

**SALISBURY UNIVERSITY
DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

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

**DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

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INDEPENDENT AUDITOR'S REPORT

To The Board of Regents
Salisbury University
Salisbury, Maryland

Report on the Financial Statements

Opinion

We have audited the accompanying statements of net position of Delmarva Public Radio – WSCL-FM and WSDL-FM (“the Stations”) 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 Stations 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 Stations (WSCL-FM and WSDL-FM) are intended to present the financial position, changes in financial position and cash flows of only that portion of the activities of Salisbury University that is attributable to the transactions of the Stations. They do not purport to, and do not, present fairly the financial position of Salisbury University 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 Stations 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 Stations' 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 Stations' 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 - 7 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 10, 2025

Monbo Group International
CERTIFIED PUBLIC ACCOUNTANTS

DELMARVA PUBLIC RADIO WSCL-FM AND WSDL-FM

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

Introduction

This section of the report provides a discussion and analysis of Delmarva Public Radio – WSCL-FM and WSDL-FM (the “Station”) financial performance for the year ended June 30, 2024. This analysis should be read in conjunction with the Stations’ basic financial statements and the notes to the basic financial statements.

Overview of the Financial Statements

The three primary financial statements of the Stations 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 Stations’ accounting policies, significant account balances and activities, obligations and subsequent events, if any and can be found beginning on page 11 of this report.

The information contained in the basic financial statements of the Stations is incorporated within Salisbury University’s Annual Financial Statements.

Statements of Net Position

The Statements of Net Position present the financial position of the Stations at the end of the fiscal year and includes all assets and liabilities of the Stations. 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 Stations. 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	\$ 23,512	\$ 18,566
Capital assets, net of accumulated depreciation	113,206	151,867
Lease assets, net of accumulated amortization	96,727	29,464
Total Assets	233,445	199,897
Liabilities		
Current liabilities	431,892	377,930
Noncurrent liabilities	91,353	25,893
Total Liabilities	523,245	403,823
Net Position		
Net investment in capital assets	113,206	151,867
Unrestricted	(336,573)	(355,793)
Total Net Position	(223,367)	(203,926)
Total Liabilities and Net Position	\$ 233,445	\$ 199,897

DELMARVA PUBLIC RADIO WSCL-FM AND WSDL-FM

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 increased by \$4,946 or 27% over fiscal year 2023 mainly due to an increase in underwriting receivable compared to fiscal year 2023.
- Current Liabilities in fiscal year 2024 increased by \$53,962 or 14% over fiscal year 2023. This increase is due primarily to an increase in accounts payable and accrued expenses.
- Total Net Position in fiscal year 2024 decreased by \$19,441 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 Stations' results of operations. The statements distinguish revenues and expenses between operating and non-operating categories and provide a view of the Stations' 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	\$ 491,233	\$ 560,614
Operating Expenses	882,257	1,002,276
Operating income (loss) before non-operating revenues	(391,024)	(441,662)
Non-operating Revenues	305,779	319,336
Total Changes in Net Position	(19,441)	(124,073)
Net Position		
Net position at June 30, 2023	(203,926)	(79,853)
Net position at June 30, 2024	\$ 223,367)	\$ (203,926)

Fiscal Year 2024 compared to Fiscal Year 2023

- Total Operating Revenues for fiscal year 2024 decreased by \$69,381 or 12% from fiscal year 2023. This fluctuation is mainly due to a decrease in other grants unrelated to Corporation for Public Broadcasting.
- Total Operating Expenses in fiscal year 2024 decreased by \$120,019 or 12% compared to fiscal year 2023, due to a decrease in Programming and Production.
- Non-operating Revenues in fiscal year 2024 decreased by \$13,557 or 4% from fiscal year 2023 mainly due to a decrease in Donated Facilities and Administrative Support.

DELMARVA PUBLIC RADIO WSCL-FM AND WSDL-FM

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 Stations' receipts and disbursements of cash during the year. These statements also assist users in assessing the Stations' 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	\$ (249,371)	\$ (248,253)
Net cash provided (used) by non-capital financing activities	250,000	250,000
Net cash provided (used) by capital and related financing activities	(629)	(1,747)
Increase (decrease) in cash and cash equivalents, during the year	-	-
Cash and cash equivalents, balance at the beginning of the year	-	-
Cash and Cash Equivalents, Balance at the End of the Year	\$ -	\$ -

Economic Factors That Will Affect The Future

The economic outlook for Delmarva Public Radio is good, but also dependent on various external and internal factors.

- **Delmarva Public Media Collaboration:** Delmarva Public Radio (DPR) launched the Delmarva Public Media collaboration with WESM at the University of Maryland Eastern Shore on July 1, 2020. Fiscal year 2024 was the fourth full year of the collaboration.
- **Local Content Expansion:** While other media organizations are constricting or abandoning the Delmarva Peninsula altogether, Delmarva Public Radio is set to expand its local content. DPR 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, DPR is launching "Intergenerational Beats" where DPR 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. On the music side, DPR is increasing its locally-produced music programs by opening space on WSDL-FM, one of our two stations, to serve as a "lab" to experiment with a variety of local music content. Adding more local programming gives listeners more of a reason to tune in. It also gives foundations, businesses and individuals more reasons to support DPR.
- **Underwriting Support:** Fiscal year 2024 saw a decrease in underwriting growth in part due to an adjustment in strategy and approach mid-year. The new approach was tested in the marketplace late fiscal year 2024 and a new sales team was put in place early fiscal year 2025 to execute this strategy. Comparing the first six months (March 2024 - August 2024) using the new approach compared to the same six months in 2023, active and fulfilled contract income increased by 50%. The positive marketplace reaction to the new approach gives DPR confidence that by the end of the fiscal year, DPR could expect at least a 20% overall increase in underwriting revenue in fiscal year 2025.

**DELMARVA PUBLIC RADIO
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**Management's Discussion and Analysis
Years Ended June 30, 2024 and 2023**

Economic Factors That Will Affect The Future (continued)

- **Membership:** Most public radio stations are remaining flat at best with membership. DPR was no exception in fiscal year 2024. DPR is predicting a slight increase in fiscal year 2025 over fiscal year 2024 due to a greater focus on growing and engaging its database versus reliance on the traditional on-air pledge drive (which has become less effective over the years).
- **Major Gifts:** DPR has not had a major gift initiative for at least ten years. DPR is launching a gift initiative in fiscal year 2025. There are a number of people who not only have the propensity to give but also the capacity to support the radio stations in a more significant way.
- **Other Grants (non-CPB):** Fiscal year 2024 did not see an increase in grant revenue over fiscal year 2023. A plan is in place in fiscal year 2025 to change that. This is, in part, due to grant-worthy initiatives such as the Intergenerational Beats initiative outlined in the local content expansion section above. DPR is also submitting proposals for new production and broadcasting equipment at its Salisbury University studios.
- **Staff:** There is new leadership at DPR 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. The new leadership have plans in place to increase revenue as well as content and services. DPR's staff has been restructured to ensure a balanced budget that provides room for growth in local content (for example, adding more local journalists).

DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM

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

	<u>2024</u>	<u>2023</u>
Assets		
Current assets:		
Accounts receivable, net	\$ 20,683	\$ 15,737
Prepaid expenses	2,829	2,829
Total Current Assets	23,512	18,566
Noncurrent assets:		
Capital assets (net of accumulated depreciation of \$639,790 and \$601,129 at June 30, 2024 and 2023 respectively)	113,206	151,867
Lease assets (net of accumulated amortization of \$294,646 and \$265,182 at June 30, 2024 and 2023 respectively)	96,727	\$29,464
Total Noncurrent Assets	209,933	181,331
Total Assets	\$ 233,445	\$ 199,897
Liabilities and Net Position:		
Current liabilities:		
Accounts payable and Other accrued expenses	\$ 33,542	\$ 2,131
Accrued vacation, current portion	9,491	10,433
Accrued payroll	22,757	30,869
Lease liability, current portion	30,294	38,514
Deferred revenue	4,842	6,119
Due to Salisbury University	330,966	289,864
Total Current Liabilities	431,892	377,930
Noncurrent liabilities:		
Lease liability	66,433	-
Accrued vacation	24,920	25,893
Total Noncurrent Liabilities	91,353	25,893
Total Liabilities	523,245	403,823
Net position:		
Net investment in capital assets	113,206	151,867
Unrestricted	(403,006)	(355,793)
Total Net Position	(289,800)	(203,926)
Total Liabilities and Net Position	\$ 233,445	\$ 199,897

See accompanying notes to financial statements

DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM

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	\$ 152,065	\$ 155,085
Underwriting income	164,818	160,477
Grants from the Corporation for Public Broadcasting	105,665	97,931
Other grants	68,685	147,121
Total Operating Revenues	491,233	560,614
Operating Expenses:		
Program services:		
Programming and production	206,935	268,514
Broadcasting	232,479	248,324
Program information	41,683	37,532
Total program services	481,097	554,370
Support services:		
Management and general	134,718	163,982
Fundraising & membership development	266,442	283,924
Total support services	401,160	447,906
Total Operating Expenses	\$ 882,257	\$ 1,002,276
Operating income (loss) before non-operating revenues	(391,024)	(441,662)
Non-operating Revenues		
Appropriation from Salisbury University	250,000	250,000
Donated facilities and administrative support from Salisbury University	55,779	69,336
Total Non-operating Revenues	305,779	319,336
Change in Net Position before Other Revenues, Expenses, Gains and Losses	(85,245)	(122,326)
Other Expenses		
Interest Expense, Lease	629	1,747
Total other expenses	629	1,747
Total Changes in Net Position	(85,874)	(124,073)
Net Position		
Net position at June 30, 2023	(203,926)	(79,853)
Net position at June 30, 2024	\$ (289,800)	\$ (203,926)

See accompanying notes to financial statements

DELMARVA PUBLIC RADIO

WSCL-FM AND WSDL-FM

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	\$ 152,065	\$ 155,085
Underwriting income	158,595	150,083
Grants from the Corporation for Public Broadcasting	105,665	97,931
Other grants	68,685	147,121
Payments to employees	(595,970)	(545,123)
Payments to suppliers and contractors	(138,411)	(253,350)
Net cash provided (used) by operating activities	(249,371)	(248,253)
Cash Flows from Noncapital Financing Activities		
Appropriations from Salisbury University	250,000	250,000
Net cash provided (used) by noncapital financing activities	250,000	250,000
Cash Flows from Capital-Related Financing Activities		
Interest Expense, Lease	(629)	(1,747)
Net cash provided (used) by capital-related financing activities	(629)	(1,747)
Increase (decrease) in cash and cash equivalents during the year	-	-
Cash and cash equivalents balance at the beginning of the year	-	-
Cash and Cash Equivalents Balance at the End of the Year	\$ -	\$ -
Reconciliation of Operating (Loss) Income to Net Cash Used in Operating Activities		
Operating income (loss)	(391,024)	(441,662)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities		
Depreciation expense	38,661	38,661
Donated facilities and administrative support from Salisbury University	55,779	69,336
Changes in Assets and Liabilities		
Accounts Receivable	(4,946)	(282)
Prepaid expenses	-	1,102
Lease assets, Net	(67,263)	29,465
Accounts payable and accrued liabilities	31,411	340
Accrued payroll	(8,112)	14,484
Accrued vacation	(1,915)	3,635
Lease liability	58,213	(36,256)
Deferred revenue	(1,277)	(10,112)
Due to Salisbury University	41,102	83,036
Net cash used by operating activities	\$ (249,371)	\$ (248,253)

See accompanying notes to financial statements

DELMARVA PUBLIC RADIO

WSCL-FM AND WSDL-FM

Notes to Financial Statements

Years Ended June 30, 2024 and 2023

Note 1 - Reporting Entity

Delmarva Public Radio – WSCL-FM and WSDL-FM (“the Stations”) is a non-profit, National Public Radio Station licensed and owned by Salisbury University (the “University”). The Stations which broadcast in stereo on a frequency of 89.5 MHz and 90.7 MHz began operating in 1987 and serves the Salisbury/Ocean City Metropolitan area. Both the University and the Stations are governed by a Board of Regents appointed by the Governor of Maryland.

The financial activity of the Stations is included in the financial statements of the University. These accompanying financial statements of the Stations present only that portion of the business-type activities of the University that is attributable to the transactions of the Stations. They do not present the financial position, changes in financial position, or cash flows of the University. The Stations are 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 Stations’ 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 Stations participate 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 Stations are considered cash equivalents.

(d) Accounts Receivable

Accounts receivable consists of amounts due to the Stations for underwriting contracts 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 \$20,683 and \$15,737 , respectively.

(e) Music Collections

The Stations have 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

**DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

**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	20 - 40 years
Studio and Other equipment	3 - 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 Stations' net position is classified for financial reporting in the following net position categories:

- ***Net Investment in Capital Assets:*** This represents the Stations' 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

**DELMARVA PUBLIC RADIO
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**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 Stations have 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 Salisbury University and donated facilities and administrative support from Salisbury University.

(k) Donated Facilities and Administrative Support

The University provides certain facilities and administrative support to the Stations. Donated facilities and administrative support represent the Stations allocated amounts of institutional support and donated facilities and is recorded as revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position. Institutional support is based on the Stations pro-rata share of the University's total salaries, wages, and administrative expenses. Donated facilities are the Stations pro-rata share of the University's total plant expenses along with calculated occupancy costs permitted by the Corporation for Public Broadcasting. For the year ended June 30, 2024, the Stations allocated amounts of donated facilities and administrative support are calculated based on amounts stated in the University's audited financial statements.

(l) Appropriation From Salisbury University

The appropriation from Salisbury University represents support from the University for salaries and operating expenses not provided through other sources.

(m) Income Taxes

The Stations are a component of Salisbury University (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 Stations' financial statements.

(n) Risk Management

The Stations are part of the University's overall risk management program. The Stations are 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 Stations, 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

**DELMARVA PUBLIC RADIO
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**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 Stations 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 Stations. 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 June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amount Due Within One Year
Accrued Vacation	\$ 36,326	\$ 3,426	\$ 5,341	\$ 34,411	\$ 9,491
Total Noncurrent Liabilities	<u>\$ 36,326</u>	<u>\$ 3,426</u>	<u>\$ 5,341</u>	<u>\$ 34,411</u>	<u>\$ 9,491</u>

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

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amount Due Within One Year
Accrued Vacation	\$ 32,691	\$ 9,503	\$ 5,868	\$ 36,326	\$ 10,433
Total Noncurrent Liabilities	<u>\$ 32,691</u>	<u>\$ 9,503</u>	<u>\$ 5,868</u>	<u>\$ 36,326</u>	<u>\$ 10,433</u>

The accompanying notes are an integral part of the financial statements

DELMARVA PUBLIC RADIO WSCL-FM AND WSDL-FM

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

Note 5 - Endowment

The WSCL Radio endowment is owned by Salisbury University Foundation. The asset related to the WSCL Radio endowment is recorded on the balance sheet of Salisbury University Foundation. The WSCL Radio endowment is permanently restricted to support the programs and equipment needs of the Stations. The fair market value of the WSCL Radio endowment at June 30, 2024 and 2023 were \$72,658 and \$55,947, respectively.

Note 6 - Capital Assets

The Stations' 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	\$ 228,403	\$ -	\$ -	\$ 228,403
Studio and Other Equipment	524,593	-	-	524,593
	<u>752,996</u>	<u>-</u>	<u>-</u>	<u>752,996</u>
Total Capital Assets, Depreciable	\$ 752,996	\$ -	\$ -	\$ 752,996
Less: Accumulated depreciation				
Buildings and Improvements	142,118	15,227	-	157,345
Studio and Other Equipment	459,011	23,434	-	482,445
Total Accumulated Depreciation	601,129	38,661	-	639,790
Total Capital Assets, Net	<u>\$ 151,867</u>	<u>\$ (38,661)</u>	<u>\$ -</u>	<u>\$ 113,206</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	\$ 228,403	\$ -	\$ -	\$ 228,403
Studio and Other Equipment	524,593	-	-	524,593
Total Capital Assets, Depreciable	<u>\$ 752,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 752,996</u>
Less: Accumulated depreciation				
Buildings and Improvements	126,891	15,227	-	142,118
Studio and Other Equipment	435,577	23,434	-	459,011
Total Accumulated Depreciation	562,468	38,661	-	601,129
Total Capital Assets, Net	<u>\$ 190,528</u>	<u>\$ (38,661)</u>	<u>\$ -</u>	<u>\$ 151,867</u>

Depreciation expense for June 30, 2024 and 2023 were \$38,661 and \$38,661, respectively.

The accompanying notes are an integral part of the financial statements

**DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

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

Note 7 - Lease

DPR leases a tower space under a one-year operating lease with three one-year renewal options which will expire on June 30, 2027. Total costs for such lease was \$39,143 for the year ended June 30, 2024. The future minimum lease payment for the lease are as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2025	\$ 30,294	\$ 2,488	\$ 32,782
2026	32,213	1,552	33,765
2027	34,220	559	34,779
	<u>\$ 96,727</u>	<u>\$ 4,599</u>	<u>\$ 101,326</u>

Note 8 - Related Party Transactions

The Stations receive 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 facilities and administrative support totaled \$55,779 and \$69,336, respectively.

Note 9 - Subsequent Events

The Stations have evaluated subsequent events through January 10, 2025, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2024, but prior to January 10, 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 10 - Retirement Plans

Eligible employees of the Stations, 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 Stations' 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 Stations' share of these contributions amounted to \$9,132 and 14,850 for the years ended June 30, 2024 and 2023, respectively.

The accompanying notes are an integral part of the financial statements

**DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

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

Note 10 - Retirement Plans (continued)

The cost of the Stations retirees' health care benefits is expensed when paid and totaled \$6,634 and \$9,185 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

**SALISBURY UNIVERSITY
DELMARVA PUBLIC RADIO
WSCL-FM AND WSDL-FM**

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

	<u>2024</u>	<u>2023</u>
Direct Revenue	\$ 635,568	\$ 712,683
Indirect Administrative Support	<u>55,779</u>	<u>69,336</u>
Total Non-Federal Financial Support	<u>\$ 691,347</u>	<u>\$ 782,019</u>