

**KWMR**  
**(A California Nonprofit Corporation)**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**For the Years Ended  
September 30, 2018 and 2017**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
KWMR  
Pt. Reyes Station, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of KWMR (a California nonprofit corporation) which comprise the statements of financial position as of September 30, 2018 and 2017, and the related statements of activities 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 of 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 KWMR as of September 30, 2018 and 2017, 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.

**Other Matters**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Doran & Associates*

February 21, 2019

**KWMR**  
**(A California Nonprofit Corporation)**

**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2018 and 2017**

	2018	2017
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Note 1)	\$ 85,813	\$ 69,382
Prepaid expenses and deposits	<u>3,801</u>	<u>6,329</u>
Total current assets	89,614	75,711
Investments (Note 2)	1,470	1,206
Furniture, equipment and leasehold improvements, net of accumulated depreciation of \$154,940 at 2018 and \$151,220 at 2017 (Notes 1 and 3)	<u>20,072</u>	<u>7,618</u>
Total assets	<u>\$ 111,156</u>	<u>\$ 84,535</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	<u>\$ 17,316</u>	<u>\$ 13,357</u>
Total liabilities	<u>17,316</u>	<u>13,357</u>
Net assets:		
Unrestricted:		
Board-designated reserve	33,666	32,160
Undesignated	<u>49,524</u>	<u>34,718</u>
Total unrestricted	83,190	66,878
Temporarily restricted (Note 4)	<u>10,650</u>	<u>4,300</u>
Total net assets	<u>93,840</u>	<u>71,178</u>
Total liabilities and net assets	<u>\$ 111,156</u>	<u>\$ 84,535</u>

The accompanying notes are an integral part of these financial statements.

**KWMR**  
(A California Nonprofit Corporation)

**STATEMENTS OF ACTIVITIES**  
For the year ended September 30, 2018

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT, REVENUE AND TRANSFERS</b>			
Support:			
Memberships and donations	\$ 205,290	\$ -	\$ 205,290
Grants	119,499	7,250	126,749
Underwriting	36,228	-	36,228
In-kind goods and services (Note 5)	<u>45,959</u>	<u>-</u>	<u>45,959</u>
Total support	<u>406,976</u>	<u>7,250</u>	<u>414,226</u>
Revenue:			
Special events, net of expenses of \$20,909 (Note 6)	31,641	-	31,641
Sales, net of cost of goods sold, and other income	(2,321)	-	(2,321)
Investment income (Note 2)	<u>566</u>	<u>-</u>	<u>566</u>
Total revenue	<u>29,886</u>	<u>-</u>	<u>29,886</u>
Temporarily restricted net assets released from restrictions (Note 7)	<u>900</u>	<u>(900)</u>	<u>-</u>
Total support, revenue, and transfers	<u>437,762</u>	<u>6,350</u>	<u>444,112</u>
<b>EXPENSES</b>			
Program services (see Note 5)	269,840	-	269,840
Management and general	47,155	-	47,155
Fundraising	<u>104,455</u>	<u>-</u>	<u>104,455</u>
Total expenses	<u>421,450</u>	<u>-</u>	<u>421,450</u>
Change in net assets	16,312	6,350	22,662
Net assets, beginning of year	<u>66,878</u>	<u>4,300</u>	<u>71,178</u>
Net assets, end of year	<u>\$ 83,190</u>	<u>\$ 10,650</u>	<u>\$ 93,840</u>

The accompanying notes are an integral part of these financial statements.

**KWMR**  
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**STATEMENTS OF ACTIVITIES (CONTINUED)**  
**For the year ended September 30, 2017**

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT, REVENUE AND TRANSFERS</b>			
Support:			
Memberships and donations	\$ 221,116	\$ -	\$ 221,116
Grants	102,301	3,250	105,551
Underwriting	29,602	-	29,602
In-kind goods and services (Note 5)	<u>41,441</u>	<u>-</u>	<u>41,441</u>
Total support	<u>394,460</u>	<u>3,250</u>	<u>397,710</u>
Revenue:			
Special events, net of expenses of \$13,967 (Note 6)	37,918	-	37,918
Sales and other income	857	-	857
Investment income (Note 2)	<u>168</u>	<u>-</u>	<u>168</u>
Total revenue	<u>38,943</u>	<u>-</u>	<u>38,943</u>
Temporarily restricted net assets released from restrictions (Note 7)	<u>8,141</u>	<u>(8,141)</u>	<u>-</u>
Total support, revenue, and transfers	<u>441,544</u>	<u>(4,891)</u>	<u>436,653</u>
<b>EXPENSES</b>			
Program services (see Note 5)	236,459	-	236,459
Management and general	126,707	-	126,707
Fundraising	<u>57,376</u>	<u>-</u>	<u>57,376</u>
Total expenses	<u>420,542</u>	<u>-</u>	<u>420,542</u>
Change in net assets	21,002	(4,891)	16,111
Net assets, beginning of year	<u>45,876</u>	<u>9,191</u>	<u>55,067</u>
Net assets, end of year	<u>\$ 66,878</u>	<u>\$ 4,300</u>	<u>\$ 71,178</u>

The accompanying notes are an integral part of these financial statements.

**KWMR**  
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**STATEMENTS OF CASH FLOWS**  
**For the years ended September 30, 2018 and 2017**

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 22,662	\$ 16,111
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,720	1,538
Unrealized gain on investments	(563)	(168)
Changes in assets and liabilities:		
Prepaid expenses and deposits	2,528	(2,898)
Accounts payable and accrued expenses	3,959	4,374
Total adjustments	<u>9,644</u>	<u>2,846</u>
Net cash provided by operating activities	<u>32,306</u>	<u>18,957</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of furniture, equipment and leasehold improvements	(16,174)	(5,398)
Sales of investments	299	-
Net cash used by investing activities	<u>(15,875)</u>	<u>(5,398)</u>
Net increase in cash and cash equivalents	16,431	13,559
Cash and cash equivalents, beginning of year	<u>69,382</u>	<u>55,823</u>
Cash and cash equivalents, end of year	<u>\$ 85,813</u>	<u>\$ 69,382</u>

The accompanying notes are an integral part of these financial statements.



**KWMR**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2018 and 2017**

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - KWMR is a California nonprofit corporation which operates an FM community radio station based in Pt. Reyes Station and broadcasts to nearby West Marin communities. KWMR provides 24 hours of programming each day to approximately 14,000 homes, with most of the dawn-to-midnight programming produced by volunteer radio hosts (see Note 5). The Station's primary sources of revenue are from contributions from the general public and grants.

Method of Accounting - The financial statements of the Station are prepared using the accrual basis of accounting, which reflects revenue when earned and expenses as incurred.

Basis of Presentation - Resources are classified for accounting and reporting purposes into three classes of net assets, according to externally imposed restrictions:

*Unrestricted net assets* - Net assets that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year.

*Temporarily restricted net assets* - Net assets resulting (a) from contributions and other inflows of assets whose use by the Station is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Station pursuant to those stipulations, (b) from other asset enhancements and diminishment that are subject to the same kind of stipulations, and (c) from reclassification from (or to) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the Station pursuant to those stipulations.

*Permanently restricted net assets* - Net assets resulting (a) from contributions and other inflows of assets whose use by the Station is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Station, (b) from other asset enhancements and diminishment that are subject to the same kinds of stipulations, and (c) from reclassification from (or to) other classes of net assets as a consequence of donor-imposed stipulations.

There were no permanently restricted net assets as of September 30, 2018 or 2017.

Cash and Cash Equivalents - Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

Furniture, Equipment and Leasehold Improvements - The Station records furniture, equipment and leasehold improvements at cost of acquisition, or, if donated, the fair market value at the date of donation. Depreciation is recognized using the straight-line method over the estimated useful life of each asset, which is five or seven years. The Station capitalizes all furniture, equipment and leasehold improvements with a cost in excess of the capitalization threshold of \$5,000 (\$1,000 prior to October 1, 2017).

**KWMR**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2018 and 2017**

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions - Contributions are recognized when the donor makes a promise to give to the Station that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes - The Station is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code, and is considered by the IRS to be an organization other than a private foundation. In the opinion of management, there is no unrelated business income.

Grants and Pledges Receivable - It is the practice of the Station to expense uncollectibles only after exhausting all efforts to collect the amounts due. There is no allowance for doubtful accounts and management believes all amounts will be collected in full.

ASC 740-10, Accounting for Uncertainty in Income Taxes - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Station to report information regarding its exposure to various tax positions taken by the Station. The Station has determined whether any tax positions have met the recognition threshold and have measured the Station's exposure to those tax positions. Management believes that the Station has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed (four years for California). Any interest or penalties assessed to the Station would be recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Accounting Standards, ASU 2014-09, Revenue from Contracts with Customers (Topic 606)- In May 2014, the FASB issued new revenue recognition guidance, which applies to most contracts with customers. The core revenue recognition principle is that revenue should be recognized as the organization transfers goods or services to customers/clients in an amount reflecting the consideration it expects to receive. This new guidance is effective for the Station for annual reporting periods beginning after December 15, 2017. In the opinion of management, the implementation of this standard will not materially impact these financial statements.

Accounting Standards, ASU 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)- In August 2016, the FASB issued new financial statement presentation guidance, which applies to most nonprofit financial statements. The new guidance will impact net asset classes, the presentation of investment return, and other changes, and is effective for annual financial statements issued for fiscal years beginning after December 15, 2017. The new standard is not expected to have a material impact on the Station's financial position, results of operations, or cash flows.

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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2018 and 2017**

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NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Standards Update, ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* - In response to divergence in the way restricted cash is classified and presented in financial statements, FASB issued an amendment requiring that a statement of cash flows explain the change during a reporting period of the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. The amendment is effective for fiscal years beginning after December 31, 2018. The new standard is not expected to have an impact on the Station's statement of cash flows.

Accounting Standards Update, ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* - In June 2018, the FASB issued clarified guidance regarding the way nonprofit organizations record contracts and grants being received and issued. For each arrangement, the organization will have to determine key elements of the agreement including (a) whether or not there is an exchange transaction (i.e., direct commensurate value to funder), (b) whether there are donor-imposed conditions for non-exchange transactions (e.g., measurable performance barriers, etc.) before commitment may be recognized as income, and (c) whether there are donor-imposed restrictions on non-exchange, unconditional funds (i.e., limited purpose or timing restrictions). The new standard is effective for resource recipients for fiscal years beginning after December 15, 2018, and for resource providers for fiscal years beginning after December 15, 2019, and could have a material impact on the Station's statement of financial position, results of operations, and cash flows.

Accounting Standards, ASU 2016-02, *Leases* - In February 2016, the FASB issued amendments to the way lessees record lease transactions. Upon implementation, lessees will be required to recognize at commencement the right-of-use asset and a lease liability representing the lessee's obligation to make lease payments arising from the lease, as discounted, for all leases except short-term leases. This Standard is effective for annual financial statements issued for fiscal years beginning after December 15, 2019, and early adoption is permitted. Management is currently evaluating the impact the amendments to this ASU will have on the financial statements of the Station.

Subsequent Events - Subsequent events have been evaluated through February 21, 2019, which is the date the financial statements were available to be issued.

**KWMR**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2018 and 2017**

NOTE 2 INVESTMENTS

The following are the major categories of investments measured at fair value on a recurring basis using the market method during the years ended September 30, 2018 and 2017, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

<u>Description</u>	Fair Value Measurements Using			<u>Total</u>
	<u>Quoted Price in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	
<u>September 30, 2018:</u>				
Stocks	\$ 1,100	\$ -	\$ -	\$ 1,100
Other	370	-	-	370
	<u>\$ 1,470</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,470</u>
<u>September 30, 2017:</u>				
Stocks	\$ 1,014	\$ -	\$ -	\$ 1,014
Other	192	-	-	192
	<u>\$ 1,206</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,206</u>

The following summarizes the investment income, including amounts earned on interest-bearing cash accounts, for the years ended September 30, 2018 and 2017:

	2018	2017
Interest and dividend income, including interest earned on interest-bearing accounts	\$ 3	\$ -
Unrealized gain on investments	563	168
	<u>\$ 566</u>	<u>\$ 168</u>

**KWMR**  
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**NOTES TO FINANCIAL STATEMENTS**  
For the years ended September 30, 2018 and 2017

NOTE 3 FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Following are the details of furniture, equipment and leasehold improvements:

<u>Furniture, Equipment and Leasehold Improvements, at Cost</u>	<u>Furniture and Fixtures</u>	<u>Equipment and Vehicles</u>	<u>Leasehold Improve- ments</u>	<u>Total</u>
Balance, September 30, 2016	\$ 2,227	\$ 145,735	\$ 5,478	\$ 153,440
Additions	-	5,398	-	5,398
Balance, September 30, 2017	2,227	151,133	5,478	158,838
Additions	-	16,174	-	16,174
Balance, September 30, 2018	<u>2,227</u>	<u>167,307</u>	<u>5,478</u>	<u>175,012</u>
<u>Accumulated Depreciation</u>				
Balance, September 30, 2016	2,227	141,977	5,478	149,682
Depreciation expense	-	1,538	-	1,538
Balance, September 30, 2017	2,227	143,515	5,478	151,220
Depreciation expense	-	3,720	-	3,720
Balance, September 30, 2018	<u>2,227</u>	<u>147,235</u>	<u>5,478</u>	<u>154,940</u>
Furniture, equipment and leasehold improvements, net	<u>\$ -</u>	<u>\$ 20,072</u>	<u>\$ -</u>	<u>\$ 20,072</u>

NOTE 4 TEMPORARILY RESTRICTED NET ASSETS

The Station is awarded grants which are received with donor stipulations that limit the use of the assets for specific purposes and/or for specific time periods. Temporarily restricted net assets at September 30, 2018 and 2017, were restricted to the following uses:

	<u>2018</u>	<u>2017</u>
Studio B Upgrade (West Marin Fund)	\$ 1,000	\$ 1,050
Youth DJ (County of Marin)	3,500	2,000
Mobile App (West Marin Fund)	650	1,250
Remote Kits (County of Marin)	1,500	-
Computers (West Marin Fund)	<u>4,000</u>	<u>-</u>
	<u>\$ 10,650</u>	<u>\$ 4,300</u>

**KWMR**  
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**NOTES TO FINANCIAL STATEMENTS**  
For the years ended September 30, 2018 and 2017

NOTE 5 IN-KIND GOODS AND SERVICES

The Corporation received the benefit of in-kind professional services and goods during the years ended September 30, 2018 and 2017, which were recorded at fair value based on the market approach on a non-recurring basis using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

	Fair Value Measurements Using			Total
	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<u>2018:</u>				
Bartered goods and services	\$ -	\$ 29,710	\$ -	\$ 29,710
Donated tower use	-	5,760	-	5,760
Professional services	-	10,489	-	10,489
	\$ -	\$ 45,959	\$ -	\$ 45,959
<u>2017:</u>				
Bartered goods and services	\$ -	\$ 33,181	\$ -	\$ 33,181
Professional services	-	8,260	-	8,260
	\$ -	\$ 41,441	\$ -	\$ 41,441

The Station also benefits from the services of approximately 142 volunteers (137 for 2017), who assist with events and pledge drives, and provide on-air programming. It is estimated that program hosts provided 4,562 and 4,149 hours to KWMR in 2018 and 2017, respectively. The value of these volunteer services is not reflected in these financial statements, as they do not meet the criteria under Generally Accepted Accounting Principles. However, if the value of the on-air volunteers were to be recorded at an hourly rate of \$22.90 for the year ended September 30, 2018, and \$38.50 for the year ended September 30, 2017, program expense for 2018 and 2017 would increase by \$104,470 and \$159,737, respectively.

**KWMR**  
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**NOTES TO FINANCIAL STATEMENTS**  
For the years ended September 30, 2018 and 2017

NOTE 6 SPECIAL EVENTS

During the years ended September 30, 2018 and 2017, the Station held several special events, as follows:

	Golf Tournament	EMHO	Other	Total
<u>2018:</u>				
Income	\$ 19,147	\$ 18,386	\$ 15,017	\$ 52,550
Expenses	<u>(8,130)</u>	<u>(6,415)</u>	<u>(6,364)</u>	<u>(20,909)</u>
	<u>\$ 11,017</u>	<u>\$ 11,971</u>	<u>\$ 8,653</u>	<u>\$ 31,641</u>
<u>2017:</u>				
Income	\$ 18,898	\$ 18,159	\$ 14,828	\$ 51,885
Expenses	<u>(8,047)</u>	<u>(4,076)</u>	<u>(1,844)</u>	<u>(13,967)</u>
	<u>\$ 10,851</u>	<u>\$ 14,083</u>	<u>\$ 12,984</u>	<u>\$ 37,918</u>

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS RELEASED FROM RESTRICTION

The Station fulfilled the use and/or time restrictions for the following temporarily restricted items and they were released to unrestricted net assets during the years ended September 30, 2018 and 2017:

	2018	2017
Other	\$ -	\$ 1,063
Capacity Building (West Marin Fund)	-	2,183
San Geronimo Valley	-	2,866
Website (West Marin Fund)	-	1,529
Studio B Upgrade (West Marin Fund)	50	500
Youth DJ (County of Marin)	250	-
Mobile App (West Marin Fund)	<u>600</u>	<u>-</u>
	<u>\$ 900</u>	<u>\$ 8,141</u>

NOTE 8 DEFINED CONTRIBUTION RETIREMENT PLAN

The Station contributes to eligible employees' SEP-IRA accounts an amount equal to 2% of their annual salary. For the years ended September 30, 2018 and 2017, the Station contributed \$4,694 and \$4,433, respectively, to this plan.

**KWMR**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2018 and 2017**

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NOTE 9 LEASE

The Station leases offices in Pt. Reyes Station, California, under operating leases that were extended through June 30, 2016, and are now month-to-month. The extended leases required base monthly rent totaling \$1,370 beginning July 1, 2011, increasing each anniversary, as applicable under the terms of the lease. For the years ended September 30, 2018 and 2017, the Station paid a total of \$18,768 per year under these leases.

NOTE 10 LICENSE AGREEMENTS

The Station has entered into two license agreements with the Marin Emergency Radio Authority (MERA) that allow KWMR right-of-way permits to use certain real property located in two locations in Marin County, California for the installation of antennae. The license agreements are renewed annually and are non-transferable.

NOTE 11 RISKS, UNCERTAINTIES AND CONCENTRATIONS

The Station relies on a significant amount of funding received in the form of donations and grants from individuals and foundations to support its operations. The current global financial markets and discussions of a U.S. economic downturn may have an impact on the level of funding provided by these funding sources. While it is impracticable to determine the impact of these events, management is taking steps to address potential changes in funding levels and reduce the Station's exposure to impact from these events.

In 2018, the Station received \$111,499, or 25% (22% in 2017) of total income, from one funder.



SUPPLEMENTARY INFORMATION

**KWMR**  
(A California Nonprofit Corporation)

**SCHEDULES OF FUNCTIONAL EXPENSES**  
For the year ended September 30, 2018

	Program Services	Management and General	Fundraising	Total
Personnel	\$ 154,598	\$ 28,343	\$ 74,723	\$ 257,664
Insurance	4,336	795	2,095	7,226
Office expenses	4,688	859	2,266	7,813
Programming expenses	4,495	-	-	4,495
Professional services	-	13,798	-	13,798
Rent and utilities	13,367	2,450	6,461	22,278
Telephone	2,735	501	1,322	4,558
Depreciation expense	2,232	409	1,079	3,720
Broadcast engineering	922	-	-	922
Fundraising and membership	-	-	11,700	11,700
Underwriting and grant solicitation	-	-	4,809	4,809
Produced programs	36,508	-	-	36,508
In-kind expenses	45,959	-	-	45,959
Total expenses	<u>\$ 269,840</u>	<u>\$ 47,155</u>	<u>\$ 104,455</u>	<u>\$ 421,450</u>

**KWMR**  
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**SCHEDULES OF FUNCTIONAL EXPENSES (Continued)**  
**For the year ended September 30, 2017**

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	Program Services	Management and General	Fundraising	Total
Personnel	\$ 140,145	\$ 79,437	\$ 38,389	\$ 257,971
Insurance	3,553	1,938	969	6,460
Office expenses	6,316	3,445	1,723	11,484
Professional services	-	14,365	2,535	16,900
Rent and utilities	12,275	6,696	3,348	22,319
Telephone	3,921	2,139	1,069	7,129
Depreciation expense	847	460	231	1,538
Miscellaneous	10,619	5,795	2,896	19,310
Produced programs	35,990	-	-	35,990
In-kind expenses	<u>22,793</u>	<u>12,432</u>	<u>6,216</u>	<u>41,441</u>
Total expenses	<u>\$ 236,459</u>	<u>\$ 126,707</u>	<u>\$ 57,376</u>	<u>\$ 420,542</u>