

Wide Angle Youth Media, Inc.
**Financial Statements
and Independent Auditor's Report**
June 30, 2022 and 2021

Wide Angle Youth Media, Inc.

Index

	<u>Page</u>
Independent Auditor's Report	2
Financial Statements	
Statements of Financial Position	4
Statements of Activities and Change in Net Assets	5
Statements of Functional Expenses	7
Statements of Cash Flows	9
Notes to Financial Statements	10

Independent Auditor's Report

To the Board of Directors
Wide Angle Youth Media, Inc.

Opinion

We have audited the financial statements of Wide Angle Youth Media, Inc. (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Wide Angle Youth Media, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

CohnReznick LLP

Baltimore, Maryland
December 6, 2022

Wide Angle Youth Media, Inc.
Statements of Financial Position
June 30, 2022 and 2021

	<u>Assets</u>	
	2022	2021
Current assets		
Cash	\$ 950,230	\$ 1,050,464
Accounts receivable	75,536	201,723
Grants receivable	566,472	107,000
Deferred costs on projects in progress	21,383	9,340
Total current assets	1,613,621	1,368,527
Property and equipment, net	228,616	227,250
Other assets		
Restricted cash	206,239	118,631
Security deposit	2,099	2,099
Total other assets	208,338	120,730
Total assets	\$ 2,050,575	\$ 1,716,507
	<u>Liabilities and Net Assets</u>	
Current liabilities		
Accounts payable and accrued expenses	\$ 97,875	\$ 97,102
Loan payable	-	141,407
Deferred revenue	12,625	335,369
Total current liabilities	110,500	573,878
Net assets		
Without donor restrictions	1,481,440	934,129
With donor restrictions	458,635	208,500
Total net assets	1,940,075	1,142,629
Total liabilities and net assets	\$ 2,050,575	\$ 1,716,507

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.

**Statement of Activities and Change in Net Assets
Year Ended June 30, 2022**

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Support			
Grants	\$ 576,458	\$ 649,073	\$ 1,225,531
Contributions	163,069	-	163,069
In-kind contributions	33,619	-	33,619
Other income	-	146,584	146,584
Total support	<u>773,146</u>	<u>795,657</u>	<u>1,568,803</u>
Revenue			
Program services fees	656,618	-	656,618
Special events	-	-	-
Program expense reimbursements	<u>8,733</u>	<u>-</u>	<u>8,733</u>
Total revenue	<u>665,351</u>	<u>-</u>	<u>665,351</u>
Net assets released from restrictions	<u>545,522</u>	<u>(545,522)</u>	<u>-</u>
Total support and revenue	<u>1,984,019</u>	<u>250,135</u>	<u>2,234,154</u>
Expenses			
Program services			
Baltimore Speaks Out!	169,423	-	169,423
High School Programs	203,022	-	203,022
MediaWorks	137,027	-	137,027
Design for Hire	85,724	-	85,724
Production for Hire	488,464	-	488,464
Social Media Internship	35,277	-	35,277
Other programs	<u>47,436</u>	<u>-</u>	<u>47,436</u>
Total program services	1,166,373	-	1,166,373
Supporting services			
Fundraising	106,909	-	106,909
General and administrative	<u>163,426</u>	<u>-</u>	<u>163,426</u>
Total supporting services	<u>270,335</u>	<u>-</u>	<u>270,335</u>
Total expenses	<u>1,436,708</u>	<u>-</u>	<u>1,436,708</u>
Change in net assets	547,311	250,135	797,446
Net assets, beginning of year	<u>934,129</u>	<u>208,500</u>	<u>1,142,629</u>
Net assets, end of the year	<u>\$ 1,481,440</u>	<u>\$ 458,635</u>	<u>\$ 1,940,075</u>

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.

**Statement of Activities and Change in Net Assets
Year Ended June 30, 2021**

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Support			
Grants	\$ 33,077	\$ 703,114	\$ 736,191
Contributions	101,981	-	101,981
In-kind contributions	72,416	-	72,416
Other income	-	206,170	206,170
Total support	<u>207,474</u>	<u>909,284</u>	<u>1,116,758</u>
Revenue			
Program services fees	239,639	-	239,639
Special events	550	-	550
Program expense reimbursements	2,497	-	2,497
Total revenue	<u>242,686</u>	<u>-</u>	<u>242,686</u>
Net assets released from restrictions	<u>1,065,426</u>	<u>(1,065,426)</u>	<u>-</u>
Total support and revenue	<u>1,515,586</u>	<u>(156,142)</u>	<u>1,359,444</u>
Expenses			
Program services			
Baltimore Speaks Out!	144,843	-	144,843
High School Programs	331,802	-	331,802
MediaWorks	101,624	-	101,624
Design for Hire	60,134	-	60,134
Production for Hire	379,186	-	379,186
Social Media Internship	-	-	-
Other programs	30,897	-	30,897
Total program services	1,048,486	-	1,048,486
Supporting services			
Fundraising	37,137	-	37,137
General and administrative	187,823	-	187,823
Total supporting services	<u>224,960</u>	<u>-</u>	<u>224,960</u>
Total expenses	<u>1,273,446</u>	<u>-</u>	<u>1,273,446</u>
Change in net assets	242,140	(156,142)	85,998
Net assets, beginning of year	<u>691,989</u>	<u>364,642</u>	<u>1,056,631</u>
Net assets, end of the year	<u>\$ 934,129</u>	<u>\$ 208,500</u>	<u>\$ 1,142,629</u>

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.

Statement of Functional Expenses Year Ended June 30, 2022

	Program services						Supporting services		Total expenses	
	Baltimore Speaks Out!	High School Programs	MediaWorks	Design for Hire	Production for Hire	Social Media Internship	Other programs	Fundraising		General and administrative
Salaries	\$ 98,837	\$ 97,908	\$ 73,439	\$ 56,960	\$ 285,074	\$ 25,083	\$ 32,683	\$ 58,513	\$ 71,214	\$ 799,711
Payroll taxes	7,991	7,484	5,614	5,305	23,936	1,917	2,498	5,064	1,323	61,132
Employee benefits	16,838	16,679	12,511	9,807	48,812	4,273	5,569	10,135	11,618	136,242
Payroll service fees	703	696	522	405	2,027	178	232	416	507	5,686
Stipends	8,967	16,869	19,435	-	8,190	-	-	-	-	53,461
In-kind donations	5,363	12,065	2,195	828	3,217	-	-	-	9,951	33,619
Grants to other organizations	-	-	-	-	-	-	-	-	-	-
Contract/consulting services	1,559	4,309	1,200	2,351	11,026	275	1,500	7,925	24,824	54,969
Legal and accounting	3,791	3,755	2,817	2,185	10,934	962	1,254	2,244	3,264	31,206
Equipment and software	2,590	2,061	50	-	18,300	-	-	5,811	2,519	31,331
Telephone	887	878	659	511	2,557	225	292	525	639	7,173
Postage and delivery	627	1,124	-	875	20	-	-	3,740	1,114	7,500
Rent	7,405	7,335	5,502	4,268	21,357	1,879	2,449	4,382	5,335	59,912
Printing and publications	2,579	853	496	29	115	-	-	4,611	415	9,098
Staff travel and conference	144	205	17	107	8,165	-	176	653	3,139	12,606
Program supplies	317	2,148	2,325	986	3,355	-	123	1,758	5,777	16,789
Depreciation	8,818	26,455	8,818	-	35,273	-	-	-	8,818	88,182
Insurance	1,763	1,926	1,310	1,016	5,086	445	583	1,047	1,091	14,267
Dues	-	-	-	-	-	-	-	-	1,394	1,394
Other	244	272	117	91	1,020	40	77	85	10,484	12,430
Total	\$ 169,423	\$ 203,022	\$ 137,027	\$ 85,724	\$ 488,464	\$ 35,277	\$ 47,436	\$ 106,909	\$ 163,426	\$ 1,436,708

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.
Statement of Functional Expenses
Year Ended June 30, 2021

	Program services						Supporting services		Total expenses
	Baltimore Speaks Out!	High School Programs	MediaWorks	Design for Hire	Production for Hire	Other programs	Fundraising	General and administrative	
Salaries	\$ 89,680	\$ 132,949	\$ 52,826	\$ 44,526	\$ 253,179	\$ 21,535	\$ 12,885	\$ 90,465	\$ 698,045
Payroll taxes	6,746	9,505	3,973	3,349	19,044	1,620	969	6,804	52,010
Employee benefits	14,558	20,514	11,575	7,228	41,101	3,496	2,092	8,185	108,749
Payroll service fees	685	1,954	685	228	913	-	-	228	4,693
Stipends	6,575	10,984	6,230	-	764	1,350	-	50	25,953
In-kind donations	5,363	50,794	5,245	-	3,758	-	-	7,256	72,416
Grants to other organizations	-	40,000	-	-	-	-	-	-	40,000
Contract/consulting services	-	250	150	-	2,866	259	5,804	8,760	18,089
Legal and accounting	-	100	-	-	-	-	-	20,102	20,202
Equipment and software	117	1,190	219	505	5,197	1,344	4,367	3,841	16,780
Telephone	1,074	2,498	1,694	525	1,899	-	-	500	8,190
Postage and delivery	284	264	179	-	324	33	3,856	419	5,359
Rent	9,203	24,542	9,203	3,068	12,271	-	-	2,656	60,943
Printing and publications	146	2,002	146	-	-	-	2,381	-	4,675
Staff travel and conference	741	1,469	362	103	3,171	116	518	97	6,577
Program supplies	1,690	8,527	1,156	602	2,426	1,144	1,573	794	17,912
Depreciation	7,981	23,945	7,981	-	31,926	-	-	7,981	79,814
Insurance	-	-	-	-	-	-	-	9,229	9,229
Dues	-	-	-	-	-	-	-	1,233	1,233
Other	-	315	-	-	347	-	2,692	19,223	22,577
Total	\$ 144,843	\$ 331,802	\$ 101,624	\$ 60,134	\$ 379,186	\$ 30,897	\$ 37,137	\$ 187,823	\$ 1,273,446

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.
Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Increase in net assets	\$ 797,446	\$ 85,998
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	88,182	79,814
Gain from PPP Loan forgiveness	(141,407)	(141,407)
(Increase) decrease in assets		
Accounts receivable	126,187	(119,143)
Grants receivable	(459,472)	25,314
Deferred costs on projects in progress	(12,043)	(3,588)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	773	24,859
Deferred revenue	(322,744)	78,245
	76,922	30,092
Net cash provided by operating activities		
Cash flows from investing activities		
Purchases of property and equipment	(89,548)	(48,352)
	(89,548)	(48,352)
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from loan payable	-	141,407
	-	141,407
Net cash provided by financing activities		
Net (decrease) increase in cash	(12,626)	123,147
Cash and restricted cash, beginning of the year	1,169,095	1,045,948
Cash and restricted cash, end of the year	\$ 1,156,469	\$ 1,169,095

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2022 and 2021**

Note 1 - Organization and nature of operations

Wide Angle Youth Media ("WAYM") was formed as a nonprofit Corporation under Section 501 (c)(3) of the Internal Revenue Code of 1986, under the laws of Maryland on October 30, 2000.

Through media arts education, WAYM cultivates and amplifies the voices of Baltimore youth to engage audiences across generational, cultural, and social divides. WAYM programs inspire creativity and instill confidence in young people, empowering them with skills to navigate school, career and life.

WAYM delivers free and accessible in and out-of-school time creative youth development programming to more than 400 young people ages 10-24 each year. During the year ended June 30, 2022 ("FY22"), WAYM served 625 youth.

WAYM youth are engaged as artists, changemakers and leaders as they develop projects about important social issues. At the same time, this year programs shifted their focus to more personal projects for student individual engagement. Across workshops, all programs aimed to provide an important educational supplement that builds academic and workforce-readiness skills. WAYM programs continued to provide important social-emotional connections for participants during COVID-19. WAYM's curriculum is closely aligned with National Media Arts Standards, MSDE Arts Standards and International Society for Technology in Education ("ISTE") Standards for Students. STEAM-focused learning has been particularly compatible in media education, with both disciplines integrating investigative, hands-on, and project-based learning that is rooted in real life skills.

Since the Organization's founding in 2000, WAYM has engaged over 7,270 Baltimore City youth who have produced hundreds of videos about issues such as youth identity, safety, health, media literacy, and racial justice. FY22 projects included 461 final video, photography, design, acting projects and virtual events. Audience members of WAYM youth-produced media continued to grow through online engagement, media publications, and radio distribution, with over 1,068,015 estimated live and virtual audience members in FY22.

WAYM implements a pathway of free programming that starts with introductory community workshops and leads to advanced workforce development training. Programs structures varied based on youth needs, to include in-person, hybrid and fully-virtual opportunities in FY22.

Community Voices is a program that provides middle and high school youth (ages 10-20) with custom introductory media workshops, tailored to the needs of city schools and local organizations.

Baltimore Speaks Out is a free introductory media making and creative youth development program produced in partnership with Baltimore City public school sites.

High School Programs are intermediate-advanced media production programs for Baltimore City high school youth giving them the opportunity to gain training and develop critical thinking, research skills, storytelling and creative skills by producing short original videos and design campaigns that are distributed nationally.

MediaWorks is an intensive summer workforce training program run in partnership with YouthWorks. Youth (ages 14-24) are employed through the Build Your Brand initiative and externship placements to participate in media arts and college and career development programming.

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2022 and 2021

Wide Angle Youth Apprenticeships allow youth (ages 18-24) who have shown increasing skill growth and engagement in Wide Angle programming the option to earn hourly wages and participate in either media production or social design workforce development tracks. Advanced apprentices have the opportunity to transition to part-time and full-time positions on Wide Angle staff.

Wide Angle Productions, WAYM's social enterprise program, provides media and communication services for nonprofits, foundations, and corporations in the Baltimore region while also creating meaningful employment for youth apprentices. Wide Angle staff act as project managers, mentoring apprentices throughout the process and ensuring that the client receives a professional quality media product. Production work serves as a source of self-sustaining income for Wide Angle Youth Media to support its core programs, while also providing affordable media solutions for clients. Clients in FY22 included: Abell Foundation, Annie E. Casey Foundation, Baltimore Homecoming, Maryland State Arts Council, One Love Foundation, United Way of Central Maryland and many others. Examples of recent work can be seen at www.vimeo.com/wideproductions.

COVID-19 and FY22 Programs

In addition to program transitions, Wide Angle's expanded Emergency Fund provided vulnerable students, alumni and staff with needed support for rent, groceries, technology access and educational needs, as many lost additional sources of income during the pandemic. The organization's goals since the start of the COVID-19 have been to 1) continue providing artistic and educational media engagement, 2) strengthen connections and relationships with youth, 3) prioritize paid opportunities for high school and apprentice participants, who rely upon payment from Wide Angle, and 4) to move towards being an intentionally anti-racist, anti-oppression organization by integrating equitable and anti-racist practices and policies at all levels of the organization.

FY22 participants reflect the demographics of Baltimore City. Of those who shared their demographics, 76% Black, 3% Multiracial, 15% Caucasian, 4% Hispanic, 1% Asian and 1% American Indian or Alaskan Native. 81% of those with demographic information reported self-identified as low income, attended Title 1 schools and/or resided in zip codes with low median incomes in alignment with the organization's goal to allocate its resources to historically minoritized communities. (Please note - as WAYM moves towards more equitable practices, demographic information is not required for youth to participate in programs).

Note 2 - Summary of significant accounting policies

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby support and revenue are recognized when committed or earned and expenses and purchases are recognized when the related obligations are incurred.

Net assets

WAYM reports its net assets as net assets without donor restrictions and net assets with donor restrictions. For financial statement purposes, net assets without donor restrictions consist of those net assets whose use is not restricted by donors, even though their use may be limited in those respects, such as by board designation. At June 30, 2022 and 2021, WAYM had \$458,635 and \$208,500 of net assets with donor restrictions, respectively.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2022 and 2021

assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition

Program service fees

WAYM generates revenue from services based on the consideration specified in agreements with clients. WAYM recognizes revenue when a performance obligation is satisfied by transferring control of the promised services to a client, in an amount that reflects the consideration that WAYM expects to receive in exchange for those services. Revenue is recognized over time because control of the service is transferred continuously to WAYM's clients. WAYM records deferred revenues when payments are received in advance of WAYM's performance under the agreement, which are recognized as revenue as the performance obligation is satisfied. As of July 1, 2020, the related accounts receivable balance totaled \$82,580. Deferred revenue as of July 1, 2020 was \$257,124, all of which was recognized as of June 30, 2021. Revenue recognized from performance obligations that were satisfied, or partially satisfied, in prior periods was not material.

Grants and contracts revenue

Revenue from grants and contracts with resource providers such as the government and its agencies, other organizations and private foundations are accounted for either as exchange transactions or as contributions. When the resource provider receives commensurate value in return for the resources transferred to WAYM, the revenue from the grant or contract is accounted for as an exchange transaction in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-09 ("ASU 2014-09"), *Revenue from Contracts with Customers*. For purposes of determining whether a transfer of asset is a contribution or an exchange, WAYM deems that the resource provider is not synonymous with the general public, i.e., indirect benefit received by the public as a result of the assets transferred is not deemed equivalent to commensurate value received by the resource provider. Moreover, the execution of a resource provider's mission or the positive sentiment from acting as a donor is not deemed to constitute commensurate value received by a resource provider. Revenue from grants and contracts that are accounted for as exchange transactions is recognized when performance obligations have been satisfied. Grants and contracts awarded for the acquisition of long-lived assets are reported as nonoperating revenue, in the absence of donor stipulations to the contrary, during the fiscal year in which the assets are acquired. Cash received in excess of revenue recognized is recorded as deferred revenue.

Contributions

Transactions where the resource providers often receive value indirectly by providing a societal benefit, although the societal benefit is not considered to be of commensurate value, are deemed to be contributions. Contributions are classified as either conditional or unconditional. A conditional contribution is a transaction where WAYM has to overcome a barrier or hurdle to be entitled to the resource and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if WAYM fails to overcome the barrier. WAYM recognizes the contribution revenue upon overcoming the barrier or hurdle. Any funding received prior to overcoming the barrier is recognized as refundable advance. Unconditional contributions are recognized as revenue and receivable when the commitment to contribute is received. Unconditional contributions are recorded as either with donor restrictions or without donor restrictions. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Contributions

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2022 and 2021

received with no donor stipulations are recorded as contributions without donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restriction. WAYM's payment terms vary by the type of services offered. WAYM's standard payment terms generally align with the timing of the services performed and do not include a financing component. WAYM has the unconditional right to consideration as it satisfies the performance obligations; therefore, no contractual assets are recognized.

Restricted cash

Restricted cash includes funds held in the working capital reserve account. The following table provides a reconciliation of cash and restricted cash reported within the accompanying statements of financial position that sum to the total of the same amounts shown in the statements of cash flows:

	2022	2021
Cash	\$ 950,230	\$ 1,050,464
Restricted cash	206,239	118,631
Total cash and restricted cash shown in the statements of cash flows	<u>\$ 1,156,469</u>	<u>\$ 1,169,095</u>

Accounts receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and adjustment to its valuation allowance. Management has determined that at June 30, 2022 and 2021, an allowance was not necessary.

Deferred costs on projects in progress

Deferred contract costs generally include all direct contract costs, such as labor and materials related to contract performance on uncompleted video production contracts. Deferred contract costs are accumulated and charged to operations as the related revenue from contracts is recognized.

Property and equipment

Property and equipment are reported at cost if purchased or fair values at the time of donation if donated. WAYM capitalizes all expenditures of the property and equipment of \$2,000 or greater. Depreciation is computed using the straight-line basis over the estimated useful lives of the assets. Cost of repair and maintenance are expensed when incurred.

Leasehold improvements	Straight-line	10 years
Equipment	Straight-line	3 - 5 years
Furniture and fixtures	Straight-line	3 years

In-kind contributions

WAYM records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2022 and 2021**

if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose.

Directors and officers have made significant contributions of their time to develop WAYM and its programs. No amounts have been recognized in the accompanying statements of activities and change in net assets because the criteria for recognition of such efforts under GAAP have not been satisfied.

Income taxes

WAYM received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the year ended June 30, 2022. Due to its tax-exempt status, WAYM is not subject to income taxes. WAYM is required to file and does file tax returns with the IRS and other taxing authorities. Management has determined that WAYM does not have any uncertain tax positions for any open tax returns. While no income tax returns are currently being examined by the IRS, tax years since 2019 remain open.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been either directly charged to the programs and supporting services as incurred or allocated based on salaries and wages or usage for items such as occupancy.

Advertising costs

Advertising costs are expensed as incurred. Total advertising expenses for the years ended June 30, 2022 and 2021 amounted to \$3,368 and \$2,292, respectively.

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2022 and 2021**

Note 3 - Liquidity and availability of resources

The following table reflects WAYM's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general expenditure within one year because of donor restrictions or contractual obligations. Financial assets are considered unavailable when illiquid or not convertible to cash within one year:

Financial assets	2022	2021
Cash	\$ 950,230	\$ 1,050,464
Restricted cash	206,239	118,631
Accounts receivable	75,536	201,723
Grants receivable	566,472	107,000
Security deposit	2,099	2,099
	1,800,576	1,479,917
Less those unavailable for general expenditure within one year due to		
Cash held for donor restrictions	(458,635)	(208,500)
Security deposit for rent refundable at end of lease	(2,099)	(2,099)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,339,842	\$ 1,269,318

Note 4 - Grants receivable

Grants receivable are unconditional promises to give that are expected to be realized in one year or less and are classified as net assets with donor restrictions in the statements of activities and change in net assets. Grants receivable are deemed to be fully collectible by management and are composed of the following amounts as of June 30:

	2022	2021
Annie E. Casey Foundation	\$ 45,355	\$ -
Baltimore Office of Promotion and the Arts	1,400	2,000
Henry and Ruth Blaustein Rosenberg Foundation	15,000	-
Harry and Jeanette Weinberg Foundation	50,000	100,000
Maryland State Arts Council	96,217	-
Mid Atlantic Arts Foundation	9,500	-
National Endowment of the Arts	194,000	-
Nora Roberts Foundation	-	5,000
T. Rowe Price Foundation	30,000	-
West Baltimore Renaissance Foundation	125,000	-
Total	\$ 566,472	\$ 107,000

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2022 and 2021**

Note 5 - Property and equipment

At June 30, 2022 and 2021, property and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 388,515	\$ 350,855
Furniture and fixtures	98,491	98,491
Leasehold improvements	132,226	132,226
Van	<u>51,888</u>	<u>-</u>
	671,120	581,572
Less accumulated depreciation	<u>(442,504)</u>	<u>(354,322)</u>
Property and equipment, net	<u>\$ 228,616</u>	<u>\$ 227,250</u>

Note 6 - Loan payable

On April 22, 2020, WAYM obtained a promissory note of \$141,407 ("PPP Loan 1") from its bank under the Small Business Administration ("SBA")'s Paycheck Protection Program ("PPP") that is part of the CARES Act stimulus relief. The note bears interest at 1% and requires monthly payments of principal and interest on the outstanding principal balance, unless otherwise forgiven in whole or part by the SBA under the CARES Act. If the note is not forgiven, payments will begin 10 months after the end of the coverage period for the borrower's loan forgiveness until the maturity date of April 22, 2022, when the entire principal balance, along with all accrued and unpaid interest are due in full. The terms of the promissory note are subject to change depending on final regulation or legislation enacted. During the year ended June 30, 2021, WAYM submitted its application for PPP Loan forgiveness and received notice from its lender on March 15, 2021 that the SBA approved forgiveness of the full amount of the PPP Loan and the related interest thereon. Accordingly, WAYM derecognized \$141,407 related to PPP Loan 1 and recognized a corresponding gain on debt forgiveness in other income. There is a six-year period during which the SBA can review WAYM's forgiveness calculation.

On February 19, 2021, WAYM obtained a promissory note of \$141,407 ("PPP Loan 2") from its bank under the SBA's PPP that is part of the CARES Act stimulus relief. The note bears interest at 1% and requires monthly payments of principal and interest on the outstanding principal balance, unless otherwise forgiven in whole or part by the SBA under the CARES Act. If the note is not forgiven, payments will begin 10 months after the end of the coverage period for the borrower's loan forgiveness until the maturity date of February 19, 2026, when the entire principal balance, along with all accrued and unpaid interest are due in full. The terms of the promissory note are subject to change depending on final regulation or legislation enacted. During the year ended June 30, 2022, WAYM submitted its application for PPP Loan forgiveness and received notice from its lender on September 8, 2021 that the SBA approved forgiveness of the full amount of the PPP Loan and the related interest thereon. Accordingly, WAYM derecognized \$141,407 related to PPP Loan 2 and recognized a corresponding gain on debt forgiveness in other income. There is a six-year period during which the SBA can review WAYM's forgiveness calculation.

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2022 and 2021**

Note 7 - In-kind contributions

During the years ended June 30, 2022 and 2021, WAYM received the following noncash donations of materials and services, which have been reflected in the financial statements of WAYM:

	<u>2022</u>	<u>2021</u>
Other professional fees	\$ 10,057	\$ 20,630
Other goods and materials	<u>23,562</u>	<u>51,786</u>
	<u>\$ 33,619</u>	<u>\$ 72,416</u>

Note 8 - Bank line of credit

WAYM has a line of credit with M&T Bank in an amount not to exceed \$75,000. This loan is an open-end revolving line of credit, which bears interest at PRIME plus 3.5% (4.75% and 6.75% at June 30, 2022 and 2021, respectively). The line of credit was not used in either 2022 or 2021.

Note 9 - Operating lease

WAYM occupies its office space under a long-term lease which requires WAYM to pay a proportionate share of increases in the office building's operating expenses in addition to the minimum annual rental. On July 22, 2014, the operating lease agreement was amended and restated; the new terms of the agreement extends the lease for an additional 10 years commencing on August 1, 2014 through July 31, 2024. The minimum lease payments are recognized on the accompanying statements of activities and change in net assets on a straight-line basis over the lease term in addition to WAYM's proportionate share of the office building's operating expenses.

Rent expense for the years ended June 30, 2022 and 2021 was \$61,532 and \$60,943, respectively, of which \$1,227 and \$1,026 represent WAYM's proportionate share of the office building's operating expenses, respectively.

Minimum annual rentals for future years under lease agreement are as follows:

2023	\$ 62,768
2024	<u>53,175</u>
	<u>\$ 115,943</u>

Note 10 - Employee benefits

Wide Angle Youth Media, Inc. launched its first retirement solution in January of 2019, and offers employees a Simple IRA Plan. Employees, both part-time and full-time, over the age of 18 are eligible to participate in the Simple IRA Plan after they earn \$5,000 in the prior calendar year. Once enrolled, an employee has no additional earning requirements to maintain their enrollment as long as they are actively employed by WAYM. WAYM will match up to 3% of the employee's contribution. Plan expense for the years ended June 30, 2022 and 2021 was \$14,355 and \$12,566, respectively.

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2022 and 2021**

Note 11 - Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	<u>2022</u>	<u>2021</u>
Restricted to MediaWorks	\$ 67,855	\$ 48,500
Time restriction grants	<u>390,780</u>	<u>160,000</u>
Total net assets with donor restrictions	<u>\$ 458,635</u>	<u>\$ 208,500</u>

Net assets released from restrictions as of June 30, 2022 and 2021 totaled \$545,522 and \$1,065,426, respectively.

Note 12 - Risk and uncertainties

The spread of a novel strain of coronavirus ("COVID-19") has caused significant business disruptions in the United States beginning in the first quarter of 2020. The economic impact of the business disruptions caused by COVID-19 is uncertain. The extent of any effects these disruptions may have on the operations and financial position of WAYM will depend on future developments, which cannot be determined at this time.

Note 13 - Subsequent events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of WAYM through December 6, 2022 (the date the financial statements were available to be issued) and concluded that except for the following, no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

In November 2022, WAYM entered into a lease agreement commencing on a target date of April 1, 2024 for a five-year period. Minimum base rent during the initial term is \$109,272 per annum, which increases 1% annually. In December 2022, the lease agreement was amended to exercise one renewal term of five years commencing on the first day immediately following the expiration of the initial term.



Independent Member of Nexia International

cohnreznick.com