

**Wide Angle Youth Media, Inc.**  
**Financial Statements**  
**and Independent Auditor's Report**  
**June 30, 2019 and 2018**

**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
Statement of Functional Expenses	7
Statements of Cash Flows	8
Notes to Financial Statements	9

## 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, 2019 and 2018, 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 year ended June 30, 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, 2019 and 2018, 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.

*Emphasis of Matter - Change in Accounting Principle*

As discussed in Note 1 to the financial statements, Wide Angle Youth Media, Inc. adopted the Financial Accounting Standard Board's ("FASB") Accounting Standards Update ("ASU") No. 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended June 30, 2019. The requirements of the ASU have been applied retrospectively to all periods presented except the statement of functional expenses as permitted by the Standard. Our opinion is not modified with respect to this matter.

*CohnReznick LLP*

Baltimore, Maryland  
December 3, 2019

**Wide Angle Youth Media, Inc.**  
**Statements of Financial Position**  
**June 30, 2019 and 2018**

<u>Assets</u>		
	2019	2018
Current assets		
Cash	\$ 731,645	\$ 238,378
Restricted cash	80,037	39,046
Accounts receivable	164,006	28,302
Grants receivable	25,693	6,539
Deferred costs on uncompleted contracts	2,505	15,414
Total current assets	1,003,886	327,679
Property and equipment, net	247,099	216,040
Other assets		
Security deposit	2,099	2,099
Total assets	\$ 1,253,084	\$ 545,818
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 34,468	\$ 51,305
Deferred revenue	273,150	25,687
Total current liabilities	307,618	76,992
Net assets		
Without donor restrictions	632,563	265,201
With donor restrictions	312,903	203,625
Total net assets	945,466	468,826
Total liabilities and net assets	\$ 1,253,084	\$ 545,818

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
Interest Income	-	-	-
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
Media Works	65,843	-	65,843
Mentoring Video Project	107,651	-	107,651
The Design Team	122,239	-	122,239
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 Activities and Change in Net Assets  
Year Ended June 30, 2018

	Without Donor Restriction	With Donor Restriction	2018
Support and revenue			
Support			
Grants	\$ 110,460	\$ 249,995	\$ 360,455
Contributions	94,064	-	94,064
In-kind contributions	65,010	-	65,010
Total support	<u>269,534</u>	<u>249,995</u>	<u>519,529</u>
Revenue			
Program services fees	307,495	-	307,495
Special events	950	-	950
Program expense reimbursements	28,262	-	28,262
Interest Income	-	28	28
Total revenue	<u>336,707</u>	<u>28</u>	<u>336,735</u>
Net assets released from restrictions	<u>193,690</u>	<u>(193,690)</u>	<u>-</u>
Total support and revenue	<u>799,931</u>	<u>56,333</u>	<u>856,264</u>
Expenses			
Program services			
Baltimore Speaks Out!	100,406	-	100,406
Media Works	53,549	-	53,549
Mentoring Video Project	100,406	-	100,406
The Design Team	127,180	-	127,180
Wide Angle Productions	214,195	-	214,195
Other programs	73,630	-	73,630
Supporting services			
Fundraising	39,120	-	39,120
General and administrative	89,415	-	89,415
Total expenses	<u>797,901</u>	<u>-</u>	<u>797,901</u>
Change in net assets	2,030	56,333	58,363
Net assets, beginning of year	<u>263,171</u>	<u>147,292</u>	<u>410,463</u>
Net assets, end of the year	<u>\$ 265,201</u>	<u>\$ 203,625</u>	<u>\$ 468,826</u>

See Notes to Financial Statements.

## Wide Angle Youth Media, Inc.

### Statement of Functional Expenses Year Ended June 30, 2019 with Comparative Totals for 2018

	Program services					Supporting services		Total expenses	2019 Total	2018 Total	
	Baltimore Speaks Out!	Mentoring Video Project	The Design Team	MediaWorks	Wide Angle Production	Other Programs	Fundraising				General and administrative
Salaries	\$ 73,156	\$ 50,418	\$ 69,840	\$ 24,028	\$ 170,424	\$ 48,734	\$ 11,639	\$ 62,005	\$ 510,244	\$ 510,244	\$ 426,617
Payroll taxes	4,209	4,434	4,907	1,631	14,740	1,442	1,266	4,780	37,409	37,409	30,426
Employee benefits	7,865	8,286	9,170	3,049	27,546	7,827	2,366	4,530	70,639	70,639	53,126
Payroll service fees	-	-	-	-	-	-	-	2,895	2,895	2,895	3,677
Stipends	485	2,555	3,400	1,080	9,209	3,454	-	328	20,511	20,511	20,458
In-kind donations	3,356	14,909	8,362	24,575	13,678	-	3,346	11,893	80,119	80,119	49,153
Contract/consulting services	793	1,205	-	-	13,760	525	5,460	1,000	22,743	22,743	11,363
Legal and accounting	733	366	825	-	113	-	-	25,423	27,460	27,460	20,024
Equipment and software	2,512	323	651	-	10,379	283	6,655	992	24,070	21,795	12,874
Telephone	-	-	-	-	-	-	-	5,628	5,628	5,628	5,523
Postage and delivery	209	243	160	93	1,042	27	2,784	709	5,267	5,267	2,342
Rent	12,205	6,102	8,137	4,068	8,137	-	-	2,034	40,683	40,683	47,867
Printing and publications	840	3,007	2,415	373	-	1,139	941	-	8,715	8,715	5,938
Staff travel and conference	1,920	2,514	934	251	13,038	495	533	505	20,190	20,190	17,346
Program supplies	5,037	4,440	3,222	1,378	2,426	966	2,204	486	20,159	20,159	20,533
Depreciation	10,449	8,490	9,796	5,224	26,122	5,225	-	-	65,306	65,306	52,775
Insurance	-	-	-	-	-	-	-	8,216	8,216	8,216	9,798
Dues	293	263	-	-	-	50	86	1,083	1,775	1,775	991
Other	41	96	420	93	2,472	100	256	4,096	5,299	7,574	7,070
<b>Total</b>	<b>\$ 124,103</b>	<b>\$ 107,651</b>	<b>\$ 122,239</b>	<b>\$ 65,843</b>	<b>\$ 313,086</b>	<b>\$ 70,267</b>	<b>\$ 37,536</b>	<b>\$ 136,603</b>	<b>\$ 977,328</b>	<b>\$ 977,328</b>	<b>\$ 797,901</b>

See Notes to Financial Statements.



**Wide Angle Youth Media, Inc.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2019 and 2018**

	2019	2018
Cash flows from operating activities		
Increase in net assets	\$ 476,640	\$ 58,363
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	65,306	52,775
Loss on disposal of assets	2,275	-
In-kind contributions - property and equipment	-	-
(Increase) decrease in assets		
Accounts receivable	(135,704)	15,838
Grants receivable	(19,154)	81,111
Deferred costs on uncompleted contracts	12,909	(4,726)
(Decrease) increase in liabilities		
Accounts payable and accrued expenses	(16,837)	12,583
Deferred revenue	247,463	(16,538)
	<u>632,898</u>	<u>199,406</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Deposit to restricted cash	(40,991)	(17,708)
Purchases of property and equipment	(98,640)	(76,017)
	<u>(139,631)</u>	<u>(93,725)</u>
Net cash used in investing activities		
Net increase in cash	493,267	105,681
Cash, beginning of the year	<u>238,378</u>	<u>132,697</u>
Cash, end of the year	<u>\$ 731,645</u>	<u>\$ 238,378</u>

See Notes to Financial Statements.

**Wide Angle Youth Media, Inc.**

**Notes to Financial Statements  
June 30, 2019 and 2018**

**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. Wide Angle's target population is youth from traditionally underserved demographic groups and neighborhoods, with at least 80% annually coming from low income families. Because these youth 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 the Nation Core Curriculum, the State of Maryland Visual Arts Education Standards, and the National Media Arts Standards. STEM- focused learning has been particularly compatible in media education, with both disciplines providing learning that is investigative, hands- on, project-based, and grounded in real life skills.

Since the organization's founding in 2000, WAYM has served over 5,000 Baltimore City youths, who have produced hundreds of videos about youth and community issues, such as violence, youth identity, community safety, media literacy, and the environment. Student media projects have reached over 400,000 people last year collectively at community screenings, on television, at film festivals, on the radio, and online.

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

The Youth Traveling Photography Exhibition (now known as "Community Voices") is a program that provides middle and high school youth (ages 10-20) with free or low cost photography workshops at city schools and local organizations to generate work to be displayed at a range of venues in Baltimore City. The work is displayed in schools, Farmer's Markets around Baltimore, galleries, and in large-scale public installations.

Youth Speak Out program provides youth in Baltimore city with media training through custom workshops with community partners.

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.

The Mentoring Video Project (now known as the "Video Team") is an advanced media production program for Baltimore City youth (ages 14-20) giving them the opportunity to gain advanced video and audio production training, and develop their critical thinking, storytelling and creative skills by producing short original films that are distributed nationally.

MediaWorks is a newly revamped intensive summer training in partnership with YouthWorks for 46 youth (ages 14-21) to be employed and to participate in media arts and college and career development programming.

**Wide Angle Youth Media, Inc.**

**Notes to Financial Statements  
June 30, 2019 and 2018**

Wide Angle Youth Apprenticeships allow 10-12 students (ages 16-24) who have shown increasing skill growth and engagement in Wide Angle programming the option to earn stipends and participate in either teaching or media production workforce development tracks. Advanced apprentices have the opportunity to transition to part-time positions on Wide Angle staff.

Wide Angle Productions, Wide Angle Youth Media'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 ages 16-24. Wide Angle staff act as project managers, mentoring youth apprentices throughout the process and ensuring that the client receives a professional quality media product. Clients in 2019 include the Abell Foundation, Baltimore Mediation Center, Baltimore Homecoming, Building Steps, the Fund for Educational Excellence, Johns Hopkins Bloomberg School of Public Health, Kaiser Permanente, Maryland State Arts Council, Open Society Institute-Baltimore, Under Armour, and many others. Examples of recent work can be seen at [www.vimeo.com/wideproductions](http://www.vimeo.com/wideproductions) [vimeo.com].

**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, 2019 and 2018, WAYM had \$312,903 and \$203,625 of net assets with donor restrictions.

**Use of estimates**

The preparation of 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 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**

Contributions, including unconditional promises to give, are recorded as made. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value.

Revenue for services are recorded once services are completed. Payments received in advance prior to services being completed are recorded as deferred revenue and are classified as current liabilities on the statements of financial position. The deferred revenue is recognized as services are completed.

**Restricted cash**

Restricted cash includes funds held in the working capital reserve account. As of June 30, 2019 and 2018, the balance in the working capital reserve account was \$80,037 and \$39,046, respectively.

**Wide Angle Youth Media, Inc.**

**Notes to Financial Statements  
June 30, 2019 and 2018**

**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, 2019 and 2018, an allowance was not necessary.

**Deferred costs on uncompleted contracts**

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 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	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.

Directors and officers have made a significant contributions of their time to develop the organization and its programs. No amounts have been recognized in the accompanying statements of activities 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, 2019. 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 2016 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.

## Wide Angle Youth Media, Inc.

### Notes to Financial Statements June 30, 2019 and 2018

#### Advertising costs

Advertising costs are expensed as incurred. Total advertising expenses for the years ended June 30, 2019 and 2018 amounted to \$1,139 and \$313, respectively.

#### Change in accounting principle

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 assets 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 except the statement of functional expenses as permitted by the standard.

#### Reclassifications

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

#### Note 3 - Liquidity and availability of resources

The following table reflects WAYM's financial assets as of June 30, 2019 and 2018, 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	2019	2018
Cash	\$ 731,645	\$ 238,378
Restricted cash	80,037	39,046
Accounts receivable	164,006	28,302
Grants receivable	25,693	6,539
Security deposit	2,099	2,099
	<u>1,003,480</u>	<u>314,364</u>
Less those unavailable for general expenditure within one year due to:		
Cash held for donor restrictions	(312,903)	(203,625)
Security deposit for rent refundable at end of lease	<u>(2,099)</u>	<u>(2,099)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 688,478</u>	<u>\$ 108,640</u>

**Wide Angle Youth Media, Inc.**

**Notes to Financial Statements  
June 30, 2019 and 2018**

**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 temporarily restricted net assets in the statements of activities. Grants receivable are deemed to be fully collectible by management and are composed of the following amounts as of June 30:

	<u>2019</u>	<u>2018</u>
Baltimore Office of Promotion and the Arts	\$ 1,400	\$ 1,400
Family League of Baltimore	18,072	-
Mayor's Office of Human Services	-	5,139
National Endowment of the Arts	5,711	-
Taking ITGlobal	510	-
	<u>          </u>	<u>          </u>
Total	<u>\$ 25,693</u>	<u>\$ 6,539</u>

**Note 5 - Property and equipment**

At June 30, 2019 and 2018, property and equipment consist of the following:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 224,212	\$ 260,496
Furniture and fixtures	87,811	60,188
Leasehold improvements	132,226	116,219
	<u>          </u>	<u>          </u>
	444,249	436,903
Less accumulated depreciation	<u>(197,150)</u>	<u>(220,863)</u>
	<u>          </u>	<u>          </u>
Property and equipment, net	<u>\$ 247,099</u>	<u>\$ 216,040</u>

**Note 6 - In-kind contributions**

During the years ended June 30, 2019 and 2018, WAYM received the following noncash donations of materials and services and that have been reflected in the financial statements of WAYM:

	<u>2019</u>	<u>2018</u>
Other professional fees	\$ 44,575	\$ 29,458
Other goods and materials	35,544	35,552
	<u>          </u>	<u>          </u>
	<u>\$ 80,119</u>	<u>\$ 65,010</u>

## Wide Angle Youth Media, Inc.

### Notes to Financial Statements June 30, 2019 and 2018

#### **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 assets or liabilities 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 7 - Bank line of credit**

WAYM has a line of credit with M&T Bank in an amount not to exceed \$10,000. This loan is an open end revolving line of credit, which bears interest at PRIME plus 1% (6.50% and 6.00% at June 30, 2019 and 2018, respectively). The letter of credit was not used in either 2019 or 2018.

#### **Note 8 - 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 on a straight-line basis over the lease term in addition to WAYM's proportionate share of the office building's operating expenses.

**Wide Angle Youth Media, Inc.**

**Notes to Financial Statements  
June 30, 2019 and 2018**

Rent expense for the years ended June 30, 2019 and 2018 was \$40,683 and \$47,867, respectively, of which, \$60 and \$985 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:

2020	\$	59,147
2021		60,330
2022		61,537
2023		62,768
2024		53,175
		<u>53,175</u>
	\$	<u>296,957</u>

**Note 9 - Employee Benefits**

Wide Angle Youth Media, Inc. launched their 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 the organization. The organization will match up to 3% of the employee's contribution. Plan expense for the year ended June 30, 2019 was \$4,910, respectively.

**Note 10 - Net assets with donor restriction**

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

	<u>2019</u>	<u>2018</u>
Restricted to design team and time restriction	\$ 25,000	\$ 7,500
Restricted to MediaWorks	67,376	96,125
Time restriction grants	<u>220,527</u>	<u>100,000</u>
Total net assets with donor restriction	<u>\$ 312,903</u>	<u>\$ 203,625</u>

Net assets released from restrictions as of June 30, 2019 and 2018 totaled \$466,752 and \$193,690 respectively.

**Note 11 - 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, 2019 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.