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Certified Public Accountants
and Consultants

May 13, 2022

Mr. Brian Anthony
General Manager
WSNC-FM Winston-Salem State University
601 South Martin Luther King Jr. Drive
Winston-Salem, North Carolina 27110

Mr. Anthony,

Please find enclosed the following ***revised draft*** documents relating to our audit of WSNC-FM, Winston-Salem State University (the "Station") for the year ended September 30, 2021:

1. Audited financial statements and compliance

2. Report to the University's Board of Trustees – AU-C 260

This report relates to communications required under AU-C 260, *The Auditor's Communication With Those Charged with Governance.* AU-C 260 applies to all nonpublic entities and requires auditors to communicate matters that are significant and relevant to those charged with governance and overseeing the financial reporting process.

The AU-C 260 report will be provided in a later communication.

3. Report to the University's Board of Trustees – AU-C 265

This report relates to communications required under AU-C 265, *Communicating Internal Control and Compliance Related Matters Identified in an Audit*. This Statement establishes standards and provides guidance on the auditor's responsibilities for identifying, evaluating, and communicating matters related to an entity's internal control over financial reporting identified in an audit of the financial statements.

The AU-C 265 report has been issued in conjunction with our report on internal control over financial reporting and compliance and other matters on pages 26-27 in the audit report.

4. Corrected misstatements (audit adjustments)

Professional standards require us to communicate all known and likely misstatements identified during an audit, other than those that are trivial, and communicate them to the appropriate level of management. An audit adjustment is defined as a proposed correction of the financial statements that may not have been detected except through our auditing procedures.

The six (6) audit adjustments for the year ended September 30, 2021 are enclosed.

5. Uncorrected misstatements (passed audit adjustments)

A passed audit adjustment is an observation detected through our auditing procedures that is not corrected (reported as an audit adjustment) due to its immateriality in relation to the financial statements as a whole.

There were no passed audit adjustments for the year ended September 30, 2021.

6. Adjusted trial balance (Grouping Schedule Report)

This report, which supports balances reported in the September 30, 2021 audited financial statements, presents the Station's final trial balance after inclusion of the six (6) audit adjustments.

We truly appreciate the courtesy and professionalism exhibited by the Station's management team and staff throughout this engagement.

Please call me or Zac Giles, staff accountant, if you have any questions. I can be reached at (919) 544-0555, extension 105 and Zac is at extension 114.

Sincerely,

Thomas & Gibbs CPAs, PLLC

Shawana Hudson Spann, CPA, MSA
Member

Enclosure

WSNC-FM, Winston-Salem State University
Winston-Salem, North Carolina

Audited Financial Statements
and Compliance Report

Years Ended September 30, 2021 and 2020

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY

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Report of Independent Auditors

To the Board of Trustees
WSNC-FM, Winston-Salem State University
Winston-Salem, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of WSNC-FM, Winston-Salem State University (the "Station"), a public telecommunications entity operated by Winston-Salem State University (the "University") as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 Station'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 financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Station as of September 30, 2021 and 2020, and the respective changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a matter

We draw attention to Note 1, which explains that these financial statements present only WSNC-FM Radio Station, a department of Winston-Salem State University, and do not purport to, and do not, present fairly the financial position of Winston-Salem State University as of September 30, 2021, the changes in its financial position, or changes in its cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2022 on our consideration of the Station's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Station's internal control over financial reporting and compliance.

Durham, North Carolina
May 13, 2022

Introduction to the Reporting Entity

The following discussion and analysis is an overview of the financial position and activities of WSNC-FM (the "Station"), a public radio station operated by Winston-Salem State University (the "University"), during the fiscal years ended September 30, 2021 and 2020. The discussion has been prepared by management and should be read in conjunction with the financial statements and the accompanying notes that follow. The Station is an instrumentality of the University and is therefore not a separate legal entity from the University.

Overview of the Financial Statements

The Station's financial report includes three basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The financial statements of the Station were prepared in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities.*

The Statement of Net Position presents the financial position of the Station and includes all assets and liabilities of the Station. Over time, increases or decreases in net position is one indicator of the improvement or erosion of the Station's financial health when considered with nonfinancial facts.

The Statement of Net Position provides information about assets and liabilities in a format that distinguishes between current and noncurrent. Individual assets and liabilities are classified as current or noncurrent based on whether they are expected to generate or use cash within the next 12 months after the end of the fiscal period.

Net position, or the difference between total assets and total liabilities, are divided into three major components. The first component, invested in capital assets, net or related debt, consists of capital assets, net accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages or notes that are attributable to the acquisition, construction, or improvement of those assets. The next component, restricted net position, is divided into two categories: expendable and nonexpendable. Net position are assets restricted when constraints are placed on them by either external parties (creditors, grantors, donors, etc.) or by enabling legislation or constitutional provisions. Nonexpendable net position is required to be retained in perpetuity. The final component is unrestricted net position, which are available to the Station for any lawful purpose of the University.

The Station's current assets continue to cover its current liabilities which support the Station's ability to meet financial obligations as they occur. The statement of cash flows presents information related to cash inflows and outflows summarized by operating and investing activities.

A summary of the Station's assets, liabilities, and net position at September 30, 2021 and 2020 is as follows:

Comparative, Condensed Statements of Net Position

At September 30,

	2021	2020	Dollar Change	Percentage Change
Assets				
Current assets	$ 337,710	$ 196,079	$ 141,631	72%
Capital assets, net	18,892	22,794	(3,902)	-17%
Total assets	356,602	218,873	137,729	63%
Liabilities				
Current liabilities	309,734	172,136	137,598	80%
Total liabilities	309,734	172,136	137,598	80%
Net position				
Net investment in capital assets	18,892	22,794	(3,902)	100%
Unrestricted	27,976	23,943	4,033	17%
Total net position	$ 46,868	$ 46,737	$ 131	0%

**Net position categories are defined in Note 2 of the notes to the financial statements.*

<u>Fiscal Year 2021 to Fiscal Year 2020 Comparison</u>

Current assets increased $141,631 (72%) from fiscal year 2020 to fiscal year 2021. Current assets consist primarily of cash and cash equivalents, which represents the Station's net claim on cash held by the Foundation. At September 30, 2021 and 2020, cash and cash equivalents totaled $27,956 and $23,943, respectively. Due from the University represents the Station's net claim on cash held in the State Institutional Trust Fund account by the University. As revenue and expense transactions occur, the Station's claim on cash increases or decreases.

Depreciation expense decreased capital assets by $3,902 and $3,902, for the years ended September 30, 2021 and 2020, respectively.

The Station's current liabilities consisted accounts payable which totaled $60,000 and deferred revenue which totaled $249,734 and 112,136 at September 30, 2021 and 2020, respectively. For 2020, deferred revenue represents unspent funds from The Corporation for Public Broadcasting ("CPB") received prior to the fiscal year that will be earned when expenditures occur in the subsequent year.

Overall, the Station's net position increased by $131 (<1%) during the year ended September 30, 2021 compared to an decrease in net position of $11,878 (5%) during the year ended September 30, 2020.

Comparison of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues and expenses generally result from providing goods and services and the cost of providing those goods and services. Non-operating revenues are revenues for which goods and services are not provided.

Years Ended September 30, 2021 and 2020

	2021	2020	Dollar Change	Percentage Change
Operating revenues:				
CPB Community Service grant	$ 106,454	$ 106,909	$ (455)	0%
Program underwriting	3,334	3,040	294	10%
Total operating revenues	109,788	109,949	(161)	0%
Operating expenses:				
Salaries, payroll taxes, and benefits	345,661	338,899	6,762	2%
Depreciation expense	3,902	3,902	-	0%
Dues and subscriptions	67,063	42,137	24,925	59%
Contract services	47,048	44,557	2,491	6%
Other operating expenses	56,104	84,719	(28,615)	-34%
Total operating expenses	519,777	514,214	5,563	1%
Non-operating revenue:				
Direct University and administrative support	251,730	253,497	(1,767)	-1%
Indirect University and administrative support	140,185	128,596	11,589	9%
Private gifts	18,205	10,294	7,911	77%
Total non-operating revenues	410,120	392,387	17,733	5%
Change in net position	131	(11,878)	12,009	-101%
Net position, beginning of year	46,737	58,615	(11,878)	-20%
Net position, end of year	$ 46,868	$ 46,737	$ 131	0%

Fiscal Year 2021 to Fiscal Year 2020 Comparison

Total operating revenues decreased by $161 (<1%) during fiscal year 2021. At September 30, 2021, all CPB funds received during 2021 is reported as deferred revenue that will be recognized in 2021 as expenditures occur.

Total operating expenses increased by $5,563 (1%) to $519,777 for the year ended September 30, 2021 compared to $514,214 for the year ended September 30, 2020. Operating expenses fall into three categories: 1) Program services which represented 48% and 55%, 2) Support services which represented 47% and 31%, and 3) Fundraising which represented 5% and 13% of total operating expenses for the fiscal years ended September 30, 2021 and 2020, respectively.

Condensed Statements of Cash Flows

A very useful measure of financial operations is the statement of cash flows. This statement provides the sources of cash inflows and outflows for major activities: operating, financing, and investing activities. The ending cash and cash equivalents on the statement of cash flows corresponds directly with the sum of the cash and cash equivalents balances on the statement of net position.

Comparative Condensed Statement of Cash Flows

Years Ended September 30,

	2021	2020	Dollar Change	Percentage Change
Net cash used by operating activities	$ (406,107)	$ (417,908)	$ 11,801	-3%
Net cash provided by non-capital financing activities	410,120	392,387	17,733	5%
Net change in cash and cash equivalents	4,013	(25,521)	29,534	-116%
Cash and cash equivalents - beginning of year	23,943	49,464	(25,521)	-52%
Cash and cash equivalents - end of year	$ 27,956	$ 23,943	$ 4,013	17%

Net cash used by operating activities shows net outflows of $406,107 for the year ended September 30, 2021. The major outflows were payments to employees of $345,661 for the year ended September 30, 2021. The major source of operating inflow was the receipt of CPB funds of $166,454 for the year ended September 30, 2021.

Economic Factors for the Future

There are constant challenges to the success and growth of the Station. The economic outlook for the Station is dependent on various influences of the Station's funding sources.

- Corporation for Public Broadcasting: Eligibility for receipt of the Community Service Grant CSG) is dependent upon stations meeting certain community service goals, successfully submitting the Station Activity Survey (SAS), and the attaining Non-Federal Funding Support (NFFS). Based on these factors, the overall grant will either increase or decrease.
- Underwriting fees: The Station has worked for a number of years to increase private business sponsorship and will continue towards an annual increase in underwriting revenue.
- Support from Winston-Salem State University: The Station does not foresee a dramatic change in funding for future years. Indirect funding is dependent on Institutional Support expenditures.

Request for Information

The financial report is designed to provide a general overview of the Station's finances for all those who have an interest in its finances. Questions concerning any of the information presented in this report or requests for additional financial information should be addressed to the Vice Chancellor for Institutional Advancement, Winston-Salem State University, 601 South Martin Luther King Jr. Drive, Winston-Salem, NC 27110.

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY

STATEMENTS OF NET POSITION

September 30, 2021 and 2020

Assets	2021	2020
Current assets:		
Cash and cash equivalents (note 3)	$ 27,956	$ 23,943
Accounts receivable, net	20	-
Due from the University (note 4)	309,734	172,136
Total current assets	337,710	196,079
Capital assets:		
Depreciable, net (note 5)	18,892	22,794
Total assets	$ 356,602	$ 218,873
Liabilities		
Current liabilities:		
Accounts payable	-	60,000
Deferred revenue (note 7)	309,734	112,136
Total current liabilities	309,734	172,136
Total liabilities	309,734	172,136
Net position:		
Net investment in capital assets	18,892	22,794
Unrestricted	27,976	23,943
Total net position	$ 46,868	$ 46,737

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

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended September 30, 2021 and 2020

	2021	2020
Operating revenues:		
CPB Community Service grant (note 7)	$ 106,454	$ 106,909
Underwriting fees	3,334	3,040
Total operating revenues	109,788	109,949
Operating expenses:		
Programming and production	247,682	285,059
Management and general	246,616	160,085
Fundraising	25,480	69,070
Total operating expenses	519,777	514,214
Operating loss	(409,989)	(404,265)
Non-operating revenues:		
Direct University and administrative support (note 10)	251,730	253,497
Indirect University and administrative support (note 12)	140,185	128,596
Private gifts	18,205	10,294
Total non-operating revenues	410,120	392,387
Change in net position	131	(11,878)
Net position, beginning of year	46,737	58,615
Net position, end of year	$ 46,868	$ 46,737

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

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2021

	Programming and Production	Management and General	Fundraising	Total Expenses
Salaries, payroll taxes, and benefits	$ 148,112	$ 172,830	$ 24,718	$ 345,661
Dues and subscriptions	67,063	-	-	67,063
Contract services	-	47,048	-	47,048
Supplies	-	840	-	840
Telephone and utilities	508	3,808	762	5,078
Depreciation expense	975	2,927	-	3,902
Miscellaneous	-	7,666	-	7,666
Printing and copying	-	2,745	-	2,745
Administrative fees	2,079	-	-	2,079
Advertising	28,944	-	-	28,944
Equipment	-	8,751	-	8,751
Total expenses	$ 247,682	$ 246,616	$ 25,480	$ 519,777

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

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2020

	Programming and Production	Management and General	Fundraising	Total Expenses
Salaries, payroll taxes, and benefits	$ 165,904	$ 116,573	$ 56,421	$ 338,899
Dues and subscriptions	42,137	-	-	42,137
Contract services	24,505	8,913	11,139	44,557
Supplies	2,939	784	196	3,918
Telephone and utilities	5,452	965	-	6,417
Depreciation expense	975	2,927	-	3,902
Miscellaneous	-	8,285	-	8,285
Travel and lodging	399	22	22	444
Printing and copying	-	1,176	1,175	2,350
Administrative fees	1,333	-	-	1,333
Postage	-	39	116	155
Advertising	41,414	-	-	41,414
Equipment	-	20,402	-	20,402
Total expenses	$ 285,059	$ 160,085	$ 69,070	$ 514,214

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

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
Years Ended September 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
CPB Community Service grant	$ 166,454	$ 89,344
Underwriting fees	3,314	3,060
Payments to employees	(345,661)	(338,899)
Payments to suppliers	(230,214)	(171,413)
Net cash provided (used) by operating activities	(406,107)	(417,908)
Cash flows from non-capital financing activities:		
Direct University Support	251,730	253,497
Indirect University Support	140,185	128,596
Private gifts	18,205	10,294
Net cash provided (used) by financing activities	410,120	392,387
Net change in cash and cash equivalents	4,013	(25,521)
Cash and cash equivalents, beginning of year	23,943	49,464
Cash and cash equivalents, end of year	$ 27,956	$ 23,943
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	(409,989)	(404,265)
Adjustments to reconcile to net cash provided (used) by operating activities:		
Depreciation expense	3,902	3,902
(Increase) decrease in operating assets:		
Due from the University	(137,598)	(127,620)
Accounts receivable	(20)	20
Increase (decrease) in liabilities:		
Deferred revenue	197,598	110,055
Accounts payable	(60,000)	-
Net cash provided (used) by operating activities	$ (406,107)	$ (417,908)

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

Note 1 – Organization

WSNC-FM (the "Station") is operated by Winston-Salem State University (the "University") in Winston-Salem, North Carolina. Administrative offices and studio facilities are located in the Hall-Patterson Building on the University campus. The Station provides listeners in Forsyth, Guilford, and Davidson counties with traditional Jazz and NPR news, and national and locally produced public affairs programming.

Note 2 – Significant accounting policies

Basis of Accounting

The financial statements of the Station have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Basis of Presentation

The accompanying financial statements are presented in accordance with U.S. generally accepted accounting principles (GAAP) as prescribed by the Government Accounting Standards Board (GASB).

Pursuant to the provisions of GASB Statement Number 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as amended by GASB Statement Number 35, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities, the full scope of the Station's activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

In accordance with GASB Statement Number 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Station does not apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

Cash and cash equivalents – For purposes of cash flows, cash and cash equivalents include balances held in pooled accounts of the WSSU Foundation, and cash on hand. WSSU Foundation accounts are deposited with financial institutions. Restricted cash and cash equivalents are limited in use to payment for program expenses, contributions, inductions, or fundraising. At September 30, 2021 and 2020, cash and cash equivalents held by the Foundation totaled $27,956 and $23,943, respectively.

Accounts receivable, net – Receivables consist of amounts due from the federal government, State and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants, and pledges that are verifiable, measurable, and expected to be collected and available for expenditures for which the resource provider's conditions have been satisfied. Receivables are recorded net of estimated uncollectible amounts.

Note 2 – Significant accounting policies (continued)

Due from the University

Due from the University represents the Station's net claim on cash held in the State Institutional Trust Fund account by the University. As revenue and expense transactions occur, the Station's claim on cash increases or decreases. At September 30, 2021 and 2020, the University owed the Station $309,734 and $172,136, respectively.

Capital assets – Capital assets are stated at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. Capital assets are stated at estimated historical cost at date of acquisition or estimated fair value at date of donation in the case of gifts. The Station, consistent with the University, capitalizes assets that have a value or cost in excess of $5,000 at the date of acquisition and an expected useful life of one or more years.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 5 to 30 years for radio and office equipment.

Compensated absences – All employees of the Station are University employees; thus all employees are able to participate in the benefit programs offered by the University.

The University's policy is to record the cost of vacation leave when earned. The policy provides for a maximum accumulation of unused vacation leave of 30 days which can be carried forward each January 1 or for which an employee can be paid upon termination of employment. When classifying compensated absences into current and noncurrent, leave is considered taken using a last-in, first-out (LIFO) method. Also, any accumulated vacation leave in excess of 30 days at year-end is converted to sick leave. Under this policy, the accumulated vacation leave for each employee at June 30 equals the leave carried forward at the previous December 31 plus the leave earned, less the leave taken between January 1 and June 30.

In addition to the vacation leave described above, compensated absences include the accumulated unused portion of the special annual leave bonuses awarded by the North Carolina General Assembly. The bonus leave balance on December 31 is retained by employees and transferred into the next calendar year. It is not subject to the limitation on annual leave carried forward described above and is not subject to conversion to sick leave.

There is no liability for unpaid accumulated sick leave because the University has no obligation to pay sick leave upon termination or retirement. However, additional service credit for retirement pension benefits is given for accumulated sick leave upon retirement.

Net position – The Station's net position is classified as follows:

Net investment in capital assets – This represents the Station's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Note 2 – Significant accounting policies (continued)

Unrestricted Net Position – Unrestricted net position are all assets not invested in capital assets or restricted by external parties.

Deferred revenue – Deferred revenue consists of CPB Community Service grant funds received prior to the end of the fiscal year that will be earned in subsequent years when related expenses are incurred.

Donated services and facilities – Donated services and facilities from the University consist of direct services provided to the Station and an allocation of costs and certain other indirect expenses incurred by the University on behalf of the Station.

Revenue and expense recognition – The Station classifies its revenues and expenses as operating or non-operating in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Station's principal ongoing operations. Operating revenues include activities that have characteristics of exchange transactions, such as (1) sales and broadcast services, and (2) certain federal, state, and local grants and contracts that are essentially contracts for services. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Non-operating revenues include activities that have the characteristics of non-exchange transactions. Revenues from non-exchange transactions and state appropriations that represent subsidies or gifts to the Station, as well as investment income, are considered non-operating since these are investing, capital, or noncapital financing activities.

Corporation for Public Broadcasting Community Service Grants - The Corporation for Public Broadcasting (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 (the "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.

Note 2 – Significant accounting policies (continued)

The CSGs are reported in the accompanying financial statements as increases in deferred revenue when received and are transferred to operating revenue when qualifying expenses are incurred.

Functional allocation of expenses – The costs of providing the various program services and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services using allocation rates, based on allocation of time, for payroll and payroll related expenses.

Use of estimates – The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimated and assumptions.

Note 3 – Cash and cash equivalents

Cash and cash equivalents on deposit with the Foundation are comprised of the following at September 30:

	2021	2020
Non-interest-bearing checking accounts	$ 27,956	$ 23,943
Total	$ 27,956	$ 23,943

Note 4 – Due from the University

Due from the University represents the Station's claim on cash and cash equivalents deposited by the University with the State Treasurer. The Station's portion of the State Treasurer's Investment Pool was $309,734 and $172,136 as of September 30, 2021 and 2020, respectively. It is the State Treasurer's policy and practice for deposits not covered by federal depository insurance to be covered by collateral held by the State of North Carolina's agent in the name of the state and for investments to be held by the state's agent in the state's name.

G.S. 147-69.2, applicable to institutional trust funds, authorize the State Treasurer to invest in the following: obligations of or fully guaranteed by the United States; obligations of certain federal agencies; repurchase agreements; obligations of the State of North Carolina; time deposits of specified institutions; prime quality commercial paper, and asset-backed securities with specified ratings.

Note 4 – Due from the University (continued)

Also, G.S. 147-69.1(c) authorizes the following: specified bills of exchange or time draft and corporate bonds and notes with specified ratings. G.S. 147-69.2 authorizes the following: general obligations of other assets; general obligations of North Carolina local governments; and obligations of certain entities with specified ratings.

The financial statements and disclosures for the State Treasurer's Investment Pool are included in the State of North Carolina's Comprehensive annual Financial Report. An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page http://www.ncosc.net/ and clicking on "Financial Reports", or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

Note 5 - Capital assets, net

A summary of the changes in capital assets is presented as follows for the year ended September 30, 2021:

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021
Capital assets, depreciable				
Furniture, fixtures, and office equipment	$ 140,806	$ -	$ -	$ 140,806
Radio equipment	914,050	-	(6,354)	907,696
Total capital assets, depreciable	1,054,856	-	(6,354)	1,048,502
Less accumulated depreciation	1,032,062	3,902	(6,354)	1,029,610
Capital assets, net	$ 22,794	$ 3,902	$ -	$ 18,892

A summary of the changes in capital assets is presented as follows for the year ended September 30, 2020

	Balance October 1, 2019	Increases	Decreases	Balance September 30, 2020
Capital assets, depreciable				
Furniture, fixtures, and office equipment	$ 140,806	$ -	$ -	$ 140,806
Radio equipment	914,050	-	-	914,050
Total capital assets, depreciable	1,054,856	-	-	1,054,856
Less accumulated depreciation	1,028,160	3,902	-	1,032,062
Capital assets, net	$ 26,696	$ 3,902	$ -	$ 22,794

Depreciation expense charged to operations was $3,902 and $3,902 for the years ended September 30, 2021 and 2020, respectively.

Note 6 – Deferred revenue

Deferred revenue represents the Station's financial equity in unused cash balances provided by grantors and donors for specific purposes not yet fulfilled.

The following is a summary of the changes in deferred revenue at September 30:

	2021	2020
Balance, beginning of year	$ 112,136	$ -
Additional revenue received	106,909	219,045
Revenue recognized	(106,454)	(106,909)
Balance, end of year	$ 112,591	$ 112,136

Note 7 – Nonfederal Financial Support

The Corporation for Public Broadcasting (CPB) is a private, nonprofit corporation, funded by federal appropriations authorized by the United States Congress and other sources. The CPB allocates a portion of its funds annually to public broadcasting entities, primarily based on Nonfederal Financial Support (NFFS). NFFS is defined as the total value of cash and the fair market value or property and services received as either a contribution or a payment and meeting of all of the respective criteria for each.

A "contribution" is cash, property or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be an entity except the federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation or appropriation; (3) the purpose must be for the construction or operation of a noncommercial educational public broadcast station or for the production, acquisition, distribution or dissemination of educational television or radio program and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station. However, to eliminate distortions in the TV CSG grant program precipitated by extraordinary infusions of new capital investments in Digital Television (DTV), all capital contributions received for purposes of acquiring new equipment or upgrading existing or building new facilities regardless of source or form of the contribution are not included in calculating NFFS. This change excludes all revenues received for any capital purchases.

A "payment" is cash, property or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source must be a state, any agency or political subdivision of a state, an educational institution or organization or a nonprofit entity; (2) the form of the payment must be appropriations or contract payments in exchange for specific services or materials; (3) the purpose must be for any related activity of the public broadcast station; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcasting station.

Note 8 – Community service grants

The CPB also distributes annual CSGs to qualifying public telecommunications entities. These grants are used to augment the financial resources of public television stations and thereby to enhance the quality of programming and expand the scope of public television services. Each grant 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), (1983) Supplement. 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. The Station uses these funds 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.

The grants are reported in the accompanying financial statements as unrestricted operating funds; however, certain guidelines must be satisfied in connection with application for and use of the grants to maintain eligibility and compliance requirements. These guidelines pertain to the use of grant funds, recordkeeping, audits, financial reporting, and licensee status with the Federal Communications Commission.

The CSGs received and expended during the years ended September 30, 2021 and 2020, were as follows:

Year of Grant	Grants Received		Expended as of September 30, 2021	Expended as of September 30, 2020	Uncommitted Balance at September 30, 2021	Uncommitted Balance at September 30, 2020
10/1/2020 - 2022	$ 106,909	*	$ 106,454	$ -	$ 455	$ -
10/1/2019 - 2021	$ 219,045	**	$ 106,909	$ 106,909	$ 112,136	$ 112,136
10/1/2018 - 2020	$ 103,613	***	$ 103,613	$ 103,613	$ -	$ -

* These amounts were received during the year ended June 30, 2021.
** These amounts were received during the year ended June 30, 2020.
*** These amounts were received during the year ended June 30, 2019.

Coronavirus Aid, Relief, and Economic Security Act Fiscal Stabilization Funds

The CPB board of directors unanimously approved a distribution plan for the $75 million of emergency stabilization funds for public media included in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which was signed into law on March 27, 2020.

Congress directed that the funds for public media be used to maintain programming and services and preserve the ability of small and rural public media stations to continue to provide essential information, educational content, and services to the American people.

Note 8 – Community service grants (continued)

The distribution plan was a consensus recommendation of the Advisory Group of public radio and television system representatives convened by CPB. The Advisory Group followed two primary principles in developing the funding formula: 1) to follow congressional intent on ensuring the preservation of small or rural stations, and 2) that the funding approach would be simple in its construct, impactful and easy to explain to interested audiences. The Advisory Group recommended splitting the $75 million stabilization funds equally between television and radio grantees. The Station received $197,143 on May 25, 2021.

Note 9 – Direct University and administrative support

The Station receives Department of Education (DOE) Title III grant funds from the University for salary expense. The amounts were $251,730 and $253,497 for years ended September 30, 2021 and 2020, respectively.

Note 10 – Concentrations

The Station receives a substantial portion of its support from two sources, the CPB and the DOE.

During the years ended September 30, 2021 and 2020, the Station received $106,454 (97%) and $106,909 (97%) of its total operating revenue in the form of grants from the CPB.

During the years ended September 30, 2021 and 2020, the Station received $251,730 (64%) and $253,497 (65%), respectively, of its total non-operating revenue in the form of Title III grants from the DOE. If future CPB and DOE funds were significantly reduced, it could have a severe impact on the Station's ability to continue its operations. The Station does not expect that the support from these sources will be substantially reduced in the near term.

Note 11 – Indirect University and administrative support

Indirect University and administrative support is calculated based on the ratio of the University's administrative and plant facilities cost to total operating cost. For years ended September 30, 2021 and 2020, the rate use by the Station was 34% and 30%, respectively.

Additionally, the Station receives indirect occupancy support from the University. This support is the value of the Station's pro-rata share of studio costs (operations and maintenance of the studio). Occupancy support is based on the square footage of the Station's studio and a comparable fair market value per square foot cost for the studio space.

Note 11 – Indirect University and administrative support (continued)

Additionally, the Station receives indirect occupancy support from the University. This support is the value of the Station's pro-rata share of studio costs (operations and maintenance of the studio). Occupancy support is based on the square footage of the Station's studio and a comparable per square foot value of the studio space. For the years ended September 30, 2021 and 2020, total indirect University and administrative support was from the following sources:

	2021	2020
Adminstrative and plant support	$ 125,585	$ 113,996
University occupancy support	14,600	14,600
Total	$ 140,185	$ 128,596

Note 12 – Pension plans

All employees of the Station are University employees, thus all employees are able to participate in the pension plans offered by the University.

A. Defined Benefit Plan

Plan Administration: The State of North Carolina administers the Teachers' and State Employees' Retirement System (TSERS) plan. This plan is a cost-sharing, multiple-employer, defined benefit pension plan established by the State to provide pension benefits for general employees and law enforcement officers (LEOs) of the State, general employees and LEOs of its component units, and employees of Local Education Agencies (LEAs) and charter schools not in the reporting entity. Membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the LEAs and charter schools that elect to join the Retirement System. Benefit provisions are established by General Statute 135-5 and may be amended only by the North Carolina General Assembly.

Benefits Provided: TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of membership service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of membership service. Survivor benefits are available to eligible beneficiaries of general members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases.

Note 12 – Pension plans (continued)

Contributions: Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Employees are required to contribute 6% of their annual pay. The contribution rate for employers is set each year by the North Carolina General Assembly in the Appropriations Act based on the actuarially-determined rate recommended by the actuary. The University's contractually-required contribution rate for the year ended June 30, 2021 was 14.78% of covered payroll. Employee contributions to the pension plan were $2,011,243.00, and the University's contributions were $4,954,361.93 for the year ended June 30, 2021.

The TSERS plan's financial information, including all information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position, is included in the State of North Carolina's fiscal year 2020 *Comprehensive Annual Financial Report*. An electronic version of this report is available on the North Carolina Office of the State Controller's website at https://www.osc.nc.gov/ or by calling the State Controller's Financial Reporting Section at (919) 707-0500.

TSERS Basis of Accounting: The financial statements of the TSERS plan were prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the TSERS plan, and additions to/deductions from the TSERS plan's fiduciary net position have been determined on the same basis as they are reported by TSERS.

Methods Used to Value TSERS Investment: Pursuant to *North Carolina General Statutes,* the State Treasurer is the custodian and administrator of the retirement systems. The State Treasurer maintains various investment portfolios in its External Investment Pool. TSERS and other pension plans of the State of North Carolina are the sole participants in the Long-Term Investment, Fixed Income Investment, Equity Investment, Real Estate Investment, Alternative Investment, Opportunistic Fixed Income Investment, and Inflation Sensitive Investment Portfolios. The Fixed Income Asset Class includes the Long-Term Investment and Fixed Income Investment Portfolios. The Global Equity Asset Class includes the Equity Investment Portfolio. The investment balance of each pension trust fund represents its share of the fair value of the net position of the various portfolios within the External Investment Pool. Detailed descriptions of the methods and significant assumptions regarding investments of the State Treasurer are provided in the 2020 *Comprehensive Annual Financial Report*.

Note 12 – Pension plans (continued)

Net Pension Liability: At June 30, 2021, the University reported a liability of $23,355,708.00 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, and update procedures were used to roll forward the total pension liability to June 30, 2020. The University's proportion of the net pension liability was based on the present value of future salaries for the University relative to the present value of future salaries for all participating employers, actuarially-determined. As of June 30, 2020, the University's proportion was 0.19331%, which was a decrease of 0.01482 from its proportion measured as of June 30, 2019, which was 0.20813%.

Defined Contribution Plan

The Optional Retirement Program (ORP) is a defined contribution pension plan that provides retirement benefits with options for payments to beneficiaries in the event of the participant's death. Faculty and staff of the University may join ORP instead of TSERS. The Board of Governors of the University of North Carolina is responsible for the administration of ORP and designates the companies authorized to offer investment products or the trustee responsible for the investment of contributions under ORP and approves the form and contents of the contracts and trust agreements.

Participants in ORP are immediately vested in the value of employee contributions. The value of employer contributions is vested after five years of participation in ORP. Participants become eligible to receive distributions when they terminate employment or retire.

Participant eligibility and contributory requirements are established by General Statute 135-5.1. Member and employer contribution rates are set each year by the North Carolina General Assembly. For the year ended June 30, 2021, these rates were set at 6% of covered payroll for members and 6.84% of covered payroll for employers. The University assumes no liability other than its contribution.

For the current fiscal year, the University had a total payroll of $58,016,567.73, of which $19,797,595.73 was covered under ORP. Total employee and employer contributions for pension benefits for the year were $1,187,855.74 and $1,354,155.55, respectively. The amount of expense recognized in the current year related to ORP is equal to the employer contributions. A total of $90,342.40 in forfeitures was reflected in pension expense for the fiscal year 2021.

Note 13 – Other Postemployment benefits

A. Health Benefits

Plan Administration: The State of North Carolina administers the North Carolina State Health Plan for Teachers and State Employees, referred to as the State Health Plan (the Plan), a healthcare plan exclusively for the benefit of employees of the State, the University of North Carolina System, community colleges, and certain other component units. In addition, Local Education Agencies (LEAs), charter schools, and some select local governments that are not part of the State's financial reporting entity also participate. Health benefit programs and premium rates are determined by the State Treasurer upon approval of the Plan Board of Trustees.

The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by General Statute 135-7, Article 1. RHBF is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of eligible former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments that are not part of the State's financial reporting entity also participate.

By statute, RHBF is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System (TSERS). RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the Plan. The State Treasurer, with the approval of the Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the Plan.

Benefits Provided: Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees as described in Note 15. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan options or the self-funded Traditional 70/30 Preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina and retirees of TSERS, the Consolidated Judicial Retirement System, the Legislative Retirement System, the Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the North Carolina General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the North Carolina General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis.

Note 13 – Other Postemployment benefits (continued)

Employees first hired on or after October 1, 2006 and members of the North Carolina General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's total noncontributory premium.

Section 35.21 (c) & (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired on or after January 1, 2021. The legislation amends Chapter 135, Article 3B of the General Statutes to require that retirees must earn contributory retirement service in the Teachers' and State Employees' Retirement System (or in an allowed local system unit), the Consolidated Judicial Retirement System, or the Legislative Retirement System prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

The Plan's and RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1, and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions: Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the North Carolina General Assembly in the Appropriations Bill. The University's contractually-required contribution rate for the year ended June 30, 2021 was 6.68% of covered payroll. The University's contributions to the RHBF were $3,561,663.27 for the year ended June 30, 2021.

B. <u>Disability Income</u>

Plan Administration: As discussed in Note 15, short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer, defined benefit plan, to the eligible members of TSERS which includes employees of the State, the University of North Carolina System, community colleges, certain participating component units, LEAs which are not part of the reporting entity, and the ORP. By statute, DIPNC is administered by the Department of State Treasurer and the Board of Trustees of TSERS.

Benefits Provided: Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provided the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or the ORP, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later;

Note 13 – Other Postemployment benefits (continued)

(3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from TSERS; and (6) the employee must terminate employment as a permanent, full-time employee. An employee is eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing five years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of creditable service, at any age.

For employees who had five or more years of membership service as of July 31, 2007, during the first 36 months of the long-term disability period, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one-twelfth of the annual longevity payment and local supplements to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of $3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled, but the benefits payable shall be no less than $10 a month.

After the first 36 months of the long-term disability, the long-term benefit is calculated in the same manner as described above except the monthly benefit is reduced by an amount equal to a monthly primary Social Security disability benefit to which the participant or beneficiary might be entitled had Social Security disability benefits been awarded. When an employee qualifies for an unreduced service retirement allowance from TSERS, the benefits payable from DIPNC will cease, and the employee will commence retirement under TSERS or the ORP.

For employees who had less than five years of membership service as of July 31, 2007, and meet the requirements for long-term disability on or after August 1, 2007, during the first 36 months of the long-term disability period, the monthly long-term benefit shall be reduced by an amount equal to the monthly primary Social Security retirement benefit to which the employee might be entitled should the employee become age 62 during the first 36 months. This reduction becomes effective as of the first day of the month following the month of initial entitlement to Social Security benefits. After the first 36 months of the long-term disability, no further benefits are payable under the terms of this section unless the employee has been approved and is in receipt of primary Social Security disability benefits.

Contributions: Although DIPNC operates on a calendar year, disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the North Carolina General Assembly and coincide with the State's fiscal year. The University's contractually-required contribution rate for the year ended June 30, 2021 was 0.09% of covered payroll. The University's contributions to DIPNC were $47,986.48 for the year ended June 30, 2021.

Note 14 - Risk management

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled via a combination of methods, including participation in state-administered insurance programs, purchase of commercial insurance, and self-retention of certain risks. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

A. Employee Benefit Plans

State Health Plan

University employees are provided comprehensive major medical care benefits. Coverage is funded by contributions to the State Health Plan (Plan), a discretely presented component unit of the State of North Carolina. The Plan is funded by employer contributions. Certain plans also require contributions from employees. The Plan has contracted with third parties to process claims. See Note 14, Other Postemployment Benefits, for additional information regarding retiree health benefits.

Death Benefit Plan of North Carolina

Term life insurance (death benefits) of $25,000 to $50,000 is provided to eligible workers who enroll in the Teachers' and State Employees' Retirement System. This Death Benefit Plan is administered by the State Treasurer and funded via employer contributions. The employer contribution rate was 0.13% for the current fiscal year.

Disability Income Plan

Short-term and long-term disability benefits are provided to University employees through the Disability Income Plan of North Carolina (DIPNC), part of the State's Pension and Other Employee Benefit Trust Funds. Short-term benefits are paid by the University up to the first six months of benefits and reimbursed by DIPNC for any additional short-term benefits. As discussed in Note 14, long-term disability benefits are payable as other postemployment benefits from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled.

Other Risk Management and Insurance Activities

Automobile, Fire, and Other Property Losses

The University is required to maintain fire and lightning coverage on all state-owned buildings and contents through the State Property Fire Insurance Fund (Fund), an internal service fund of the State. Such coverage is provided at no cost to the University for operations supported by the State's General Fund. Other operations not supported by the State's General Fund are charged for the coverage. Losses covered by the Fund are subject to a $5,000 per occurrence deductible. However, some agencies have chosen a higher deductible for a reduction in premium.

Note 14 - Risk management (continued)

The University also purchased through the Fund "all risk" coverage against losses caused by fire, windstorm or hail, explosion, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, falling objects, weight of snow, ice or sleet, water damage, theft, and any other loss not specifically excluded on certain buildings and contents.

All state-owned vehicles are covered by liability insurance through a private insurance company and handled by the North Carolina Department of Insurance. The liability limits for losses are $1,000,000 per claim and $10,000,000 per occurrence. The University pays premiums to the North Carolina Department of Insurance for the coverage.

Public Officers' and Employees' Liability Insurance

The risk of tort claims of up to $1,000,000 per claimant is retained under the authority of the State Tort Claims Act. In addition, the State provides excess public officers' and employees' liability insurance up to $2,000,000 per claim and $10,000,000 in the aggregate per fiscal year via contract with a private insurance company. The University pays the premium, based on a composite rate, directly to the private insurer.

Employee Dishonesty and Computer Fraud

The University is protected for losses from employee dishonesty and computer fraud. This coverage is with a private insurance company and is handled by the North Carolina Department of Insurance. Universities are charged a premium by the private insurance company. Coverage limit is $5,000,000 per occurrence. The private insurance company pays 90% of each loss less a $100,000 deductible.

Statewide Workers' Compensation Program

The North Carolina Workers' Compensation Program provides benefits to workers injured on the job. All employees of the State and its component units are included in the program. When an employee is injured, the University's primary responsibility is to arrange for and provide the necessary treatment for work related injury. The University is responsible for paying medical benefits and compensation in accordance with the North Carolina Workers' Compensation Act. The University retains the risk for workers' compensation.

Additional details on the state-administered risk management programs are disclosed in the State's Comprehensive Annual Financial Report, issued by the Office of the State Controller.

Note 16 – Subsequent events

After the year ended September 30, 2021, the Station was awarded a Community Service Grant in the amount of $118,233 from the Corporation for Public Broadcasting for FY2022.

The Station has evaluated subsequent events from the date of the statement of net position through May 13, 2022, the date the report is available to be issued which is the date of the auditors' report. During this period, there were no material subsequent events requiring disclosure.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
WSNC-FM, Winston-Salem State University
Winston-Salem, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of WSNC-FM, Winston-Salem State University (the "Station"), a public telecommunications entity operated by Winston-Salem State University (the "University"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements, and have issued our report thereon dated May 13, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Station's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Station's internal control. Accordingly, we do not express an opinion on the effectiveness of the Station's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Station's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

We consider the following deficiency in the Station's internal control to be a material weakness:

2021-01: Financial reporting

The financial statements presented to us contained misstatements that were corrected as a result of six (6) audit adjustments that were individually significant to the Station's financial statements.

These misstatements indicate the Station's internal control over financial reporting was not effective, and without these corrections, the financial statements could have been misleading to the reader.

Management's response: Management agrees with this finding.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Station's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Station's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Station's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thomas & Gibbs CPAs, PLLC

Durham, North Carolina
May 13, 2021

THOMAS & GIBBS CPAs, PLLC

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Certified Public Accountants
and Consultants

To the Board of Trustees
WSNC-FM, Winston Salem State University
Winston Salem, North Carolina

We have audited the financial statements of Board of Trustees of WSNC-FM, Winston Salem State University (the "Station") for the year ended September 30, 2021, and we will issue our report thereon dated May 13, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 28, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Station are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Station during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> Management's estimate of the depreciation expense is based on the straight-line method over the estimated useful lives of the assets. We evaluated the key factors and assumptions used to develop the depreciation expense, in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

> The disclosure of deferred revenue in Note 6 to the financial statements as it relates to the unused cash balances provided by grantors for specific purposes not yet fulfilled.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

There were six (6) corrected misstatements (audit adjustments) recorded to the original trial balance presented to us to begin our audit for the year ended September 30, 2021. There were no material uncorrected misstatements (passed audit adjustments) for the year ended September 30, 2021.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 13, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Station's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Station's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to WSNC-FM, Winston Salem State University.

* *

This information is intended solely for the information and use of the management, the Board of Trustees and others within WSNC-FM, Winston Salem State University and is not intended to be, and should not be, used by anyone other than these specified parties.

Thomas & Gibbs CPAs, PLLC

Durham, North Carolina
May 13, 2022

Attachments: Six (6) audit adjustments for the year ended September 30, 2021

Client: ***NC-014750.0 - WSNC-FM, Winston-Salem State University***
Engagement: ***AUD 2021 - WSNC-FM***
Period Ending: ***9/30/2021***
Trial Balance: ***3000.01 - TB***
Workpaper: ***3700.01 - Adjusting Journal Entries Report***

Account	Description	W/P Ref		Debit	Credit	Change in NA
Adjusting Journal Entries JE # 1		**6100.05**	**1**			
Opening balance adjustment						
10000.CPB	Claim on cash			141,082.00		
15000.TG	Fixed Assets			1,054,856.00		
30020.CPB	CPB net assets			31,054.00		
30020.TG	Net Assets			194.00		
15001.TG	Accumulated Depreciation				1,032,062.00	
22000.TG	Accounts Payable				60,000.00	
22100.CPB	Deferred Revenue				112,136.00	
30020.TG	Net Assets				22,794.00	
63999.F	Miscellaneous				194.00	194.00
Total				**1,227,186.00**	**194.00**	-
Adjusting Journal Entries JE # 2		**3600.01**	**2**			
To record 2020 Depreciation expenses						
953000.TG	Depreciaton			3,902.00		(3,902.00)
15001.TG	Accumulated Depreciation				3,902.00	
Total				**3,902.00**	**(3,902.00)**	
Adjusting Journal Entries JE # 3		**7100.02**	**3**			
To recognize indirect support received from the University						
999999.TG	University indirect Administrative Expe			140,185.00		(140,185.00)
499999.TG	Indirect Inversity Support				140,185.00	140,185.00
Total				**140,185.00**	**0.00**	
Adjusting Journal Entries JE # 4		**4600.05**	**4**			
To adjust fixed assets for assets disposed during 2021.						
15001.TG	Accumulated Depreciation			6,354.00		
15000.TG	Fixed Assets				6,354.00	
Total				**6,354.00**	**0.00**	
Adjusting Journal Entries JE # 5		**7100.02**	**5**			
To adjust the ending balance of deferred revenue						
10000.CPB	Claim on cash			228,652.00		
22100.CPB	Deferred Revenue				197,598.00	
40250.CPB	Grant Revenue				31,054.00	31,054.00
Total				**228,652.00**	**31,054.00**	
Adjusting Journal Entries JE # 6						
To adjust cash for a 2016 invoice paid in 2021						
22000.TG	Accounts Payable			60,000.00		
10000.CPB	Claim on cash				60,000.00	
Total				**60,000.00**	**0.00**	
					Total adjusting entries	27,346.00
					Unadjusted Change in Net Position	(27,215.00)
					Final Adjusted Change in Net Position	131.00
						-

Client: *NC-014750.0 - WSNC-FM, Winston-Salem State University*
Engagement: *AUD 2021 - WSNC-FM*
Period Ending: *9/30/2021*
Trial Balance: *3000.01 - TB*
Workpaper: *3600.01 - AFS Grouping Report*

Account	Description	1st PP-FINAL 9/30/2020	UNADJ 9/30/2021	JE Ref #	AJE 9/30/2021	JE Ref #	RJE 9/30/2021	FINAL 9/30/2021
Group : [4100]	**Cash and Cash Equivalents**							
Subgroup : [4100.00]	**Cash and Cash Equivalents-Unrestricted**							
10000.F	General Checking (BB&T)	(61,857.00)	(64,650.00)		0.00		0.00	(64,650.00)
10050.F	Well Frago MM	90,398.00	101,012.00		0.00		0.00	101,012.00
10070.F	Salem Federal Credit Union	0.00	(2,380.00)		0.00		0.00	(2,380.00)
10950.F	Cash intercompany transfers	(4,598.00)	(6,026.00)		0.00		0.00	(6,026.00)
Subtotal [4100.00]	**Cash and Cash Equivalents-Unrestricted**	**23,943.00**	**27,956.00**		**0.00**		**0.00**	**27,956.00**
Total [4100]	**Cash and Cash Equivalents**	**23,943.00**	**27,956.00**		**0.00**		**0.00**	**27,956.00**
Group : [4200]	**Receivables**							
Subgroup : [4200.00]	**Other Current Assets**							
12075.F	On Line Gifts Receivable	0.00	20.00		0.00		0.00	20.00
Subtotal [4200.00]	**Other Current Assets**	**0.00**	**20.00**		**0.00**		**0.00**	**20.00**
Total [4200]	**Receivables**	**0.00**	**20.00**		**0.00**		**0.00**	**20.00**
Group : [4300]	**Due from University**							
Subgroup : [4300.00]	**Due from University**							
10000.CPB	Claim on cash	127,620.00	0.00		309,734.00		0.00	309,734.00
1001.CPB	Due From University	44,516.00	0.00		0.00		0.00	0.00
Subtotal [4300.00]	**Due from University**	**172,136.00**	**0.00**		**309,734.00**		**0.00**	**309,734.00**
Total [4300]	**Due from University**	**172,136.00**	**0.00**		**309,734.00**		**0.00**	**309,734.00**
	Current Assets	**196,079.00**	**27,976.00**		**309,734.00**		**0.00**	**337,710.00**
Group : [4600]	**Property, Plant and Equipment**							
Subgroup : [4600.05]	**Fixed Assets**							
15000.TG	Fixed Assets	1,054,856.00	0.00		1,048,502.00		0.00	1,048,502.00
Subtotal [4600.05]	**Fixed Assets**	**1,054,856.00**	**0.00**		**1,048,502.00**		**0.00**	**1,048,502.00**
Subgroup : [4600.60]	**Accumulated Depreciation**							
15001.TG	Accumulated Depreciation	(1,032,062.00)	0.00		(1,029,610.00)		0.00	(1,029,610.00)
Subtotal [4600.60]	**Accumulated Depreciation**	**(1,032,062.00)**	**0.00**		**(1,029,610.00)**		**0.00**	**(1,029,610.00)**
Total [4600]	**Property, Plant and Equipment**	**22,794.00**	**0.00**		**18,892.00**		**0.00**	**18,892.00**

	Non-Current Assets	**22,794.00**	**0.00**		**18,892.00**	**0.00**	**18,892.00**
	TOTAL ASSET	**218,873.00**	**27,976.00**		**328,626.00**	**0.00**	**356,602.00**
Group : [5100]	**Accounts Payable**						
Subgroup : [5100.00]	**Accounts Payable**						
22000.TG	Accounts Payable	(60,000.00)	0.00		0.00	0.00	0.00
				AJE - 1	(60,000.00)		
				AJE - 6	60,000.00		
Subtotal [5100.00]	**Accounts Payable**	**(60,000.00)**	**0.00**		**0.00**	**0.00**	**0.00**
Total [5100]	**Accounts Payable**	**(60,000.00)**	**0.00**		**0.00**	**0.00**	**0.00**
Group : [5300]	**Deferred Revenue**						
Subgroup : [5300.00]	**Deferred Revenue**						
22100.CPB	Deferred Revenue	(112,136.00)	0.00		(309,734.00)	0.00	(309,734.00)
Subtotal [5300.00]	**Deferred Revenue**	**(112,136.00)**	**0.00**		**(309,734.00)**	**0.00**	**(309,734.00)**
Total [5300]	**Deferred Revenue**	**(112,136.00)**	**0.00**		**(309,734.00)**	**0.00**	**(309,734.00)**
	Current Liabilities	**(172,136.00)**	**0.00**		**(309,734.00)**	**0.00**	**(309,734.00)**
	TOTAL LIABILITY	**(172,136.00)**	**0.00**		**(309,734.00)**	**0.00**	**(309,734.00)**
Group : [6100]	**Net Assets**						
Subgroup : [6100.00]	**Net Assets - Unrestricted**						
30010.F	Equty	512.00	(24,135.00)		0.00	0.00	(24,135.00)
30020.CPB	CPB net assets	0.00	(31,056.00)		31,054.00	0.00	(2.00)
30020.F	Net Assets (Foundation)	(34,299.00)	0.00		0.00	0.00	0.00
30020.TG	Net Assets	(24,828.00)	0.00		(22,600.00)	0.00	(22,600.00)
				AJE - 1	(22,794.00)		
				AJE - 1	194.00		
Subtotal [6100.00]	**Net Assets - Unrestricted**	**(58,615.00)**	**(55,191.00)**		**8,454.00**	**0.00**	**(46,737.00)**
Total [6100]	**Net Assets**	**(58,615.00)**	**(55,191.00)**		**8,454.00**	**0.00**	**(46,737.00)**
	Equity	**(58,615.00)**	**(55,191.00)**		**8,454.00**	**0.00**	**(46,737.00)**
	NET (INCOME) LOSS	**11,878.00**	**27,215.00**		**(27,346.00)**	**0.00**	**(131.00)**
	TOTAL EQUITY	**(46,737.00)**	**(27,976.00)**		**(18,892.00)**	**0.00**	**(46,868.00)**
	TOTAL LIABILITY AND EQUITY	**(218,873.00)**	**(27,976.00)**		**(328,626.00)**	**0.00**	**(356,602.00)**

Group : [4260]	**Grants and Contracts**						
Subgroup : [4260.00]	**Grants and Contracts - Unrestricted**						
402410.III	Title III Revenues	(253,497.00)	(251,730.00)		0.00	0.00	(251,730.00)
40250.CPB	Grant Revenue	(106,909.00)	(75,400.00)		(31,054.00)	0.00	(106,454.00)
Subtotal [4260.00]	**Grants and Contracts - Unrestricted**	**(360,406.00)**	**(327,130.00)**		**(31,054.00)**	**0.00**	**(358,184.00)**
Total [4260]	**Grants and Contracts**	**(360,406.00)**	**(327,130.00)**		**(31,054.00)**	**0.00**	**(358,184.00)**
Group : [7140]	**In-Kind Contributions**						
Subgroup : [7140.00]	**Contributed Services-Unrestricted**						
499999.TG	Indirect Inversity Support	(128,596.00)	0.00		(140,185.00)	0.00	(140,185.00)
				AJE - 3	(140,185.00)		
Subtotal [7140.00]	**Contributed Services-Unrestricted**	**(128,596.00)**	**0.00**		**(140,185.00)**	**0.00**	**(140,185.00)**
Total [7140]	**In-Kind Contributions**	**(128,596.00)**	**0.00**		**(140,185.00)**	**0.00**	**(140,185.00)**
Group : [7170]	**Unrestricted Revenue**						
Subgroup : [7170.35]	**Foundation Donations**						
40100.F	Donor Gifts Cash Checks	(6,627.00)	(8,556.00)		0.00	0.00	(8,556.00)
40150.F	Donor Credit Card Gifts	(3,667.00)	(9,124.00)		0.00	0.00	(9,124.00)
40175.F	Donor Credit Card Gifts	0.00	(525.00)		0.00	0.00	(525.00)
Subtotal [7170.35]	**Foundation Donations**	**(10,294.00)**	**(18,205.00)**		**0.00**	**0.00**	**(18,205.00)**
Subgroup : [7170.45]	**Misc Revenue**						
40400.F	Donor Credit Card Gifts	(100.00)	(10.00)		0.00	0.00	(10.00)
40460.F	Donor Credit Card Gifts	(2,940.00)	(408.00)		0.00	0.00	(408.00)
40490.F	Other Program Income	0.00	(2,916.00)		0.00	0.00	(2,916.00)
Subtotal [7170.45]	**Misc Revenue**	**(3,040.00)**	**(3,334.00)**		**0.00**	**0.00**	**(3,334.00)**
Total [7170]	**Unrestricted Revenue**	**(13,334.00)**	**(21,539.00)**		**0.00**	**0.00**	**(21,539.00)**
	Revenues	**(502,336.00)**	**(348,669.00)**		**(171,239.00)**	**0.00**	**(519,908.00)**
	TOTAL REVENUE	**(502,336.00)**	**(348,669.00)**		**(171,239.00)**	**0.00**	**(519,908.00)**
Group : [7310]	**Expense**						
Subgroup : [7310.00]	**Salaries**						
911100.III	EPA Perm Nonteach Salaries	70,000.00	70,000.00		0.00	0.00	70,000.00
912100.III	SPA Regular Salaries	114,200.00	114,200.00		0.00	0.00	114,200.00
912200.III	SPA Overtime Payment	1,514.00	0.00		0.00	0.00	0.00
912210.III	SPA Overtime Straight	72.00	0.00		0.00	0.00	0.00
912700.III	SPA Longevity Pay	837.00	837.00		0.00	0.00	837.00
Subtotal [7310.00]	**Salaries**	**186,623.00**	**185,037.00**		**0.00**	**0.00**	**185,037.00**

Subgroup : [7310.01]	**Employee Benefits**					
918200.III	State Retirement	8,046.00	8,248.00	0.00	0.00	8,248.00
918300.III	Medical Insurance	25,444.00	25,137.00	0.00	0.00	25,137.00
918700.III	TIAA Optional Retirement	19,825.00	20,006.00	0.00	0.00	20,006.00
Subtotal [7310.01]	**Employee Benefits**	**53,315.00**	**53,391.00**	**0.00**	**0.00**	**53,391.00**
Subgroup : [7310.05]	**Payroll Taxes**					
918100.III	Social Security	13,560.00	13,302.00	0.00	0.00	13,302.00
Subtotal [7310.05]	**Payroll Taxes**	**13,560.00**	**13,302.00**	**0.00**	**0.00**	**13,302.00**
Subgroup : [7310.10]	**Miscellaneous**					
60112.F	Meal/lunches	886.00	0.00	0.00	0.00	0.00
60113.F	Refreshments	113.00	0.00	0.00	0.00	0.00
60118.F	Beverages	76.00	185.00	0.00	0.00	185.00
61114.F	Website	141.00	0.00	0.00	0.00	0.00
61550.F	On-line & Credit Card Fees	49.00	0.00	0.00	0.00	0.00
61999.F	Miscellaneous	4,860.00	2,683.00	0.00	0.00	2,683.00
62200.F	Credit Card fees	72.00	259.00	0.00	0.00	259.00
63999.F	Miscellaneous	0.00	2,351.00	(194.00)	0.00	2,157.00
939190.CPB	Misc Serv	0.00	299.00	0.00	0.00	299.00
Subtotal [7310.10]	**Miscellaneous**	**6,197.00**	**5,777.00**	**(194.00)**	**0.00**	**5,583.00**
Subgroup : [7310.15]	**Admin Fees**					
67000.F	Foundation Administration fees	997.00	1,514.00	0.00	0.00	1,514.00
Subtotal [7310.15]	**Admin Fees**	**997.00**	**1,514.00**	**0.00**	**0.00**	**1,514.00**
Subgroup : [7310.20]	**Telephone**					
932210.CPB	Telephone Local	4,800.00	3,698.00	0.00	0.00	3,698.00
Subtotal [7310.20]	**Telephone**	**4,800.00**	**3,698.00**	**0.00**	**0.00**	**3,698.00**
Subgroup : [7310.25]	**Supplies**					
63020.F	Supplies	91.00	395.00	0.00	0.00	395.00
923110.CPB	supplies	1,299.00	0.00	0.00	0.00	0.00
926000.CPB	Office Supplies	1,541.00	217.00	0.00	0.00	217.00
Subtotal [7310.25]	**Supplies**	**2,931.00**	**612.00**	**0.00**	**0.00**	**612.00**
Subgroup : [7310.30]	**Rental and Maintenance of Equipment**					
60305.F	Rent equipment	1,373.00	501.00	0.00	0.00	501.00
952120.CPB	EDP Equipment	0.00	4,618.00	0.00	0.00	4,618.00
953000.CPB	Capitalized Educational Equip(L4)	0.00	1,254.00	0.00	0.00	1,254.00
953100.CPB	Inventoried Educational Equip	13,888.00	0.00	0.00	0.00	0.00
Subtotal [7310.30]	**Rental and Maintenance of Equipment**	**15,261.00**	**6,373.00**	**0.00**	**0.00**	**6,373.00**
Subgroup : [7310.35]	**Printing and Publications**					
943100.CPB	Rent Lease Oth Equip	1,758.00	1,999.00	0.00	0.00	1,999.00
Subtotal [7310.35]	**Printing and Publications**	**1,758.00**	**1,999.00**	**0.00**	**0.00**	**1,999.00**

Subgroup : [7310.40]	**Postage and Shipping**						
932110.CPB	Postage	116.00	0.00		0.00	0.00	0.00
Subtotal [7310.40]	**Postage and Shipping**	**116.00**	**0.00**		**0.00**	**0.00**	**0.00**
Subgroup : [7310.50]	**Travel**						
931130.CPB	Instate Trns Other(L4)	80.00	0.00		0.00	0.00	0.00
931240.CPB	Out of State lodging	252.00	0.00		0.00	0.00	0.00
Subtotal [7310.50]	**Travel**	**332.00**	**0.00**		**0.00**	**0.00**	**0.00**
Subgroup : [7310.55]	**Contracted Services**						
61326.F	Contract Services	9,290.00	5,156.00		0.00	0.00	5,156.00
63750.F	Sports Radio Announcer	1,000.00	0.00		0.00	0.00	0.00
919210.CPB	Contract Services	12,068.00	16,368.00		0.00	0.00	16,368.00
919900.CPB	Other Contract Services	10,971.00	12,739.00		0.00	0.00	12,739.00
Subtotal [7310.55]	**Contracted Services**	**33,329.00**	**34,263.00**		**0.00**	**0.00**	**34,263.00**
Subgroup : [7310.70]	**Depreciation and Amortization**						
953000.TG	Depreciaton	3,902.00	0.00		3,902.00	0.00	3,902.00
				AJE - 2	3,902.00		
Subtotal [7310.70]	**Depreciation and Amortization**	**3,902.00**	**0.00**		**3,902.00**	**0.00**	**3,902.00**
Subgroup : [7310.75]	**Dues & Membership expense**						
62800.F	Association Memberships	2,361.00	4,656.00		0.00	0.00	4,656.00
949000.CPB	Other Fixed Charges	26,839.00	44,183.00		0.00	0.00	44,183.00
949110.CPB	Dues-Member (Restricted)	2,319.00	0.00		0.00	0.00	0.00
Subtotal [7310.75]	**Dues & Membership expense**	**31,519.00**	**48,839.00**		**0.00**	**0.00**	**48,839.00**
Subgroup : [7310.80]	**Foundation In-Kind**						
999999.TG	University indirect Administrative Expe	128,596.00	0.00		140,185.00	0.00	140,185.00
				AJE - 3	140,185.00		
Subtotal [7310.80]	**Foundation In-Kind**	**128,596.00**	**0.00**		**140,185.00**	**0.00**	**140,185.00**
Subgroup : [7310.85]	**Advertising**						
937000.CPB	Advertising	30,978.00	21,079.00		0.00	0.00	21,079.00
Subtotal [7310.85]	**Advertising**	**30,978.00**	**21,079.00**		**0.00**	**0.00**	**21,079.00**
Total [7310]	**Expense**	**514,214.00**	**375,884.00**		**143,893.00**	**0.00**	**519,777.00**
	Operating Expenses	**514,214.00**	**375,884.00**		**143,893.00**	**0.00**	**519,777.00**
	TOTAL EXPENSE	**514,214.00**	**375,884.00**		**143,893.00**	**0.00**	**519,777.00**
	NET (INCOME) LOSS	**11,878.00**	**27,215.00**		**(27,346.00)**	**0.00**	**(131.00)**

Sum of Account Groups*	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

* The Sum of Account Groups total does not include any groups assigned to the MEM classification.