

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

**Financial Statements, Supplemental Schedule and Independent Auditor's Report
as of and for the Years Ended June 30, 2024 and 2023**

WESM 91.3 FM

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinion

We have audited the accompanying statements of net position of WESM 91.3 FM ("the Station") as of June 30, 2024, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended and the related notes to the financial statements.

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, 2024 and 2023, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Station (WESM 91.3 FM) are intended to present the financial position, changes in financial position and cash flows of only that portion of the activities of the University of Maryland Eastern Shore that is attributable to the transactions of the Station. They do not purport to, and do not, present fairly the financial position of the University of Maryland Eastern Shore as of June 30, 2024, the changes in its financial position or its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Basis of Opinion

We conducted our audits 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management of the Financial Statements

The Station's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS 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 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 GAAS, 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.

Required Supplementary Information

Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Non-Federal Financial Support is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Non-Federal Financial Support is fairly stated in all material respects in relation to the financial statements as a whole.

Owings Mills, Maryland
January 17, 2025

Monbo Group International
CERTIFIED PUBLIC ACCOUNTANTS

WESM 91.3 FM

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

Management's Discussion and Analysis Years Ended June 30, 2024 and 2023

Introduction

This section of the report provides a discussion and analysis of WESM 91.3 FM (the "Station") financial performance for the year ended June 30, 2024. This analysis should be read in conjunction with the Station's basic financial statements and the notes to the basic financial statements.

Overview of the Financial Statements

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

The notes to the financial statements provide required disclosures and other information that are essential to full understanding of the material data provided in the statements. The notes present information about the Station's accounting policies, significant account balances and activities, obligations and subsequent events, if any, and can be found beginning on page 10 of this report.

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

Statements of Net Position

The Statements of Net Position present the financial position of the Station at the end of the fiscal year and includes all assets and liabilities of the Station. Assets and liabilities are presented as either current or noncurrent to provide an indication of their anticipated liquidation. The difference between total assets and total liabilities equals net position. The net position is an indicator of the current financial condition of the Station. A summary of assets, liabilities, and net position at June 30, 2024 and 2023, is as follows:

<i>For The Years Ended June 30,</i>	2024	2023
Assets		
Current assets	\$ 482,995	\$ 522,590
Capital assets, net of accumulated depreciation	128,520	151,259
Total Assets	611,515	673,849
Liabilities		
Current liabilities	457,987	502,623
Noncurrent liabilities	4,514	11,586
Total Liabilities	462,501	514,209
Net Position		
Net investment in capital assets	128,520	151,259
Unrestricted	20,494	8,381
Total Net Position	149,014	159,640
Total Liabilities and Net Position	\$ 611,515	\$ 673,849

WESM 91.3 FM

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

Management's Discussion and Analysis Years Ended June 30, 2024 and 2023

Fiscal Year 2024 compared to Fiscal Year 2023

- Current Assets in fiscal year 2024 decreased by \$39,594 or 8% over fiscal year 2023 mainly due to a decrease in cash compared to fiscal year 2023.
- Current Liabilities in fiscal year 2024 decreased by \$44,636 or 9% over fiscal year 2023. This decrease is due primarily to a decrease in accrued vacation.
- Total Net Position in fiscal year 2024 increased by \$10,624 compared to fiscal year 2023.

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position present the Station's results of operations. The statements distinguish revenues and expenses between operating and non-operating categories and provide a view of the Station's operating margin. A summary of revenues, expenses, and changes in net position for the years ended June 30, 2024 and 2023, is as follows:

<i>For The Years Ended June 30,</i>	2024	2023
Operating Revenues	\$ 279,018	\$ 234,962
Operating Expenses	595,887	562,287
Operating income (loss) before non-operating revenues	(316,869)	(327,325)
Non-operating Revenues	306,245	368,182
Total Changes in Net Position	10,624	40,857
Net Position		
Net position at June 30, 2023	159,638	118,781
Net position at June 30, 2024	\$ 149,014	\$ 159,638

Fiscal Year 2024 compared to Fiscal Year 2023

- Total Operating Revenues for fiscal year 2024 increased by \$44,056 or 19% from fiscal year 2023. This fluctuation is mainly due to an increase in grants from the Corporation for Public Broadcasting.
- Total Operating Expenses in fiscal year 2024 increased by \$33,601 or 6% compared to fiscal year 2023, due to an increase in broadcasting services.
- Non-operating Revenues in fiscal year 2024 decreased by \$61,937 or 17% from fiscal year 2023 mainly due to an increase in the University Support of Operating Expenses.

WESM 91.3 FM

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

Management's Discussion and Analysis Years Ended June 30, 2024 and 2023

Statements of Cash Flows

The Statements of Cash Flows provide information about the Station's receipts and disbursements of cash during the year. These statements also assist users in assessing the Station's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing. A summary of cash flows for the years ended June 30, 2024 and 2023, is as follows:

<i>For The Years Ended June 30,</i>	2024	2023
Net cash provided (used) by operating activities	\$ (385,659)	\$ (285,388)
Net cash provided (used) by non-capital financing activities	267,926	331,345
Net cash provided (used) by capital and related financing activities	-	(58,257)
Increase (decrease) in cash and cash equivalents, during the year	(117,733)	(12,300)
Cash and cash equivalents, balance at the beginning of the year	486,620	498,920
Cash and Cash Equivalents, Balance at the End of the Year	\$ 368,887	\$ 486,620

Economic Factors That Will Affect The Future

The economic outlook for WESM-FM is good but is also dependent on various external and internal factors and contingency plans.

- **Federal Funding:** There is a threat to federal funding for public radio stations through the Corporation for Public Broadcasting. Federal funding is a significant portion of WESM-FM's operating budget. Hence, WESM-FM would have to make adjustments. Contingency plans are already being put into place to enable WESM-FM to respond promptly and effectively to future unexpected events.
- **Local News Content Expansion:** While other media organizations are constricting or abandoning the Delmarva Peninsula altogether, WESM-FM is set to expand its local content. WESM-FM can do this efficiently, effectively, and sustainably through its connections with Salisbury University and the University of Maryland Eastern Shore. In early fiscal year 2025, WESM-FM is launching "Intergenerational Beats" where WESM-FM pairs a seasoned journalist with a university student to consistently cover the local topics most interesting to its listeners, from the arts and history to the environment and the economy.
- **More Music Variety:** On the music side, WESM-FM is leaning into its Black radio station roots and adding a variety of music from the African-American Public Radio Consortium on weekday afternoons. This expands WESM-FM's traditional jazz genre to include R&B, soul, urban alternative, and more for contemporary listeners. The African American Public Radio Consortium will syndicate some of WESM programs as well, including its weekly two-hour *Gospel Train* program.
- **Grant and Other Funding:** The changes above create opportunities for WESM-FM to seek more grants and corporate donations to expand and/or offset federal funding cuts.
- **Staff:** There is a new leadership at WESM-FM in fiscal year 2025. This includes a new interim General Manager with deep roots in non-profit and media strategy, operations, and fundraising. The General Manager is joined by a Chief Content Officer who also brings extensive media experience.

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

Statements of Net Position
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 368,887	\$ 486,620
Accounts receivable, net	107,584	25,567
Prepaid expenses	6,524	10,403
Total Current Assets	482,995	522,590
Noncurrent assets:		
Capital assets (net of accumulated depreciation of \$329,134 and \$306,395 at June 30, 2024 and 2023 respectively)	128,520	151,259
Total Noncurrent Assets	128,520	151,259
Total Assets	\$ 611,515	\$ 673,849
Liabilities and Net Position:		
Current liabilities:		
Accounts payable and Other accrued expenses	\$ 7,467	\$ 5,814
Accrued vacation, current portion	4,003	10,274
Accrued payroll	10,824	7,708
Deferred revenue	435,693	478,827
Total Current Liabilities	457,987	502,623
Noncurrent liabilities:		
Accrued vacation	4,514	11,586
Total Noncurrent Liabilities	4,514	11,586
Total Liabilities	462,501	514,209
Net position:		
Net investment in capital assets	128,520	151,259
Unrestricted	20,494	8,381
Total Net Position	149,014	159,640
Total Liabilities and Net Position	\$ 611,515	\$ 673,849

See accompanying notes to financial statements

WESM 91.3 FM
(University of Maryland Eastern Shore)

Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues:		
Corporate and Public Donations	\$ 14,304	\$ 17,424
Underwriting income	18,744	17,639
Grants from the Corporation for Public Broadcasting	245,970	199,899
Total Operating Revenues	279,018	234,962
Operating Expenses:		
Program services:		
Programming and production	253,995	233,303
Broadcasting	78,180	49,738
Program information	38,895	43,501
Total program services	371,070	326,542
Support services:		
Management and general	196,425	214,067
Fundraising & membership development	28,392	21,677
Total support services	224,817	235,744
Total Operating Expenses	\$ 595,887	\$ 562,286
Operating income (loss) before non-operating revenues	(316,869)	(327,324)
Non-operating Revenues		
Appropriation from the University of Eastern Shore	267,926	331,345
Administrative support from the University of Eastern Shore	38,319	36,837
Total Non-operating Revenues	306,245	368,182
Change in Net Position before Other Revenues, Expenses, Gains and Losses	(10,624)	40,857
Total Changes in Net Position	(10,624)	40,857
Net Position		
Net position at June 30, 2023	159,637	118,780
Net position at June 30, 2024	\$ 149,013	\$ 159,637

See accompanying notes to financial statements

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

Statements of Cash Flows
For The Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Corporate and Public Donations	\$ 14,304	\$ 17,424
Underwriting income	18,744	17,639
Grants from the Corporation for Public Broadcasting	245,970	199,899
Payments to employees	(237,931)	(273,181)
Payments to suppliers and contractors	(426,746)	(247,169)
Net cash provided (used) by operating activities	(385,659)	(285,388)
Cash Flows from Noncapital Financing Activities		
Appropriations from University of Maryland Eastern Shore	267,926	331,345
Net cash provided (used) by noncapital financing activities	267,926	331,345
Cash Flows from Capital-Related Financing Activities		
Purchase of capital assets	-	(58,257)
Net cash provided (used) by capital-related financing activities	-	(58,257)
Increase (decrease) in cash and cash equivalents during the year	(117,733)	(12,300)
Cash and cash equivalents balance at the beginning of the year	486,620	498,920
Cash and Cash Equivalents Balance at the End of the Year	\$ 368,887	\$ 486,620
Reconciliation of Operating (Loss) Income to Net Cash Used in Operating Activities		
Operating income (loss)	(316,869)	(327,324)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities		
Depreciation expense	22,739	20,101
Administrative support from University	38,319	36,837
Changes in Assets and Liabilities		
Accounts Receivable	(82,019)	(6,659)
Prepaid expenses	3,879	702
Accounts payable and accrued liabilities	1,653	387
Accrued payroll	3,116	(247)
Accrued vacation	(13,343)	2,953
Deferred revenue	(43,134)	(12,138)
Net cash used by operating activities	\$ (385,659)	\$ (285,388)

See accompanying notes to financial statements

WESM 91.3 FM

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

Notes to Financial Statements Years Ended June 30, 2024 and 2023

Note 1 - Reporting Entity

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

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

Note 2 - Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Use of Estimates

The preparation of financial statements in conformity with accounting principles general accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Cash Equivalents

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

(d) Accounts Receivable

Accounts receivable consists of amounts due to the Station from the University and other miscellaneous revenue sources. Accounts receivable are presented at their net realizable amount. The allowance for doubtful accounts as of June 30, 2024 and 2023 were \$0 and \$0, respectively.

(e) Music Collections

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

The accompanying notes are an integral part of the financial statements

WESM 91.3 FM

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

Notes to Financial Statements Years Ended June 30, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (continued)

Music Collections (continued)

are made up of rare and out-of-print music recordings of musical significance that are held for educational, research, and public broadcasting purposes. Each of the music recordings is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously.

(f) Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation. The University's capitalization policy includes all equipment with a unit cost of \$5,000 or more, and an estimated useful life of greater than one year. Depreciation is computed using a straight-line basis over the estimated useful lives of the assets. Capital assets purchased during the fiscal year is treated as though was placed in service on the first day of the fiscal year and a full-year's depreciation is taken. The useful lives of the following categories of capital assets are as follows:

Building and improvements	39 years
Studio and Other equipment	5 - 15 years

(g) Compensated Absences

Employee vacation pay is accrued at year-end for financial statement purposes. The liability and expenses incurred are recorded at year-end as accrued vacation in the statement of net position, and as a component of the appropriate functional category of expenses in the statement of revenues, expenses, and changes in net position.

(h) Net Position

The Station's net position is classified for financial reporting in the following net position categories:

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

(i) Revenue Recognition

Underwriting income represents income generated from advertising spots purchased by corporate sponsors. Deposits and monies received for advertising spots in advance of airing a spot are not recognized as underwriting income until completion of the airing of the advertising spot.

The accompanying notes are an integral part of the financial statements

WESM 91.3 FM

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

Notes to Financial Statements Years Ended June 30, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (continued)

(j) Classification of Revenues and Expenses

The Station has classified its revenues as either operating or non-operating according to the following criteria:

Operating: Operating revenues include activities that have the characteristics of exchange transactions such as donations, grants income, underwriting income and other miscellaneous income.

Non-operating: Non-operating revenues include activities that have the characteristics of nonexchange transactions such as appropriations from the University of Maryland Eastern Shore and donated facilities and administrative support from the University of Maryland Eastern Shore.

(k) Administrative Support

The University provides certain administrative support to the Station. Administrative support represent the Station allocated amounts of institutional support and is recorded as revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position. Institutional support is based on the Station's pro-rata share of the University's total salaries, wages, and administrative expenses. For the year ended June 30, 2024, the Station's allocated amounts of administrative support are calculated based on amounts stated in the University's audited financial statements.

(l) Appropriation From the University Of Maryland Eastern Shore

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

(m) Income Taxes

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

(n) Risk Management

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

The accompanying notes are an integral part of the financial statements

WESM 91.3 FM

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

Notes to Financial Statements Years Ended June 30, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (continued)

Risk Management (Continued)

for general liability, property and casualty, workers' compensation, environmental and antitrust liabilities, and certain employee health benefits.

The State allocates the cost of providing claims servicing and claims payment by charging a "premium" to the University based on a percentage of the University's estimated current-year payroll or based on the average loss experienced by the University. This charge considers recent trends in actual claims experience of the State as a whole and makes provisions for catastrophic losses.

Note 3 - Cash and Cash Equivalents

The Station participated in the University's pooled cash accounts for fiscal years 2024 and 2023 and pooled investment accounts for fiscal years 2024 and 2023. For fiscal years 2024 and 2023, cash and cash equivalents are held as cash by the University on behalf of the Station. For purposes of basic financial statements for fiscal year 2024, cash and cash equivalents consist of the University's bank deposits, and other investments with original maturities of three months or less.

Note 4 - Noncurrent Liabilities

Changes in noncurrent liabilities consisted of the following for the year ended June 30, 2024:

	Balance			Balance	Amount
	June 30, 2023	Additions	Reductions	June 30, 2024	Due Within
					One Year
Accrued Vacation	\$ 21,860	\$ (9,037)	\$ 4,307	\$ 8,516	\$ 4,003
Total Noncurrent Liabilities	<u>\$ 21,860</u>	<u>\$ (9,037)</u>	<u>\$ 4,307</u>	<u>\$ 8,516</u>	<u>\$ 4,003</u>

Changes in noncurrent liabilities consisted of the following for the year ended June 30, 2023:

	Balance			Balance	Amount
	June 30, 2022	Additions	Reductions	June 30, 2023	Due Within
					One Year
Accrued Vacation	\$ 18,907	\$ 21,860	\$ 18,907	\$ 21,860	\$ 10,274
Total Noncurrent Liabilities	<u>\$ 18,907</u>	<u>\$ 21,860</u>	<u>\$ 18,907</u>	<u>\$ 21,860</u>	<u>\$ 10,274</u>

The accompanying notes are an integral part of the financial statements

WESM 91.3 FM

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

Notes to Financial Statements Years Ended June 30, 2024 and 2023

Note 5 - Capital Assets

The Station's capitalization policy recognizes one year depreciation expense in the year of acquisition of an asset. Capital asset activity for the year ended June 30, 2024 is summarized as follows:

Capital Assets	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024
Depreciated assets				
Buildings and Improvements	\$ 41,306	\$ -	\$ -	\$ 41,306
Studio and Other Equipment	416,348	-	-	416,348
	<u>416,348</u>	<u>-</u>	<u>-</u>	<u>416,348</u>
Total Capital Assets, Depreciable	\$ 457,654	\$ -	\$ -	\$ 457,654
	<u>457,654</u>	<u>-</u>	<u>-</u>	<u>457,654</u>
Less: Accumulated depreciation				
Buildings and Improvements	41,306	-	-	41,306
Studio and Other Equipment	265,089	22,739	-	287,828
Total Accumulated Depreciation	306,395	22,739	-	329,134
	<u>306,395</u>	<u>22,739</u>	<u>-</u>	<u>329,134</u>
Total Capital Assets, Net	\$ 151,259	\$ (22,739)	\$ -	\$ 128,520
	<u>\$ 151,259</u>	<u>\$ (22,739)</u>	<u>\$ -</u>	<u>\$ 128,520</u>

Capital asset activity for the year ended June 30, 2023 is summarized as follows:

Capital Assets	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
Depreciated assets				
Buildings and Improvements	\$ 41,306	\$ -	\$ -	\$ 41,306
Studio and Other Equipment	397,452	58,527	(39,361)	416,348
Total Capital Assets, Depreciable	\$ 438,758	\$58,527	\$ (39,361)	\$ 457,654
	<u>\$ 438,758</u>	<u>\$58,527</u>	<u>\$ (39,361)</u>	<u>\$ 457,654</u>
Less: Accumulated depreciation				
Buildings and Improvements	41,306	-	-	41,306
Studio and Other Equipment	284,349	20,101	(39,361)	265,089
Total Accumulated Depreciation	325,655	20,101	(39,361)	306,395
	<u>325,655</u>	<u>20,101</u>	<u>(39,361)</u>	<u>306,395</u>
Total Capital Assets, Net	\$ 113,103	\$ 38,156	\$ -	\$ 151,259
	<u>\$ 113,103</u>	<u>\$ 38,156</u>	<u>\$ -</u>	<u>\$ 151,259</u>

Depreciation expense for June 30, 2024 and 2023 were \$22,739 and \$20,101, respectively.

The accompanying notes are an integral part of the financial statements

WESM 91.3 FM

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

Notes to Financial Statements Years Ended June 30, 2024 and 2023

Note 6 - Related Party Transactions

The Station receives non-monetary contributions from the University for certain facilities and administrative support which are reported as operating revenues and expenses in accordance with valuation guidelines prescribe by the Corporation for Public Broadcasting. During 2024 and 2023, these non-monetary contributions for administrative support totaled \$38,319 and \$36,837, respectively.

Note 7 - Subsequent Events

The Station has evaluated subsequent events through January 17, 2025, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2024, but prior to January 17, 2025 that provided additional evidence about conditions that existed at June 30, 2024 have been recognized in the financial statements for the year ended June 30, 2024. Events or transactions that provided evidence about conditions that did not exist at June 30, 2024 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2024.

Note 8 - Retirement Plans

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

The Station's only liability for retirement and post-employment benefits is its required annual contribution made by the University, which was fully funded during the years ended June 30, 2024 and 2023. The Station's share of these contributions amounted to \$16,998 and \$27,073 for the years ended June 30, 2024 and 2023, respectively.

The cost of the Station retirees' health care benefits is expensed when paid and totaled \$20,776 and \$26,895 for the years ended June 30, 2024 and 2023, respectively.

The State Retirement and Pension System of Maryland is considered part of the State of Maryland's financial reporting entity and is not considered a part of the University's reporting entity. The State Retirement and Pension System of Maryland prepares a separate Comprehensive Annual Financial Report, which can be obtained from the State Retirement and Pension System of Maryland at 120 East Baltimore Street, Baltimore, Maryland 21202.

The accompanying notes are an integral part of the financial statements

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

Schedule of Non-Federal Financial Support
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Direct Revenue	\$ 300,974	\$ 366,408
Indirect Administrative Support	<u>38,319</u>	<u>36,837</u>
Total Non-Federal Financial Support	<u><u>\$ 339,293</u></u>	<u><u>\$ 403,245</u></u>