacation	\$ 23,827	\$ 20,828	\$ 23,827	\$ 20,828	\$ 9,789
Total Noncurrent Liabilities	<u>\$ 23,827</u>	<u>\$ 20,828</u>	<u>\$ 23,827</u>	<u>\$ 20,828</u>	<u>\$ 9,789</u>

The accompanying notes are an integral part of the financial statements

WESM 91.3 FM

(A Public Telecommunications Entity Operated by the University of Maryland of Eastern Shore)

Notes to Financial Statements Years Ended June 30, 2021 and 2020

Note 5 - Capital Assets

The Station's capitalization policy recognizes one year depreciation expense in the year of acquisition of an asset. Capital asset activity for the year ended June 30, 2021 is summarized as follows:

Capital Assets	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Depreciated assets				
Buildings and Improvements	\$ 41,306	\$ -	\$ -	\$ 41,306
Studio and Other Equipment	318,531	68,400	-	386,931
Total Capital Assets, Depreciable	<u>\$ 359,837</u>	<u>\$ 68,400</u>	<u>\$ -</u>	<u>\$ 428,237</u>
Less: Accumulated depreciation				
Buildings and Improvements	41,306	-	-	41,306
Studio and Other Equipment	251,095	16,008	-	267,103
Total Accumulated Depreciation	<u>292,401</u>	<u>16,008</u>	<u>-</u>	<u>308,409</u>
Total Capital Assets, Net	<u>\$ 67,436</u>	<u>\$ 52,392</u>	<u>\$ -</u>	<u>\$ 119,828</u>

Capital asset activity for the year ended June 30, 2020 is summarized as follows:

Capital Assets	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
Depreciated assets				
Buildings and Improvements	\$ 41,306	\$ -	\$ -	\$ 41,306
Studio and Other Equipment	279,990	38,541	-	318,531
Total Capital Assets, Depreciable	<u>\$ 321,296</u>	<u>\$ 38,541</u>	<u>\$ -</u>	<u>\$ 359,837</u>
Less: Accumulated depreciation				
Buildings and Improvements	41,306	-	-	41,306
Studio and Other Equipment	245,419	5,676	-	251,095
Total Accumulated Depreciation	<u>286,725</u>	<u>5,676</u>	<u>-</u>	<u>292,401</u>
Total Capital Assets, Net	<u>\$ 34,571</u>	<u>\$ 32,865</u>	<u>\$ -</u>	<u>\$ 67,436</u>

Depreciation expense for June 30, 2021 and 2020 were \$16,008, and \$5,676, respectively.

The accompanying notes are an integral part of the financial statements

WESM 91.3 FM

(A Public Telecommunications Entity Operated by the University of Maryland of Eastern Shore)

Notes to Financial Statements Years Ended June 30, 2021 and 2020

Note 6 - Related Party Transactions

The Station receives non-monetary contributions from the University for certain facilities and administrative support which are reported as operating revenues and expenses in accordance with valuation guidelines prescribe by the Corporation for Public Broadcasting. During 2021 and 2020, these non-monetary contributions for administrative support totaled \$35,498 and \$33,728, respectively.

Note 7 - Subsequent Events

The Station has evaluated subsequent events through January 21, 2022, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2021, but prior to January 21, 2022 that provided additional evidence about conditions that existed at June 30, 2021 have been recognized in the financial statements for the year ended June 30, 2021. Events or transactions that provided evidence about conditions that did not exist at June 30, 2021 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, 2021.

Note 8 - Retirement Plans

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

The Station's only liability for retirement and post-employment benefits is its required annual contribution made by the University, which was fully funded during the years ended June 30, 2021 and 2020. The Station's share of these contributions amounted to \$16,392 and \$21,352 for the years ended June 30, 2021 and 2020, respectively.

The cost of the Station retirees' health care benefits is expensed when paid and totaled \$15,171 and \$22,310 for the years ended June 30, 2021 and 2020, respectively.

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

WESM 91.3 FM
(Operated by the University of Maryland Eastern Shore)

Schedule of Non-Federal Financial Support
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Direct Revenue	\$ 299,273	\$ 269,460
Indirect Administrative Support	<u>35,498</u>	<u>33,728</u>
Total Non-Federal Financial Support	<u>\$ 334,771</u>	<u>\$ 303,188</u>