

WICN PUBLIC RADIO, INC.

**FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

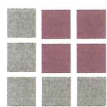
**AND
INDEPENDENT AUDITORS' REPORT**

WICN PUBLIC RADIO, INC.

JUNE 30, 2023 AND 2022

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Independent Auditors' Report

Board of Directors
WICN Public Radio, Inc.

Opinion

We have audited the accompanying financial statements of WICN Public Radio, Inc. (the Station), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WICN Public Radio, Inc. as of June 30, 2023 and 2022, and the changes in its net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

We are required to be independent of WICN Public Radio, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt that WICN Public Radio, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



M Love & Associates, LLC

Certified Public Accountants

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 WICN Public Radio, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about WICN Public Radio, Inc.'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.

M Love & Associates, LLC

Worcester, Massachusetts
October 20, 2023

WICN PUBLIC RADIO, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

	2023			2022		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 312,795	\$ -	\$ 312,795	\$ 314,856	\$ 12,737	\$ 327,593
Investments	26,957	-	26,957	24,181	-	24,181
Accounts receivable	4,585	-	4,585	3,760	-	3,760
Grants and pledges receivable, net	5,613	-	5,613	4,266	-	4,266
Prepaid expenses	1,102	-	1,102	461	-	461
Total current assets	351,052	-	351,052	347,524	12,737	360,261
PROPERTY, PLANT, AND EQUIPMENT						
Leasehold improvements	507,528	-	507,528	507,528	-	507,528
Tower signal expansion	82,880	-	82,880	82,880	-	82,880
Equipment	269,155	-	269,155	258,943	-	258,943
Less: Accumulated depreciation and amortization	(757,381)	-	(757,381)	(714,653)	-	(714,653)
Net property, plant, and equipment	102,182	-	102,182	134,698	-	134,698
Total assets	\$ 453,234	\$ -	\$ 453,234	\$ 482,222	\$ 12,737	\$ 494,959
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	\$ 5,621	\$ -	\$ 5,621	\$ 15,982	\$ -	\$ 15,982
Deferred revenue	27,969	-	27,969	9,119	-	9,119
Total current liabilities	33,590	-	33,590	25,101	-	25,101
NET ASSETS						
Total liabilities and net assets	\$ 453,234	\$ -	\$ 453,234	\$ 482,222	\$ 12,737	\$ 494,959

See independent auditors' report and notes to financial statements.

WICN PUBLIC RADIO, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE						
Donated goods and services	\$ 146,147	\$ -	\$ 146,147	\$ 133,062	\$ -	\$ 133,062
Corporation for Public Broadcasting grant	84,979	-	84,979	79,723	-	79,723
Underwriting	76,609	-	76,609	72,843	-	72,843
Other grants	54,834	25,000	79,834	62,035	17,907	79,942
Special events	79,269	-	79,269	38,691	-	38,691
Other income	11,838	-	11,838	2,006	-	2,006
	<u>453,676</u>	<u>25,000</u>	<u>478,676</u>	<u>388,360</u>	<u>17,907</u>	<u>406,267</u>
Contributions						
Individuals	264,548	-	264,548	264,249	-	264,249
Total contributions	<u>264,548</u>	<u>-</u>	<u>264,548</u>	<u>264,249</u>	<u>-</u>	<u>264,249</u>
Net assets released from restrictions	<u>37,737</u>	<u>(37,737)</u>	<u>-</u>	<u>10,964</u>	<u>(10,964)</u>	<u>-</u>
Total support and revenue	<u>755,961</u>	<u>(12,737)</u>	<u>743,224</u>	<u>663,573</u>	<u>6,943</u>	<u>670,516</u>
EXPENSES						
Programming	408,753	-	408,753	326,581	-	326,581
Management and general	236,501	-	236,501	236,625	-	236,625
Fundraising	111,684	-	111,684	133,847	-	133,847
Total expenses	<u>756,938</u>	<u>-</u>	<u>756,938</u>	<u>697,053</u>	<u>-</u>	<u>697,053</u>
Changes in net assets	(977)	(12,737)	(13,714)	(33,480)	6,943	(26,537)
Prior period adjustment	(36,500)	-	(36,500)	-	-	-
NET ASSETS, beginning of year	<u>457,121</u>	<u>12,737</u>	<u>469,858</u>	<u>490,601</u>	<u>5,794</u>	<u>496,395</u>
NET ASSETS, end of year	<u>\$ 419,644</u>	<u>\$ -</u>	<u>\$ 419,644</u>	<u>\$ 457,121</u>	<u>\$ 12,737</u>	<u>\$ 469,858</u>

See independent auditors' report and notes to financial statements.

WICN PUBLIC RADIO, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2023 AND 2022

	2023				2022			
	PROGRAMMING	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	PROGRAMMING	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
PERSONNEL AND RELATED EXPENSES								
Salaries and wages	\$ 152,860	\$ 160,729	\$ 38,945	\$ 352,534	\$ 127,945	\$ 169,503	\$ 34,659	\$ 332,107
Employee benefits and payroll taxes	35,286	4,135	2,471	41,892	13,140	8,252	14,025	35,417
Total personnel and related expenses	188,146	164,864	41,416	394,426	141,085	177,755	48,684	367,524
OPERATING EXPENSES								
Rent	29,758	10,316	18,221	58,295	23,775	11,085	18,404	53,264
Professional services	34,881	18,793	700	54,374	40,869	13,504	-	54,373
Special event expenses	49,504	1,300	-	50,804	28,501	-	488	28,989
Licenses and fees	46,683	1,057	2,914	50,654	43,882	637	3,649	48,168
Supplies	83	2,605	36,429	39,117	481	1,662	35,802	37,945
Office expense	3,895	2,246	12,004	18,145	3,739	1,298	9,432	14,469
Insurance	5,160	5,750	-	10,910	4,747	2,981	5,067	12,795
Utilities and telephone	4,860	5,416	-	10,276	4,061	2,551	4,334	10,946
Bank fees and interest	6,336	564	-	6,900	59	996	6,287	7,342
Advertising	20,113	-	-	20,113	15,712	-	1,500	17,212
Other	106	90	-	196	-	114	200	314
Total operating expenses	201,379	48,137	70,268	319,784	165,826	34,828	85,163	285,817
Total expenses before depreciation and amortization	389,525	213,001	111,684	714,210	306,911	212,583	133,847	653,341
DEPRECIATION AND AMORTIZATION								
	19,228	23,500	-	42,728	19,670	24,042	-	43,712
Total expenses	\$ 408,753	\$ 236,501	\$ 111,684	\$ 756,938	\$ 326,581	\$ 236,625	\$ 133,847	\$ 697,053

See independent auditors' report and notes to financial statements.

WICN PUBLIC RADIO, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (13,714)	\$ (26,537)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	42,728	43,712
(Increase) decrease in investments, net	(2,776)	1,863
Prior period adjustment	(36,500)	-
(Increase) decrease in operating assets		
Accounts receivable	(825)	12,760
Grants and pledges receivable, net	(1,347)	714
Prepaid expenses	(641)	1,207
Increase (decrease) in operating liabilities		
Accounts payable and accrued liabilities	(10,361)	1,733
Deferred revenue	<u>18,850</u>	<u>(29,381)</u>
Net cash provided by (used in) operating activities	<u>(4,586)</u>	<u>6,071</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant, and equipment	<u>(10,212)</u>	<u>(13,100)</u>
Net cash provided by (used in) investing activities	<u>(10,212)</u>	<u>(13,100)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(14,798)	(7,029)
CASH AND CASH EQUIVALENTS, beginning of year	<u>327,593</u>	<u>334,622</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 312,795</u></u>	<u><u>\$ 327,593</u></u>

See independent auditors' report and notes to financial statements.

WICN PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

(1) OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

OPERATIONS

WICN Public Radio, Inc. (the Station) is a Worcester, Massachusetts nonprofit corporation incorporated in 1975. The Station operates as a noncommercial, educational FM broadcast public radio station for purposes of providing a cultural, educational, literary, scientific, artistic, and musical outlet for the area community. The Station's authorized broadcast range covers Central Massachusetts, the western suburbs of Boston, plus portions of Rhode Island, Connecticut, and New Hampshire. It also streams worldwide on the internet. The Station's current mission is to present high-quality jazz and other forms of American music.

Approximately 78% of the Station's revenue is derived from membership dues, special events, grants from local foundations, donations and other public support. Approximately 10% of revenue is derived from underwriting, and 12% from grants from the Corporation for Public Broadcasting.

SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of the Station have been prepared on the accrual basis of accounting.

Net assets

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:

Net assets without donor restrictions – Represent resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Station, the environment in which it operates, the purposes specified in its corporate documents and its application for tax exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of operations.

Net assets with donor restrictions – Represent resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Station must continue to use the resources in accordance with the donor's restrictions.

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 from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Station, unless the donor provides more specific directions about the period of its use.

WICN PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022
(Continued)

(1) **OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES** (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents consists of checking and money market accounts.

Receivables

Receivables are presented at their net realizable amount. In determining this amount, objective evidence that a receivable is uncollectible, as well as a historical pattern of collections of receivables that indicate that some or all of the amount of a receivable may not be collectible is considered when determining this net realizable amount. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation account allowance and to a credit to accounts receivable.

Property, plant, and equipment

Property, plant, and equipment are carried at cost when purchased or at fair market value at date of gift if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The Station reviews the carrying values of certain long-lived assets whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. Where indicated, the carrying value of such assets is reduced through a charge to expenses. The adjusted carrying values represent management's estimate of the amount expected to be recovered from these assets in the future.

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in changes in net assets for the period.

Contributions

Contributions are recorded as with or without donor restricted support, depending on the existence and/or nature of any donor restrictions. Contributions may include actual gifts or promises to give. Contributions of assets other than cash are recorded at their estimated fair value on the date of the gift. Restricted promises to give are required to be reported as support and revenue with donor restrictions in the period received and are then reclassified to net assets without donor restrictions upon satisfaction of the donor restriction. Conditional promises to give are not recognized as revenue until the conditions are substantially met.

WICN PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022
(Continued)

(1) **OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES** (Continued)

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional expenses

The costs of providing the Station's programs and other activities has been summarized on a functional basis in the statements of activities and changes in net assets and the statements of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied. Each year the basis on which costs are allocated is evaluated.

- Salaries and wages, benefits, and payroll taxes are allocated based on specific time spent carrying out each function.
- Professional services are allocated based on the function for which the services were incurred.
- Other expenses that cannot be directly identified are allocated on a reasonable basis to each program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Station.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Nonprofit status

The Station is exempt from federal income taxes as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to the Station within Internal Revenue Code guidelines and requirements.

If the Station had any unrelated business income taxes, it would recognize interest and penalties associated with any tax matters as part of income tax expense and include accrued interest and penalties with the related tax liability in the statements of financial position. In general, the Station's federal and state tax filings for the past three years remain subject to examination by federal and state taxing authorities.

Estimates

The preparation of financial statements in accordance with the accrual basis of accounting requires management of the Station 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

WICN PUBLIC RADIO, INC.
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022
(Continued)

(2) SUBSEQUENT EVENTS

The Station has evaluated the financial statement impact of subsequent events occurring through October 20, 2023, the date that the financial statements were available to be issued.

(3) INVESTMENTS

On June 1, 2021, the Station entered into an agency fund agreement with the Greater Worcester Community Foundation (GWCF). Original amounts transferred to the GWCF at that time was \$26,000. The balance as of June 30, 2023 and June 30, 2022 was \$26,957 and \$24,181, respectively.

(4) DEFERRED REVENUE

Deferred revenue represents amounts billed to and/or received from donors and supporters to help underwrite the costs of programming events which relate to ensuing fiscal years after June 30, 2023.

(5) LINE OF CREDIT

The Station has a \$50,000 line of credit available with a bank. Interest, if any, is payable monthly. The note is payable on demand and is secured by all assets of the Station. There was no balance on the line of credit as of June 30, 2023 and 2022, respectively.

(6) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Youth in Harmony	\$ -	\$ 4,632
Studio 50	-	4,700
Nelson Rating Report and Evaluation	-	3,405
	<u>\$ -</u>	<u>\$ 12,737</u>

WICN PUBLIC RADIO, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

(7) DONATED GOODS AND SERVICES

The Station receives donated goods, services, and materials, which are recorded at their fair market value or estimated value, as determined by the donor and management. The Station also receives services for various aspects of its programs. The following is a schedule of in-kind revenue and expenses for such goods and services for the years ended June 30, 2023 and 2022.

	2023			
	Programming	Management and General	Fundraising	Total
Volunteer services	\$ 60,480	\$ 8,978	\$ 2,985	\$ 72,443
Fundraising supplies and other	-	-	35,751	35,751
Advertising	18,613	-	-	18,613
Professional services	-	19,340	-	19,340
	<u>\$ 79,093</u>	<u>\$ 28,318</u>	<u>\$ 38,736</u>	<u>\$ 146,147</u>
	2022			
	Programming	Management and General	Fundraising	Total
Volunteer services	\$ 60,078	\$ 9,861	\$ 3,449	\$ 73,388
Fundraising supplies and other	-	-	35,122	35,122
Advertising	15,712	-	-	15,712
Professional services	-	8,840	-	8,840
	<u>\$ 75,790</u>	<u>\$ 18,701</u>	<u>\$ 38,571</u>	<u>\$ 133,062</u>

(8) LEASE COMMITMENTS

On November 1, 2004, the Station entered into an operating lease for its facilities located at 50 Portland Street, Worcester, with a term of twenty years expiring on October 21, 2024. The Station relocated the administration offices of its space and entered into a new operating lease on April 1, 2019, with a term of ten years expiring on March 31, 2029.

Minimum future rental payments under the non-cancelable operating lease for this facility are as follows:

<u>June 30,</u>	
2024	\$ 29,573
2025	29,573
2026	29,573
2027	29,573
2028	29,573
Thereafter	7,393
	<u>\$ 155,258</u>

WICN PUBLIC RADIO, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

(Continued)

(8) LEASE COMMITMENTS (Continued)

In addition, the Station also has an operating lease agreement for its transmission tower for three years, which commenced on January 1, 2018, at \$825 per month with three options to extend the lease for five years each with an annual 4% escalator in the lease payment amount. Plans are in process to exercise the option to extend the lease.

(9) LIQUIDITY AND AVAILABILITY

The Station has \$349,950 of financial assets available within one year of the statements of financial position date to meet the cash needs for general expenditures consisting of cash, investments, accounts receivable, and grants and pledges receivable. None of the \$349,950 of financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Station has a goal to maintain financial assets, which consist of cash, to meet at least sixty days of normal operating expenses. The Station has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

(10) PRIOR PERIOD ADJUSTMENT

Upon closing out a certain bank account in January 2023, it was determined that an entry to record \$36,500 had been made in error in December 2020. Given that general ledger accounts for that prior year have been closed to net assets, entry is made directly to net assets in the current year.

(11) RECLASSIFICATIONS

Certain amounts in the 2022 financial statements have been reclassified to conform with the 2023 financial statement presentation. Such reclassifications had no effect on changes in net assets as previously reported.