

Wide Angle Youth Media, Inc.
**Financial Statements
and Independent Auditor's Report**
June 30, 2020 and 2019

Wide Angle Youth Media, Inc.

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Independent Auditor's Report

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

We have audited the accompanying financial statements of Wide Angle Youth Media, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and change in net assets and cash flows for the years then ended, and the related notes to the financial statements. We have also audited the statement of functional expenses for the years ended June 30, 2020 and 2019.

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. 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wide Angle Youth Media, Inc. as of June 30, 2020 and 2019, 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.



Baltimore, Maryland
December 3, 2020

Wide Angle Youth Media, Inc.
Statements of Financial Position
June 30, 2020 and 2019

	<u>Assets</u>	2020	2019
		<u> </u>	<u> </u>
Current assets			
Cash	\$	939,402	\$ 731,645
Restricted cash		106,546	80,037
Accounts receivable		82,580	164,006
Grants receivable		132,314	25,693
Deferred costs on projects in progress		<u>5,752</u>	<u>2,505</u>
Total current assets		1,266,594	1,003,886
Property and equipment, net		258,712	247,099
Other assets			
Security deposit		<u>2,099</u>	<u>2,099</u>
Total assets	\$	<u><u>1,527,405</u></u>	\$ <u><u>1,253,084</u></u>
<u>Liabilities and Net Assets</u>			
Current liabilities			
Accounts payable and accrued expenses	\$	72,243	\$ 34,468
Loan payable		141,407	-
Deferred revenue		<u>257,124</u>	<u>273,150</u>
Total current liabilities		<u>470,774</u>	<u>307,618</u>
Net assets			
Without donor restrictions		691,989	632,563
With donor restrictions		<u>364,642</u>	<u>312,903</u>
Total net assets		<u>1,056,631</u>	<u>945,466</u>
Total liabilities and net assets	\$	<u><u>1,527,405</u></u>	\$ <u><u>1,253,084</u></u>

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.

**Statements of Activities and Change in Net Assets
Year Ended June 30, 2020**

	Without donor restriction	With donor restriction	Total
Support and revenue			
Support			
Grants	\$ 225,638	\$ 587,900	\$ 813,538
Contributions	97,339	-	97,339
In-kind contributions	92,171	-	92,171
Total support	<u>415,148</u>	<u>587,900</u>	<u>1,003,048</u>
Revenue			
Program services fees	316,016	-	316,016
Special events	6,943	-	6,943
Program expense reimbursements	10,753	-	10,753
Total revenue	<u>333,712</u>	<u>-</u>	<u>333,712</u>
Net assets released from restrictions	<u>536,161</u>	<u>(536,161)</u>	<u>-</u>
Total support and revenue	<u>1,285,021</u>	<u>51,739</u>	<u>1,336,760</u>
Expenses			
Program services			
Baltimore Speaks Out!	154,240	-	154,240
High School Programs	271,445	-	271,445
MediaWorks	64,583	-	64,583
Wide Angle Productions	503,824	-	503,824
Other programs	27,742	-	27,742
Supporting services			
Fundraising	50,167	-	50,167
General and administrative	153,594	-	153,594
Total expenses	<u>1,225,595</u>	<u>-</u>	<u>1,225,595</u>
Change in net assets	59,426	51,739	111,165
Net assets, beginning of year	<u>632,563</u>	<u>312,903</u>	<u>945,466</u>
Net assets, end of the year	<u>\$ 691,989</u>	<u>\$ 364,642</u>	<u>\$ 1,056,631</u>

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.

**Statements of Activities and Change in Net Assets
Year Ended June 30, 2019**

	Without donor restriction	With donor restriction	Total
Support and revenue			
Support			
Grants	\$ 223,370	\$ 576,030	\$ 799,400
Contributions	116,306	-	116,306
In-kind contributions	80,119	-	80,119
Total support	<u>419,795</u>	<u>576,030</u>	<u>995,825</u>
Revenue			
Program services fees	425,385	-	425,385
Special events	2,963	-	2,963
Program expense reimbursements	29,795	-	29,795
Total revenue	<u>458,143</u>	<u>-</u>	<u>458,143</u>
Net assets released from restrictions	<u>466,752</u>	<u>(466,752)</u>	<u>-</u>
Total support and revenue	<u>1,344,690</u>	<u>109,278</u>	<u>1,453,968</u>
Expenses			
Program services			
Baltimore Speaks Out!	124,103	-	124,103
High School Programs	229,890	-	229,890
MediaWorks	65,843	-	65,843
Wide Angle Productions	313,086	-	313,086
Other programs	70,267	-	70,267
Supporting services			
Fundraising	37,536	-	37,536
General and administrative	136,603	-	136,603
Total expenses	<u>977,328</u>	<u>-</u>	<u>977,328</u>
Change in net assets	367,362	109,278	476,640
Net assets, beginning of year	<u>265,201</u>	<u>203,625</u>	<u>468,826</u>
Net assets, end of the year	<u>\$ 632,563</u>	<u>\$ 312,903</u>	<u>\$ 945,466</u>

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.
Statements of Functional Expenses
Year Ended June 30, 2020

	Program services					Supporting services		Total expenses	2020 Total
	Baltimore Speaks Out!	High School Programs	MediaWorks	Wide Angle Production	Other programs	Fundraising	General and administrative		
Salaries	\$ 86,482	\$ 126,671	\$ 29,708	\$ 316,381	\$ 19,980	\$ 12,140	\$ 79,117	\$ 670,479	\$ 670,479
Payroll taxes	6,048	8,424	1,478	24,981	1,247	1,753	6,565	50,496	50,496
Employee benefits	11,933	16,622	2,916	49,292	2,460	3,459	12,958	99,640	99,640
Payroll service fees	452	630	111	1,869	93	131	491	3,777	3,777
Stipends	-	13,326	5,663	5,566	-	50	888	25,493	25,493
In-kind donations	23,727	37,416	900	15,194	-	9,053	5,881	92,171	92,171
Contract/consulting services	-	2,385	250	2,606	(175)	4,540	8,380	17,986	17,986
Legal and accounting	3,172	4,418	775	13,103	654	(2,581)	3,445	22,986	22,986
Equipment and software	1,959	394	937	17,183	741	3,405	6,380	30,999	30,999
Telephone	-	-	-	-	-	-	5,236	5,236	5,236
Postage and delivery	58	590	60	493	-	2,519	937	4,657	4,657
Rent	9,677	25,806	9,677	16,129	-	-	(672)	60,617	60,617
Printing and publications	299	2,367	250	475	402	2,348	218	6,359	6,359
Staff travel and conference	1,290	1,788	471	5,331	308	497	664	10,349	10,349
Program supplies	1,256	6,532	3,498	3,012	2,025	11,801	3,606	31,730	31,730
Depreciation	7,836	23,507	7,835	31,342	-	-	7,835	78,355	78,355
Insurance	-	-	-	-	-	-	9,694	9,694	9,694
Dues	-	400	-	297	-	149	681	1,527	1,527
Other	51	169	54	570	7	903	1,290	3,044	3,044
Total	\$ 154,240	\$ 271,445	\$ 64,583	\$ 503,824	\$ 27,742	\$ 50,167	\$ 153,594	\$ 1,225,595	\$ 1,225,595

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.
Statements of Functional Expenses
Year Ended June 30, 2019

	Program services					Supporting services		Total expenses	2019 Total
	Baltimore Speaks Out!	High School Programs	MediaWorks	Wide Angle Production	Other programs	Fundraising	General and administrative		
Salaries	\$ 73,156	\$ 120,258	\$ 24,028	\$ 170,424	\$ 48,734	\$ 11,639	\$ 62,005	\$ 510,244	\$ 510,244
Payroll taxes	4,209	9,341	1,631	14,740	1,442	1,266	4,780	37,409	37,409
Employee benefits	7,865	17,456	3,049	27,546	7,827	2,366	4,530	70,639	70,639
Payroll service fees	-	-	-	-	-	-	2,895	2,895	2,895
Stipends	485	5,955	1,080	9,209	3,454	-	328	20,511	20,511
In-kind donations	3,356	23,271	24,575	13,678	-	3,346	11,893	80,119	80,119
Contract/consulting services	793	1,205	-	13,760	525	5,460	1,000	22,743	22,743
Legal and accounting	733	1,191	-	113	-	-	25,423	27,460	27,460
Equipment and software	2,512	974	-	10,379	283	6,655	992	24,070	21,795
Telephone	-	-	-	-	-	-	5,628	5,628	5,628
Postage and delivery	209	403	93	1,042	27	2,784	709	5,267	5,267
Rent	12,205	14,239	4,068	8,137	-	-	2,034	40,683	40,683
Printing and publications	840	5,422	373	-	1,139	941	-	8,715	8,715
Staff travel and conference	1,920	3,448	251	13,038	495	533	505	20,190	20,190
Program supplies	5,037	7,662	1,378	2,426	966	2,204	486	20,159	20,159
Depreciation	10,449	18,286	5,224	26,122	5,225	-	-	65,306	65,306
Insurance	-	-	-	-	-	-	8,216	8,216	8,216
Dues	293	263	-	-	50	86	1,083	1,775	1,775
Other	41	516	93	2,472	100	256	4,096	5,299	7,574
Total	\$ 124,103	\$ 229,890	\$ 65,843	\$ 313,086	\$ 70,267	\$ 37,536	\$ 136,603	\$ 977,328	\$ 977,328

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.
Statements of Cash Flows
Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities		
Increase in net assets	\$ 111,165	\$ 476,640
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	78,355	65,306
Loss on disposal of assets	350	2,275
(Increase) decrease in assets		
Accounts receivable	81,426	(135,704)
Grants receivable	(106,621)	(19,154)
Deferred costs on projects in progress	(3,247)	12,909
(Decrease) increase in liabilities		
Accounts payable and accrued expenses	37,775	(16,837)
Deferred revenue	(16,026)	247,463
	183,177	632,898
Net cash provided by operating activities		
Cash flows from investing activities		
Purchases of property and equipment	(90,318)	(98,640)
	(90,318)	(98,640)
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 increase in cash	234,266	534,258
Cash and restricted cash, beginning of the year	811,682	277,424
Cash and restricted cash, end of the year	\$ 1,045,948	\$ 811,682

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2020 and 2019

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. For the year ended June 30, 2020, WAYM served 389 youth. Over 95% of participants who reported their demographic information identified as people of color (95% Black or African American, 2% white, 2% bi- or multi-racial, 1% Native American). WAYM's target population is youth from traditionally underserved demographic groups and neighborhoods, with at least 80% annually coming from low income families. For the year ended June 30, 2020, approximately 85% of students came from low to moderate income households.

Because many youth in Baltimore have limited access to technology resources, WAYM's programs provide an important educational supplement that builds academic and workforce - readiness skills. By practicing communication and teamwork, students also gain skills to help them create self-sufficient lives. WAYM's curriculum is closely aligned with National Media Arts Standards. 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 served over 5,800 Baltimore City youths, who have produced hundreds of videos about youth and community issues, such as youth identity, safety, health, media literacy, and racial justice. For the year ended June 30, 2020, projects included 80 final images, 10 short films, 1 music video, 14 social media video posts, 3 Build Your Brand in-kind media campaigns, 10 personal design projects, a Virtual Prom for 180+ community members, 4 social design projects (with 2 more in progress), and a Virtual Graduation for 100+ community members. Audience members of WAYM youth-produced media continued to grow through live, online, television, and radio distribution, with 569,785 estimated viewers.

WAYM implements a pathway of free programming that starts with introductory community workshops and leads to advanced workforce development training:

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 the Enoch Pratt Free Library. Workshops are conducted each semester in neighborhood library branches or community-based spaces near library branches.

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.

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2020 and 2019

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 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 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 fiscal year 2020 included: Abell Foundation, Arts2Work, Baltimore Homecoming, Bloomberg School of Public Health, Chesapeake Bay Outward Bound School, Kaiser Permanente, Maryland State Arts Council, National Council for Traditional Arts, National Endowment for the Arts, One Love, Rails-to-Trails Conservancy, Sonavi Labs, T. Rowe Price, The Choice Program at UMBC, Under Armour, and many others. Examples of recent work can be seen at www.vimeo.com/wideproductions.

On March 16, 2020, following state-wide mandates in Maryland, WAYM began the transition to virtual programming and cultivated new local and national channels to distribute youth media. The organization's initial priority was to maintain apprenticeships and advanced high school track activities (these participants rely on hourly wages and semester-end stipends). High school and middle school classes were also adapted to continue providing creative engagement remotely. All programs moved to a hybrid curriculum structure to incorporate synchronous and asynchronous instruction (pairing live virtual skills training with independent learning time), utilizing a variety of platforms (Slack, Trello, FB live videos, YouTube recorded videos, text messaging, and Zoom).

In addition to program transitions, WAYM also allocated additional resources to its Emergency Fund to provide 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 during this time were to: 1) continue providing artistic and educational media content, 2) strengthen connections and relationships with youth, and 3) prioritize paid opportunities for high school and apprentice participants, who rely upon payment from WAYM.

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.

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2020 and 2019

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, 2020 and 2019, WAYM had \$364,642 and \$312,903 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 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 contracts with customers. WAYM recognizes revenue when a performance obligation is satisfied by transferring control of the promised services to a customer, 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 our customers. WAYM records deferred revenues when payments are received in advance of WAYM's performance under the contract, which are recognized as revenue as the performance obligation is satisfied.

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

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2020 and 2019**

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. Conditional and unconditional contributions are recorded as either with donor restriction or without donor restriction. Contributions are recognized as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. Contributions 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. As of June 30, 2020 and 2019, the balance in the working capital reserve account was \$106,546 and \$80,037, respectively.

Accounts receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides probable uncollectible amounts through a provision for bad debt expense and adjustment to its valuation allowance. Management has determined that at June 30, 2020 and 2019, an allowance was not necessary.

Property and equipment

Property and equipment are reported at cost if purchased or fair market 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 long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased 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.

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Notes to Financial Statements June 30, 2020 and 2019

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, 2020. 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 2017 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, 2020 and 2019 amounted to \$829 and \$1,139, respectively.

Change in accounting principles

For the year ended June 30, 2020, WAYM adopted FASB ASU 2014-09. This ASU provides new revenue recognition guidance that superseded existing revenue recognition guidance. The update, as amended, requires the recognition of revenue related to the transfer of goods or services to customers which reflects the consideration to which WAYM expects to be entitled in exchange for those goods or services, as well as additional qualitative and quantitative disclosures about revenues. WAYM adopted ASU 2014-09 on July 1, 2018 using the modified retrospective method of transition for all contracts that were not completed as of that date.

WAYM's revenue for reporting periods ended after June 30, 2018 are presented under the new guidance, while financial results for prior periods will continue to be reported in accordance with the prior guidance and WAYM's historical accounting policy. WAYM has not experienced significant changes to the pattern of revenue recognition for its contracts, the identification of contracts and performance obligations or the measurement of variable consideration. Adopting the new standard did not have a material effect on the timing of the WAYM's revenue recognition for the years ended June 30, 2020 and 2019.

For the year ended June 30, 2020, WAYM adopted the provisions of FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. Adopting the new standard did not have a material effect on the WAYM's revenue recognition for the year ended June 30, 2020.

For the year ended June 30, 2020, WAYM adopted FASB ASU 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash* ("ASU 2016-18"), to address diversity in practice with respect to the cash flows presentation of changes in amounts described as restricted cash and cash equivalents.

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
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ASU 2016-18 requires a reporting entity to include amounts described as either restricted cash or restricted cash and cash equivalents (collectively referred to as "restricted cash" herein) when reconciling beginning and ending balances in its statement of cash flows. The update also amends Topic 230 to require disclosures about the nature of restricted cash and provide a reconciliation of cash, cash equivalents and restricted cash between the statement of financial position and the statement of cash flows. ASU 2016-18 was adopted retrospectively during the year ended June 30, 2020. Consequently, ending cash and restricted cash as of June 30, 2019 and 2018 was increased from \$731,645 to \$811,682 and \$238,378 to \$277,424, respectively.

For the year ended June 30, 2019, WAYM adopted FASB ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classification and provides information about liquidity and availability of resources. A key change under ASU 2016-14 is the terminology of net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions. Additionally, ASU 2016-14 requires a presentation of expenses on a functional basis. The changes required by the update have been applied retrospectively to all periods presented.

Reclassifications

Certain items from the prior year financial statements have been reclassified to confirm to the current year presentation.

Note 3 - Liquidity and availability of resources

The following table reflects WAYM's financial assets as of June 30, 2020 and 2019, 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	2020	2019
Cash	\$ 939,402	\$ 731,645
Restricted cash	106,546	80,037
Accounts receivable	82,580	164,006
Grants receivable	132,314	25,693
Security deposit	2,099	2,099
	1,262,941	1,003,480
Less those unavailable for general expenditure within one year due to		
Cash held for donor restrictions	(364,642)	(312,903)
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	\$ 896,200	\$ 688,478

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2020 and 2019**

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:

	2020	2019
Baltimore Children and Youth Fund	\$ 91,406	\$ -
Baltimore Office of Promotion and the Arts	2,000	1,400
Henry and Ruth Blaustein Rosenberg Foundation	12,500	-
Family League of Baltimore	-	18,072
Maryland Charity Campaign	1,408	-
Mayor's Office of Human Services	-	-
National Endowment of the Arts	-	5,711
State of Maryland	10,000	-
Taking IT Global	-	510
Wells Fargo Foundation	15,000	-
	\$ 132,314	\$ 25,693
Total		

Note 5 - Property and equipment

At June 30, 2020 and 2019, property and equipment consist of the following:

	2020	2019
Equipment	\$ 302,503	\$ 224,212
Furniture and fixtures	98,491	87,811
Leasehold improvements	132,226	132,226
	533,220	444,249
Less accumulated depreciation	(274,508)	(197,150)
Property and equipment, net	\$ 258,712	\$ 247,099

Note 6 - Loan payable

On April 22, 2020, WAYM obtained a promissory note of \$141,407 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 is due in full. The terms of the promissory note are subject to change depending on final regulation or legislation enacted.

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2020 and 2019

Note 7 - In-kind contributions

During the years ended June 30, 2020 and 2019, WAYM received the following noncash donations of materials and services and that have been reflected in the financial statements of WAYM:

	2020	2019
Other professional fees	\$ 52,518	\$ 44,575
Other goods and materials	39,653	35,544
	<u>\$ 92,171</u>	<u>\$ 80,119</u>

Fair value measurement

WAYM uses a three-tier hierarchy framework for measuring fair value as established by FASB Accounting Standards Codification ASC-820, *Fair Value Measurements and Disclosures*. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities ("Level 1 measurement") and the lowest priority to unobservable inputs ("Level 3 measurements"). The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the WAYM has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted prices that are observable for the asset or liability.
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

All in-kind contributions received were valued at Level 2.

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% (6.75% and 6.50% at June 30, 2020 and 2019, respectively). The letter of credit was not used in either 2020 or 2019.

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2020 and 2019**

Note 9 - Operating lease

WAYM occupies its office space under a long-term lease which expired on July 31, 2014, and 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 statement 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, 2020 and 2019 was \$60,617 and \$40,683, respectively, of which \$781 and \$60 represent WAYM's proportionate share of the office building's operating expenses, respectively. During the year ended June 30, 2020, WAYM expanded its presence within the office building and occupied the expansion space, as defined in the operating lease agreement.

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

2021	\$	60,330
2022		61,537
2023		62,768
2024		<u>53,175</u>
	\$	<u>237,810</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 year ended June 30, 2020 and 2019 was \$11,481 and \$4,910, respectively.

Note 11 - Net assets with donor restrictions

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

	<u>2020</u>	<u>2019</u>
Restricted to design team and time restriction	\$ -	\$ 25,000
Restricted to MediaWorks Time restriction grants	53,000	67,376
	<u>311,642</u>	<u>220,527</u>
Total net assets with donor restrictions	<u>\$ 364,642</u>	<u>\$ 312,903</u>

Net assets released from restrictions as of June 30, 2020 and 2019 totaled \$536,161 and \$466,752, respectively.

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2020 and 2019**

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 3, 2020 (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 July 2020, by approval of the Executive Committee, a subsequent transfer of cash on hand of \$12,035 was made to restricted cash to meet the budgeted fiscal year goal.



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