



**Special-Purpose Financial Statements**  
**Public Telecommunications Entities Operated**  
**by Emerson College (also known as WERS)**  
**June 30, 2021 and 2020**



# WERS

## *Special-Purpose Financial Statements*

### *Table of Contents*

#### ***Special-Purpose Financial Statements:***

Independent Auditors' Report	1-2
Special-Purpose Statements of Assets, Liabilities, and Net Assets (Deficit)	3
Special-Purpose Statements of Revenue, Expenses, and Changes in Net Assets (Deficit)	4-5
Special-Purpose Statements of Cash Flows	6
Notes to Special-Purpose Financial Statements	7-17



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## *Independent Auditors' Report*

The Board of Trustees of Emerson College  
Boston, Massachusetts

### ***Report on the Special-Purpose Financial Statements***

We have audited the accompanying special-purpose financial statements of the Public Telecommunications Entities Operated by Emerson College (also known as "WERS"), which comprise the special-purpose statements of assets, liabilities, and net assets (deficit) as of June 30, 2021 and 2020, and the related special-purpose statements of revenue, expenses, and changes in net assets (deficit) and cash flows for the years then ended, and the related notes to the special-purpose financial statements.

### ***Management's Responsibility for the Special-Purpose Financial Statements***

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with the Principles of Accounting and Financial Reporting to Public Telecommunications Entities as promulgated by the Corporation for Public Broadcasting. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these special-purpose financial statements based on our audits. 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 special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

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



### ***Opinion***

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of WERS as of June 30, 2021 and 2020, and the results of its changes in net assets (deficit) and its cash flows for the years then ended, in accordance with the basis of accounting described in Note 1.

### ***Basis of Accounting***

We draw attention to Note 1 of the special-purpose financial statements, which describes the basis of accounting. As described in Note 1 to the special-purpose financial statements, the special-purpose financial statements are prepared by WERS for the purpose of complying with the Principles of Accounting and Financial Reporting to Public Telecommunications Entities as promulgated by the Corporation for Public Broadcasting. Furthermore, WERS is a department of Emerson College, and therefore, these special-purpose financial statements have been prepared on a basis of accounting other than accounting principles generally accepted in the United States of America to meet the requirements of the Corporation for Public Broadcasting. Due to the nature and significance of the transactions between WERS and Emerson College, the financial position, changes in net assets and cash flows may not be indicative of the results which would have been attained if WERS had operated independently of Emerson College. Our opinion is not modified with respect to these matters.

### ***Emphasis of Matter***

As discussed in Note 1 to the special-purpose financial statements, in 2021, WERS adopted Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (Topic 842), as amended. Our opinion is not modified with respect to this matter.

### ***Purpose of Report - Restriction on Use***

Our report is intended solely for the information and use of the Board of Trustees of Emerson College, management of WERS and Emerson College and the Corporation for Public Broadcasting and is not intended to be and should not be used by anyone other than these specified parties.

*Mayer Heffman McCann P.C.*

February 11, 2022  
Boston, Massachusetts

## WERS

### *Special-Purpose Statements of Assets, Liabilities, and Net Assets (Deficit)*

<b>Assets</b>	<i>June 30,</i>	
	<b>2021</b>	<b>2020</b>
Underwriting and trade receivables, net	\$ 27,601	\$ 26,624
Contribution receivables, net	10,000	-
Prepaid expenses	4,365	3,610
Property and equipment, net	66,275	109,736
Right-of-use assets	713,089	-
<b>Total assets</b>	<b>\$ 821,330</b>	<b>\$ 139,970</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 48,572	\$ 50,386
Deferred revenue	11,006	506
Lease obligations	891,873	179,022
<b>Total liabilities</b>	<b>951,451</b>	<b>229,914</b>
Net assets (deficit):		
Without donor restrictions	(338,728)	(89,944)
With donor restrictions	208,607	-
<b>Total net assets (deficit)</b>	<b>(130,121)</b>	<b>(89,944)</b>
<b>Total liabilities and net assets</b>	<b>\$ 821,330</b>	<b>\$ 139,970</b>

**WERS**

**Special-Purpose Statements of Revenue, Expenses, and Changes in Net Assets (Deficit)**

	Years Ended June 30,			2020
	2021			
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Totals</i>	<i>Totals</i>
<b>Operating activities:</b>				
Revenues:				
Gift revenue	\$ 994,980	\$ 30,790	\$ 1,025,770	\$ 817,799
Grant revenue	84,228	182,566	266,794	216,690
Underwriting and trade revenue	122,151	-	122,151	164,949
Donated direct support from Emerson College	136,279	-	136,279	687,311
Donated indirect support from Emerson College	162,343	-	162,343	225,227
Other income	6,200	-	6,200	14,429
Release from restrictions	4,749	(4,749)	-	-
	<b>1,510,930</b>	<b>208,607</b>	<b>1,719,537</b>	<b>2,126,405</b>
Expenses:				
Programming and production	352,300	-	352,300	372,068
Broadcasting and engineering	185,688	-	185,688	216,185
Program information and promotion	89,128	-	89,128	333,987
Management and general	791,775	-	791,775	721,221
Fundraising and membership development	340,823	-	340,823	455,772
	<b>1,759,714</b>	<b>-</b>	<b>1,759,714</b>	<b>2,099,233</b>
<b>Change in net assets from operations</b>	<b>(248,784)</b>	<b>208,607</b>	<b>(40,177)</b>	<b>27,172</b>
Net assets (deficit), beginning	(89,944)	-	(89,944)	(117,116)
<b>Net assets (deficit), ending</b>	<b>\$ (338,728)</b>	<b>\$ 208,607</b>	<b>\$ (130,121)</b>	<b>\$ (89,944)</b>

**WERS**

**Special-Purpose Statement of Revenue, Expenses, and Changes in Net Assets (Deficit)**

	<b>Year Ended June 30, 2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Totals</b>
<b>Operating activities:</b>			
Revenues:			
Gift revenue	\$ 817,799	\$ -	\$ 817,799
Grant revenue	178,901	37,789	216,690
Underwriting revenue	164,949	-	164,949
Donated direct support from Emerson College	687,311	-	687,311
Donated indirect support from Emerson College	225,227	-	225,227
Other income	14,429	-	14,429
Release from restrictions	107,993	(107,993)	-
	<b>2,196,609</b>	<b>(70,204)</b>	<b>2,126,405</b>
Expenses:			
Programming and production	372,068	-	372,068
Broadcasting and engineering	216,185	-	216,185
Program information and promotion	333,987	-	333,987
Management and general	721,221	-	721,221
Fundraising and membership development	455,772	-	455,772
	<b>2,099,233</b>	<b>-</b>	<b>2,099,233</b>
<b>Change in net assets from operations</b>	<b>97,376</b>	<b>(70,204)</b>	<b>27,172</b>
Net assets (deficit), beginning	(187,320)	70,204	(117,116)
<b>Net assets (deficit), ending</b>	<b>\$ (89,944)</b>	<b>\$ -</b>	<b>\$ (89,944)</b>

## WERS

### *Special-Purpose Statements of Cash Flows*

	<i>Years Ended June 30,</i>	
	<i>2021</i>	<i>2020</i>
<b>Cash flows from operating activities:</b>		
Change in net assets (deficit)	\$ (40,177)	\$ 27,172
Adjustments to reconcile change in net assets (deficit) to net cash provided by operating activities:		
Depreciation	43,461	51,215
Amortization of right-of-use assets	58,085	-
Changes in:		
Underwriting receivables	(977)	(11,495)
Contributions receivable	(10,000)	-
Prepaid expenses	(755)	6,197
Accounts payable and accrued expenses	(1,814)	(27,713)
Deferred revenue	10,500	506
Lease obligations	(58,323)	-
Lease liability	-	2,781
	<u>-</u>	<u>2,781</u>
<b>Net cash provided by operating activities</b>	<u>-</u>	<u>48,663</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	-	(48,663)
	<u>-</u>	<u>(48,663)</u>
<b>Net cash used in investing activities</b>	<u>-</u>	<u>(48,663)</u>
<b>Change in cash and cash equivalents</b>	-	-
Cash, beginning	-	-
	<u>-</u>	<u>-</u>
<b>Cash, ending</b>	<u>\$ -</u>	<u>\$ -</u>



# WERS

## ***Notes to Special-Purpose Financial Statements***

### ***Note 1 - Organization and Summary of Significant Accounting Policies***

The following is a summary of the significant accounting policies of the Public Telecommunications Entities Operated by Emerson College (also known as “WERS”).

Student run and professionally managed, WERS 88.9 FM (which includes W243BG and W268AM in New Bedford and Gloucester, MA, respectively) is the oldest educational non-commercial radio station in New England dating to 1949, and became eligible for funding from the Corporation for Public Broadcasting (“CPB”) during October of 2015. The Board of Trustees of Emerson College (the “College”) is the licensee for WERS, which is a department of the College. The College is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and provides support to WERS.

The majority of on-air and support staff has always been comprised of Emerson College students and training of these students remains an important component of the WERS mission.

A summary of significant accounting policies applied consistently to the special-purpose financial statements is as follows:

#### ***Basis of Presentation***

The accompanying special-purpose financial statements have been prepared on the accrual basis of accounting in accordance with the reporting principles of not-for-profit accounting, and were prepared for the purpose of complying with the Principles of Accounting and Financial Reporting to Public Telecommunications Entities as promulgated by the CPB. In addition, these special-purpose financial statements are presented in accordance with accounting principles generally accepted in the United States of America with the exception that WERS is a department of the College and does not represent a separate legal entity for financial reporting purposes. As such, WERS shares in certain costs incurred by the College, including fringe benefits, operations and maintenance expense, and College debt service, all allocated to WERS by the College. Additionally, costs exceeding revenue recognized by WERS are absorbed by the College with no expectation of repayment to the College; as such, these amounts are recognized as contributions of WERS. The financial position and financial results may not be indicative of results that would have been achieved if WERS had been operating as an unaffiliated organization.

#### ***Financial Statement Presentation***

The special-purpose financial statements are presented on the accrual basis of accounting and have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets of WERS and changes therein are classified and reported as follows:

Net assets without donor restrictions are not subject to donor stipulations restricting their use, but may be designated for a specific purpose by WERS or may be limited by contractual agreements with outside parties.

Net assets with donor restrictions are subject to donor stipulations that expire by the passage of time, can be fulfilled by actions pursuant to the stipulations, or which may be perpetual.

# WERS

## ***Notes to Special-Purpose Financial Statements***

### ***Note 1 - Organization and Summary of Significant Accounting Policies (Continued)***

#### ***Cash***

The financial policies of the College, under which WERS operates, require that all cash be held centrally by the College. Accordingly, cash available for use by WERS is provided by the College as needed though WERS holds no cash of its own.

#### ***Fair Value Measurements***

WERS reports certain assets and liabilities on a recurring and non-recurring basis depending on the underlying accounting policy for the particular item in accordance with fair value standards. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Recurring fair value measurements include contributed property and services and trade transactions.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1* – Quoted prices are available in active markets for identical instruments as of the reporting date.
- Level 2* – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- Level 3* – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level of input that is significant to the fair value measurement in its entirety.

# WERS

## ***Notes to Special-Purpose Financial Statements***

### ***Note 1 - Organization and Summary of Significant Accounting Policies (Continued)***

#### ***Revenue Recognition and Accounts Receivable***

##### ***Gift and Grant Revenue***

Gifts and grants, including unconditional promises to give and non-cash contributions, are recognized as revenues as either without or with donor restrictions in the period verifiably committed by the donor. Contributions of assets other than cash are recorded at their estimated fair value and per the fair value policies described elsewhere in these policies using Level 2 inputs to valuation. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows using a risk adjusted discount rate depending on the time period involved. Amortization of the discount is included in contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions. Contributions with donor-imposed restrictions that can be met through the passage of time or upon the incurring of expenses consistent with the purposes are recorded as net assets with donor restrictions and reclassified to net assets without donor restrictions when such time or purposes restriction has been satisfied. Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers. WERS had no conditional promises to give at June 30, 2021 and 2020.

Contributions receivable at June 30, 2021 represent a receivable from one donor that is expected to be received during the year ending June 30, 2022.

##### ***Corporation for Public Broadcasting (“CPB”) Grants***

Included in gift and grant revenue are Corporation for Public Broadcasting (“CPB”) grants. The CPB is a private, nonprofit grant making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years.

Certain General Provisions must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These General Provisions pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

# WERS

## ***Notes to Special-Purpose Financial Statements***

### ***Note 1 - Organization and Summary of Significant Accounting Policies (Continued)***

#### ***Revenue Recognition and Accounts Receivable (Continued)***

##### ***Corporation for Public Broadcasting (“CPB”) Grants (Continued)***

The CSGs are reported on the accompanying special-purpose financial statements as increases in net assets with donor restrictions until satisfaction of the time and purpose restrictions, after which they are reported as a release from net assets with donor restrictions and an increase in net assets without donor restrictions. WERS recognized community service grant revenue of \$115,334 and \$141,690 during the years ended June 30, 2021 and 2020, respectively. Further, during 2021, WERS received a CPB grant under the American Rescue Plan Act of 2021 in the amount of \$146,460, and, during 2020, WERS received a CPB grant under the CARES Act in the amount of \$75,000.

##### ***Donated Facilities and Administrative Support***

WERS is dependent on the College for a variety of administrative and financial needs. WERS is a department of the College and does not represent a separate legal entity for financial reporting purposes. As such, WERS shares in certain costs incurred by the College, including fringe benefits, operations and maintenance expense, and College debt service. Additionally, any costs exceeding revenue recognized by WERS are absorbed by the College with no expectation of repayment to the College and are recorded as donated support on the special-purpose statements of revenue, expenses, and changes in net assets (deficit) (see Note 4).

##### ***Revenue from Contracts with Customers***

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services (i.e., the transaction price). Revenue from underwriting and trade transactions is recognized when the underwriting is broadcast. Payments or trade received in advance of the underwriting or program broadcast are reported as deferred revenue.

##### ***Underwriting***

WERS enters into contracts with various third parties for underwriting of programs broadcast on WERS's stations. All revenue is recorded at the time the underwriting is broadcast. At June 30, 2021 and 2020, net underwriting receivables of \$27,601 and \$25,874, respectively, are included in underwriting and trade receivables, net on the special-purpose statements of assets, liabilities, and net assets (deficit). Amounts received in advance of broadcasting are recorded as deferred revenue. At June 30, 2021 and 2020, there was no deferred revenue related to underwriting.

# WERS

## ***Notes to Special-Purpose Financial Statements***

### ***Note 1 - Organization and Summary of Significant Accounting Policies (Continued)***

#### ***Revenue Recognition and Accounts Receivable (Continued)***

##### ***Trade***

WERS enters into trade transactions for products or services in exchange for program underwriting. Trade transactions are recorded at the estimated fair value of the product or service received using Level 2 inputs to valuation. Trade revenue is recorded when the program underwriting is broadcast. Trade expense is recorded when merchandise or services are received.

If the program underwriting occurs prior to receipt or use of merchandise or services, a receivable is recorded. At June 30, 2021 and 2020, WERS had \$0 and \$750 of net trade receivables, respectively. If merchandise or services are received prior to program underwriting, deferred revenue is recorded. At June 30, 2021 and 2020, no deferred revenue related to trade was recorded.

##### ***Allowance for Doubtful Accounts, Underwriting***

On a regular basis, WERS reviews the adequacy of its allowance for doubtful accounts based on historical collection results and current economic conditions using factors based on the aging of its accounts. In addition, WERS estimates specific additional allowances based on indications that a specific underwriter may be experiencing financial difficulties. At June 30, 2021 and 2020, the allowance for doubtful accounts was \$0 and \$1,269, respectively.

##### ***Other***

WERS enters into contracts and agreements with various third parties for studio rentals. All revenue is recorded as other income on the special-purpose statements of revenue, expenses, and changes in net assets (deficit). There were no other receivables at June 30, 2021 and 2020.

#### ***Property and Equipment***

Purchased property and equipment is recorded at cost. Donated property and equipment is recorded at fair value at the date of contribution using Level 2 inputs to valuation. When assets are retired or disposed of, the cost and accumulated depreciation thereon are removed from the accounts, and any gains and/or losses are reflected in the special-purpose statements of revenue, expenses, and changes in net assets (deficit).

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets.

# WERS

## ***Notes to Special-Purpose Financial Statements***

### ***Note 1 - Organization and Summary of Significant Accounting Policies (Continued)***

#### ***Leasing***

WERS determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (“ROU”) assets, and the related lease obligations are reported as liabilities in the special-purpose statements of assets, liabilities, and net assets (deficit). WERS has no finance lease arrangements. Costs related to leases spanning 12 months or less are expensed as incurred.

ROU assets represent WERS’s right to use an underlying asset for the lease term. Lease obligations represent WERS’s requirement to make lease payments arising from the lease. Operating lease ROU assets and related lease obligations are recognized at the commencement date based on the present value of lease payments over the lease term, discounted using an appropriate incremental borrowing rate. The incremental borrowing rate is based on the information available at the commencement date in determining the present value of lease payments. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise that option. Operating lease costs are recognized on a straight-line basis over the lease term. Refer to Note 5 for further information regarding leases.

#### ***Income Taxes***

WERS is a department of the College. The College is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from Federal and state income taxes on related income. Given the limited taxable activities of the College, management has concluded that disclosures relative to tax provisions are not necessary.

#### ***Uncertain Tax Positions***

WERS is a department of the College. The College accounts for the effect of any uncertain tax positions based on a “more likely than not” threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a “cumulative probability assessment” that aggregates the estimated tax liability for all uncertain tax positions. WERS has identified its tax status as a department of a tax-exempt entity as its only significant tax position; however, WERS has determined that such tax position does not result in an uncertainty requiring recognition. The College is not currently under examination by any taxing jurisdictions and the last three tax years are open for review.

#### ***Functional Allocation of Expenses***

The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the special-purpose statements of revenue, expenses, and changes in net assets (deficit). Note 7 presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Depreciation of property and equipment and the related operation and maintenance expenses have been allocated to functional classifications based on square footage of facilities.

# WERS

## ***Notes to Special-Purpose Financial Statements***

### ***Note 1 - Organization and Summary of Significant Accounting Policies (Continued)***

#### ***Use of Estimates***

In preparing special-purpose financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures 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. Significant management estimates included in the special-purpose financial statements relate to the allowance for doubtful accounts, accrual of expenses and donated support.

#### ***Recent Accounting Pronouncements Adopted***

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases*, which requires that most leased assets be recognized on the special-purpose statements of assets, liabilities, and net assets (deficit) as assets and liabilities for the rights and obligations created by these leases. As permitted by the ASU, for leases with a term of 12 months or less as a lessee, WERS has elected not to recognize lease assets and liabilities and account for the lease similar to existing guidance for operating leases. WERS adopted ASU 2016-02 in fiscal year 2021 using the modified retrospective approach. Right-of-use assets and related lease obligations of \$771,174 and \$950,196, respectively, were recognized as of July 1, 2020 and are included in the special-purpose statements of assets, liabilities, and net assets (deficit) with the June 30, 2020 deferred rent liability of \$179,022 being reported as a reduction of the right-of-use assets as of July 1, 2020. The guidance did not materially impact WERS’s results of operations.

#### ***Subsequent Events***

WERS has evaluated subsequent events through February 11, 2022, the date the special-purpose financial statements were authorized to be issued. WERS concluded that no material subsequent events have occurred.

#### ***Reclassifications***

Certain amounts from the prior year’s special-purpose financial statements were reclassified in order to conform to the current year’s special-purpose financial statements.

### ***Note 2 - Financial Assets and Liquidity Resources***

WERS’s cash flows have seasonal variations attributable primarily to the timing of underwriting billing. WERS is a department of the College and is dependent on the College for a variety of financial needs. Any costs exceeding revenue recognized by WERS are absorbed by the College with no expectation of repayment to the College and are recorded as donated support on the special-purpose statements of revenue, expenses, and changes in net assets (deficit) (see Note 4).

# WERS

## Notes to Special-Purpose Financial Statements

### Note 2 - Financial Assets and Liquidity Resources (Continued)

As of June 30, 2021 and 2020, financial assets and liquidity resources available within one year for general expenditures are as follows:

	<u>2021</u>	<u>2020</u>
Financial assets available to meet general expenditures over the next 12 months:		
Underwriting and trade receivables, net	\$ <u>27,601</u>	\$ <u>26,624</u>
<b>Total financial assets available to meet general expenditures over the next 12 months</b>	<b>\$ <u>27,601</u></b>	<b>\$ <u>26,624</u></b>

### Note 3 - Property and Equipment

A June 30, property and equipment consisted of the following:

	<u>Estimated Useful Lives</u>	<u>2021</u>	<u>2020</u>
Automobiles, furniture and equipment	5 years	\$ 602,107	\$ 602,107
Computers and software	3 years	<u>81,891</u>	<u>81,891</u>
		683,998	683,998
Less accumulated depreciation		<u>(617,723)</u>	<u>(574,262)</u>
<b>Property and equipment, net</b>		<b>\$ <u>66,275</u></b>	<b>\$ <u>109,736</u></b>

Depreciation expense was \$43,461 and \$51,215 for the years ended June 30, 2021 and 2020, respectively.



# WERS

## Notes to Special-Purpose Financial Statements

### Note 4 - Emerson College

WERS is a department of the College. Due to the nature and significance of the transactions between WERS and the College, the financial position, changes in net assets and cash flows may not be indicative of the results which would have been attained if WERS was not a department of the College. Total donated or allocated facilities and administrative support provided to WERS from the College for the years ended June 30, 2021 and 2020 of \$422,003 and \$456,977, respectively, is included in the special-purpose statements of revenue, expenses, and changes in net assets (deficit) in the related expense category. Donated facilities and administrative support are determined based on the square footage occupied by WERS and the station's employee headcount and allocation calculations as published by the CPB. The College contributed cash to WERS to purchase new property and equipment of \$0 and \$48,663 for the years ended December 31, 2021 and 2020, respectively. Additionally, the College absorbed \$136,279 and \$406,898 of expenses in excess of total revenue for the years ended June 30, 2021 and 2020, respectively. These amounts are included in donated support in the special-purpose statements of revenue, expenses, and changes in net assets (deficit).

### Note 5 - Leasing

WERS has entered into a number of operating leases primarily for transmitter space. Total lease expense for the years ended June 30, 2021 and 2020 amounted to approximately \$99,000. Annual lease payments range from \$12,804 to \$73,220 and the leases expire at various dates through fiscal 2032. WERS's future lease payments as of June 30, 2021 are as follows:

2022	\$	101,566
2023		104,617
2024		108,453
2025		111,870
2026		115,413
Thereafter		574,923
Less amounts representing interest		<u>(224,969)</u>
<b>Total</b>	<b>\$</b>	<b><u>891,873</u></b>

The weighted average remaining lease term for WERS's operating leases is 10.25 years. The weighted average discount rate used to calculate the lease obligation is 4.25%. Cash payments under the operating lease arrangements for the year ended June 30, 2021 totaled approximately \$99,000.

# WERS

## *Notes to Special-Purpose Financial Statements*

### **Note 6 - Net Assets with Donor Restrictions**

WERS had net assets with donor restrictions as follows at June 30:

	<b>2021</b>	<b>2020</b>
Restricted CSGs	\$ 31,106	\$ -
Restricted American Rescue Plan Grant	146,460	-
Broadcasting and podcast initiatives	30,790	-
Other	251	-
	<b>\$ 208,607</b>	<b>\$ -</b>

During the year ended June 30, 2021 WERS released from restrictions \$4,749 related to a City of Boston Arts and Culture grant and during the year ended June 30, 2020 WERS released from restrictions \$107,993 related to the CSGs.

### **Note 7 - Natural Classification of Expenses**

Expenses presented by natural classification and function are as follows for the years ended June 30, 2021 and 2020:

<b>2021</b>						
	<b>Programming and Production</b>	<b>Broadcasting and Engineering</b>	<b>Program Information and Production</b>	<b>Management and General</b>	<b>Fundraising and Membership Development</b>	<b>Total</b>
Payroll and benefits	\$ 261,982	\$ -	\$ 61,587	\$ 595,005	\$ 236,000	\$ 1,154,574
Office, travel, supplies and fees	7,698	15,489	25,564	7,920	70,461	127,132
Professional fees and outside services	69,122	37,045	1,977	26,352	34,362	168,858
Occupancy and depreciation	13,498	133,154	-	162,498	-	309,150
<b>Total</b>	<b>\$ 352,300</b>	<b>\$ 185,688</b>	<b>\$ 89,128</b>	<b>\$ 791,775</b>	<b>\$ 340,823</b>	<b>\$ 1,759,714</b>
<b>2020</b>						
	<b>Programming and Production</b>	<b>Broadcasting and Engineering</b>	<b>Program Information and Production</b>	<b>Management and General</b>	<b>Fundraising and Membership Development</b>	<b>Total</b>
Payroll and benefits	\$ 234,352	\$ -	\$ 82,944	\$ 403,112	\$ 320,207	\$ 1,040,615
Office, travel, supplies and fees	27,731	25,508	230,703	142,543	51,436	477,921
Professional fees and outside services	93,409	72,653	20,340	32,281	84,129	302,812
Occupancy and depreciation	16,576	118,024	-	143,285	-	277,885
<b>Total</b>	<b>\$ 372,068</b>	<b>\$ 216,185</b>	<b>\$ 333,987</b>	<b>\$ 721,221</b>	<b>\$ 455,772</b>	<b>\$ 2,099,233</b>

# WERS

## *Notes to Special-Purpose Financial Statements*

### ***Note 8 - Risks and Uncertainties***

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a pandemic. As a result of the pandemic, beginning in March 2020, WERS suspended most in-person work at the station. During the year ended June 30, 2021, WERS received \$146,460 of funding under the American Rescue Plan Act, and, during the year ended June 30, 2020, WERS received and spent \$75,000 of funding under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which provided emergency financial aid to public broadcasting entities. Management is currently unable to accurately forecast the future impact on revenue patterns resulting from the pandemic which could impact the level of underwriting and contributions on a forward basis. Management believes WERS is taking reasonable and appropriate actions to mitigate the negative impact. However, the full impact and duration of the COVID-19 pandemic is unknown and continues to unfold.