

**University of Alabama WUAL-FM  
(A Nonprofit Organization)  
Tuscaloosa, Alabama**

**Financial Statements**

**September 30, 2021 and 2020**

University of Alabama WUAL-FM  
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September 30, 2021 and 2020

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## **Independent Auditor's Report**

Board of Directors  
University of Alabama WUAL-FM  
Tuscaloosa, Alabama

We have audited the accompanying financial statements of University of Alabama WUAL-FM (a nonprofit organization), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, 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 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 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 University of Alabama WUAL-FM as of September 30, 2021 and 2020 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.

KASSOUF & CO., P.C.

A handwritten signature in dark ink that reads "Kassouf & Co." in a cursive, flowing script.

Certified Public Accountants

February 14, 2022

**University of Alabama WUAL-FM**  
**Statements of Financial Position**  
**September 30, 2021 and 2020**

	<b>Assets</b>	
	<b>2021</b>	<b>2020</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 483,527	\$ 240,049
Accounts receivable	96,975	3,000
Prepaid expenses	12,518	10,388
Total Current Assets	<u>593,020</u>	<u>253,437</u>
<b>Long-Term Assets</b>		
Property and equipment, net	113,662	128,307
Purchased broadcast rights	1,056,450	1,056,450
Total Long-Term Assets	<u>1,170,112</u>	<u>1,184,757</u>
Total Assets	<u><u>1,763,132</u></u>	<u><u>1,438,194</u></u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	39,405	9,655
Related party note payable - current portion	44,301	41,790
Unearned revenue	31,469	-
Total Current Liabilities	<u>115,175</u>	<u>51,445</u>
<b>Long-Term Liabilities</b>		
Related party note payable - long-term portion	<u>808,524</u>	<u>852,825</u>
Total Liabilities	<u>923,699</u>	<u>904,270</u>
<b>Net Assets</b>		
Without donor restrictions	692,529	533,924
With donor restrictions	146,904	-
Total Net Assets	<u>839,433</u>	<u>533,924</u>
Total Liabilities and Net Assets	<u><u>\$ 1,763,132</u></u>	<u><u>\$ 1,438,194</u></u>

See accompanying notes.

**University of Alabama WUAL-FM**  
**Statements of Activities and Changes in Net Assets**  
**For the Years Ended September 30, 2021 and 2020**

	2021	2020
<b>Changes in net assets without restrictions:</b>		
Revenues and Other Additions		
General appropriation from University of Alabama	\$ 1,376,993	\$ 1,469,968
Donated facilities and administrative support	546,109	551,258
Underwriting	391,601	330,482
Membership	551,101	485,222
Grants from Corporation for Public Broadcasting	197,754	222,528
Other grants	6,000	6,000
Other income	2,263	4,883
Total Revenue and Other Additions	<u>3,071,821</u>	<u>3,070,341</u>
<b>Expenses</b>		
Program Services		
Programming and production	927,619	1,056,029
Broadcasting	651,964	491,688
Program information and promotion	35	772
Total Program Services	<u>1,579,618</u>	<u>1,548,489</u>
Support Services		
Management and general	718,882	697,091
Fundraising and membership development	269,401	327,154
Underwriting	340,297	389,228
Total Supporting Services	<u>1,328,580</u>	<u>1,413,473</u>
Total Expenses	<u>2,908,198</u>	<u>2,961,962</u>
<b>Other income (expense)</b>		
Loss on disposal of fixed assets	<u>(5,018)</u>	<u>-</u>
Increase in net assets without donor restrictions	158,605	108,379
<b>Changes in net assets with donor restrictions:</b>		
Revenues and Other Additions		
Grants from Corporation for Public Broadcasting	<u>146,904</u>	<u>-</u>
Total Revenue and Other Additions	<u>146,904</u>	<u>-</u>
Increase in net assets with donor restrictions	<u>146,904</u>	<u>-</u>
Increase in total net assets	305,509	108,379
Net assets at beginning of year	<u>533,924</u>	<u>425,545</u>
Net assets at end of year	<u><u>\$ 839,433</u></u>	<u><u>\$ 533,924</u></u>

See accompanying notes.

**University of Alabama WUAL-FM**  
**Statement of Functional Expenses**  
**For the Year Ended September 30, 2021**

	Program Services				Supporting Services				Grand Total
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting	Total Supporting Services	
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ 8,791	\$ 3,295	\$ 4,161	\$ 16,247	\$ 16,247
Equipment rentals	401	72,860	-	73,261	1,018	-	-	1,018	74,279
Facility rentals	-	-	-	-	295,494	110,737	139,878	546,109	546,109
Interest	-	48,621	-	48,621	1,467	549	694	2,710	51,331
Other	34	-	-	34	-	8,979	-	8,979	9,013
Printing, freight, and shipping	-	14	-	14	1,799	8,374	45	10,218	10,232
Professional services	296,359	92,612	-	388,971	11,106	43,276	25,532	79,914	468,885
Registration and dues	7,622	908	35	8,565	3,648	5,818	1,865	11,331	19,896
Repairs and maintenance	518	126,680	-	127,198	14,427	22,140	1,081	37,648	164,846
Salaries, wages, employee benefits	622,487	228,103	-	850,590	362,113	54,155	165,895	582,163	1,432,753
Supplies	47	10,459	-	10,506	2,550	1,419	-	3,969	14,475
Travel and meetings	151	141	-	292	587	767	1,146	2,500	2,792
Utilities	-	71,566	-	71,566	15,882	9,892	-	25,774	97,340
	<u>\$ 927,619</u>	<u>\$ 651,964</u>	<u>\$ 35</u>	<u>\$ 1,579,618</u>	<u>\$ 718,882</u>	<u>\$ 269,401</u>	<u>\$ 340,297</u>	<u>\$ 1,328,580</u>	<u>\$ 2,908,198</u>

See accompanying notes.

**University of Alabama WUAL-FM**  
**Statement of Functional Expenses**  
**For the Year Ended September 30, 2020**

	Program Services				Supporting Services				Grand Total
	Programming and Production	Broadcasting	Program Information and Promotion	Total Program Services	Management and General	Fundraising and Membership Development	Underwriting	Total Supporting Services	
Depreciation	\$ -	\$ -	\$ -	\$ -	\$ 8,052	\$ 3,779	\$ 4,496	\$ 16,327	\$ 16,327
Equipment rentals	329	46,536	-	46,865	1,263	-	-	1,263	48,128
Facility rentals	-	-	-	-	271,867	127,591	151,800	551,258	551,258
Interest	-	50,998	-	50,998	1,337	628	747	2,712	53,710
Other	-	-	-	-	2,207	8,996	-	11,203	11,203
Printing, freight, and shipping	-	-	-	-	2,104	21,354	281	23,739	23,739
Professional services	366,461	55,012	-	421,473	10,459	37,922	24,209	72,590	494,063
Registration and dues	8,960	171	772	9,903	7,699	2,973	1,500	12,172	22,075
Repairs and maintenance	518	48,830	-	49,348	6,625	22,108	4,326	33,059	82,407
Salaries, wages, employee benefits	678,451	221,998	-	900,449	359,089	87,022	200,279	646,390	1,546,839
Supplies	34	4,343	-	4,377	2,032	2,429	28	4,489	8,866
Travel and meetings	1,276	208	-	1,484	4,371	2,810	1,562	8,743	10,227
Utilities	-	63,592	-	63,592	19,986	9,542	-	29,528	93,120
	<u>\$ 1,056,029</u>	<u>\$ 491,688</u>	<u>\$ 772</u>	<u>\$ 1,548,489</u>	<u>\$ 697,091</u>	<u>\$ 327,154</u>	<u>\$ 389,228</u>	<u>\$ 1,413,473</u>	<u>\$ 2,961,962</u>

See accompanying notes.



**University of Alabama WUAL-FM**  
**Statements of Cash Flows**  
**For the Years Ended September 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ 305,509	\$ 108,379
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	16,247	16,327
Amortization expense	2,712	2,712
Loss on disposal of fixed assets	5,018	-
(Increase) decrease in:		
Accounts receivable	(93,975)	(1,900)
Prepaid expense	(2,130)	3,897
Increase (decrease) in:		
Accounts payable	29,750	(6,881)
Unearned revenue	31,469	-
Net Cash Provided By Operating Activities	<u>294,600</u>	<u>122,534</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of fixed assets	<u>(6,620)</u>	<u>-</u>
Net Cash Used In Investing Activities	<u>(6,620)</u>	<u>-</u>
<b>Cash Flows from Financing Activities</b>		
Repayment of related party note payable	<u>(44,502)</u>	<u>(42,126)</u>
Net Cash Used In Financial Activities	<u>(44,502)</u>	<u>(42,126)</u>
Net increase in cash and cash equivalents	243,478	80,408
Cash and cash equivalents - beginning of year	<u>240,049</u>	<u>159,641</u>
Cash and cash equivalents - end of year	<u>\$ 483,527</u>	<u>\$ 240,049</u>
<b>Supplemental Cash Flows Information:</b>		
Cash paid for interest	<u>\$ 48,619</u>	<u>\$ 50,998</u>

See accompanying notes.

**University of Alabama WUAL-FM**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

Note 1. Summary of Significant Accounting Policies

Nature of Activities

University of Alabama WUAL-FM (the Station) is a nonprofit, noncommercial radio station operated by the University of Alabama located in Tuscaloosa, Alabama. The broadcast signal is transmitted to several geographic markets in Alabama.

Basis of Accounting

The Station's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which they are incurred.

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Station considers all highly liquid investments with a maturity period of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable primarily consists of amounts due from grantor agencies and amounts due from underwriting donors. Receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Station provides for losses on accounts receivable using the allowance method. The Station determines the allowance based on historical write-off experience and donor specific information. It is the Station's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. As of September 30, 2021 and 2020, all accounts were deemed collectible by the Station; therefore, no allowance was necessary.

Contributions

Contributions are recognized when donors make promises to give to the Station that are, in substance, unconditional. Contributions are recorded as without donor restrictions or with donor restrictions support depending on the existence and/or nature of any donor restrictions.

Pledges

The Station engages in an annual membership campaign manifested by offering some special on-air and mail membership appeals.

**University of Alabama WUAL-FM**  
**Notes to Financial Statements – Continued**  
**September 30, 2021 and 2020**

Note 1. Summary of Significant Accounting Policies – Continued

Pledges – Continued

These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the public broadcaster for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding viewers. However, uncollected pledges are not enforceable against contributors and are not shown as assets on the statements of financial position. Contributions and collected pledges are components of the without restriction operating fund as their usage is not limited to specific activities of the Station. This usage is consistent with appeals for contributions and pledges.

Property and Equipment

Property and equipment is recorded at cost and depreciated using the straight-line method. The estimated useful lives of Station assets range from 5 to 40 years. Donated items are stated at the estimated fair market value at the date of receipt. Property and equipment purchased or contributed with a cost or value in excess of \$5,000 are capitalized. Maintenance, repairs, and minor renovations are charged to expense as incurred. When property and equipment is retired or otherwise disposed of, the related costs are removed from the respective accounts and any gain or loss on the disposition is recorded.

Purchased Broadcast Rights

Purchased broadcast rights were acquired through the purchase of WHIL-FM in Mobile, Alabama. The broadcast rights are considered an intangible asset with an indeterminable life. Management annually evaluates the broadcast rights for impairment. In management's opinion, there has been no impairment to the values of the purchased broadcast rights. See Note 4 for additional information.

Classification of Net Assets

The Station accounts for net assets according to two classes: without donor restrictions and with donor restrictions. The net assets without donor restrictions include assets available for unrestricted use including any assets that may be designated by the Station for a particular use. Net assets with donor restrictions consist of assets with donor stipulations that limit the use of the assets. When the restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Net assets with donor restrictions also consists of assets that donors have stipulated the original principal be invested in perpetuity.

**University of Alabama WUAL-FM**  
**Notes to Financial Statements – Continued**  
**September 30, 2021 and 2020**

Note 1. Summary of Significant Accounting Policies – Continued

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The Station adopted ASC 606 with a date of the initial application of October 1, 2020.

The Station applied ASC 606 using the cumulative effect method, which would result in recognizing the cumulative effect of initially applying the new guidance as an adjustment to the opening balance of net assets on October 1, 2020; however, applying the new guidance had no effect on revenues recognized in prior years. The details of the significant changes and quantitative impact of the changes are discussed below.

As part of the adoption of ASC 606, the Station elected to use the following transition practical expedients: (1) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate; and (2) ASC 606 is applied only to contracts that are not completed at the initial date of application.

Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients. The Station does not expect the adoption of the new revenue standard to have a material impact on its change in net assets on an ongoing basis.

Recently Issued Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The underlying principle of ASU 2016-02 is that lessees should recognize the assets and liabilities arising from leases in the statements of financial position. The guidance requires a lessee to recognize a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous generally accepted accounting principles. There continues to be a differentiation between finance leases and operating leases.

**University of Alabama WUAL-FM**  
**Notes to Financial Statements – Continued**  
**September 30, 2021 and 2020**

Note 1. Summary of Significant Accounting Policies – Continued

Recently Issued Accounting Pronouncements Not Yet Adopted – Continued

However, the principal difference from previous guidance is that the lease assets and lease liabilities arising from operating leases should be recognized in the statements of financial position. The guidance is currently effective for the Station for the year ending September 30, 2023, but with early adoption permitted. Lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The Station is currently evaluating the impact of adopting this new guidance on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The underlying principle of ASU 2020-07 is to increase transparency around contributed nonfinancial assets (also known as “gifts-in-kind”) received by organizations, including how those assets are used and valued. The guidance requires the Station to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition, it requires additional disclosures including a disaggregation by category, and other qualitative information including any donor-imposed restrictions, and valuation techniques in accordance with the requirements in Topic 820, Fair Value Measurement. The guidance is currently effective for the Station for the year ending September 30, 2022, but with early adoption permitted. Organizations are required to recognize and measure nonfinancial assets at the beginning of the earliest period presented using a retrospective basis. The Station is currently evaluating the impact of adopting this new guidance on its financial statements.

Restricted Support

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**University of Alabama WUAL-FM**  
**Notes to Financial Statements – Continued**  
**September 30, 2021 and 2020**

Note 1. Summary of Significant Accounting Policies - Continued

Gifts of Long-Lived Assets

The Station reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, the Station reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

In-Kind Contributions

Donated facilities from the University of Alabama consist of office and studio space together with related occupancy costs and are recorded in revenue and expense at estimated fair rental values. Administrative support from the University of Alabama consists of allocated financial and student department costs and other expenses incurred by the University of Alabama on behalf of the Station. The total value provided for the years ending September 30, 2021 and 2020 was \$546,109 and \$551,258, respectively.

Note 2. Property and Equipment

At September 30, 2021 and 2020, property and equipment consisted of the following:

	<b>2021</b>	<b>2020</b>
Land	\$ 15,603	\$ 15,603
Leasehold improvements	135,000	135,000
Furniture, fixtures, and equipment	609,085	617,907
Transmission building	111,396	111,396
Total property and equipment	<u>871,084</u>	<u>879,906</u>
Less accumulated depreciation	757,422	751,599
Net property and equipment	<u>\$ 113,662</u>	<u>\$ 128,307</u>

Depreciation expense was \$16,247 and \$16,327 for the years ended September 30, 2021 and 2020, respectively.

**University of Alabama WUAL-FM**  
**Notes to Financial Statements – Continued**  
**September 30, 2021 and 2020**

Note 3. Grants

Community Service 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) 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.

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

American Rescue Plan Act Stabilization Grant

In April 2021, the CPB Board of Directors approved a plan to distribute emergency stabilization funds for public media included in the American Rescue Plan Act (American Rescue Act). Congress directed the funds for public media be used to maintain programming and services and preserve small and rural stations threatened by declines in non-Federal revenues.

CARES Grant

In April 2020, the CPB Board of Directors approved a plan to distribute emergency stabilization funds for public media included in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Congress directed the funds for public media be used to maintain programming and services and preserve the ability of small and rural public media stations to continue to provide essential information, educational content and services to the American people.

**University of Alabama WUAL-FM**  
**Notes to Financial Statements – Continued**  
**September 30, 2021 and 2020**

Note 3. Grants – Continued

The amounts awarded under these CPB grants for the years ended September 30, 2021 and 2020 were as follows:

	<b>2021</b>	<b>2020</b>
CPB Community Service Grant	\$ 174,403	\$ 147,528
CPB American Rescue Plan Act	170,255	-
CPB CARES Grant	-	75,000
Total Grants from CPB	<u>\$ 344,658</u>	<u>\$ 222,528</u>

Other Grants

The Station is awarded grants from various organizations related to multiple operational purposes. The amounts awarded under these grants for the years ended September 30, 2021 and 2020 were as follows:

	<b>2021</b>	<b>2020</b>
Alabama State Council of the Arts	\$ 6,000	\$ 6,000

Note 4. Purchase of Station and Related Long-Term Debt

In July 2011, the Station purchased WHIL-FM in Mobile, Alabama, an NPR programming station. As a result, WUAL, through the acquired broadcast rights, serves as the NPR provider for programming for the Mobile, Alabama region. The purchase price for WHIL-FM was \$1,100,000, of which \$1,056,450 was allocated to broadcast rights, an intangible asset with an indeterminable life and \$43,550 was allocated to equipment.

The Station incurred \$35,250 in fees related to obtaining the financing. The Station adopted authoritative GAAP guidance for the presentation of debt issuance costs and related amortization. Debt issuance costs are reported on the statement of financial position as a direct deduction from the face amount of debt. The loan issuance fees are being amortized over the term of the related debt using the straight line method and reported as interest expense in the statement of activities and change in net assets. Amortization costs charged to expenses for the years ended September 30, 2021 and 2020 were \$2,712.

Financing for the transaction was provided by The University of Alabama and consisted of a \$1,135,250 note payable. During the first three years, interest only monthly payments of \$5,203 were due. Monthly principal and interest payments of \$12,320 began on August 2014. The stated interest rate was 5.50%.



**University of Alabama WUAL-FM**  
**Notes to Financial Statements – Continued**  
**September 30, 2021 and 2020**

Note 4. Purchase of Station and Related Long-Term Debt – Continued

Effective September 2014, the Station agreed to new loan terms, with The University of Alabama, amortizing \$1,128,133 over twenty years. Monthly payments are \$7,760 and the note bears interest at 5.50%. The balance outstanding for the years ended September 30, 2021 and 2020 was \$859,719 and \$904,221, respectively. Interest costs of \$48,619 and \$50,998 were incurred for the years ending September 30, 2021 and 2020, respectively.

At September 30, 2021 and 2020, the Station's long-term debt consisted of:

	<b>2021</b>	<b>2020</b>
Principal amount	\$ 859,719	\$ 904,221
Less unamortized debt issuance costs	6,894	9,606
Long-term debt less unamortized issuance costs	<u>852,825</u>	<u>894,615</u>
Less current portion of debt	44,301	41,790
Long-term portion of debt	<u><u>\$ 808,524</u></u>	<u><u>\$ 852,825</u></u>

Future maturities of the long-term debt are as follows:

<b>Fiscal Year</b>	<b>Principal Amount</b>
2022	\$ 47,012
2023	49,664
2024	52,465
2025	55,425
2026	58,551
Thereafter	596,602
Total	<u>859,719</u>
Less debt issuance costs	6,894
Total	<u>852,825</u>
Less current maturities	44,301
Long-term debt	<u><u>\$ 808,524</u></u>

**University of Alabama WUAL-FM**  
**Notes to Financial Statements – Continued**  
**September 30, 2021 and 2020**

Note 5. Related Party Transactions

The Station operates under the University of Alabama system. The Station receives donated facilities and administrative support from the University of Alabama.

See Note 1 for more information regarding in-kind contributions. The Station also receives a portion of the University's appropriation from the State of Alabama. For the years ended September 30, 2021 and 2020, appropriations received from the University of Alabama were \$1,376,993 and \$1,469,968, respectively.

Additionally, the Station has a note payable with The University of Alabama related to the financing of the WHIL-FM purchase. See Note 4 for more information regarding this purchase and the related debt.

The UA-ASU-TSU Educational Corporation was created to allow the University of Alabama, Alabama State University and Troy University to share the WAPR broadcast area. The Board of Directors of the UA-ASU-TSU Educational Corporation includes representatives from each university, including management from WUAL. At times, the Station has received revenue from the UA-ASU-TSU Educational Radio Corporation as compensation for operational support provided by the Station to the UA-ASU-TSU Educational Radio Corporation. For the year ended September 30, 2021, and 2020, there were no fees earned.

Note 6. Net Assets with Donor Restrictions

Net Assets with donor restrictions consist of the following as of September 30, 2021 and 2020:

	2021	2020
<b>Subject to expenditure for specified purpose</b>		
Unexpected American Rescue Plan Act Funds from CPB	\$ 146,904	\$ -

Note 7. Income Taxes

The Station is a not-for-profit organization covered under the Alabama Nonprofit Corporation Act. Additionally, the Station, as part of the University of Alabama System, has been granted tax-exempt status by the Internal Revenue Service for income tax purposes. The Station is subject to unrelated business income tax (UBIT) only if it engages in activities subject to the UBIT regulations.

**University of Alabama WUAL-FM**  
**Notes to Financial Statements – Continued**  
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Note 8.      Compensated Absences

Employees of the Station are entitled to paid vacation, paid sick days, and personal days offs, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Station's policy is to recognize the costs of compensated absences when paid to employees.

Note 9.      Employee Benefit Plan

The Station participates in the State of Alabama's Teachers' Retirement System (TRS). The Station made an employer contribution to the TRS in the amount of \$125,975 and \$138,260 for the years ended September 30, 2021 and 2020, respectively.

Note 10.     Concentration of Credit Risk

Credit risk for accounts receivable was considered concentrated as 100% of the balance at September 30, 2020 was due from one grantor.

Note 11.     Concentration of Revenue Sources

As of September 30, 2021 and 2020, approximately 70% and 73%, respectively, of the Station's revenue is derived from appropriations and in-kind rent from the University of Alabama and grants from the Corporation for Public Broadcasting. A loss in either of these funding sources could significantly impact the operations of the Station.

Note 12.     Financial Assets and Liquidity

The Station's financial assets available within one year of the combined statement of financial position date for general expenditure are as follows.

Cash and cash equivalents	\$       483,527
Accounts receivable	96,975
Total	<u>\$       580,502</u>

The Station has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

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Note 13.      Methods Used for the Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Station. Salaries, wages, and employee benefit expenses are allocated based on estimates of time and effort. Other expenses are allocated based on their usage for the specific programs or supporting functions.

Note 14.      Subsequent Events

The Station has evaluated subsequent events through February 14, 2022, the date which the financial statements were available to be issued.