



AUDITED FINANCIAL STATEMENTS

Years ended June 30, 2023 and 2022

# **WAMC**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
WAMC

### **Opinion**

We have audited the accompanying financial statements of WAMC (a nonprofit public telecommunications entity), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities 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 WAMC 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. 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 WAMC 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 WAMC's ability to continue as a going concern within 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 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 WAMC'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 WAMC'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.

*UHY* LLP

Albany, New York  
November 2, 2023

**WAMC**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 2,045,368	\$ 2,663,688
Pledges receivable	166,128	142,824
Underwriting and other receivables, net	362,578	396,820
Other current assets	<u>389,019</u>	<u>387,479</u>
Total current assets	2,963,093	3,590,811
<b>RIGHT OF USE ASSETS</b>	2,519,161	-
<b>NET PROPERTY AND EQUIPMENT</b>	5,122,084	5,298,103
<b>INVESTMENTS</b>	<u>3,030,099</u>	<u>2,930,953</u>
Total assets	<u><u>\$ 13,634,437</u></u>	<u><u>\$ 11,819,867</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 219,390	\$ 80,192
Accrued compensation costs	337,974	271,694
Deferred revenue	317,822	290,858
Operating lease liabilities	339,176	-
Other current liabilities	<u>40,985</u>	<u>48,838</u>
Total current liabilities	1,255,347	691,582
<b>OPERATING LEASE LIABILITIES, NET OF CURRENT PORTION</b>	<u>2,213,695</u>	<u>-</u>
Total liabilities	<u>3,469,042</u>	<u>691,582</u>
<b>NET ASSETS</b>		
Net assets without donor restriction	<u>10,165,395</u>	<u>11,128,285</u>
Total liabilities and net assets	<u><u>\$ 13,634,437</u></u>	<u><u>\$ 11,819,867</u></u>

See notes to financial statements.

**WAMC**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>REVENUE AND OTHER SUPPORT</b>		
<i>Programming:</i>		
Member support	\$ 3,811,902	\$ 3,953,130
Underwriting	<u>2,573,669</u>	<u>2,685,741</u>
Total programming	<u>6,385,571</u>	<u>6,638,871</u>
<i>Grants:</i>		
Corporation for Public Broadcasting	440,066	404,145
New York State Education Department	78,674	58,576
Programming and other grants	<u>116,668</u>	<u>120,833</u>
Total grants	<u>635,408</u>	<u>583,554</u>
<i>Other revenues:</i>		
Performing arts studio	202,644	153,981
Rental revenue	123,709	121,910
Other support and revenue	<u>122,494</u>	<u>191,331</u>
Total revenue and other support	<u>7,469,826</u>	<u>7,689,647</u>
<b>EXPENSES</b>		
<i>Program services:</i>		
Programming and production	3,658,142	3,256,185
Broadcasting	1,782,126	1,620,703
Program information	<u>218,024</u>	<u>211,824</u>
Total program services	<u>5,658,292</u>	<u>5,088,712</u>
<i>Supporting services:</i>		
Fund raising	1,795,204	1,766,043
Management and general	<u>961,909</u>	<u>878,826</u>
Total supporting services	<u>2,757,113</u>	<u>2,644,869</u>
Total expenses	<u>8,415,405</u>	<u>7,733,581</u>
<b>CHANGE IN NET ASSETS BEFORE INVESTMENT TRANSACTIONS AND OTHER ITEMS</b>	<b>(945,579)</b>	<b>(43,934)</b>
<b>REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS</b>	<b>73,213</b>	<b>(328,042)</b>
<b>LOSS ON DISPOSAL OF FIXED ASSET</b>	<b><u>(90,524)</u></b>	<b><u>-</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>(962,890)</b>	<b>(371,976)</b>
Net assets, beginning of year	<u>11,128,285</u>	<u>11,500,261</u>
Net assets, end of year	<u><u>\$ 10,165,395</u></u>	<u><u>\$ 11,128,285</u></u>

See notes to financial statements.

**WAMC**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (962,890)	\$ (371,976)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	580,165	531,851
Loss on disposal of fixed asset	90,524	-
Donation of securities	(13,053)	(31,944)
Realized and unrealized (gains) losses on investments	(73,213)	328,042
Net lease activity	33,710	-
Changes in:		
Pledges receivable	(23,304)	54
Underwriting and other receivables	34,242	(37,951)
Other current assets	(1,540)	(33,677)
Accounts payable	139,198	31,754
Accrued compensation costs	66,280	(35,647)
Deferred revenue	26,964	(15,265)
Other current liabilities	(7,853)	(9,043)
Net cash (used in) provided by operating activities	<u>(110,770)</u>	<u>356,198</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(302,060)	(428,449)
Proceeds from sale of investments	289,180	412,963
Acquisition of property and equipment	<u>(494,670)</u>	<u>(841,542)</u>
Net cash used in investing activities	<u>(507,550)</u>	<u>(857,028)</u>
Change in cash	(618,320)	(500,830)
Cash, beginning of year	<u>2,663,688</u>	<u>3,164,518</u>
Cash, end of year	<u><u>\$ 2,045,368</u></u>	<u><u>\$ 2,663,688</u></u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Right of use assets obtained in exchange for lease liabilities	<u><u>\$ 2,854,535</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

**WAMC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization** - WAMC is a nonprofit public telecommunications entity, organized in 1981, with broadcasting coverage in New York State and western New England. As a publicly supported radio station, WAMC receives substantially all of its support and revenue from listeners, corporate underwriters, and under various federal and state grants.

**Basis of Accounting** - WAMC's financial statements are prepared in accordance with generally accepted accounting principles and the principles of accounting and financial reporting for public telecommunications entities issued by the Corporation for Public Broadcasting (CPB). Under CPB accounting principles, the Statement of Activities is intended to present functional type expenditure classifications, which reflect both program and supporting services. The specific program and supporting services functional classifications, as presented in the financial statements, are defined by CPB.

**Financial Statement Presentation** - The financial statements of WAMC follow generally accepted accounting principles which establish standards for financial reporting by not-for-profit organizations and require that resources be classified for accounting and reporting purposes into certain net asset categories according to externally (donor) imposed restrictions. Accordingly, when applicable, WAMC records contributions received as net assets with donor restriction or net assets without donor restriction depending on the existence and/or nature of any donor restrictions.

**Cash** - WAMC places its cash with high quality financial institutions. Cash balances, however, are generally in excess of FDIC insurance limits.

**Receivables** - Receivables, which principally arise from on-air acknowledgements of corporate underwriting, are periodically evaluated by management for collectability. An allowance for doubtful accounts is established based on prior experience and management's assessment of the collectability of certain accounts. The allowance for doubtful accounts was approximately \$14,500 at June 30, 2023. There was no allowance for doubtful accounts at June 30, 2022. Pledges receivable, as more fully disclosed under Note 2, principally arise from member fund drives. Multi-year pledges, when applicable, are stated at fair value, using the present value of estimated future cash flows discounted at an appropriate rate.

**Other Current Assets** - Other current assets are principally comprised of amounts paid to program producers (for programming to be provided subsequent to the end of the fiscal year) and certain prepaid insurance costs.

**Property and Equipment** - As more fully disclosed under Note 3, property and equipment, including broadcast licenses acquired through the acquisition of property and equipment, is recorded at cost or, if donated, at fair value determined at date of acquisition. The carrying amounts of assets, and the related accumulated depreciation, are removed from the accounts at the time of asset disposition. Depreciation of property and equipment is computed utilizing the straight-line method over the estimated useful lives of the assets, ranging from 5 to 40 years. Maintenance costs and repairs are charged to expense as incurred. WAMC reviews assets carrying amounts whenever events or circumstances indicate that such carrying amount may not be recoverable. If considered impaired, the carrying amount of the asset is reduced to its current fair value. WAMC reviews assets carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. If considered impaired, the carrying amount of the asset is reduced to its current fair value.

**Investments** - Investments in money market funds and marketable securities are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are included in the Change in Net Assets for each year within the Statements of Activities. Interest and dividends are included in the Statements of Activities as a component of Other Revenues.



**WAMC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Accrued Compensation Costs** - The liability account Accrued Compensation Costs includes salaries and related benefits earned by employees, but not yet paid, as of WAMC's fiscal year end.

**Barter Transactions** - WAMC provides certain broadcast services (principally underwriting) in exchange for certain vendor equipment, merchandise and services. The estimated fair value of the vendor equipment, merchandise or services received and the corresponding obligation to provide broadcast services are both recorded in the financial statements. Deferred barter costs are expensed or capitalized as they are used, consumed or received. Deferred barter revenue, a component of Deferred Revenue in the Statements of Financial Position, is recognized as the related underwriting is aired.

**Revenue and Other Support** - WAMC receives substantially all of its support and revenue from listeners, underwriters and under various federal and state grants. Member contributions, grants, programming and underwriting revenues are recorded as revenue in the period earned. Other support and revenue, a component of revenues on the statements of activities, was principally comprised of gifts under an automobile donation program, interest and dividends.

**Income Taxes** - WAMC is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. WAMC follows guidance issued by the Financial Accounting Standards Board regarding accounting for uncertainty in income taxes. The income tax positions taken by WAMC for any years open under the various statutes of limitations are that WAMC continues to be exempt from income taxes.

**Estimates and Assumptions** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses. Actual results could differ from those estimates.

**Recently Adopted Accounting Standards** - Effective July 1, 2022, WAMC adopted Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842), and additional ASUs issued to clarify and update the guidance in ASU 2016-02 (collectively, the "new leases standard"), which requires a lessee to recognize a right of use asset and a lease liability, initially measured as the present value of the lease payments at commencement, in its Statement of Financial Position. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. WAMC elected to adopt the transitional relief of ASU 2018-11, which allows WAMC to change the date of initial application to the beginning of the period of adoption (July 1, 2022) and present the comparative period (period ending June 30, 2022) under ASC 840. WAMC does not include short term leases within the Statements of Financial Position since it has elected the practical expedient to exclude leases with an initial term of 12 months or less from operating right of use asset and a lease liability. WAMC has no leases that qualified as short term at the adoption date.

**Right of Use Assets and Right of Use Liabilities** - As of July 1, 2022, WAMC adopted ASC Topic 842 Leases, see Note 1 Recently Adopted Accounting Standards. ASC 842 requires the lessee to recognize a right of use asset and a lease liability, initially measured as the present value of the lease payments at commencement, in its Statement of Financial Position. The right of use assets represent WAMC's right to use an underlying asset for the lease term and lease liabilities represent WAMC's obligation to make lease payments arising from the lease based on the present value of lease payments over the lease term. Lease liabilities do not include lease payments that were not fixed at commencement or lease modification.

**WAMC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Right of Use Assets and Right of Use Liabilities - (Continued)**

The lease terms may include options to extend or terminate the lease when it is reasonably certain that WAMC will exercise that option. The exercise of lease renewal options is at WAMC's sole discretion. WAMC uses the rate implicit in the lease or risk-free U.S. Treasury rate as a practical expedient for discounting leases, as applicable.

**Leases** - As of July 1, 2022, WAMC elected to apply the comparatives under ASC 840 option as outlined in ASU 2018-11, see Note 1 Recently Adopted Accounting Standards. Under ASC 840, equipment acquired under leases which transfer to WAMC substantially all benefits and risks associated with ownership of the assets, are capitalized. If such leases exist, the assets and related lease obligations equal to the present value or fair value of minimum payments over the term of the leases are recognized in the Statement of Financial Position. All other lease payments (operating leases) are charged to expense as payments are made or cost incurred.

**Subsequent Events** - Subsequent events have been evaluated through November 2, 2023, the date the financial statements were available to be issued.

**NOTE 2: PLEDGES RECEIVABLE**

Pledges receivable principally include contributions and other commitments from various businesses, foundations, and individuals received in connection with WAMC's member fund drives. During the years ended June 30, 2023 and 2022, WAMC completed three member fund drives in each year – one in October, one in February, and one in June. The timing of the June fund drives is such that \$166,128 and \$142,824 was recognized as pledges receivable at June 30, 2023 and 2022, respectively, with the pledges receivable generally collected in July and August of the following fiscal year.

**NOTE 3: PROPERTY AND EQUIPMENT**

Property and equipment is comprised of the following:

	<b>June 30</b>	
	<b>2023</b>	<b>2022</b>
Land	\$ 1,063,725	\$ 1,063,725
Buildings and improvements	3,708,871	3,548,479
Studio and other broadcast equipment	8,829,465	8,509,392
Furniture and office equipment	1,164,327	1,106,606
Transportation equipment	119,341	119,341
Construction in progress	-	226,850
	<hr/>	<hr/>
	14,885,729	14,574,393
Less accumulated depreciation	<hr/> 9,763,645	<hr/> 9,276,290
Net property and equipment	<hr/> <b>\$ 5,122,084</b>	<hr/> <b>\$ 5,298,103</b>

Depreciation expense was \$580,165 and \$531,851 for the years ended June 30, 2023 and 2022, respectively.

**WAMC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 4: INVESTMENTS**

WAMC's financial reporting framework provides for a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 inputs are unadjusted quoted market prices in active markets that are accessible at the measurement date for identical assets.
- Level 2 inputs are inputs (other than quoted prices included in Level 1) that are observable for the asset, either directly or indirectly.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

A description of the valuation methodologies consistently used for investments are as follows:

*Common stocks, corporate bonds and U.S. government securities:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Money Market and Mutual funds:* Valued at the net asset value (NAV) of shares held.

All of WAMC's investments at both June 30, 2023 and 2022 were classified utilizing Level 1 inputs.

The following table sets forth WAMC's investments:

	June 30, 2023			June 30, 2022		
	Fair Market	Cost Basis	Unrealized Gain (Loss)	Fair Market	Cost Basis	Unrealized Gain (Loss)
Money Market Funds	\$ 1,654,648	\$ 1,654,648	\$ -	\$ 1,675,744	\$ 1,675,744	\$ -
Equity Securities	699,807	361,316	338,491	554,902	544,978	9,924
Equity Mutual Funds	272,514	242,219	30,295	247,953	220,511	27,442
Debt Security Mutual Funds	337,867	366,891	(29,024)	354,829	403,237	(48,408)
Other Mutual Funds	65,263	51,728	13,535	97,525	94,350	3,175
	<u>\$ 3,030,099</u>	<u>\$ 2,676,802</u>	<u>\$ 353,297</u>	<u>\$ 2,930,953</u>	<u>\$ 2,938,820</u>	<u>\$ (7,867)</u>

**WAMC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 4: INVESTMENTS** *(Continued)*

Realized and unrealized net gains on investment transactions, as presented in the Statements of Activities, are comprised of the following:

	<b>Year Ended June 30</b>	
	<b>2023</b>	<b>2022</b>
Realized (loss) gain	\$ (15,665)	\$ 84,720
Unrealized gain (loss)	88,878	(412,762)
Net gain (loss)	<u>\$ 73,213</u>	<u>\$ (328,042)</u>

WAMC's investments are exposed to a variety of market uncertainties, including interest rate and credit risks. The level of risk is such that it is possible that changes in the values of WAMC's investments could occur in the near term and such changes could materially affect the future amounts reported in the financial statements.

**NOTE 5: LINE OF CREDIT BORROWINGS**

WAMC is a party to a 2017 revolving line of credit agreement with NBT Bank. Under the agreement, WAMC has available a \$500,000 line of credit, collateralized by all business assets. The agreement provides for borrowings at the prime lending rate (8.25% at June 30, 2023).

WAMC also maintains two fixed asset lines of credit that have been approved and committed by NBT Bank, one in the amount of \$1,000,000 and the other in the amount of \$200,000. The specific terms of these lines would be negotiated if WAMC were to draw on them.

There were no borrowings under these credit facilities in the years ended June 30, 2023 and 2022.

**NOTE 6: RIGHT OF USE ASSETS AND OPERATING LEASE LIABILITIES**

WAMC has operating agreements for towers and equipment used in operations. WAMC determines whether a contract is a lease at inception. Identified leases are subsequently measured, classified, and recognized at lease commencement. WAMC classifies leases with contractual terms longer than twelve months as either operating or finance. As of July 30, 2023, the leases have remaining lease terms through 2038. Some of the operating leases contain renewal options that are reasonably certain to be exercised. Generally, WAMC does not consider any additional renewal periods to be reasonably certain of being exercised, if comparable locations could generally be identified within the same areas for comparable lease rates.

Right of use assets and lease liabilities for operating leases are included in Right of use asset and Operating leases liabilities (current and noncurrent), respectively, in the Statement of Financial Position. Operating leases for the year ended June 30, 2022, are presented under ASC 840 with no corresponding balance on the Statement of Financial Position. As of June 30, 2023, WAMC has no additional operating or finance leases, that have not yet commenced.

**WAMC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 6: RIGHT OF USE ASSETS AND OPERATING LEASE LIABILITIES (Continued)**

The right of use assets represent WAMC's right to use an underlying asset for the lease term and the operating lease liabilities represent WAMC's obligation to make lease payments arising from a lease. The operating lease liabilities represent the present value of WAMC's obligation to make payments over the lease terms. The present value of the lease payments is calculated using the U.S. Department of Treasury yield curve rates when a rate is not implicit in the lease, which is the risk-free rate at lease inception.

The components of lease cost were as follows:

	<u><b>June 30, 2023</b></u>
Operating Lease Cost	<u><u>\$ 418,245</u></u>

Supplemental cash flow information related to leases was as follows:

	<u><b>June 30, 2023</b></u>
Cash paid for amounts included in the measurement of lease liabilities for operating leases	<u><u>\$ 377,907</u></u>

Future annual minimum lease payments are estimated as follows for the year ended June 30, 2023:

<u><b>Year Ending June 30, 2023</b></u>	<u><b>Operating</b></u>
2024	\$ 362,226
2025	281,135
2026	241,064
2027	238,675
2028	114,541
Thereafter	<u>1,780,481</u>
Total undiscounted cash flows	\$ 3,018,122
Less: present value discount	<u>(465,251)</u>
Total	<u><u>\$ 2,552,871</u></u>

Weighted-average remaining lease term and discount rate for operating and finance leases were as follows:

	<u><b>June 30, 2023</b></u>
<b>Weighted Average Remaining Lease Term (in years)</b>	
Operating leases	10.71
<b>Weighted Average Discount Rate</b>	
Operating leases	3.02%

**WAMC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 7: RETIREMENT PLAN**

WAMC participates in a salary reduction defined contribution retirement plan administered by TIAA-CREF, which covers all full-time employees. The plan provides that WAMC match each employee's elective deferrals up to 3.5% of total salary. Total retirement expense for the years ended June 30, 2023 and 2022 was approximately \$82,000 and \$77,600, respectively. Participant plan contributions are made on a tax-deferred basis in accordance with Section 403(b) of the Internal Revenue Code.

**NOTE 8: NET ASSETS**

Net assets without donor restriction are comprised of the following:

	<b>June 30</b>	
	<b>2023</b>	<b>2022</b>
Board Designated First Amendment Fund	\$ 1,112,272	\$ 1,023,983
Board Designated Capital Improvement and Acquisition Fund	1,511,141	1,506,125
Other net assets without donor restriction	7,541,982	8,598,177
Total net assets without donor restriction	<u>\$ 10,165,395</u>	<u>\$ 11,128,285</u>

In 2005, WAMC's Board of Trustees established the First Amendment Fund to promote and preserve the First Amendment, and the right of free speech that it guarantees, by providing a source of funding to support WAMC if special situations or needs should arise. Use of the First Amendment Fund is at the discretion of the Board of Trustees and, as such, the net assets in this Fund are classified as net assets without donor restriction – board designated.

In 2021, the Board of Trustees established the Capital Improvement and Acquisition Fund to fund future capital improvements and acquisitions. Use of the Capital Improvement and Acquisition Fund is at the discretion of the Board of Trustees and, as such, the net assets in this Fund are classified as net assets without donor restriction – board designated.

**NOTE 9: DEFERRED GIVING ARRANGEMENTS**

WAMC enters into deferred giving agreements with donors to accept and administer various charitable gift annuities. WAMC manages and invests these assets until the agreement expires and the assets are distributed. Split-interest agreements provide for payments to the donors or their beneficiaries based upon either the income earned on related investments or specified annuity amounts. Assets held under these arrangements approximated \$288,000 and \$281,000 at June 30, 2023 and 2022, respectively, and are reported as a component of Investments in the accompanying Statements of Financial Position (see Note 4).

Contribution revenue is recognized at the date the trust or annuity contract is established after recording liabilities for the present value of the estimated future payments expected to be made to the donors and/or other beneficiaries. The liabilities for these arrangements, which approximated \$41,000 and \$48,800 at June 30, 2023 and 2022, respectively, are adjusted annually for amortization of the discount and other changes in the estimate of future payments. Such liabilities are reported as a component of Other Current Liabilities in the accompanying Statements of Financial Position.

**WAMC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 10: LIQUIDITY AND AVAILABILITY**

WAMC's significant financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$2,045,368
Pledges receivable	166,128
Underwriting and other receivables	334,638
Investments	<u>278,089</u>
Net assets available for general expenditures	<u><u>\$2,824,223</u></u>

WAMC also has \$500,000 available under a line of credit at June 30, 2023, as more fully disclosed in detail under Note 5.

**WAMC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 11: FUNCTIONAL CLASSIFICATION OF EXPENSES**

WAMC's functional expenses for the year ended June 30, 2023 are as follows:

	<b>Program Services</b>				<b>Supporting Services</b>		<b>June 30, 2023 Totals</b>
	<b>Programming and Production</b>	<b>Broadcasting</b>	<b>Program Information</b>	<b>Total Program Services</b>	<b>Fund Raising</b>	<b>Management and General</b>	
Salaries	\$ 1,447,643	\$ 443,486	\$ 99,763	\$ 1,990,892	\$ 1,252,970	\$ 287,262	<b>\$ 3,531,124</b>
Other payroll related	280,166	93,271	12,394	385,831	209,559	51,312	<b>646,702</b>
Professional and consulting services	14,438	18,092	1,211	33,741	1,554	44,515	<b>79,810</b>
Office supplies	3,942	1,067	-	5,009	1,977	18,622	<b>25,608</b>
Telephone	31,414	32,249	291	63,954	12,764	18,131	<b>94,849</b>
Rentals	29,965	476,648	-	506,613	-	12,735	<b>519,348</b>
Building supplies	-	1,250	-	1,250	-	8,458	<b>9,708</b>
Travel	27,930	6,321	10	34,261	13,820	9,490	<b>57,571</b>
Program acquisition and production costs	1,457,476	32,400	13,469	1,503,345	-	-	<b>1,503,345</b>
Printing and publications	41,915	-	52,017	93,932	36,298	115	<b>130,345</b>
Utilities	56,258	177,161	-	233,419	-	63,473	<b>296,892</b>
Insurance	58,660	40,632	10,152	109,444	19,225	35,961	<b>164,630</b>
Depreciation	26,688	342,297	-	368,985	-	211,180	<b>580,165</b>
Postage and shipping	341	181	-	522	27,070	11,794	<b>39,386</b>
Premiums	-	-	-	-	49,311	-	<b>49,311</b>
Repairs and maintenance	93,711	98,352	-	192,063	5,925	115,771	<b>313,759</b>
Dues and subscriptions	31,213	4,215	6,004	41,432	18,812	9,995	<b>70,239</b>
Computer networking	14,489	9,634	15,531	39,654	13,681	14,053	<b>67,388</b>
Credit card fees	-	-	-	-	90,819	20,304	<b>111,123</b>
Other	41,893	4,870	7,182	53,945	41,419	28,738	<b>124,102</b>
	<u>\$ 3,658,142</u>	<u>\$ 1,782,126</u>	<u>\$ 218,024</u>	<u>\$ 5,658,292</u>	<u>\$ 1,795,204</u>	<u>\$ 961,909</u>	<u><b>\$ 8,415,405</b></u>



**WAMC**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023 and 2022**

**NOTE 11: FUNCTIONAL CLASSIFICATION OF EXPENSES (Continued)**

WAMC's functional expenses for the year ended June 30, 2022 are as follows:

	<b>Program Services</b>				<b>Supporting Services</b>		<b>June 30, 2022 Totals</b>
	<b>Programming and Production</b>	<b>Broadcasting</b>	<b>Program Information</b>	<b>Total Program Services</b>	<b>Fund Raising</b>	<b>Management and General</b>	
Salaries	\$ 1,235,178	\$ 429,414	\$ 88,212	\$ 1,752,804	\$ 1,239,596	\$ 260,937	<b>\$ 3,253,337</b>
Other payroll related	258,660	86,898	21,831	367,389	205,990	46,084	<b>619,463</b>
Professional and consulting services	11,313	31,639	600	43,552	3,004	44,803	<b>91,359</b>
Office supplies	6,299	2,258	-	8,557	5,538	14,279	<b>28,374</b>
Telephone	30,577	46,121	1,528	78,226	14,422	12,199	<b>104,847</b>
Rentals	32,445	412,945	-	445,390	870	16,328	<b>462,588</b>
Building supplies	-	7,685	-	7,685	-	8,251	<b>15,936</b>
Travel	19,826	7,170	43	27,039	9,925	3,370	<b>40,334</b>
Program acquisition and production costs	1,355,022	30,900	12,900	1,398,822	-	-	<b>1,398,822</b>
Printing and publications	41,357	-	56,700	98,057	34,453	-	<b>132,510</b>
Utilities	58,966	157,591	-	216,557	-	65,565	<b>282,122</b>
Insurance	55,013	37,691	9,216	101,920	14,926	33,436	<b>150,282</b>
Depreciation	23,401	307,410	-	330,811	-	201,040	<b>531,851</b>
Postage and shipping	1,163	241	171	1,575	45,493	3,148	<b>50,216</b>
Premiums	-	-	-	-	46,880	-	<b>46,880</b>
Repairs and maintenance	43,441	41,630	-	85,071	2,739	87,623	<b>175,433</b>
Dues and subscriptions	28,266	10,240	1,054	39,560	16,916	10,209	<b>66,685</b>
Computer networking	13,239	6,297	12,765	32,301	12,631	22,490	<b>67,422</b>
Credit card fees	-	-	-	-	73,201	19,150	<b>92,351</b>
Other	42,019	4,573	6,804	53,396	39,459	29,914	<b>122,769</b>
	<u>\$ 3,256,185</u>	<u>\$ 1,620,703</u>	<u>\$ 211,824</u>	<u>\$ 5,088,712</u>	<u>\$ 1,766,043</u>	<u>\$ 878,826</u>	<u><b>\$ 7,733,581</b></u>

*Certain functional expenses, including salaries and other payroll related expenses, are allocated by management utilizing an allocation methodology based on estimated time worked by personnel in each category. All remaining expenses are reported to each program and support function based on actual expense incurred.*