

WCLK-FM RADIO
(A PUBLIC TELECOMMUNICATIONS ACTIVITY OF CLARK ATLANTA UNIVERSITY)

AUDITED FINANCIAL STATEMENTS
Together With Independent Auditor's Report

JUNE 30, 2022 and 2021

WCLK-FM RADIO
(A PUBLIC TELECOMMUNICATIONS ACTIVITY OF CLARK ATLANTA UNIVERSITY)

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the President and Board of Trustees of
Clark Atlanta University

Opinion

We have audited the accompanying financial statements of WCLK-FM RADIO (a Public Telecommunications Activity of Clark Atlanta University ("the Station"), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Station as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Station and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 accounting principles generally accepted in the United States of America, 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 within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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.

A handwritten signature in black ink that reads "PSC Group, LLC". The signature is written in a cursive, stylized font.

Atlanta, Georgia
January 10, 2023

WCLK-FM RADIO
(A PUBLIC TELECOMMUNICATIONS ACTIVITY OF CLARK ATLANTA UNIVERSITY)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 and 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current assets		
Due from Other Funds	\$ -	\$ -
Total Current Assets	-	-
Property and equipment:		
Studio and other broadcast equipment	404,212	393,807
Furniture and fixtures	4,216	4,216
Office machines and equipment	14,260	14,260
Vehicle	<u>71,231</u>	<u>71,231</u>
	493,919	483,514
Less Accumulated depreciation	<u>(378,858)</u>	<u>(346,066)</u>
Total Property and Equipment	<u>115,062</u>	<u>137,448</u>
TOTAL ASSETS	<u>\$ 115,062</u>	<u>\$ 137,448</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 26,287	\$ 240
Accrued expenses	<u>3,202</u>	<u>-</u>
Total Current Liabilities	<u>29,489</u>	<u>240</u>
Net assets		
Without Donor Restrictions	83,331	148,075
With Donor Restrictions	<u>2,242</u>	<u>(10,867)</u>
Total Net Assets	<u>85,573</u>	<u>137,208</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 115,062</u>	<u>\$ 137,448</u>

ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

WCLK-FM RADIO
(A PUBLIC TELECOMMUNICATIONS ACTIVITY OF CLARK ATLANTA UNIVERSITY)
STATEMENT OF ACTIVITIES
For the Year Ended JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022 TOTALS</u>
<u>REVENUE AND OTHER SUPPORT</u>			
General appropriation from Clark Atlanta University	\$ 445,032	\$ -	\$ 445,032
Donated facilities and indirect administrative support from Clark Atlanta University	560,844	-	560,844
Contributions, memberships and development activities	878,520	-	878,520
Grants	157,995	59,595	217,590
In-kind donations	147,800	-	147,800
Net assets released from restriction:			
Satisfaction of program restrictions	<u>46,486</u>	<u>(46,486)</u>	<u>-</u>
TOTAL REVENUE AND OTHER SUPPORT	<u>\$ 2,236,677</u>	<u>\$ 13,109</u>	<u>\$ 2,249,786</u>
<u>EXPENSES</u>			
Program Services			
Local programming and production	\$ 634,502	\$ -	\$ 634,502
Broadcasting	518,740	-	518,740
Program information and promotion	<u>153,505</u>	<u>-</u>	<u>153,505</u>
	<u>1,306,747</u>	<u>-</u>	<u>1,306,747</u>
Supporting Services			
Fundraising	366,616	-	366,616
Management and general	<u>628,058</u>	<u>-</u>	<u>628,058</u>
	<u>994,674</u>	<u>-</u>	<u>994,674</u>
TOTAL EXPENSES	<u>2,301,421</u>	<u>-</u>	<u>2,301,421</u>
Change in Net Assets	(64,744)	13,109	(51,635)
Net assets, beginning of year	<u>148,075</u>	<u>(10,867)</u>	<u>137,208</u>
Net assets, end of year	<u>\$ 83,331</u>	<u>\$ 2,242</u>	<u>\$ 85,573</u>

ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

WCLK-FM RADIO
(A PUBLIC TELECOMMUNICATIONS ACTIVITY OF CLARK ATLANTA UNIVERSITY)
STATEMENT OF ACTIVITIES
For the Year Ended JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 TOTALS</u>
<u>REVENUE AND OTHER SUPPORT</u>			
General appropriation from Clark Atlanta University	\$ 140,752	\$ -	\$ 140,752
Donated facilities and indirect administrative support from Clark Atlanta University	525,960	-	525,960
Contributions, memberships and development activities	741,840	-	741,840
Grants	377,867	56,021	433,889
In-kind donations	102,000	-	102,000
Net assets released from restriction:			
Satisfaction of program restrictions	<u>66,919</u>	<u>(66,919)</u>	<u>-</u>
TOTAL REVENUE AND OTHER SUPPORT	<u>\$ 1,955,338</u>	<u>\$ (10,898)</u>	<u>\$ 1,944,441</u>
<u>EXPENSES</u>			
Program Services			
Local programming and production	\$ 540,709	\$ -	\$ 540,709
Broadcasting	442,060	-	442,060
Program information and promotion	<u>130,814</u>	<u>-</u>	<u>130,814</u>
	<u>1,113,583</u>	<u>-</u>	<u>1,113,583</u>
Supporting Services			
Fundraising	312,423	-	312,423
Management and general	<u>535,218</u>	<u>-</u>	<u>535,218</u>
	<u>847,641</u>	<u>-</u>	<u>847,641</u>
TOTAL EXPENSES	<u>1,961,223</u>	<u>-</u>	<u>1,961,223</u>
Change in Net Assets	(5,885)	(10,898)	(16,783)
Net assets, beginning of year	<u>153,960</u>	<u>31</u>	<u>153,991</u>
Net assets, end of year	<u>\$ 148,075</u>	<u>\$ (10,867)</u>	<u>\$ 137,208</u>

ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

WCLK-FM RADIO
(A PUBLIC TELECOMMUNICATIONS ACTIVITY OF CLARK ATLANTA UNIVERSITY)
STATEMENTS OF CASH FLOWS
For the Years Ended JUNE 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Changes in net assets	\$ (51,635)	\$ (16,783)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	32,792	38,548
Change in accounts payable	26,046	(820)
Change in accrued expenses	<u>3,202</u>	<u>(13,516)</u>
Net cash provided for operating activities	<u>10,405</u>	<u>7,429</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of equipment	<u>(10,405)</u>	<u>(7,429)</u>
Net cash used by investing activities	<u>(10,405)</u>	<u>(7,429)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH, BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

WCLK-FM RADIO
(A PUBLIC TELECOMMUNICATIONS ACTIVITY OF CLARK ATLANTA UNIVERSITY)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 and 2021

NOTE 1 – ORGANIZATION

WCLK-FM RADIO (the Station), is a public telecommunications activity owned and operated by Clark Atlanta University, Atlanta, Georgia (The University).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

FINANCIAL STATEMENT PRESENTATION

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- a) Net Assets Without Donor Restrictions – Net assets that are not subject to any donor-imposed restrictions.
- b) Net Assets With Donor Restrictions – Net assets that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Organization and/or the passage of time. Other donor-imposed restrictions are permanent in nature; the organization must continue to use resources in accordance with the donor restrictions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets with donor restrictions to net assets without donor restrictions.

PROPERTY AND EQUIPMENT

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment is recorded at cost or in the case of donated property, at their estimated fair value determined at the date of receipt. Depreciation is calculated by the straight-line method over the estimated useful lives of the individual asset that range from five to 40 years.

WCLK-FM RADIO
(A PUBLIC TELECOMMUNICATIONS ACTIVITY OF CLARK ATLANTA UNIVERSITY)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

REVENUE RECOGNITION

Revenues from sources other than contributions are reported as increases in net assets with donor restrictions. Unrestricted contributions, pledges, and grants are recognized as revenues in the statement of activities upon receipt. Other unrestricted revenues are recognized as earned either upon receipt or accrual. Expenditures of unrestricted funds are recognized as expenses when expended or upon incurrence of the related liability.

CORPORATION FOR PUBLIC BROADCASTING 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. CPB distributes annual Community Service Grants (CSGs) and National Program Production and Acquisition Grants (NPPAGs) to qualifying public telecommunication entities. CSGs and NPPAGs are used to augment the financial resources of public broadcasting stations and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each grant must be expended over one or two federal fiscal years as described in the Communication 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.

According to the Communication Act, funds may be used at the discretion of recipients. The Station uses these funds for purposes relating to production and acquisition of programming. Also, the Grants may be used to sustain activities began with CPB grants awarded in prior years.

INCOME TAXES

The University qualifies as a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code and, except for taxes pertaining to unrelated business income, is exempt from federal income taxes. The University believes more likely than not, that its tax exempt position will be sustained if examined by the authorities.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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.

WCLK-FM RADIO
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 and 2021

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

INDIRECT ADMINISTRATIVE SUPPORT

A portion of the licensee's general overhead costs relate to and benefit the public broadcaster. Such items include administrations, utilities, maintenance and repair. These services were provided without cost and have been allocated to WCLK-FM. The fair values of these services are reported as revenue and expenses in the accompanying statement of activities.

IN-KIND SUPPORT

WCLK-FM from time to time receives services, equipment and materials without payment or compensation. When the value of such services is ascertainable, it is reflected in the accompanying financial statements as revenue and expense. All in-kind equipment is accounted for in accordance with the Financial Accounting Standards Board in its Accounting Standards Codification, "*Accounting for Contributions Received and Contributions Made*". Equipment and other non-cash donations are recorded as contributions at cost or estimated fair value determined at the date of the donation.

Additionally, WCLK-FM receives a significant amount of skilled, contributed time which does not meet the above criteria. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

FUNCTIONAL EXPENSES

There are two types of functional expenditures, program services and support services. The main difference between the two is that program services directly relate to the station's mission, such as delivering programs to listening audiences. Support services, on the other hand, do not directly relate to the station's mission. Support services include management and general activities that are indispensable to providing program services. Costs that are attributed to more than one program or supporting function have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied using a reasonable allocation method in accordance with the required classification by the Corporation for Public Broadcasting.

WCLK-FM RADIO
(A PUBLIC TELECOMMUNICATIONS ACTIVITY OF CLARK ATLANTA UNIVERSITY)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 and 2021

NOTE 3 – FUNCTIONAL EXPENSES

The functional expenses as of June 30, 2022 and 2021 are as follows:

Expense	Local Programming & Production	Broadcasting	Program Information & Promotion	Fundraising	Management & General	Total 2022
Salaries and wages	\$ 228,710	186,983	55,332	132,149	226,387	829,560
Fringe benefits	63,070	51,563	15,258	36,442	62,429	228,762
Contractual services	74,901	61,236	18,121	43,278	74,140	271,675
Travel	1,318	1,077	319	761	1,304	4,780
Supplies	5,685	4,648	1,375	3,285	5,627	20,619
Other expenses	78,630	64,285	19,023	45,433	77,832	285,203
Communication costs	17,946	14,672	4,342	10,369	17,763	65,092
Printing & Duplication	453	371	110	262	449	1,644
Utilities	124	101	30	72	123	450
Depreciation	9,041	7,391	2,187	5,224	8,949	32,792
Indirect Costs	154,625	126,414	37,408	89,342	153,054	560,844
	\$ 634,502	518,740	153,505	366,616	628,058	2,301,421

Expense	Local Programming & Production	Broadcasting	Program Information & Promotion	Fundraising	Management & General	Total 2021
Salaries and wages	\$ 201,102	164,412	48,652	116,197	199,059	729,422
Fringe benefits	57,126	46,704	13,820	33,008	56,546	207,204
Contractual services	40,115	32,796	9,705	23,178	39,707	145,502
Travel	951	778	230	550	942	3,450
Supplies	2,361	1,930	571	1,364	2,337	8,564
Repairs and maintenance	278	227	67	161	275	1,009
Other expenses	51,675	42,247	12,502	29,858	51,150	187,431
Communication costs	30,952	25,305	7,488	17,884	30,637	112,266
Printing & Duplication	386	316	93	223	382	1,401
Utilities	129	105	31	74	128	467
Depreciation	10,628	8,689	2,571	6,141	10,520	38,548
Indirect Costs	145,007	118,551	35,082	83,785	143,534	525,960
	\$ 540,709	442,059	130,815	312,424	535,217	1,961,223

WCLK-FM RADIO
(A PUBLIC TELECOMMUNICATIONS ACTIVITY OF CLARK ATLANTA UNIVERSITY)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 and 2021

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from restriction by incurring expenses satisfying the purpose specified by the grantor. Net assets with donor restrictions as of June 30, 2022 and 2021 of \$2,242 and (\$10,867) respectively are available for subsequent year's activities as follows:

	<u>2022</u>	<u>2021</u>
FY2020 CSG Radio Grant	\$ -	\$ (10,867)
FY2021 NPPAG Radio Grant	<u>2,242</u>	<u>-</u>
Total	<u>\$ 2,242</u>	<u>\$ (10,867)</u>

NOTE 5 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 10, 2023 which is the date the financial statements were available to be issued.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that could impact operating results. The related financial impact and duration cannot be reasonably estimated at this time.