

**WUMB-FM RADIO
(A DEPARTMENT OF THE UNIVERSITY
OF MASSACHUSETTS BOSTON)**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)**

WUMB-FM RADIO
(A DEPARTMENT OF THE UNIVERSITY OF MASSACHUSETTS BOSTON)

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INDEPENDENT AUDITORS' REPORT

To the Audit Committee of the Board of Trustees of
The University of Massachusetts

Opinion

We have audited the financial statements of WUMB-FM Radio (“WUMB” or “the Station”) (a department of the University of Massachusetts Boston), which comprise the statement of assets, liabilities and net assets as of June 30, 2023, and the related statement of revenues, expenses and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WUMB as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Financial Statements section of our report. We are required to be independent of WUMB and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the 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 about WUMB’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of WUMB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WUMB'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.

Report on Summarized Comparative Information

We have previously audited WUMB's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 29, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Marcum LLP

Boston, MA
November 21, 2023

WUMB-FM RADIO
(A DEPARTMENT OF THE UNIVERSITY OF MASSACHUSETTS BOSTON)

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR 2022)

	2023			2022		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Assets						
Current Assets						
Unconditional promises to give, net	\$ --	\$ 203,885	\$ 203,885	\$ --	\$ 205,483	\$ 205,483
Due from the University of Massachusetts Boston	2,283,447	--	2,283,447	2,147,645	--	2,147,645
Prepaid expenses	37,889	--	37,889	39,498	--	39,498
Total Current Assets	<u>2,321,336</u>	<u>203,885</u>	<u>2,525,221</u>	<u>2,187,143</u>	<u>205,483</u>	<u>2,392,626</u>
Beneficial interest in pooled investments	119,041	26,945	145,986	107,182	26,945	134,127
Equipment, Net	--	--	--	5,263	--	5,263
Total Assets	<u>\$ 2,440,377</u>	<u>\$ 230,830</u>	<u>\$ 2,671,207</u>	<u>\$ 2,299,588</u>	<u>\$ 232,428</u>	<u>\$ 2,532,016</u>
Liabilities and Net Assets						
Current Liabilities						
Accrued expenses	\$ 54,895	\$ --	\$ 54,895	\$ 46,182	\$ --	\$ 46,182
Accrued compensated absences	133,776	--	133,776	135,688	--	135,688
Deferred revenue - educational initiatives	226,500	--	226,500	217,963	--	217,963
Unexpended grants	25,479	--	25,479	-	--	-
Total Current Liabilities	<u>440,650</u>	<u>--</u>	<u>440,650</u>	<u>399,833</u>	<u>--</u>	<u>399,833</u>
Accrued Compensated Absences, Less Current Portion	<u>16,197</u>	<u>--</u>	<u>16,197</u>	<u>16,428</u>	<u>--</u>	<u>16,428</u>
Total Liabilities	<u>456,847</u>	<u>--</u>	<u>456,847</u>	<u>416,261</u>	<u>--</u>	<u>416,261</u>
Net Assets						
Without donor restrictions:						
Investment in equipment	--	--	--	5,263	--	5,263
Designated for long-term investment	119,041	--	119,041	107,182	--	107,182
Undesignated	1,864,489	--	1,864,489	1,770,882	--	1,770,882
Total without donor restrictions	<u>1,983,530</u>	<u>--</u>	<u>1,983,530</u>	<u>1,883,327</u>	<u>--</u>	<u>1,883,327</u>
With donor restrictions	--	230,830	230,830	--	232,428	232,428
Total Net Assets	<u>1,983,530</u>	<u>230,830</u>	<u>2,214,360</u>	<u>1,883,327</u>	<u>232,428</u>	<u>2,115,755</u>
Total Liabilities and Net Assets	<u>\$ 2,440,377</u>	<u>\$ 230,830</u>	<u>\$ 2,671,207</u>	<u>\$ 2,299,588</u>	<u>\$ 232,428</u>	<u>\$ 2,532,016</u>

The accompanying notes are an integral part of these financial statements.

WUMB-FM RADIO
(A DEPARTMENT OF THE UNIVERSITY OF MASSACHUSETTS BOSTON)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023		Total	
	Without Donor Restrictions	With Donor Restrictions	2023	2022
Revenue and Support				
University of Massachusetts Boston:				
Indirect support	\$ 403,207	\$ --	\$ 403,207	\$ 374,860
In-kind support	9,201	--	9,201	275
Subscriptions and memberships	781,432	166,934	948,366	1,012,725
Educational initiatives	276,156	--	276,156	42,575
Grants	88,990	6,098	95,088	136,469
Public contributions	334,492	--	334,492	172,000
Net realized and unrealized gain (loss) on investments	14,538	--	14,538	(25,066)
Investment loss	(2,679)	--	(2,679)	(427)
Net assets released from restrictions:				
Satisfaction of program restrictions	174,630	(174,630)	--	--
Total Revenue and Support	<u>2,079,967</u>	<u>(1,598)</u>	<u>2,078,369</u>	<u>1,713,411</u>
Expenses				
Program services	1,491,803	--	1,491,803	1,240,376
Management and general	277,286	--	277,286	258,616
Fundraising	210,675	--	210,675	189,935
Total Expenses	<u>1,979,764</u>	<u>--</u>	<u>1,979,764</u>	<u>1,688,927</u>
Change in Net Assets	100,203	(1,598)	98,605	24,484
Net Assets, Beginning of the Year	<u>1,883,327</u>	<u>232,428</u>	<u>2,115,755</u>	<u>2,091,271</u>
Net Assets, End of the Year	<u>\$ 1,983,530</u>	<u>\$ 230,830</u>	<u>\$ 2,214,360</u>	<u>\$ 2,115,755</u>

The accompanying notes are an integral part of these financial statements.

WUMB-FM RADIO
(A DEPARTMENT OF THE UNIVERSITY OF MASSACHUSETTS BOSTON)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ 98,605	\$ 24,484
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	5,263	5,264
Net realized and unrealized (gain) loss on investments	(14,538)	25,066
Decrease (increase) in unconditional promises to give, net	1,598	(2,178)
Increase in due from University of Massachusetts Boston	(135,802)	(228,031)
Decrease (increase) in prepaid expenses	1,609	(2,444)
Increase in accrued expenses	6,570	25,063
Increase in deferred revenue - educational initiatives	8,537	179,125
Increase (decrease) increase in unexpended grants	25,479	(26,776)
Net Cash Used in Operating Activities	(2,679)	(427)
Cash Flows from Investing Activities		
Proceeds on sale of investments	2,679	427
Net Cash Provided by Investing Activities	2,679	427
Net Increase (Decrease) in Cash	--	--
Cash, Beginning of the Year	--	--
Cash, End of the Year	\$ --	\$ --

The accompanying notes are an integral part of these financial statements.

WUMB-FM RADIO
(A DEPARTMENT OF THE UNIVERSITY OF MASSACHUSETTS BOSTON)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 1 – NATURE OF THE ORGANIZATION

WUMB-FM Radio (“the Station”) is a network of nine non-commercial public broadcast radio stations that are licensed to, owned and operated by the University of Massachusetts Boston (“UMass”, “the University”). The Station’s studio facilities are located at the University of Massachusetts, Boston Campus, with transmitting facilities located in Quincy, Spencer, Falmouth, Orleans, Amesbury, Stow, Marshfield, and Gloucester, Massachusetts as well as in Milford, New Hampshire. The Station depends on the continuing support of UMass through the allocation of University and other funds for certain operating expenses.

Additionally, the Station receives funding in the form of grants from the Corporation for Public Broadcasting (“CPB”). The Station must meet certain criteria established by the CPB in order to qualify for this funding. The CPB amends its qualifying criteria on a periodic basis and it is never certain whether the Station will continue to qualify for funding in future periods. The risk of a funding reduction from the CPB has prompted the Station to escalate its efforts to increase other sources of revenue.

The Station is a department of UMass. The financial statements do not represent the financial position or the activities and changes in net assets or the cash flows for UMass.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying Station’s 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 Annual Financial Report requirements of the Corporation for Public Broadcasting. In addition, these financial statements are presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Station’s financial statements for the year ended June 30, 2022, from which the summarized information was derived.

WUMB-FM RADIO
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL STATEMENT PRESENTATION

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Station and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions represent those assets that are not subject to donor imposed stipulations. The Station further subdivides this classification into: (a) investment in equipment, (b) designated for long-term investment, and (c) undesignated.

Restricted gains and investment income and donor-restricted contributions whose restrictions are met in the same reporting period are classified as without donor restrictions.

Net Assets With Donor Restrictions

Net assets with donor restrictions represent those assets whose use by the Station has been limited by donors to a specific period or purpose or represent amounts that are subject to donor gift instruments requiring that the principal be invested in perpetuity and that only the income be used.

DUE FROM THE UNIVERSITY OF MASSACHUSETTS BOSTON

The financial policies of the University, a related party under which the Station is a department and operates, require that all cash be held centrally by UMass. Accordingly, cash available for use by the Station, as well as amounts to be reimbursed by UMass for accrued compensated absences and salaries, is reported within the Due from the University of Massachusetts Boston balance on the accompanying statement of assets, liabilities and net assets.

DONATED PROPERTY AND EQUIPMENT

Unconditional donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restriction unless the donor has restricted the donated asset to a specific purpose.

WUMB-FM RADIO
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DONATED PROPERTY AND EQUIPMENT (CONTINUED)

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Station reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Station reclassifies net assets with donor restriction to net assets without donor restriction at that time.

BENEFICIAL INTEREST IN POOLED INVESTMENT VALUATION AND INCOME RECOGNITION

The Station's beneficial interest in pooled investments, stated at fair value, are held in a pooled investment account which is managed and invested by The University of Massachusetts Foundation (the "Foundation"). The pooled investment portfolio is comprised of investments held for various entities which are sponsored by the Foundation.

The fair value of the Station's share of the pooled investments is based on the percentage of units owned by the Station in relation to the total units available in the Foundation, times the fair value of the total investments maintained by the Foundation in the pooled investment account. The fair value of the pooled investment account is based upon the quoted market prices or other valuation estimates of the assets underlying the entire pooled investment portfolio.

Investment (loss) income and all realized and unrealized gains and losses are allocated among the various entities based on the percentage of each entities' beneficial interest in the total investments maintained by the Foundation in the pooled investment portfolio. The investment return is reflected in the accompanying statement of revenues, expenses and changes in net assets.

UNCONDITIONAL PROMISES TO GIVE, NET

Unconditional promises to give are stated at the amount management expects to collect from outstanding balances at year-end. The Station provides for probable uncollectible pledges through a charge to income and an adjustment to a valuation allowance based on its assessment of accounts whose collection is uncertain and projected cash collection within the next fiscal year. Accounts determined to be uncollectible are written off by reversing both the pledge receivable and allowance balances (see Note 4).

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EQUIPMENT, NET

Purchases of property and equipment are recorded at cost. Moveable equipment with a unit cost (or value) of \$5,000 or greater and an economic life in excess of one year is capitalized. Maintenance and repairs are charged to expense as incurred. Depreciation is provided over the estimated useful lives of the respective assets (three to seven years) using the straight-line method.

INTANGIBLE ASSETS – BROADCAST LICENSES

The Station follows ASC 350, *Goodwill and Other Intangible Assets*, to account for its broadcast licenses. The Station has amortized the broadcast licenses over a period of seven years, which are fully amortized. Assets with finite lives are amortized over their respective useful life, while assets with infinite lives are assessed annually for impairment, rather than being amortized.

DEFERRED REVENUE – EDUCATIONAL INITIATIVES

Payments received by the Station from participants in the educational initiatives program are deferred when received and revenue is recognized at such time the program performance obligation is satisfied, in the following year.

REVENUE RECOGNITION

The Station recognizes revenue in accordance with Accounting Standards Codification Topic 606 (ASC 606), *Revenue from Contracts with Customers*. ASC 606 outlines a single comprehensive model for entities to utilize for revenues. The guidance is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the entity expects to be entitled in exchange for such goods or services.

Indirect and in-kind support, which represents the value of facilities and services provided, are recorded as revenue when received using certain allocation rates, which approximate fair value, as set by the United States Department of Health and Human Services.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

The Station generates a majority of its revenue from subscriptions and memberships, as well as educational initiatives. Annual subscription and membership income is recognized over a twelve month period. For educational initiatives, the Station requires payment in advance and initially recognizes deferred revenue upon payment from the customer. Educational initiatives income is recognized at points in time when performance obligations are met (e.g. attendance at camp sessions).

The Station has been awarded a conditional grant from the CPB to assist in expanding the quality and scope of the Station, whether in educational, news, public affairs or other programming. The grant is recognized as revenue as the conditions are met.

CONTRIBUTIONS

The Station accounts for unconditional contributions received as increases in net assets without donor restriction or net assets with donor restriction, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in net assets with donor restriction depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of revenues, expenses and changes in net assets as net assets released from restrictions.

INCOME TAXES

The Station is a department of UMass, which is a component unit of the Commonwealth of Massachusetts, and is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code. Therefore, no provision for federal and state income taxes has been included in these financial statements.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

In preparing the accompanying financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and reported amounts of revenues and expenses during the reporting period. These estimates and assumptions involve the areas of estimated useful lives of property and equipment, amortization period of intangibles, and accrued compensated absences, among others. Actual results could differ from those estimates.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities of the Station have been summarized on a functional basis in the statement of revenues, expenses and changes in net assets. Accordingly, certain costs have been allocated between programs and supporting services benefited. Salaries and benefits are allocated based upon an analysis of personnel time and effort. Cost of activities are allocated based upon direct identification.

INDIRECT SUPPORT - UMASS CHARGE

Indirect support - UMass Charge is the portion of UMass's general and administrative costs, facilities costs, and occupancy support attributable to Station operations.

SUBSEQUENT EVENTS

The Station has evaluated subsequent events through November 21, 2023, the date these financial statements were available to be issued and has determined that no subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 3 – BENEFICIAL INTEREST IN POOLED INVESTMENTS

The Station has the option to contribute to a perpetual trust administered by the Foundation. The Commonwealth of Massachusetts matches 50% of the contribution made by the Station. Under the terms of the Trust, the Station has the irrevocable right to receive the income earned on the Trust assets in perpetuity.

Beneficial interest in pooled investments are carried at fair value, and consist of the following at June 30:

	Fair Value	Cost	Unrealized Appreciation
Pooled investments:			
June 30, 2023	<u>\$ 145,986</u>	<u>\$ 96,077</u>	<u>\$ 49,909</u>
June 30, 2022	<u>\$ 134,127</u>	<u>\$ 98,756</u>	<u>\$ 35,371</u>

Investments, in general, are exposed to various risks such as interest rate, credit and overall market volatility. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment income (loss) for the years ended June 30 are summarized as follows:

	2023	2022
Investment loss	\$ (2,679)	\$ (427)
Net realized and unrealized gain (loss) on investments	<u>14,538</u>	<u>(25,066)</u>
	<u>\$ 11,859</u>	<u>\$ (25,493)</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023
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NOTE 4 - UNCONDITIONAL PROMISES TO GIVE, NET

Unconditional promises to give represent pledges receivable and are recorded at the aggregate unpaid balance less any required allowance for doubtful accounts.

Pledges receivable, net consisted of the following at June 30:

	2023	2022
Amounts due:		
Within one year	\$ 227,799	\$ 229,511
Total unconditional promises to give	227,799	229,511
Less allowance for doubtful accounts	(23,914)	(24,028)
Unconditional promises to give, net	\$ 203,885	\$ 205,483

NOTE 5 – EQUIPMENT, NET

A summary of equipment at June 30 is as follows:

	2023	2022
Broadcast equipment	\$ 604,334	\$ 604,334
Studio and production equipment	219,127	219,127
Office furniture and fixtures	21,223	21,223
Vehicle	3,950	3,950
Total equipment	848,634	848,634
Less: accumulated depreciation	(848,634)	(843,371)
Equipment, net	\$ --	\$ 5,263

Depreciation expense for the years ended June 30, 2023 and 2022 amounted to \$5,263 and \$5,264, respectively.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 6 - BROADCAST LICENSES

The Station holds nine broadcast licenses; WUMB-FM, WBPR-FM, WFPB-FM, WFPB-AM, WNEF-FM, WUMG-FM, WUMT-FM, and WUMZ-FM in Quincy, Worcester, Falmouth, Orleans, Newburyport, Stow, Marshfield, and Gloucester, Massachusetts, respectively, as well as WUMV-FM in Milford, New Hampshire.

There are currently no plans to transfer or sell any of the nine licenses. The cost of these licenses was \$233,000 which has been fully amortized in previous years.

NOTE 7 – DEFERRED REVENUE

Changes to the deferred revenue liability balances during the years ended June 30, 2023, 2022 and 2021 were as follows:

	2023	2022	2021
Deferred revenue - beginning	\$ 217,963	\$ 38,838	\$ 40,220
Revenue recognized	(213,563)	(17,338)	(3,962)
Amounts refunded	--	--	(2,600)
Amounts collected or invoiced	<u>222,100</u>	<u>196,463</u>	<u>5,180</u>
Deferred revenue - ending	<u>\$ 226,500</u>	<u>\$ 217,963</u>	<u>\$ 38,838</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 8 - RELATED PARTY TRANSACTIONS

The Station received support from UMass for the years ended June 30 consisting of:

	<u>2023</u>	<u>2022</u>
Indirect and in-kind support:		
Indirect	\$ 403,207	\$ 374,860
In-kind	<u>9,201</u>	<u>275</u>
Total support from UMass	<u>\$ 412,408</u>	<u>\$ 375,135</u>

NOTE 9 - PENSION PLAN

Full-time employees of the Station earn retirement benefits under the Commonwealth of Massachusetts Retirement System. Total pension costs for the years ended June 30, 2023 and 2022 totaled \$57,592 and \$55,970, respectively.

WUMB-FM RADIO
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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

NOTE 10 - FAIR VALUE MEASUREMENTS

FAIR VALUE HIERARCHY

The Station uses a fair value hierarchy established by accounting principles generally accepted in the United States of America that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

- Level 1 Valuation is based on quoted market prices in active markets for identical assets that the Station has the ability to access at the measurement date.
- Level 2 Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The valuation must be based on quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset.
- Level 3 Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level of input that is significant to the fair value measurement in its entirety.

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS

In accordance with Subtopic 820-10, all the Station's investments are measured at fair value using the NAV (or its equivalent) practical expedient and have not been classified in the fair value hierarchy.

The Station recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels during the years ended June 30, 2023 and 2022. There were no liabilities measured on a recurring basis at June 30, 2023 and 2022.

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NOTES TO FINANCIAL STATEMENTS

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NOTE 10 - FAIR VALUE MEASUREMENTS (CONTINUED)

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS (CONTINUED)

Beneficial Interest in Pooled Investments: Beneficial interest in pooled investments represent the Station's beneficial interest in the accounts managed and invested by the Foundation. Pooled investments are valued at fair value of the entire pool's underlying investments as reported by the Foundation. For the majority of the underlying investments, fair value is based upon information reported by third party pricing vendors. In those instances where the underlying investment does not have a readily available fair value, then the Foundation has estimated that fair value with other valuation estimates.

Strategies Employed: The Station's beneficial interest in pooled investments are included in the University's pooled investments of the Foundation. The Foundation maintains a diversified asset allocation through its pooled investments that includes money market funds, fixed income funds, international funds, REITS and alternative investments. The Station has total investments held by the Foundation with a fair value of \$145,986 and \$134,127 as of June 30, 2023 and 2022, respectively. The fair value is determined based on the Foundation's unit value at June 30, 2023 and 2022 multiplied by the total units allocated to the Station.

The Station has no restrictions on redemption of its beneficial interest in pooled investments as the underlying investments are invested and managed by the Foundation nor are there any unfunded commitments related to the Station's beneficial interest in pooled investments as of June 30, 2023.

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NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, may be expended for:

	2023	2022
Subject to Organization Policy and Appropriation:		
Investment in perpetuity which, once appropriated, is expendable to support:		
Operations	\$ 26,945	\$ 26,945
Subject to the Passage of Time:		
For periods after June 30	203,885	205,483
Total Net Assets With Donor Restrictions	\$ 230,830	\$ 232,428

NOTE 12 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor imposed restrictions by incurring expenses satisfying the following restricted purposes during the years ended June 30:

	2023	2022
Purpose Restrictions Accomplished:		
Program support	\$ 6,098	\$ 55,966
Time Restrictions Expired:		
Passage of specified time	168,532	151,163
Total Net Assets Released from Donor Restrictions	\$ 174,630	\$ 207,129

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NOTE 13 - ENDOWMENT

The Station's endowment consists of one fund established for long-term investment, and includes funds designated by the Board of Directors to function as an endowment. The funds are invested in a pooled fund that is managed by the Foundation. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

INTERPRETATION OF RELEVANT LAW:

The UMass Foundation has interpreted the Massachusetts Uniform Prudent Management of Institutional Funds Act ("MA UPMIFA") as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Station classifies as net assets with donor restriction (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with the MA UPMIFA, the Station considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

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NOTE 13 – ENDOWMENT (CONTINUED)

Endowment net asset composition by fund type as of June 30, 2023 is as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Donor-restricted endowment funds	\$ --	\$ 26,945	\$ 26,945
Designated for long-term investment	<u>119,041</u>	<u>--</u>	<u>119,041</u>
Total funds	<u>\$ 119,041</u>	<u>\$ 26,945</u>	<u>\$ 145,986</u>

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 107,182	\$ 26,945	\$ 134,127
Investment return	<u>11,859</u>	<u>--</u>	<u>11,859</u>
Endowment net assets, end of the year	<u>\$ 119,041</u>	<u>\$ 26,945</u>	<u>\$ 145,986</u>

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FOR THE YEAR ENDED JUNE 30, 2023
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NOTE 13 – ENDOWMENT (CONTINUED)

Endowment net asset composition by fund type as of June 30, 2022 is as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Donor-restricted endowment funds	\$ --	\$ 26,945	\$ 26,945
Designated for long-term investment	<u>107,182</u>	<u>--</u>	<u>107,182</u>
Total funds	<u>\$ 107,182</u>	<u>\$ 26,945</u>	<u>\$ 134,127</u>

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 132,675	\$ 26,945	\$ 159,620
Investment loss	<u>(25,493)</u>	<u>--</u>	<u>(25,493)</u>
Endowment net assets, end of the year	<u>\$ 107,182</u>	<u>\$ 26,945</u>	<u>\$ 134,127</u>

Return Objectives, Risk Parameters and Strategies: The Station's endowment is managed by the Foundation in a pooled investment fund. The Station follows the Foundation's endowment investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while assuming a moderate level of risk.

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NOTE 13 – ENDOWMENT (CONTINUED)

Spending Policy: The Station follows UMass' spending policy related to this endowment.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Station to retain as a fund of perpetual duration. The Station has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations. There were no such deficiencies as of June 30, 2023 and 2022.

NOTE 14 – COMMITMENTS

On May 1, 2013, the Station entered into a license agreement for the use of an antenna site. The agreement is in effect for ten years and the Station will pay \$500 for the first year and then the annual monthly fee shall increase by 3% of the previous year's monthly fee. The agreement allows the Station to extend the agreement for three additional five year terms. The Station extended the agreement for an additional five years effective May 1, 2023.

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NOTE 15 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Station’s financial assets available within one year of the statement of assets, liabilities and net assets date to meet cash needs for general expenditures are as follows:

	<u>2023</u>	<u>2022</u>
Financial assets at year-end:		
Unconditional promises to give, net	\$ 203,885	\$ 205,483
Due from the University of Massachusetts Boston	2,283,447	2,147,645
Beneficial interest in pooled investments, at fair value	<u>145,986</u>	<u>134,127</u>
 Subtotal	 2,633,318	 2,487,255
 Less: donor restricted net assets	 (230,830)	 (232,428)
Less: net assets designated for long term investment	<u>(119,041)</u>	<u>(107,182)</u>
	 <u>\$ 2,283,447</u>	 <u>\$ 2,147,645</u>

The Station has a policy to structure its financial assets to be available to meet its general expenditures, liabilities and other obligations as they become due. The Station monitors its liquidity so that it is able to meet its operating needs. In addition to financial assets available to meet general expenditures over the year, the Station anticipates covering its general expenditures by collecting sufficient supporting revenue.

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NOTE 16 – FUNCTIONAL EXPENSES

A summary of program services, management and general, and fundraising, by natural and functional classification, for the year ended June 30, 2023 is as follows:

	Program Services				Management and General			Fundraising	Total Expenses
	Programming and Production	Broadcasting	Program Information	Total Program Services	General and Administrative	Underwriting	Total Management and General	Fundraising and Grant Solicitation	2023
Salaries	\$ 325,823	\$ 54,920	\$ 30,798	\$ 411,541	\$ 51,648	\$ 27,038	\$ 78,686	\$ 84,308	\$ 574,535
Fringe benefits	116,172	19,659	11,025	146,856	18,488	9,679	28,167	30,180	205,203
Indirect support									
UMass charge	229,556	88,106	18,394	336,056	55,238	14,170	69,408	6,944	412,408
Professional services	74,137	6,548	--	80,685	45,463	--	45,463	--	126,148
Advertising and promotion	5,060	--	6,500	11,560	--	--	--	12,834	24,394
Depreciation	--	5,263	--	5,263	--	--	--	--	5,263
Postage	--	--	--	--	1,999	--	1,999	17,978	19,977
Telephone	8,840	17,680	2,209	28,729	4,420	2,210	6,630	8,840	44,199
Travel	13,871	--	--	13,871	--	--	--	522	14,393
Dues and subscriptions	66,409	8,899	--	75,308	2,763	--	2,763	7,668	85,739
Supplies	1,931	--	--	1,931	3,107	--	3,107	7,695	12,733
License and fees	7,504	4,437	--	11,941	23,866	--	23,866	16,692	52,499
Utilities	--	31,322	--	31,322	--	--	--	--	31,322
Repairs and maintenance	--	57,538	--	57,538	--	--	--	--	57,538
Facility rental expense	153,215	41,049	--	194,264	--	--	--	--	194,264
Administrative overhead - UMass charge	58,689	21,645	4,604	84,938	13,650	3,547	17,197	17,014	119,149
	<u>\$ 1,061,207</u>	<u>\$ 357,066</u>	<u>\$ 73,530</u>	<u>\$ 1,491,803</u>	<u>\$ 220,642</u>	<u>\$ 56,644</u>	<u>\$ 277,286</u>	<u>\$ 210,675</u>	<u>\$ 1,979,764</u>

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NOTE 16 – FUNCTIONAL EXPENSES (CONTINUED)

A summary of program services, management and general, and fundraising, by natural and functional classification, for the year ended June 30, 2022 is as follows:

	Program Services				Management and General			Fundraising	Total Expenses
	Programming and Production	Broadcasting	Program Information	Total Program Services	General and Administrative	Underwriting	Total Management and General	Fundraising and Grant Solicitation	2022
Salaries	\$ 325,587	\$ 54,269	\$ 30,912	\$ 410,768	\$ 45,818	\$ 26,678	\$ 72,496	\$ 76,905	\$ 560,169
Fringe benefits	105,743	18,358	10,457	134,558	15,499	9,024	24,523	26,015	185,096
Indirect support									
UMass charge	200,977	93,362	15,763	310,102	51,057	13,701	64,758	275	375,135
Professional services	22,786	3,886	--	26,672	45,456	--	45,456	--	72,128
Advertising and promotion	1,805	--	--	1,805	--	--	--	12,655	14,460
Depreciation	--	5,264	--	5,264	--	--	--	--	5,264
Postage	--	--	--	--	1,729	--	1,729	15,564	17,293
Telephone	7,748	15,496	1,937	25,181	3,874	1,937	5,811	7,748	38,740
Travel	2,008	--	--	2,008	--	--	--	635	2,643
Dues and subscriptions	53,539	21,343	--	74,882	2,999	--	2,999	7,918	85,799
Supplies	1,334	6,752	--	8,086	4,185	--	4,185	10,154	22,425
License and fees	31,584	5,101	--	36,685	20,706	--	20,706	16,692	74,083
Utilities	--	24,296	--	24,296	--	--	--	--	24,296
Repairs and maintenance	--	74,837	--	74,837	--	--	--	--	74,837
Facility rental expense	12,280	32,153	--	44,433	--	--	--	--	44,433
Administrative overhead -									
UMass charge	38,727	18,150	3,922	60,799	12,545	3,408	15,953	15,374	92,126
	<u>\$ 804,118</u>	<u>\$ 373,267</u>	<u>\$ 62,991</u>	<u>\$ 1,240,376</u>	<u>\$ 203,868</u>	<u>\$ 54,748</u>	<u>\$ 258,616</u>	<u>\$ 189,935</u>	<u>\$ 1,688,927</u>