

Wide Angle Youth Media, Inc.
**Financial Statements
and Independent Auditor's Report**
June 30, 2023 and 2022

Wide Angle Youth Media, Inc.

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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, 2023 and 2022, 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, 2023 and 2022, 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 19, 2023

Wide Angle Youth Media, Inc.
Statements of Financial Position
June 30, 2023 and 2022

	<u>Assets</u>	
	2023	2022
Current assets		
Cash	\$ 1,349,606	\$ 950,230
Accounts receivable	112,371	75,536
Grants receivable	945,955	566,472
Deferred costs on projects in progress	15,975	21,383
Total current assets	2,423,907	1,613,621
Property and equipment, net	254,983	228,616
Other assets		
Restricted cash	440,677	206,239
Operating lease - right-of-use asset	50,192	110,322
Total other assets	490,869	316,561
Total assets	\$ 3,169,759	\$ 2,158,798
	<u>Liabilities and Net Assets</u>	
Current liabilities		
Accounts payable and accrued expenses	\$ 107,659	\$ 91,780
Deferred revenue	41,648	12,625
Operating lease liability	52,819	59,381
Total current liabilities	202,126	163,786
Operating lease liability	-	54,937
Total liabilities	202,126	218,723
Net assets		
Without donor restrictions	1,585,388	1,481,440
With donor restrictions	1,382,245	458,635
Total net assets	2,967,633	1,940,075
Total liabilities and net assets	\$ 3,169,759	\$ 2,158,798

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.

**Statement of Activities and Change in Net Assets
Year Ended June 30, 2023**

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Support			
Grants	\$ 234,917	\$ 1,319,858	\$ 1,554,775
Contributions	106,926	-	106,926
In-kind contributions	35,401	-	35,401
Service Center support	-	730,226	730,226
Other income	17,200	-	17,200
Total support	<u>394,444</u>	<u>2,050,084</u>	<u>2,444,528</u>
Revenue			
Program services fees	400,800	-	400,800
Program expense reimbursements	24,035	-	24,035
Total revenue	<u>424,835</u>	<u>-</u>	<u>424,835</u>
Net assets released from restrictions	<u>1,126,474</u>	<u>(1,126,474)</u>	<u>-</u>
Total support and revenue	<u>1,945,753</u>	<u>923,610</u>	<u>2,869,363</u>
Expenses			
Program services			
Baltimore Speaks Out!	192,024	-	192,024
High School Programs	219,355	-	219,355
MediaWorks	154,561	-	154,561
Design for Hire	167,205	-	167,205
Production for Hire	532,637	-	532,637
Social Media Internship	36,089	-	36,089
Other programs	166,320	-	166,320
Total program services	1,468,191	-	1,468,191
Supporting services			
Fundraising	139,422	-	139,422
Service Center capital campaign	39,554	-	39,554
General and administrative	194,638	-	194,638
Total supporting services	<u>373,614</u>	<u>-</u>	<u>373,614</u>
Total expenses	<u>1,841,805</u>	<u>-</u>	<u>1,841,805</u>
Change in net assets	103,948	923,610	1,027,558
Net assets, beginning of year	<u>1,481,440</u>	<u>458,635</u>	<u>1,940,075</u>
Net assets, end of the year	<u>\$ 1,585,388</u>	<u>\$ 1,382,245</u>	<u>\$ 2,967,633</u>

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.

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

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
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
	<u>773,146</u>	<u>795,657</u>	<u>1,568,803</u>
Total support			
Revenue			
Program services fees	656,618	-	656,618
Program expense reimbursements	8,733	-	8,733
	<u>665,351</u>	<u>-</u>	<u>665,351</u>
Total revenue			
Net assets released from restrictions	545,522	(545,522)	-
	<u>1,984,019</u>	<u>250,135</u>	<u>2,234,154</u>
Total support and revenue			
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	47,436	-	47,436
	<u>1,166,373</u>	<u>-</u>	<u>1,166,373</u>
Total program services			
Supporting services			
Fundraising	106,909	-	106,909
General and administrative	163,426	-	163,426
	<u>270,335</u>	<u>-</u>	<u>270,335</u>
Total supporting services			
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 Functional Expenses
Year Ended June 30, 2023

	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	Capital Campaign	General and administrative	
Salaries	\$ 122,955	\$ 112,460	\$ 83,324	\$ 113,755	\$ 317,149	\$ 21,625	\$ 109,037	\$ 78,221	\$ -	\$ 89,339	\$ 1,047,865
Payroll taxes	9,349	8,551	6,336	8,649	24,114	1,644	8,291	5,947	-	6,794	79,675
Employee benefits	19,580	17,909	13,269	18,115	50,503	3,444	17,364	12,455	-	14,225	166,864
Payroll service fees	788	721	534	729	2,033	139	699	503	-	573	6,719
Stipends	-	7,015	10,860	-	13,568	220	-	765	-	-	32,428
In-kind donations	5,521	12,043	2,608	100	3,663	100	-	-	-	11,366	35,401
Contract/consulting services	974	1,316	660	3,351	14,590	171	939	12,820	38,950	24,139	97,910
Legal and accounting	5,390	4,930	3,653	4,987	13,903	948	4,780	3,427	-	7,866	49,884
Equipment and software	5,955	5,631	44	3,807	43,723	4,413	50	5,565	-	4,145	73,333
Telephone	879	804	596	813	2,267	155	779	559	-	639	7,491
Postage and delivery	447	453	315	16	599	-	45	3,454	16	1,044	6,389
Rent	7,288	6,666	4,939	6,743	18,798	1,282	6,463	4,635	-	5,296	62,110
Printing and publications	678	594	1,476	423	1,278	-	561	4,624	-	-	9,634
Staff travel and conference	65	1,014	179	1,397	13,906	501	272	676	-	9,132	27,142
Program supplies	813	1,820	4,109	1,109	3,903	859	2,543	3,717	371	837	20,081
Depreciation	8,172	34,517	19,517	-	-	-	11,345	-	-	8,173	81,724
Insurance	2,828	2,586	1,916	2,617	7,294	497	2,508	1,798	-	2,054	24,098
Dues	-	-	-	-	-	-	349	-	-	1,493	1,842
Other	342	325	226	594	1,346	91	295	256	217	7,523	11,215
Total	\$ 192,024	\$ 219,355	\$ 154,561	\$ 167,205	\$ 532,637	\$ 36,089	\$ 166,320	\$ 139,422	\$ 39,554	\$ 194,638	\$ 1,841,805

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.
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Increase in net assets	\$ 1,027,558	\$ 797,446
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	81,724	88,182
Gain from PPP Loan forgiveness	-	(141,407)
Noncash operating lease costs	(1,369)	(1,620)
(Increase) decrease in assets		
Accounts receivable	(36,835)	126,187
Grants receivable	(379,483)	(459,472)
Deferred costs on projects in progress	5,408	(12,043)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	15,879	2,393
Deferred revenue	29,023	(322,744)
	741,905	76,922
Net cash provided by operating activities		
Cash flows from investing activities		
Purchases of property and equipment	(108,091)	(89,548)
Net cash used in investing activities	(108,091)	(89,548)
Net increase (decrease) in cash	633,814	(12,626)
Cash and restricted cash, beginning of the year	1,156,469	1,169,095
Cash and restricted cash, end of the year	\$ 1,790,283	\$ 1,156,469

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2023 and 2022**

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, Wide Angle Youth Media collaborates with and amplifies the voices of Baltimore youth to engage audiences across social divides. Our programs inspire creativity and instill confidence in young people, supporting them 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, 2023 ("FY23"), WAYM served 519 youth.

WAYM participants are engaged as artists, changemakers and leaders as they create media projects. Across workshops, all programs aim to provide an important educational supplement that builds academic and workforce readiness skills. 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 7,790+ Baltimore City youth who have produced hundreds of videos about issues such as youth identity, safety, health, media literacy, and racial justice. FY23 projects included over 550 final video, photography, design, acting projects and virtual events, in addition to client projects. Audience members of WAYM youth-produced media continued to grow through online engagement, media publications, and radio distribution, with over 800,000 estimated live and virtual audience members in FY23.

WAYM implements a pathway of free programming that starts with introductory community workshops and leads to advanced workforce development training. Programs structures vary based on youth needs, to include in-person, hybrid and fully virtual opportunities in FY23.

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 locally and 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 to participate in media arts and college and career development programming.

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2023 and 2022

Youth Internships and Apprenticeships allow young professionals (ages 18-24) the option to gain real-world work experience as part-time and full-time staff. They participate in either media production, design or communications workforce development tracks. Apprenticeships are registered with the Maryland Department of Labor and are offered in partnership with Arts2Work, which is at the forefront of developing media arts Apprenticeships nationally.

Wide Angle Productions, WAYM's social enterprise program, provides media services for nonprofits, foundations, and corporations in the Baltimore region while also creating meaningful employment for youth apprentices. WAYM staff act as project managers, mentoring apprentices throughout the process and ensuring that clients receive professional quality media products. Production work serves as a source of self-sustaining income for WAYM to support its educational programs, while also providing affordable media solutions for clients. Clients in FY23 included: Abell Foundation, Mount Clare Museum, Just Economy, Catholic Charities, Baltimore Homecoming, Maryland State Arts Council, United Way of Central Maryland and many others. Examples of recent work can be seen at www.vimeo.com/wideproductions.

FY23 participants reflect the demographics of Baltimore City. Of those who shared their demographics, 82% Black, 4% Multiracial, 7% Caucasian, 2% Hispanic, and 1% Asian or American Indian or Alaskan Native, with an additional 4% undisclosed. 94% 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).

In the coming year, Wide Angle will continue to leverage its resources to uplift youth voices; provide media engagement to under-invested communities; holistically engage youth; build relationships with students, organizational partners, and fee-for-service clients; and broaden its impact through programming and more intentional systems change work.

In FY23, Wide Angle launched a capital fundraising campaign for its new headquarters, a 9,000+ square foot education and media production facility, Wide Angle's Studios at the Service Center. Doors are planned to open in fall 2024 and will serve 2,250+ program participants over the first five years.

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

The financial statements are presented on the basis of net assets without donor restrictions and net assets with donor restrictions, in accordance with guidance issued by the Financial Accounting Standards Board ("FASB"). Accordingly, net assets of WAYM and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of WAYM. These net assets may be used at the discretion of WAYM's management and the board of directors.

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2023 and 2022

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of WAYM or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Net assets with donor restrictions are represented by the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
MediaWorks		
Restricted cash	\$ -	\$ 22,500
Grants receivable	121,417	45,355
Time restriction grants		
Restricted cash	105,492	149,982
Accounts receivable	21,000	-
Grants receivable	547,501	240,798
Service Center capital campaign		
Restricted cash	335,185	-
Grants receivable	251,650	-
	<u> </u>	<u> </u>
Total net assets with donor restrictions	<u>\$ 1,382,245</u>	<u>\$ 458,635</u>

Service Center represents WAYM's campaign to raise capital to develop Wide Angle's Studios at the Service Center into a community center, learning lab, and production space. Creating a space like this will allow WAYM to further its mission of media arts education.

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 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. 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. As of July 1, 2021, the related accounts receivable balance totaled \$201,723. Deferred revenue as of July 1,

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2023 and 2022

2021 was \$335,369, all of which was recognized as of June 30, 2022. 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 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.

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2023 and 2022

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:

	2023	2022
Cash	\$ 1,349,606	\$ 950,230
Restricted cash	440,677	206,239
Total cash and restricted cash shown in the statements of cash flows	<u>\$ 1,790,283</u>	<u>\$ 1,156,469</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, 2023 and 2022, 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

Deferred development costs consist of costs incurred to develop Wide Angle's Studios at the Service Center. Amounts are stated at cost of \$103,837 and \$-0- as of June 30, 2023 and June 30, 2022, respectively. Depreciation on deferred development costs commences when the assets are placed in service.

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 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.

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2023 and 2022

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, 2023. 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 2020 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, 2023 and 2022 amounted to \$2,514 and \$3,368, respectively.

Newly adopted accounting standards

WAYM adopted Accounting Standards Update 2016-02 (as amended), Leases ("Topic 842") on July 1, 2022 ("Adoption Date"), and applied the guidance to the earliest comparative period presented in the financial statements. Topic 842 requires lessees to recognize a right-of-use asset and a corresponding lease liability for virtually all leases. WAYM elected and applied the following transition practical expedients when initially adopting Topic 842:

- The package of practical expedients permitting WAYM to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.
- Use of a risk-free discount rate.

WAYM made the following adjustments as of July 1, 2021 in connection with transitioning to Topic 842:

	Increase (Decrease)
Operating lease - right-of-use asset	\$ 168,083
Operating lease liability	173,699
Deferred rent	(7,715)
Security deposit	(2,099)

WAYM's adoption of Topic 842 resulted in a decrease of \$7,715 of deferred rent which was included in trade accounts payable and accrued expenses and reclassified to operating lease

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2023 and 2022

liability at adoption. The adoption of Topic 842 did not have a material impact on WAYM's change in net assets for the year ended June 30, 2022.

Leases

WAYM recognizes a lease asset and a lease liability at the lease commencement date. The lease asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using its risk-free discount rate.

Total lease costs on an undiscounted basis are recognized as rent expense over the term of the lease on a straight-line basis. Annual rent expense comprises amortization of the lease asset plus interest on the lease liability adjusted for any variations in lease payment amounts.

Note 3 - Liquidity and availability of resources

The following table reflects WAYM's financial assets as of June 30, 2023 and 2022, 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	2023	2022
Cash	\$ 1,349,606	\$ 950,230
Restricted cash	440,677	206,239
Accounts receivable	112,371	75,536
Grants receivable	945,955	566,472
	<u>2,848,609</u>	<u>1,798,477</u>
Less those unavailable for general expenditure within one year due to		
Cash held for donor restrictions	<u>(1,382,245)</u>	<u>(458,635)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,466,364</u>	<u>\$ 1,339,842</u>

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2023 and 2022**

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:

	2023	2022
The Abell Foundation	\$ 101,650	\$ -
Annie E. Casey Foundation	60,000	45,355
William G. Baker, Jr. Memorial Fund	10,000	-
Baltimore City American Recovery Plan Act	270,000	-
Baltimore Office of Promotions and The Arts	1,400	1,400
Henry and Ruth Blaustein Rosenberg Foundation	-	15,000
Hirschhorn Foundation	12,500	-
Judy Family Foundation	10,000	-
Maryland Department of Labor	2,279	-
Maryland State Arts Council	-	96,217
Mid Atlantic Arts Foundation	-	9,500
MD Office Statewide Broadband Digital Inc	68,125	-
National Endowment for the Arts	130,001	194,000
The Peck Foundation, Inc.	10,000	-
Sherman Family Foundation	55,000	-
T. Rowe Price Foundation	115,000	30,000
Harry and Jeanette Weinberg Foundation	-	50,000
West Baltimore Renaissance Foundation	100,000	125,000
	<u>\$ 945,955</u>	<u>\$ 566,472</u>
Total	<u>\$ 945,955</u>	<u>\$ 566,472</u>

Note 5 - Property and equipment

At June 30, 2023 and 2022, property and equipment consist of the following:

	2023	2022
Equipment	\$ 388,515	\$ 388,515
Furniture and fixtures	98,491	98,491
Leasehold improvements	132,226	132,226
Van	56,142	51,888
Deferred development costs	103,837	-
	<u>779,211</u>	<u>671,120</u>
Less accumulated depreciation	<u>(524,228)</u>	<u>(442,504)</u>
Property and equipment, net	<u>\$ 254,983</u>	<u>\$ 228,616</u>

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2023 and 2022

Note 6 - Loan payable

On February 19, 2021, WAYM obtained a promissory note of \$141,407 ("PPP Loan") 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 bore 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 the PPP Loan 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.

Note 7 - In-kind contributions

During the years ended June 30, 2023 and 2022, WAYM received the following noncash donations of materials and services, which have been reflected in the financial statements of WAYM:

	2023	2022
Other professional fees	\$ 11,941	\$ 10,057
Other goods and materials	23,460	23,562
	<u>\$ 35,401</u>	<u>\$ 33,619</u>

Note 8 - Bank line of credit

WAYM has a line of credit with M&T Bank in an amount not to exceed \$200,000. This loan is an open-end revolving line of credit, which bears interest at PRIME plus 3.5% (11.75% and 8.25% at June 30, 2023 and 2022, respectively). The line of credit was not used in either 2023 or 2022.

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 extend the lease for an additional 10 years commencing on August 1, 2014 through April 30, 2024. The lease is classified as an operating lease.

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.

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2023 and 2022**

At the lease commencement, WAYM recognizes a lease liability, which is measured at the present value of future lease payments, and a corresponding right-of-use asset equal to the lease liability and adjusted for the derecognized deferred lease incentives, as described in Note 2. WAYM determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. The rate implicit in the lease is not readily determinable; WAYM applied a risk-free rate.

The lease liability at June 30, 2023 of \$52,819 is the present value of remaining scheduled lease payments discounted using the WAYM's risk-free rate of 1.47%. Future remaining scheduled lease payments during the lease terms are shown in the table below. The annual payment amounts are presented on an undiscounted basis along with a reconciliation to the lease liability on June 30, 2023, which is recorded on a present value basis, as described above.

The required minimum lease payments are as follows:

2024	\$	53,175
Less amounts representing interest		<u>(356)</u>
PV of net minimum lease payments	\$	<u>52,819</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, 2023 and 2022 was \$23,917 and \$14,355, 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 19, 2023 (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.



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