

Wide Angle Youth Media, Inc.
**Financial Statements
and Independent Auditor's Report**
June 30, 2021 and 2020

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, 2021 and 2020, and the related statements of activities and change in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, 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 7, 2021

Wide Angle Youth Media, Inc.
Statements of Financial Position
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Current assets		
Cash	\$ 1,050,464	\$ 939,402
Accounts receivable	201,723	82,580
Grants receivable	107,000	132,314
Deferred costs on projects in progress	9,340	5,752
Total current assets	<u>1,368,527</u>	<u>1,160,048</u>
Property and equipment, net	227,250	258,712
Other assets		
Restricted cash	118,631	106,546
Security deposit	2,099	2,099
Total other assets	<u>120,730</u>	<u>108,645</u>
Total assets	<u>\$ 1,716,507</u>	<u>\$ 1,527,405</u>
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 97,102	\$ 72,243
Loan payable	141,407	141,407
Deferred revenue	335,369	257,124
Total current liabilities	<u>573,878</u>	<u>470,774</u>
Net assets		
Without donor restrictions	934,129	691,989
With donor restrictions	208,500	364,642
Total net assets	<u>1,142,629</u>	<u>1,056,631</u>
Total liabilities and net assets	<u>\$ 1,716,507</u>	<u>\$ 1,527,405</u>

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.

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

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Support			
Grants	\$ 33,077	\$ 703,114	\$ 736,191
Contributions	101,981	-	101,981
In-kind contributions	72,416	-	72,416
Other income	-	206,170	206,170
Total support	<u>207,474</u>	<u>909,284</u>	<u>1,116,758</u>
Revenue			
Program services fees	239,639	-	239,639
Special events	550	-	550
Program expense reimbursements	2,497	-	2,497
Total revenue	<u>242,686</u>	<u>-</u>	<u>242,686</u>
Net assets released from restrictions	<u>1,065,426</u>	<u>(1,065,426)</u>	<u>-</u>
Total support and revenue	<u>1,515,586</u>	<u>(156,142)</u>	<u>1,359,444</u>
Expenses			
Program services			
Baltimore Speaks Out!	144,843	-	144,843
High School Programs	331,802	-	331,802
MediaWorks	101,624	-	101,624
Wide Angle Productions	439,320	-	439,320
Other programs	30,897	-	30,897
Total program services	1,048,486	-	1,048,486
Supporting services			
Fundraising	37,137	-	37,137
General and administrative	187,823	-	187,823
Total supporting services	<u>224,960</u>	<u>-</u>	<u>224,960</u>
Total expenses	<u>1,273,446</u>	<u>-</u>	<u>1,273,446</u>
Change in net assets	242,140	(156,142)	85,998
Net assets, beginning of year	<u>691,989</u>	<u>364,642</u>	<u>1,056,631</u>
Net assets, end of the year	<u>\$ 934,129</u>	<u>\$ 208,500</u>	<u>\$ 1,142,629</u>

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.

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

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
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
Total program services	1,021,834	-	1,021,834
Supporting services			
Fundraising	50,167	-	50,167
General and administrative	153,594	-	153,594
Total supporting services	<u>203,761</u>	<u>-</u>	<u>203,761</u>
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.
Statement of Functional Expenses
Year Ended June 30, 2021

	Program services					Supporting services		Total expenses
	Baltimore Speaks Out!	High School Programs	MediaWorks	Wide Angle Productions	Other programs	Fundraising	General and administrative	
Salaries	\$ 89,680	\$ 132,949	\$ 52,826	\$ 297,705	\$ 21,535	\$ 12,885	\$ 90,465	\$ 698,045
Payroll taxes	6,746	9,505	3,973	22,393	1,620	969	6,804	52,010
Employee benefits	14,558	20,514	11,575	48,329	3,496	2,092	8,185	108,749
Payroll service fees	685	1,954	685	1,141	-	-	228	4,693
Stipends	6,575	10,984	6,230	764	1,350	-	50	25,953
In-kind donations	5,363	50,794	5,245	3,758	-	-	7,256	72,416
Grants to other organizations	-	40,000	-	-	-	-	-	40,000
Contract/consulting services	-	250	150	2,866	259	5,804	8,760	18,089
Legal and accounting	-	100	-	-	-	-	20,102	20,202
Equipment and software	117	1,190	219	5,702	1,344	4,439	21,329	34,340
Telephone	1,074	2,498	1,694	2,424	-	-	500	8,190
Postage and delivery	284	264	179	324	33	3,856	419	5,359
Rent	9,203	24,542	9,203	15,339	-	-	2,656	60,943
Printing and publications	146	2,002	146	-	-	2,381	-	4,675
Staff travel and conference	741	1,469	362	3,274	116	518	97	6,577
Program supplies	1,690	8,527	1,156	3,028	1,144	1,573	794	17,912
Depreciation	7,981	23,945	7,981	31,926	-	-	7,981	79,814
Insurance	-	-	-	-	-	-	9,229	9,229
Dues	-	-	-	-	-	-	1,233	1,233
Other	-	315	-	347	-	2,620	1,735	5,017
Total	\$ 144,843	\$ 331,802	\$ 101,624	\$ 439,320	\$ 30,897	\$ 37,137	\$ 187,823	\$ 1,273,446

See Notes to Financial Statements.

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

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

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.
Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Increase in net assets	\$ 85,998	\$ 111,165
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	79,814	78,355
Gain from PPP loan forgiveness	(141,407)	-
Loss on disposal of assets	-	350
(Increase) decrease in assets		
Accounts receivable	(119,143)	81,426
Grants receivable	25,314	(106,621)
Deferred costs on projects in progress	(3,588)	(3,247)
(Decrease) increase in liabilities		
Accounts payable and accrued expenses	24,859	37,775
Deferred revenue	78,245	(16,026)
	30,092	183,177
Cash flows from investing activities		
Purchases of property and equipment	(48,352)	(90,318)
	(48,352)	(90,318)
Cash flows from financing activities		
Proceeds from loan payable	141,407	141,407
	141,407	141,407
Net increase in cash	123,147	234,266
Cash and restricted cash, beginning of the year	1,045,948	811,682
Cash and restricted cash, end of the year	\$ 1,169,095	\$ 1,045,948

See Notes to Financial Statements.

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2021 and 2020**

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. As of June 30, 2021, WAYM served 472 youth (exceeding its COVID-19 goal of 300).

WAYM youth are engaged as artists, changemakers and leaders as they develop projects about important social issues. Programs aim to provide an important educational supplement that builds academic and workforce-readiness skills. By practicing communication and teamwork, students also gain skills to help them succeed in college and career. During COVID-19, WAYM programs also provided important social-emotional connections for participants. 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 6,850 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, 2021, projects included 130+ final images, 3 virtual events, 15+ social media posts, in-kind media deliverables for 1 Build Your Brand client, 10+ personal design projects, and 3 social design campaigns. Audience members of WAYM youth-produced media continued to grow through online engagement, media publications, and radio distribution, with over 1,189,455 estimated virtual audience members.

WAYM implements a pathway of free programming that starts with introductory community workshops and leads to advanced workforce development training. All programs were entirely virtual during the year, with the exception of limited Wide Angle Productions shoots, which followed appropriate social distancing and safety protocols.

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, 2021 and 2020

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 2021 included: Abell Foundation, Annie E. Casey Foundation, Baltimore Homecoming, Maryland State Arts Council, One Love Foundation, United Way of Central Maryland, Walters Art Museum and many others. Examples of recent work can be seen at www.vimeo.com/wideproductions.

COVID-19 and Fiscal Year 2021 Programs: All programs continued to be implemented through 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, YouTube, Edu Flow, Remo, Google Classrooms, 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 have been to: 1) continue providing artistic and educational media engagement, 2) strengthen connections and relationships with youth, 3) prioritize paid opportunities for high school and apprentice participants, who rely upon payment from WAYM, and 4) to begin to integrate diversity, equity and inclusion at all levels of the organization.

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, 2021 and 2020, WAYM had \$208,500 and \$364,642 of net assets with donor restrictions, respectively.

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2021 and 2020

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. Deferred revenue as of June 30, 2019 was \$273,150, all of which, was recognized as of June 30, 2020. 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. Conditional and unconditional contributions are recorded as either with donor

Wide Angle Youth Media, Inc.

Notes to Financial Statements June 30, 2021 and 2020

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. 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.

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, 2021 and 2020, an allowance was not necessary.

Property and equipment

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

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

In-kind contributions

WAYM records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance 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 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, 2021. Due to its tax-exempt status, WAYM

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2021 and 2020**

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 2018 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, 2021 and 2020 amounted to \$2,292 and \$829, respectively.

Note 3 - Liquidity and availability of resources

The following table reflects WAYM's financial assets as of June 30, 2021 and 2020, 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	<u>2021</u>	<u>2020</u>
Cash	\$ 1,050,464	\$ 939,402
Restricted cash	118,631	106,546
Accounts receivable	201,723	82,580
Grants receivable	107,000	132,314
Security deposit	<u>2,099</u>	<u>2,099</u>
	1,479,917	1,262,941
Less those unavailable for general expenditure within one year due to		
Cash held for donor restrictions	(208,500)	(364,642)
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>\$ 1,269,318</u>	<u>\$ 896,200</u>

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2021 and 2020**

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:

	2021	2020
Baltimore Children and Youth Fund	\$ -	\$ 91,406
Baltimore Office of Promotion and the Arts	2,000	2,000
Henry and Ruth Blaustein Rosenberg Foundation	-	12,500
Harry and Jeanette Weinberg Foundation	100,000	-
Maryland Charity Campaign	-	1,408
Nora Roberts Foundation	5,000	-
State of Maryland	-	10,000
Wells Fargo Foundation	-	15,000
	\$ 107,000	\$ 132,314
Total		

Note 5 - Property and equipment

At June 30, 2021 and 2020, property and equipment consist of the following:

	2021	2020
Equipment	\$ 350,855	\$ 302,503
Furniture and fixtures	98,491	98,491
Leasehold improvements	132,226	132,226
	581,572	533,220
Less accumulated depreciation	(354,322)	(274,508)
Property and equipment, net	\$ 227,250	\$ 258,712

Note 6 - Loan payable

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

Wide Angle Youth Media, Inc.

**Notes to Financial Statements
June 30, 2021 and 2020**

corresponding gain on debt forgiveness in other income. There is a six-year period during which the SBA can review WAYM's forgiveness calculation.

On February 19, 2021, WAYM obtained a promissory note of \$141,407 ("PPP Loan 2") from its bank under the SBA's PPP that is part of the CARES Act stimulus relief. The note bears interest at 1% and requires monthly payments of principal and interest on the outstanding principal balance, unless otherwise forgiven in whole or part by the SBA under the CARES Act. If the note is not forgiven, payments will begin 10 months after the end of the coverage period for the borrower's loan forgiveness until the maturity date of February 19, 2026, when the entire principal balance, along with all accrued and unpaid interest are due in full. The terms of the promissory note are subject to change depending on final regulation or legislation enacted.

Note 7 - In-kind contributions

During the years ended June 30, 2021 and 2020, WAYM received the following noncash donations of materials and services, which have been reflected in the financial statements of WAYM:

	<u>2021</u>	<u>2020</u>
Other professional fees	\$ 20,630	\$ 52,518
Other goods and materials	<u>51,786</u>	<u>39,653</u>
	<u>\$ 72,416</u>	<u>\$ 92,171</u>

Note 8 - Bank line of credit

WAYM has a line of credit with M&T Bank in an amount not to exceed \$75,000. This loan is an open-end revolving line of credit, which bears interest at PRIME plus 3.5% (6.75% at June 30, 2021 and 2020, respectively). The letter of credit was not used in either 2021 or 2020.

Note 9 - Operating lease

WAYM occupies its office space under a long-term lease which requires WAYM to pay a proportionate share of increases in the office building's operating expenses in addition to the minimum annual rental. On July 22, 2014, the operating lease agreement was amended and restated; the new terms of the agreement extends the lease for an additional 10 years commencing on August 1, 2014 through July 31, 2024. The minimum lease payments are recognized on the accompanying statement's 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, 2021 and 2020 was \$60,943 and \$60,617, respectively, of which \$1,026 and \$781 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.

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

2022	\$	61,537
2023		62,768
2024		<u>53,175</u>
	\$	<u><u>177,480</u></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, 2021 and 2020 was \$12,566 and \$11,481, respectively.

Note 11 - Net assets with donor restrictions

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

	<u>2021</u>	<u>2020</u>
Restricted to MediaWorks	\$ 48,500	\$ 53,000
Time restriction grants	<u>160,000</u>	<u>311,642</u>
Total net assets with donor restrictions	<u><u>\$ 208,500</u></u>	<u><u>\$ 364,642</u></u>

Net assets released from restrictions as of June 30, 2021 and 2020 totaled \$1,065,426 and \$536,161, respectively.

Note 12 - Risk and uncertainties

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

Note 13 - Subsequent events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of WAYM through December 7, 2021 (the date the financial statements were available to be issued) and concluded

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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 2021, by approval of the Executive Committee, a subsequent transfer of cash on hand of \$36,715 was made to restricted cash to meet the budgeted fiscal year goal.

On September 8, 2021, WAYM's PPP Loan 2 with M&T Bank in the amount of \$141,407 was forgiven. The PPP loan was intended to provide economic relief to small businesses nationwide adversely impacted by the COVID-19 virus government restrictions.



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