

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

**AUDITED FINANCIAL STATEMENTS**  
**Together With Independent Auditor's Report**

**JUNE 30, 2021 and 2020**

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

**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2021 and 2020**

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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 statement of financial position as of June 30, 2021, and the related statements of activities 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 Station as of June 30, 2021, and the changes in its net assets and its cash flows for the year 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.

*RJC Group LLC*

Atlanta, Georgia  
January 11, 2022

**WCLK-FM RADIO**  
**(A PUBLIC TELECOMMUNICATIONS ACTIVITY OF CLARK ATLANTA UNIVERSITY)**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 and 2020**

<b><u>ASSETS</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Current assets		
Due from Other Funds	\$       -	\$       -
Total Current Assets	-	-
Property and equipment:		
Studio and other broadcast equipment	393,806	386,377
Furniture and fixtures	4,216	4,216
Office machines and equipment	14,260	14,260
Vehicle	<u>71,231</u>	<u>71,231</u>
	483,514	476,085
Less Accumulated depreciation	<u>(346,066)</u>	<u>(307,518)</u>
Total Property and Equipment	<u>137,447</u>	<u>168,567</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 137,447</u></b>	<b><u>\$ 168,567</u></b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
Current liabilities		
Accounts payable	\$       240	\$    1,060
Accrued expenses	<u>-</u>	<u>13,516</u>
Total Current Liabilities	<u>240</u>	<u>14,576</u>
Net assets		
Without Donor Restrictions	148,074	153,960
With Donor Restrictions	<u>(10,867)</u>	<u>31</u>
Total Net Assets	<u>137,207</u>	<u>153,991</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 137,447</u></b>	<b><u>\$ 168,567</u></b>

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>
<b><u>REVENUE AND OTHER SUPPORT</u></b>			
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	433,888
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>
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<u>\$ 1,955,338</u>	<u>\$ (10,898)</u>	<u>\$ 1,944,440</u>
<b><u>EXPENSES</u></b>			
Program Services			
Local programming and production	\$ 540,709	\$ -	\$ 540,709
Broadcasting	442,060	-	442,060
Program information and promotion	130,814	-	130,814
	<u>1,113,583</u>	<u>-</u>	<u>1,113,583</u>
Supporting Services			
Fundraising	312,423	-	312,423
Management and general	535,218	-	535,218
	<u>847,641</u>	<u>-</u>	<u>847,641</u>
<b>TOTAL EXPENSES</b>	<u>1,961,224</u>	<u>-</u>	<u>1,961,224</u>
Change in Net Assets	(5,886)	(10,898)	(16,784)
Net assets, beginning of year	<u>153,960</u>	<u>31</u>	<u>153,991</u>
Net assets, end of year	<u>\$ 148,074</u>	<u>\$ (10,867)</u>	<u>\$ 137,207</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, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 TOTALS</u>
<b><u>REVENUE AND OTHER SUPPORT</u></b>			
General appropriation from Clark Atlanta University	\$ 269,853	\$ -	\$ 269,853
Donated facilities and indirect administrative support from Clark Atlanta University	576,850	-	576,850
Contributions, memberships and development activities	1,015,621	-	1,015,621
Grants	265,835	53,358	319,193
In-kind donations	121,500	-	121,500
Net assets released from restriction:			-
Satisfaction of program restrictions	<u>66,989</u>	<u>(66,989)</u>	<u>-</u>
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<u>\$ 2,316,649</u>	<u>\$ (13,631)</u>	<u>\$ 2,303,017</u>
<b><u>EXPENSES</u></b>			
Program Services			
Local programming and production	\$ 659,421	\$ -	\$ 659,421
Broadcasting	539,112	-	539,112
Program information and promotion	159,533	-	159,533
	<u>1,358,066</u>	<u>-</u>	<u>1,358,066</u>
Supporting Services			
Fundraising	381,014	-	381,014
Management and general	652,723	-	652,723
	<u>1,033,737</u>	<u>-</u>	<u>1,033,737</u>
<b>TOTAL EXPENSES</b>	<u>2,391,803</u>	<u>-</u>	<u>2,391,803</u>
Change in Net Assets	(75,155)	(13,631)	(88,786)
Net assets, beginning of year	<u>229,115</u>	<u>13,662</u>	<u>242,777</u>
Net assets, end of year	<u>\$ 153,960</u>	<u>\$ 31</u>	<u>\$ 153,991</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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (16,784)	\$ (88,786)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	38,549	38,569
Change in due from other funds	-	50,875
Change in accounts payable	(820)	(503)
Change in accrued expenses	<u>(13,516)</u>	<u>13,516</u>
Net cash provided by operating activities	<u>7,429</u>	<u>13,671</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	-	-
Construction in progress	<u>(7,429)</u>	<u>(13,671)</u>
Net cash used by investing activities	<u>(7,429)</u>	<u>(13,671)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	-	-
<b>CASH, BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>
<b>CASH, END OF YEAR</b>	<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, 2021 and 2020**

**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 or permanent in nature that may or will be met, either by actions of the Organization and/or the passage of time.

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 and 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**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.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 and 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

The American Rescue Plan Act of 2021 was signed into law by the President on March 11, 2021. It provided CPB with \$175 million and authorized fiscal stabilization grants (hereinafter “American Rescue Act Stabilization Grants” or “Stabilization Grants”) to public telecommunications entities to maintain their programming and services and to prevent, prepare for, and respond to the coronavirus. The Station received \$233,235 in emergency funds awarded to the University from the CPB and it is recognized in the statements of activities within the grant funds. The funds are to be used to sustain operations and services.

**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.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 and 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**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.

**CONTRIBUTIONS RECEIVED AND MADE**

In June 2019, the FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this ASU clarify and improve current guidance about whether a transfer of assets is a contribution or an exchange transaction. The amendments clarify how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The ASU was effective for the Station in fiscal year 2020. The Station has adopted this guidance noting no material impact on the financial statements as of June 30, 2021 and 2020.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 and 2020**

**NOTE 3 – FUNCTIONAL EXPENSES**

The functional expenses as of June 30, 2021 and 2020 are as follows:

						<b>2021</b>
<b>Expense</b>	<b>Local Programming &amp; Production</b>	<b>Broadcasting</b>	<b>Program Information &amp; Promotion</b>	<b>Fundraising</b>	<b>Management &amp; General</b>	<b>Total</b>
Salaries and wages	\$ 201,101	164,412	48,652	116,197	199,060	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	12,504	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
	<u>\$ 540,709</u>	<u>442,060</u>	<u>130,814</u>	<u>312,423</u>	<u>535,218</u>	<u>1,961,224</u>
						<b>2020</b>
<b>Expense</b>	<b>Local Programming &amp; Production</b>	<b>Broadcasting</b>	<b>Program Information &amp; Promotion</b>	<b>Fundraising</b>	<b>Management &amp; General</b>	<b>Total</b>
Salaries and wages	\$ 212,910	174,065	51,509	123,020	210,747	772,251
Fringe benefits	56,621	46,290	13,698	32,716	56,046	205,370
Contractual services	55,547	45,413	13,438	32,095	54,983	201,476
Travel	3860.49	3156.17	933.97	2230.6	3821.3	14,003
Supplies	3,981	3,255	963.07	2,300	3,940	14,439
Repairs and maintenance	2617.63	2140.06	633.28	1512.48	2591.05	9,495
Other expenses	128,349	104,932	31,051	74,160	127,045	465,537
Communication costs	24,397	19,946	5,902	14,097	24,150	88,493
Printing and duplication	1467.17	1199.49	354.95	847.73	1452.27	5,322
Depreciation	10633.48	8693.46	2572.55	6144.05	10525.49	38569.03
Indirect costs	159,038	130,022	38,476	91,892	157,422	576,850
	<u>\$ 659,420</u>	<u>539,112</u>	<u>159,534</u>	<u>381,015</u>	<u>652,722</u>	<u>2,391,804</u>

**WCLK-FM RADIO**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021 and 2020**

**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, 2021 and 2020 of \$10,867 and \$31 respectively are available for subsequent year's activities as follows:

	<b><u>2021</u></b>	<b><u>2020</u></b>
FY2019 NPPAG Radio Grant	\$ -	\$ 31
FY2020 CSG Radio Grant	<u>10,867</u>	<u>-</u>
Total	<u><u>\$ 10,867</u></u>	<u><u>\$ 31</u></u>

**NOTE 5 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 11, 2022, which is the date the financial statements were available to be issued.

The in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. The Station expects this matter to negatively impact its operating environment; however, the related financial impact and duration cannot be reasonably estimated at this time.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that could impact operating results.