



Special-Purpose Financial Statements
Public Telecommunications Entities Operated
by Emerson College (also known as WERS)
June 30, 2023 and 2022



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	7-16



Independent Auditors' Report

The Board of Trustees of Emerson College
Boston, Massachusetts

Opinion

We have audited the special-purpose financial statements of 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, 2023 and 2022, 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.

In our opinion, the accompanying special-purpose financial statements present fairly, in all material respects, the financial position of WERS as of June 30, 2023 and 2022, and the changes in its net assets (deficit) and its cash flows for the years then ended in accordance with the basis of accounting described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements section of our report. We are required to be independent of WERS 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.

Emphasis of Matters - Basis of Accounting and Reliance on Emerson College

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 (deficit) 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.

Responsibilities of Management for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the 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 and 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.

In preparing the special-purpose financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WERS's ability to continue as a going concern for one year after the date that the special-purpose financial statements are available to be issued.



Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 special-purpose 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 special-purpose 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 special-purpose 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 WERS'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 special-purpose financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WERS'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.

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.

Maya Hoffman McCann P.C.

January 9, 2024
Boston, Massachusetts

WERS

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

Assets	<i>June 30,</i>	
	2023	2022
Cash	\$ -	\$ 27,688
Underwriting and trade receivables, net	125,933	29,651
Grants and other receivables	36,227	-
Prepaid expenses	1,238	4,622
Property and equipment, net	413,175	88,341
Right-of-use assets - operating leases	<u>589,263</u>	<u>652,529</u>
Total assets	<u>\$ 1,165,836</u>	<u>\$ 802,831</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 297,213	\$ 104,418
Due to Emerson College	63,730	-
Operating lease obligations	<u>758,900</u>	<u>828,313</u>
Total liabilities	<u>1,119,843</u>	<u>932,731</u>
Net assets (deficit):		
Without donor restrictions	1,008	(216,707)
With donor restrictions	<u>44,985</u>	<u>86,807</u>
Total net assets (deficit)	<u>45,993</u>	<u>(129,900)</u>
Total liabilities and net assets	<u>\$ 1,165,836</u>	<u>\$ 802,831</u>

WERS

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

	Years Ended June 30,			2022
	2023			
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Totals</i>	<i>Totals</i>
Operating activities:				
Revenues:				
Gift revenue	\$ 893,863	\$ -	\$ 893,863	\$ 967,809
Grant revenue	90,981	29,445	120,426	131,195
Underwriting and trade revenue	339,501	-	339,501	328,888
Donated direct support from Emerson College	514,889	-	514,889	-
Donated indirect support from Emerson College	221,509	-	221,509	177,649
Other income	9,433	-	9,433	6,000
Release from restrictions	71,267	(71,267)	-	-
	2,141,443	(41,822)	2,099,621	1,611,541
Expenses:				
Programming and production	428,112	-	428,112	318,585
Broadcasting and engineering	200,059	-	200,059	187,360
Program information and promotion	178,706	-	178,706	198,670
Management and general	607,502	-	607,502	509,226
Fundraising and membership development	509,349	-	509,349	397,479
	1,923,728	-	1,923,728	1,611,320
Change in net assets from operations	217,715	(41,822)	175,893	221
Net assets (deficit), beginning	(216,707)	86,807	(129,900)	(130,121)
Net assets (deficit), ending	\$ 1,008	\$ 44,985	\$ 45,993	\$ (129,900)

WERS

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

	Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Totals
Operating activities:			
Revenues:			
Gift revenue	\$ 977,809	\$ (10,000)	\$ 967,809
Grant revenue	96,284	34,911	131,195
Underwriting and trade revenue	328,888	-	328,888
Donated indirect support from Emerson College	177,649	-	177,649
Other income	6,000	-	6,000
Release from restrictions	146,711	(146,711)	-
	1,733,341	(121,800)	1,611,541
Expenses:			
Programming and production	318,585	-	318,585
Broadcasting and engineering	187,360	-	187,360
Program information and promotion	198,670	-	198,670
Management and general	509,226	-	509,226
Fundraising and membership development	397,479	-	397,479
	1,611,320	-	1,611,320
Change in net assets from operations	122,021	(121,800)	221
Net assets (deficit), beginning	(338,728)	208,607	(130,121)
Net assets (deficit), ending	\$ (216,707)	\$ 86,807	\$ (129,900)

WERS

Special-Purpose Statements of Cash Flows

	Years Ended June 30,	
	2023	2022
Cash flows from operating activities:		
Change in net assets (deficit)	\$ 175,893	\$ 221
Adjustments to reconcile change in net assets (deficit) to net cash provided by operating activities:		
Depreciation	52,333	16,448
Amortization of right-of-use assets	63,266	60,560
Changes in:		
Underwriting receivables	(96,282)	(2,050)
Grants and other receivables	(36,227)	-
Contributions receivable	-	10,000
Prepaid expenses	3,384	(257)
Accounts payable and accrued expenses	33,763	17,332
Due to Emerson College	63,730	-
Deferred revenue	-	(11,006)
Operating lease obligations	(69,413)	(63,560)
	<u>190,447</u>	<u>27,688</u>
Net cash provided by operating activities	190,447	27,688
Cash flows from investing activities:		
Purchases of property and equipment	(218,135)	-
	<u>(218,135)</u>	<u>-</u>
Cash used in investing activities	(218,135)	-
Change in cash and cash equivalents	(27,688)	27,688
Cash, beginning	27,688	-
	<u>27,688</u>	<u>-</u>
Cash, ending	\$ -	\$ 27,688
	<u>\$ -</u>	<u>\$ 27,688</u>
Supplemental cash flow information:		
Purchases of property and equipment in accounts payable and accrued expenses	\$ 197,546	\$ 38,514
	<u>\$ 197,546</u>	<u>\$ 38,514</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, purchases of new property and equipment as well as 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. WERS has a cash balance of \$0 and \$27,688 at June 30, 2023 and 2022, respectively, which represents its portion of the College's cash at year end based on the current year cash flow of WERS.

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 conditional promises to give of approximately \$80,000 at June 30, 2022, some of which the donor could direct to the College instead of WERS. There were no conditional promises to give at June 30, 2023.

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 \$112,425 and \$131,195 during the years ended June 30, 2023 and 2022, respectively.

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 and property and equipment purchases 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, 2023 and 2022, net underwriting receivables of \$125,933 and \$29,651, 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, 2023 and 2022, 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, 2023 and 2022, WERS had no trade receivables. If merchandise or services are received prior to program underwriting, deferred revenue is recorded. At June 30, 2023 and 2022, 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, 2023 and 2022, the allowance for doubtful accounts was \$17,213 and \$26,000, 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).

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 special-purpose 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.

Subsequent Events

WERS has evaluated subsequent events through January 9, 2024, the date the special-purpose financial statements were authorized to be issued. WERS concluded that no material subsequent events have occurred.

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 and property and equipment purchases 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).

As of June 30, 2023 and 2022, financial assets and liquidity resources available within one year for general expenditures are as follows:

	<u>2023</u>	<u>2022</u>
Financial assets available to meet general expenditures over the next 12 months:		
Cash	\$ -	\$ 27,688
Underwriting and trade receivables, net	125,933	29,651
Grants receivable	<u>36,227</u>	<u>-</u>
Total financial assets available to meet general expenditures over the next 12 months	\$ <u>162,160</u>	\$ <u>57,339</u>

WERS

Notes to Special-Purpose Financial Statements

Note 3 - Property and Equipment

Property and equipment consisted of the following as of June 30:

	<i>Estimated Useful Lives</i>		2023		2022
Automobiles, furniture and equipment	5 years	\$	725,435	\$	640,621
Computers and software	3 years		85,659		81,891
Construction in progress			288,585		-
			<u>1,099,679</u>		<u>722,512</u>
Less accumulated depreciation			<u>(686,504)</u>		<u>(634,171)</u>
Property and equipment, net		\$	<u>413,175</u>	\$	<u>88,341</u>

Depreciation expense was \$52,333 and \$16,448 for the years ended June 30, 2023 and 2022, respectively.

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 (deficit) 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, 2023 and 2022 of \$445,908 and \$358,211, 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 allocation calculations as published by the CPB. The College also contributed cash to WERS in the amount of \$514,889 and \$0 to cover expenses in excess of total revenue and to purchase new property and equipment for the years ended June 30, 2023 and 2022, respectively. Amounts due to Emerson College represent working capital related items that are expected to be repaid in the normal course of operations. WERS generated an increase in net assets for the year ended June 30, 2022; as such, the College did not absorb additional costs in 2022 and the related cash surplus was reported as cash at June 30, 2022 because it represented College cash that WERS had access to at year end. These amounts are included in donated support in the special-purpose statements of revenue, expenses, and changes in net assets (deficit).

WERS

Notes to Special-Purpose Financial Statements

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, 2023 and 2022 amounted to approximately \$99,000. Annual lease payments range from \$12,807 to \$92,748 and the leases expire at various dates through fiscal 2032. WERS's future lease payments as of June 30, 2023 are as follows:

Fiscal year:			
2024	\$	108,453	
2025		111,870	
2026		115,413	
2027		119,055	
2028		122,814	
Thereafter		333,054	
		910,659	
Less amounts representing interest		(151,759)	
Total	\$	758,900	

The weighted average remaining lease term for WERS's operating leases is 8.25 years. The weighted average discount rate used to calculate the lease obligation is 4.25%. Cash payments under the operating lease arrangements for the years ended June 30, 2023 and 2022 totaled approximately \$105,000 and \$102,000, respectively.

Note 6 - Net Assets with Donor Restrictions

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

		2023		2022
Restricted CSGs	\$	29,445	\$	66,017
Broadcasting and podcast initiatives		15,540		20,790
Total	\$	44,985	\$	86,807

During the year ended June 30, 2023, WERS released a total of \$71,267 from restrictions, including \$66,017 related to CSGs. During year ended June 30, 2022, WERs released \$146,460 related to an American Plan Stabilization grant and \$251 related to a City of Boston Arts and Culture grant.

WERS

Notes to Special-Purpose Financial Statements

Note 7 - Natural Classification of Expenses

Expenses presented by natural classification and function are as follows for the years ended June 30, 2023 and 2022:

	2023					
	<i>Programming and Production</i>	<i>Broadcasting and Engineering</i>	<i>Program Information and Production</i>	<i>Management and General</i>	<i>Fundraising and Membership Development</i>	<i>Total</i>
Payroll and benefits	\$ 310,037	\$ -	\$ 132,335	\$ 318,550	\$ 350,674	\$ 1,111,596
Office, travel, supplies and fees	33,935	31,889	-	34,080	149,046	248,950
Professional fees and outside services	73,700	18,219	46,371	33,363	9,629	181,282
Occupancy and depreciation	10,440	149,951	-	221,509	-	381,900
Total	\$ 428,112	\$ 200,059	\$ 178,706	\$ 607,502	\$ 509,349	\$ 1,923,728
	2022					
	<i>Programming and Production</i>	<i>Broadcasting and Engineering</i>	<i>Program Information and Production</i>	<i>Management and General</i>	<i>Fundraising and Membership Development</i>	<i>Total</i>
Payroll and benefits	\$ 227,571	\$ -	\$ 128,722	\$ 286,359	\$ 249,273	\$ 891,925
Office, travel, supplies and fees	17,722	51,359	69,948	18,892	95,596	253,517
Professional fees and outside services	73,292	55,470	-	26,326	52,610	207,698
Occupancy and depreciation	-	80,531	-	177,649	-	258,180
Total	\$ 318,585	\$ 187,360	\$ 198,670	\$ 509,226	\$ 397,479	\$ 1,611,320