

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

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

**JUNE 30, 2019 and 2018**

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

**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2019 and 2018**

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**INDEPENDENT AUDITOR'S REPORT**

To the President and Board of Trustees of  
Clark Atlanta University

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, 2019 and 2018, and the related statements of activities, 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 audit. 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 audits 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 WCLK-FM RADIO as of June 30, 2019 and 2018, 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.

*PJC Group, LLC*

Atlanta, Georgia  
January 8, 2020

**WCLK-FM RADIO**  
**(A PUBLIC TELECOMMUNICATIONS ACTIVITY OF CLARK ATLANTA UNIVERSITY)**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 and 2018**

<b><u>ASSETS</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Current assets		
Due from other funds	\$ 50,875	\$ -
Total Current Assets	50,875	-
Property and equipment:		
Studio and other broadcast equipment	363,299	363,299
Furniture and fixtures	4,216	4,216
Office machines and equipment	14,260	14,260
Vehicle	71,231	71,231
Construction in progress	9,407	-
	462,414	453,007
Less Accumulated depreciation	(268,949)	(232,824)
Total Property and Equipment	193,465	220,183
<b>TOTAL ASSETS</b>	<b>244,340</b>	<b>\$ 220,183</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current liabilities		
Accounts payable	\$ 1,563	\$ -
Accrued expenses	-	10,172
Total Current Liabilities	1,563	10,172
Net assets		
Without donor restrictions	229,115	194,254
With donor restrictions	13,662	15,757
Total Net Assets	242,777	210,011
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>244,340</b>	<b>220,183</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, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 TOTALS</u>
<b><u>REVENUE AND OTHER SUPPORT</u></b>			
General appropriation from Clark Atlanta University	\$ 351,255	\$ -	\$ 351,255
Donated facilities and indirect administrative support from Clark Atlanta University	413,553	-	413,553
Contributions, memberships and development activities	1,150,900	-	1,150,900
Grants	156,944	56,673	213,617
In-kind donations	26,000	-	26,000
Net assets released from restriction:			-
Satisfaction of program restrictions	<u>58,768</u>	<u>(58,768)</u>	<u>-</u>
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<u>\$ 2,157,420</u>	<u>\$ (2,095)</u>	<u>\$ 2,155,325</u>
<b><u>EXPENSES</u></b>			
Program Services			
Local programming and production	585,190	-	585,190
Broadcasting	478,425	-	478,425
Program information and promotion	<u>141,575</u>	<u>-</u>	<u>141,575</u>
	<u>1,205,190</u>	<u>-</u>	<u>1,205,190</u>
Supporting Services			
Fundraising	338,124	-	338,124
Management and general	<u>579,245</u>	<u>-</u>	<u>579,245</u>
	<u>917,369</u>	<u>-</u>	<u>917,369</u>
<b>TOTAL EXPENSES</b>	<u>2,122,559</u>	<u>-</u>	<u>2,122,559</u>
Change in Net Assets	34,861	(2,095)	32,766
Net assets, beginning of year	<u>194,254</u>	<u>15,757</u>	<u>210,011</u>
Net assets, end of year	<u>\$ 229,115</u>	<u>\$ 13,662</u>	<u>\$ 242,777</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, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2018 TOTALS</u>
<b><u>REVENUE AND OTHER SUPPORT</u></b>			
General appropriation from Clark Atlanta University	\$ 306,264	\$ -	\$ 306,264
Donated facilities and indirect administrative support from Clark Atlanta University	395,589	-	395,589
Contributions, memberships and development activities	1,015,725	-	1,015,725
Grants	139,206	49,498	188,704
In-kind donations	127,000	-	127,000
Net assets released from restriction:			-
Satisfaction of program restrictions	<u>38,439</u>	<u>(38,439)</u>	<u>-</u>
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b><u>\$ 2,022,224</u></b>	<b><u>\$ 11,059</u></b>	<b><u>\$ 2,033,283</u></b>
<b><u>EXPENSES</u></b>			
Program Services			
Local programming and production	565,879	-	565,879
Broadcasting	462,637	-	462,637
Program information and promotion	<u>136,903</u>	<u>-</u>	<u>136,903</u>
	<u>1,165,418</u>	<u>-</u>	<u>1,165,418</u>
Supporting Services			
Fundraising	326,966	-	326,966
Management and general	<u>560,132</u>	<u>-</u>	<u>560,132</u>
	<u>887,098</u>	<u>-</u>	<u>887,098</u>
<b>TOTAL EXPENSES</b>	<b><u>2,052,516</u></b>	<b><u>-</u></b>	<b><u>2,052,516</u></b>
Change in Net Assets	(30,292)	11,059	(19,233)
Net assets, beginning of year	<u>224,546</u>	<u>4,698</u>	<u>229,244</u>
Net assets, end of year	<b><u>\$ 194,254</u></b>	<b><u>\$ 15,757</u></b>	<b><u>\$ 210,011</u></b>

**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, 2019 and 2018**

	<u><b>2019</b></u>	<u><b>2018</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 32,766	\$ (19,233)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	36,125	31,277
Change in accounts receivable	(50,875)	-
Change in accounts payable	1,563	(5,029)
Change in accrued expenses	<u>(10,172)</u>	<u>7,867</u>
Net cash provided for operating activities	<u>9,407</u>	<u>14,883</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	-	(14,883)
Construction in progress	<u>(9,407)</u>	<u>-</u>
Net cash used by investing activities	<u>(9,407)</u>	<u>(14,883)</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><b>\$ -</b></u>	<u><b>\$ -</b></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, 2019 and 2018**

**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, 2019 and 2018**

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

**NEW ACCOUNTING POLICY**

In August 2016 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 Presentation of Financial Statements of Not-for-Profit Entities. This guidance is intended to improve the net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The main provisions of this update include: a) presentation of only two classes of net assets, "net assets without donor restrictions" and "net assets with donor restrictions", b) enhance disclosures on the composition of net assets with donor restrictions, c) disclose amounts of expenses by both their natural and functional classification and the method used to allocate costs, d) investment return net of external and direct internal investment expenses, and e) requiring disclosure of qualitative and quantitative information on the liquidity and availability of resources.

The Station implemented FASB ASU 2016-14 in the current year, applying the changes retrospectively. The changes have the following effect on net assets at June 30, 2018:

Net Asset Class	As Originally Presented	After Adoption of ASU-2016-14
Unrestricted net assets	\$ 194,254	\$ -
Temporarily restricted net assets	15,757	-
Net assets without donor restrictions	-	194,254
Net assets with donor restrictions	-	15,757
	<u>\$ 210,011</u>	<u>\$ 210,011</u>

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019 and 2018**

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019 and 2018**

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

**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.

**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019 and 2018**

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

**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.

**NOTE 3 – 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, 2019 and 2018 of \$13,662 and \$15,757 respectively are available for subsequent year's activities as follows:

	<u>2019</u>	<u>2018</u>
FY2017 CSG Radio Grant	\$ 6	\$ 6
FY2017 NPPAG Radio Grant	2,545	2,545
FY2018 NPPAG Radio Grant	-	13,206
FY2019 NPPAG Radio Grant	<u>11,111</u>	<u>-</u>
Total	<u>\$ 13,662</u>	<u>\$ 15,757</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019 and 2018**

**NOTE 4 – FUNCTIONAL EXPENSES**

<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	225,632	184,466	54,587	130,371	223,340	818,396
Fringe Benefits	60,506	49,467	14,638	34,960	59,891	219,462
Contractual Services	49,769	40,688	12,041	28,757	49,264	180,519
Travel	5,086	4,158	1,230	2,938	5,034	18,446
Supplies	702	574	170	405	695	2,546
Repairs and Maintenance	50	41	12	30	50	183
Other Expenses	96,178	78,631	23,268	55,572	95,200	348,849
Communication Costs	21,411	17,505	5,180	12,371	21,194	77,661
Printing & Duplication	1,880	1,537	455	1,086	1,861	6,819
Depreciation	9,960	8,143	2,410	5,755	9,857	36,125
Indirect Costs	114,016	93,215	27,584	65,879	112,859	413,553
<b>Total</b>	<b>585,190</b>	<b>478,425</b>	<b>141,575</b>	<b>338,124</b>	<b>579,245</b>	<b>2,122,559</b>

**NOTE 5 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 8, 2020, which is the date the financial statements were available to be issued.