



CLARK SCHAEFER HACKETT  
BUSINESS ADVISORS

**Miami Valley Public Media, Inc.  
dba WYSO-FM**

Financial Statements

June 30, 2022 and 2021

with Independent Auditors' Report

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Miami Valley Public Media, Inc.  
dba WYSO-FM  
Yellow Springs, Ohio

### **Opinion**

We have audited the accompanying financial statements of Miami Valley Public Media, Inc. dba WYSO-FM (a not-for-profit organization) (MVPM), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miami Valley Public Media, Inc. dba WYSO-FM as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MVPM 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 MVPM's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 MVP'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 MVP'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.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
January 18, 2023

Miami Valley Public Media, Inc. dba WYSO-FM  
Statements of Financial Position  
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash	\$ 684,839	858,766
Unconditional promises to give:		
Underwriting receivables, net	208,880	201,629
Pledges receivable, Dayton Foundation	13,521	245,156
Prepaid expenses	594	9,344
Interest in assets held by community foundation	134,020	146,745
Broadcast license	2,850,000	2,850,000
Property and equipment, net	<u>593,310</u>	<u>584,524</u>
 Total assets	 \$ <u>4,485,164</u>	 <u>4,896,164</u>
 <b>Liabilities</b>		
Accounts payable	\$ 128,432	39,474
Accrued expenses	69,494	57,876
Refundable advances	112,229	250,000
Note payable and accrued interest, Antioch College	<u>-</u>	<u>245,156</u>
 Total liabilities	 <u>310,155</u>	 <u>592,506</u>
 <b>Net assets:</b>		
Net assets without donor restrictions	3,704,495	4,097,316
Net assets with donor restrictions	<u>470,514</u>	<u>206,342</u>
 Total net assets	 <u>4,175,009</u>	 <u>4,303,658</u>
 Total liabilities and net assets	 \$ <u>4,485,164</u>	 <u>4,896,164</u>

See accompanying notes to the financial statements.

Miami Valley Public Media, Inc. dba WYSO-FM  
Statement of Activities  
Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains and other support			
Public broadcasting grants	\$ 155,033	-	155,033
State grants	53,540	-	53,540
Private grants and gifts	1,710,154	295,000	2,005,154
Underwriting sponsorships	311,118	208,880	519,998
In-kind contributions:			
Ohio Broadcast Educational Media Commission	112,047	-	112,047
Other income	4,836	(12,725)	(7,889)
Total revenues, gains and other support	<u>2,346,728</u>	<u>491,155</u>	<u>2,837,883</u>
Net assets released from restrictions	<u>226,983</u>	<u>(226,983)</u>	<u>-</u>
Expenses			
Program services	2,336,594	-	2,336,594
Management and general	328,207	-	328,207
Fundraising	301,731	-	301,731
Total expenses	<u>2,966,532</u>	<u>-</u>	<u>2,966,532</u>
Change in net assets	(392,821)	264,172	(128,649)
Net assets, beginning of year	<u>4,097,316</u>	<u>206,342</u>	<u>4,303,658</u>
Net assets, end of year	\$ <u>3,704,495</u>	<u>470,514</u>	<u>4,175,009</u>

See accompanying notes to the financial statements.

## Miami Valley Public Media, Inc. dba WYSO-FM

## Statement of Activities

Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Public broadcasting grants	\$ 287,203	-	287,203
State grants	29,284	-	29,284
Private grants and gifts	1,648,982	2,159	1,651,141
Underwriting sponsorships	144,346	201,629	345,975
In-kind contributions:			
Ohio Broadcast Educational Media			
Commission	97,005	-	97,005
Paycheck Protection Program loan forgiveness	170,670	-	170,670
Other income	1,745	2,554	4,299
Total revenues, gains and other support	<u>2,379,235</u>	<u>206,342</u>	<u>2,585,577</u>
Net assets released from restrictions	<u>318,516</u>	<u>(318,516)</u>	<u>-</u>
Expenses			
Program services	1,850,024	-	1,850,024
Management and general	314,321	-	314,321
Fundraising	230,362	-	230,362
Total expenses	<u>2,394,707</u>	<u>-</u>	<u>2,394,707</u>
Change in net assets	303,044	(112,174)	190,870
Net assets, beginning of year	<u>3,794,272</u>	<u>318,516</u>	<u>4,112,788</u>
Net assets, end of year	\$ <u>4,097,316</u>	<u>206,342</u>	<u>4,303,658</u>

See accompanying notes to the financial statements.

Miami Valley Public Media, Inc. dba WYSO-FM  
Statements of Functional Expenses  
Years Ended June 30, 2022 and 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2022 Total</u>
Salaries and related benefits \$	928,545	193,869	202,587	1,325,001
Programming	551,208	-	-	551,208
Occupancy	196,520	21,254	15,941	233,715
In-kind program services	112,047	-	-	112,047
Purchased services	264,187	-	-	264,187
Information technology	30,986	5,333	4,000	40,319
Professional and other fees	-	82,745	55,000	137,745
Advertising and promotion	38,062	-	-	38,062
Office expense	62,173	7,932	7,754	77,859
Travel and meals	64,385	12,350	12,906	89,641
Membership and dues	58,034	-	-	58,034
Depreciation expense	27,447	4,724	3,543	35,714
Bad debt expense	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
	<u>\$ 2,336,594</u>	<u>328,207</u>	<u>301,731</u>	<u>2,966,532</u>

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2021 Total</u>
Salaries and related benefits \$	756,604	187,273	190,991	1,134,868
Programming	383,811	-	-	383,811
Occupancy	221,019	24,889	18,666	264,574
In-kind program services	97,005	-	-	97,005
Purchased services	162,969	-	-	162,969
Information technology	37,506	6,455	4,842	48,803
Professional and other fees	-	79,706	-	79,706
Advertising and promotion	28,791	-	-	28,791
Station events	1,250	-	-	1,250
Office expense	39,726	3,944	4,845	48,515
Travel and meals	32,216	7,330	7,475	47,021
Membership and dues	59,680	-	-	59,680
Depreciation expense	27,447	4,724	3,543	35,714
Bad debt expense	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
	<u>\$ 1,850,024</u>	<u>314,321</u>	<u>230,362</u>	<u>2,394,707</u>

See accompanying notes to the financial statements.



Miami Valley Public Media, Inc. dba WYSO-FM  
Statements of Cash Flows  
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (128,649)	190,870
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	35,714	35,714
Bad debt expense	3,000	2,000
Change in interest in assets held by community foundation	12,725	(2,554)
Forgiveness of Paycheck Protection Program note payable	-	(170,670)
Effects of changes in operating assets and liabilities:		
Underwriting receivables, net	(10,251)	14,887
Prepaid expenses	8,750	(594)
Accounts payable	88,958	12,076
Accrued expenses	11,618	(10,036)
Refundable advances	<u>(137,771)</u>	<u>250,000</u>
Net cash from operating activities	<u>(115,906)</u>	<u>321,693</u>
Cash flows from investing activities:		
Purchase of interest in assets held by community foundation	-	(144,191)
Purchase of property and equipment	<u>(44,500)</u>	<u>-</u>
Net cash from investing activities	<u>(44,500)</u>	<u>(144,191)</u>
Cash flows from financing activities:		
Payments on notes payable	<u>(13,521)</u>	<u>-</u>
Change in cash	(173,927)	177,502
Cash, beginning of year	<u>858,766</u>	<u>681,264</u>
Cash, end of year	\$ <u>684,839</u>	<u>858,766</u>
Supplemental disclosures of noncash investing and financing transactions:		
Note payable to be funded by contributions directly to Antioch College (Note 7)	\$ 245,156	1,069,447
Accrued interest to be funded by contributions directly to Antioch College	4,265	17,546
Payments directly to Antioch College from the Dayton Foundation	(69,750)	(841,837)
Payments to MVPM from the Dayton Foundation for payments on the note payable made directly by MVPM	<u>(166,150)</u>	<u>-</u>
Ending pledges receivable, Dayton Foundation	\$ <u>13,521</u>	<u>245,156</u>

See accompanying notes to the financial statements.

## 1. ORGANIZATION:

Miami Valley Public Media, Inc. (MVPM) is an independent not-for-profit organization formed in 2018 to own and operate WYSO 91.3 FM radio station (WYSO). Financial operations began on March 27, 2019. Operations of WYSO independent of Antioch College (the College), the previous operator of WYSO, began on April 1, 2019 as described below.

### **Agreement Regarding Transfer and Assignment of WYSO**

The College acquired the assets of WYSO on July 3, 2013, which operated as a program of the College until the management and operations were transferred to a new not-for-profit organization, MVPM, on April 1, 2019 in accordance with an executed Agreement Regarding Transfer and Assignment of WYSO (the Agreement). In July 2019, the Federal Communications Commission (FCC) approved the assignment of the broadcast license from the College to MVPM and this license and broadcasting equipment were contributed to MVPM on August 30, 2019 (see Note 2). The Agreement terms stated that MVPM shall cause the College to receive \$3,500,000 as part of this transaction for the independence of WYSO. These funds were raised by the joint efforts of the College's advancement department and WYSO staff prior to transition and the funds are being deposited by donors in the *Campaign for WYSO's Future* fund at the Dayton Foundation. See Note 7 for pledges receivable and note payable resulting from this agreement.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

### **Basis of Presentation**

The financial statements of MVPM have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) and follow the "Principles of Accounting and Reporting for Telecommunications Entities," published by the major grantor, the Corporation for Public Broadcasting (CPB).

Resources are reported for accounting purposes, in separate classes of net assets based on the existence or absence of donor-imposed restrictions. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories as follows:

#### *Net Assets without Donor Restrictions:*

Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of MVPM. Net assets without donor restrictions at the Yellow Springs Community Foundation (see Note 4) have been designated for specific purposes by the Board of Directors. In addition, assets may otherwise be limited by contractual agreements with outside parties.

#### *Net Assets with Donor Restrictions:*

Net assets subject to donor-imposed stipulations which may be temporary or perpetual in nature. Donor restrictions that are temporary in nature may be met either by actions of MVPM and/or by the passage of time. Donor restrictions that are perpetual in nature, are required to be maintained in perpetuity by MVPM.

### **Cash**

Cash includes cash deposits with a local financial institution, which are insured up to the Federal Deposit Insurance Corporation limit of \$250,000. MVPM has not experienced any losses of amounts greater than this limit.

### **Adoption of new accounting standard**

MVPM adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit (NFP) Entities for Contributed Nonfinancial Assets*, to increase the transparency of the presentation and disclosure of contributed nonfinancial assets. MVPM adopted this guidance on July 1, 2021 and prior periods were retrospectively adjusted. The adoption of this standard did not have an impact on MVPM's results of operations or financial position.

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Revenue Recognition**

The FCC allows public broadcasting stations to broadcast underwriting credits but prohibits them from broadcasting advertisements. Underwriting revenues are contributions to MVPM primarily to support its programming or activities in exchange for underwriting credit. Unconditional contributions without donor restrictions, including underwriting sponsorships, are recorded as revenue in the statements of activities when received or promised. Conditional contributions are recorded as revenue when conditions are substantially met and contain both of the following:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

### **Restricted Support**

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that restrict the use of the donated assets to a specific purpose. When the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

### **Unconditional Promises to Give**

#### *Underwriting Receivables*

WYSO has sponsored agreements to air spots which are underwritten by many local businesses. These sponsorship agreements generated receivables for which management has set up an allowance for uncollectible accounts of \$29,000 and \$26,000 as of June 30, 2022 and 2021, respectively. The net amount, \$208,880 and \$201,629 as of June 30, 2022 and 2021, respectively, is reflected as underwriting receivables. Sponsorship agreements are considered to be contributed support and as such, revenue related to the sponsorship agreements is recognized at the time the agreement is finalized (unconditional promise to give). All underwriting receivables are expected to be received within one year.

#### *Pledges Receivable*

MVPM reports unconditional promises to give (not from underwriting) as pledges receivable and revenue when the promise is made by individuals and entities. Pledges receivable are reported net of a discount for the time value of money for long-term pledges and of estimated uncollectible pledges. Management believes all pledges are collectible as of June 30, 2022 and 2021. All pledges receivable are from the Dayton Foundation fund, are due in less than one year, and become unrestricted as payments are received.

**Interest in Assets Held by Community Foundation**

The interest in assets held by community foundation is carried at estimated fair value, as determined by the underlying investments of the pooled investment funds at the foundation. The change in the fair value of the interest in assets held by community foundation is included in the statements of activities. Income from the fund that is distributed to MVPM is considered a transfer of assets and net assets are reclassified from with donor restrictions to without donor restrictions upon transfer.

**Broadcast License**

The broadcast license, which was received from the College on August 30, 2019 and was valued at \$2,850,000, expires October 1, 2028 and is renewable every 10 years if WYSO provides at least an average level of service to its customers and complies with the applicable FCC rules and policies and the FCC Communications Act of 1934.

The license may be renewed indefinitely at little cost. WYSO intends to renew the license indefinitely, and evidence supports its ability to do so. Therefore, the cash flows from the license are expected to continue indefinitely. The broadcast license is deemed to have an indefinite useful life because cash flows are expected to continue indefinitely. Therefore, the license will not be amortized until its useful life is deemed to be no longer indefinite, in which case the license would be tested for impairment. There was no impairment recognized for the years ended June 30, 2022 and 2021.

**Property and Equipment**

Property and equipment are recorded at cost at the date of acquisition or, if acquired by gift, at fair value at the date of donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, ranging from 5 to 35 years. The cost and related accumulated depreciation from sales and disposals are removed from the accounts, and any gain or loss is reflected in the current year's operations. Expenditures which substantially increase useful lives, and exceed \$2,500 are capitalized, while maintenance and repairs are expensed as incurred. Broadcast equipment was received from the College on August 30, 2019 and valued at \$650,000.

**Refundable Advances**

Refundable advances represent amounts received related to conditional grants for which the conditions have not yet been met.

**Functional Expenses**

The financial statements report certain categories of expenses that are attributable to programming or supporting functions of MVPM. Expenses are directly applied when applicable and are allocated to program or support services using reasonable allocation bases. Such allocations are determined by management on an equitable basis. Salaries and related benefits are allocated based upon time and effort. Depreciation and occupancy expenses are allocated based upon square footage.

**Advertising**

Advertising costs are expensed as incurred and exclude fundraising costs.

**Income Taxes**

MVPM is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to MVPM's tax-exempt purpose is subject to taxation as unrelated business income. MVPM's reporting returns are subject to audit by federal and state taxing authorities. No income tax provision has been included in the financial statements as MVPM has determined it does not have unrelated business income subject to taxation.

### **In-Kind Contributions**

In-kind contributions are recorded as revenue and expense in the statements of activities at the time those contributions and services are received. Ohio Broadcast Educational Media Commission's (the Commission) in-kind support consists of WYSO's pro rata share of the Commission's operating budget for the years ended June 30, 2022 and 2021 for expenses dedicated to broadcast services. This amounted to \$112,047 and \$97,005 for the years ended June 30, 2022 and 2021, respectively.

An underwriting trade exists when a sponsor contributes goods and/or services to a station in exchange for underwriting credit. Underwriting credits may be made on-air or online. Although MVPM grants underwriting credits supported by trade contracts, it is not able to reasonably estimate the value of such trade actually received and no value is recognized in the statements of activities.

### **Subsequent Events**

MVPM evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through January 18, 2023, the date the financial statements were available to be issued.

### **3. AVAILABILITY OF FUNDS:**

MVPM is substantially supported by contributions and grants. As part of MVPM's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The following table presents the financial assets available to meet cash needs for general expenditures within one year at June 30:

		2022	2021
Cash	\$	684,839	858,766
Underwriting receivables, net		208,880	201,629
Interest in assets held by community foundation		134,020	146,745
		1,027,739	1,207,140
Less net assets with purpose restrictions		(245,954)	-
Less restricted endowment net assets		(2,159)	(4,713)
Financial assets available to meet cash needs			
for general expenditures within one year	\$	<u>779,626</u>	<u>1,202,427</u>

### **4. INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION:**

MVPM has transferred assets to the Yellow Springs Community Foundation's (the Foundation) *WYSO Public Radio Endowment Fund* and retained a beneficial interest in those assets. In accordance with the fund agreement, the Foundation and other donors may donate additional funds. MVPM is allocated its fund's proportionate share of the pooled funds' investment returns on an annual basis. Distributions from the fund balances may be withdrawn in accordance with the terms of the fund agreement, and undistributed earnings are retained in the fund. As of June 30, 2022 and 2021, the fair value of MVPM's interest in the Foundation's assets was \$134,020 and \$146,745, respectively.

Amounts invested in the Foundation's pooled investment funds are exposed to a variety of uncertainties, including interest rate, market and credit risks. Due to the level of risk associated with certain investments in the pooled fund, it is possible that changes in the values of these investments could occur in the near term. Such changes could materially affect the amounts reported in MVPM's financial statements.

### Endowment funds

MVPM's endowment includes both board-designated and donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

### Interpretation of relevant law

The Board of Directors of MVPM has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as requiring the preservation of the fair value of the original donor gift in perpetuity as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, MVPM classifies as net assets with perpetual donor restrictions (a) the original value of gifts donated to the perpetual endowment, and (b) the original value of subsequent gifts to the perpetual endowment. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with perpetual donor restrictions is classified as net assets with temporary donor restrictions until those amounts are appropriated for expenditure by MVPM in a manner consistent with the standard of prudence prescribed by UPMIFA.

The changes in endowment net assets for the year ended June 30 were as follows:

	Without donor Restrictions	With Donor Restrictions		Total
		Temporary	Perpetual	
Endowment net assets July 1, 2020	\$ -	-	-	-
Contributions	142,032	-	2,159	144,191
Change in value of interest in assets held by community foundation	<u>-</u>	<u>2,554</u>	<u>-</u>	<u>2,554</u>
Endowment net assets June 30, 2021	142,032	2,554	2,159	146,745
Contributions	8,000	-	-	8,000
Change in value of interest in assets held by community foundation	<u>(18,171)</u>	<u>(2,554)</u>	<u>-</u>	<u>(20,725)</u>
Endowment net assets June 30, 2022	\$ <u>131,861</u>	<u>-</u>	<u>2,159</u>	<u>134,020</u>

### 5. ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS:

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities MVPM has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The fair value of interest in assets held by the community foundation is based upon MVPM's proportionate share of the Foundation's pooled investment portfolio and are considered a level 3 asset.

#### **6. NOTE PAYABLE, PAYCHECK PROTECTION PROGRAM:**

On May 9, 2020, in response to the outbreak of COVID-19, MVPM entered into a loan of \$170,670 under the Small Business Administration's Paycheck Protection Program (PPP). The loan bore interest at 1% and was due in May 2022. The PPP program allowed for a portion of the loan (up to the full amount) to be forgiven based on qualifying expenditures. On November 9, 2020, MVPM applied for forgiveness of the PPP loan. On January 15, 2021, MVPM received notification from its SBA lender that 100% of the PPP loan was forgiven effective November 14, 2020. MVPM recognized PPP loan forgiveness revenue of \$170,670 in the statement of activities for the year ended June 30, 2021.

#### **7. NOTE PAYABLE AND PLEDGE RECEIVABLE – TRANSACTION WITH ANTIOCH COLLEGE:**

In conjunction with the Agreement described in Note 1, MVPM executed a promissory note for \$1,893,031 payable to the College at 2.5%, payable on April 20, 2022. Principal and interest payments made with respect to this note shall be paid by transfer from the *Campaign for WYSO's Future* fund (the Fund) described in Note 1. A corresponding pledge receivable from the Dayton Foundation was recognized by MVPM. Amounts paid from the Dayton Foundation to Antioch College during the year ended June 30, 2021 totaled \$841,837 (\$817,749 principal and \$24,088 interest). The balance of the note and the corresponding pledge receivable was \$245,146 as of June 30, 2021. Amounts paid from the Dayton Foundation to Antioch College during the year ended June 30, 2022 totaled \$69,750 (\$65,485 principal and \$4,265 interest). Amounts paid by MVPM to Antioch College during the year ended June 30, 2022 totaled \$179,671 in principal. MVPM was reimbursed by the Dayton Foundation during 2022 in the amount of \$166,150 for its payment on the note. The balance of the note was \$-0- and the corresponding pledge receivable was \$13,521 as of June 30, 2022. Based upon individual pledge agreements to the fund, MVPM expects the remainder is to be received by the Fund during the fiscal year ending June 30, 2023. The note with Antioch College was paid off in January 2022. If donors don't fulfill their pledges to the Fund, then the Dayton Foundation has guaranteed the remainder of the outstanding pledges.

## 8. LEASE COMMITMENTS:

In conjunction with the Agreement described in Note 1, MVPM executed a building lease with Antioch College. The building lease commitment is \$4,000 per month beginning April 1, 2019, renewable annually. MVPM also entered into an office and retail space lease beginning June 1, 2022 for a term of five years plus two options to renew for five years. Monthly payments start at \$766.67 increasing annually as defined in the lease agreement. In addition, MVPM also has tower, copier and postage meter lease commitments through December 2024.

Annual lease commitments for the next five years are as follows: 2023 - \$37,023, 2024 - \$25,019, 2025 - \$11,319, 2026 - \$10,695, 2027 - \$11,229. Rent expense was \$77,041 and \$76,417 for the years ended June 30, 2022 and 2021, respectively.

## 9. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Subject to the passage of time:		
Unconditional promises to give, underwriting	\$ 208,880	201,629
Unconditional promises to give, Dayton Foundation	13,521	-
Subject to purpose restrictions:		
Union schoolhouse campaign	245,954	-
Subject to spending policy and appropriation:		
Endowment gift appreciation not yet distributed	-	2,554
Endowment gifts held in perpetuity	<u>2,159</u>	<u>2,159</u>
Total net assets with donor restrictions	\$ <u>470,514</u>	<u>206,342</u>

## 10. RETIREMENT PLANS:

Effective January 1, 2020, MVPM established the WYSO 401(k) Plan (the Plan). Eligible employees can participate and make elective deferrals to the Plan. MVPM will match 100% of employee contributions up to 5% of participant compensation. MVPM contributed \$19,787 and \$15,541 to the Plan during the fiscal years ended June 30, 2022 and 2021, respectively.

## 11. PROPERTY AND EQUIPMENT:

The property and equipment of MVPM and its related accumulated depreciation at June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Broadcast equipment	\$ 650,000	650,000
Construction in progress	44,500	-
Less accumulated depreciation	<u>(101,190)</u>	<u>(65,476)</u>
Property and equipment, net	\$ <u>593,310</u>	<u>584,524</u>



## **12. RISKS AND UNCERTAINTIES:**

MVPM is involved in legal matters arising in the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on MVPM's future financial position or results from activities.

The COVID-19 outbreak in the United States has caused MVPM business disruption through instability of significant funding sources related to local sponsors (underwriting). The extent of the impact of COVID-19 on MVPM's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. Therefore, the impact on MVPM's employees, members, sponsors and vendors cannot be reasonably estimated and the extent to which COVID-19 may impact MVPM's financial condition or results of operations is uncertain at this time. However, management believes that MVPM currently has sufficient financial resources to meet its operating needs and obligations.

## **13. UPCOMING ACCOUNTING PRONOUNCEMENTS:**

In February 2016, Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of the lease commencement. Leases will be classified as either financing or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the fiscal year ending June 30, 2023.

MVPM is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

