

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

**FINANCIAL STATEMENTS**

**For the Years Ended**  
**September 30, 2022 and 2021**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

We have audited the accompanying financial statements of KWMR (a California nonprofit corporation) which comprise the statements of financial position as of September 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 KWMR as of September 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of KWMR 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 these 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 KWMR'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 KWMR'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 KWMR'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 audits.

*Doran & Associates*

February 16, 2023

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

**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2022 and 2021**

	2022	2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Note 1)	\$ 476,957	\$ 506,430
Prepaid expenses and deposits	11,707	10,615
Grants and accounts receivable (Note 1)	3,775	-
Investments (Note 3)	<u>1,473</u>	<u>1,828</u>
Total current assets	493,912	518,873
Furniture, equipment, and leasehold improvements, net of accumulated depreciation of \$152,646 at 2022 and \$144,932 at 2021 (Notes 1 and 4)	<u>50,594</u>	<u>23,569</u>
Total assets	<u>\$ 544,506</u>	<u>\$ 542,442</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	<u>\$ 48,953</u>	<u>\$ 25,469</u>
Total liabilities	<u>48,953</u>	<u>25,469</u>
Net assets:		
Without donor restrictions	486,279	484,159
With donor restrictions (Note 6)	<u>9,274</u>	<u>32,814</u>
Total net assets	<u>495,553</u>	<u>516,973</u>
Total liabilities and net assets	<u>\$ 544,506</u>	<u>\$ 542,442</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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE, AND TRANSFERS</b>			
Support:			
Memberships and donations	\$ 297,514	\$ -	\$ 297,514
Non-cash donations (Note 7)	17,881	-	17,881
Grants	158,656	6,491	165,147
In-kind goods and services (Note 7)	<u>61,707</u>	<u>-</u>	<u>61,707</u>
Total support	<u>535,758</u>	<u>6,491</u>	<u>542,249</u>
Revenue:			
Special events, net of expenses of \$2,346 (Note 8)	483		483
Sales, net of cost of goods sold, and other income	2,461	-	2,461
Investment income (Note 3)	<u>1,606</u>	<u>-</u>	<u>1,606</u>
Total revenue	<u>4,550</u>	<u>-</u>	<u>4,550</u>
Net assets with donor restrictions released from restrictions, fulfillment of purpose and/or time restrictions	<u>30,031</u>	<u>(30,031)</u>	<u>-</u>
Total support, revenue, and transfers	<u>570,339</u>	<u>(23,540)</u>	<u>546,799</u>
<b>EXPENSES AND LOSSES</b>			
Program services (see Note 7)	364,301	-	364,301
Management and general	82,481	-	82,481
Fundraising	<u>121,437</u>	<u>-</u>	<u>121,437</u>
Total expenses and losses	<u>568,219</u>	<u>-</u>	<u>568,219</u>
Change in net assets	2,120	(23,540)	(21,420)
Net assets, beginning of year	<u>484,159</u>	<u>32,814</u>	<u>516,973</u>
Net assets, end of year	<u>\$ 486,279</u>	<u>\$ 9,274</u>	<u>\$ 495,553</u>

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

**KWMR**  
(A California Nonprofit Corporation)

**STATEMENTS OF ACTIVITIES (CONTINUED)**  
For the year ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE, AND TRANSFERS</b>			
Support:			
Memberships and donations	\$ 296,358	\$ -	\$ 296,358
Grants	337,226	15,018	352,244
PPP conditional grant (Note 5)	48,620	-	48,620
In-kind goods and services (Note 7)	<u>40,977</u>	<u>-</u>	<u>40,977</u>
Total support	<u>723,181</u>	<u>15,018</u>	<u>738,199</u>
Revenue:			
Sales, net of cost of goods sold, and other income	1,564	-	1,564
Investment income (Note 3)	<u>342</u>	<u>-</u>	<u>342</u>
Total revenue	<u>1,906</u>	<u>-</u>	<u>1,906</u>
Net assets with donor restrictions released from restrictions, fulfillment of purpose and/or time restrictions	<u>9,623</u>	<u>(9,623)</u>	<u>-</u>
Total support, revenue, and transfers	<u>734,710</u>	<u>5,395</u>	<u>740,105</u>
<b>EXPENSES AND LOSSES</b>			
Program services (see Note 7)	295,147	-	295,147
Management and general	83,677	-	83,677
Fundraising	<u>85,860</u>	<u>-</u>	<u>85,860</u>
Total expenses and losses	<u>464,684</u>	<u>-</u>	<u>464,684</u>
Change in net assets	270,026	5,395	275,421
Net assets, beginning of year	<u>214,133</u>	<u>27,419</u>	<u>241,552</u>
Net assets, end of year	<u>\$ 484,159</u>	<u>\$ 32,814</u>	<u>\$ 516,973</u>

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

**KWMR**  
(A California Nonprofit Corporation)

**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the year ended September 30, 2022

	Program Services	Management and General	Fundraising	Total
Personnel	\$ 196,831	\$ 49,208	\$ 82,013	\$ 328,052
Insurance	4,424	1,106	1,844	7,374
Programming expenses	30,535	-	-	30,535
Strategic Plan	2,880	720	1,200	4,800
Disaster council	1,330	-	-	1,330
Fundraising and membership	-	-	16,466	16,466
Office expenses	20,739	8,679	12,119	41,537
Rent and utilities	14,392	3,598	5,513	23,503
Telephone	5,478	1,369	2,282	9,129
Professional services	-	17,801	-	17,801
Outside services	1,990	-	-	1,990
Produced programs	23,995	-	-	23,995
Special event	-	-	2,346	2,346
Cost of goods sold	3,961	-	-	3,961
In-kind expenses	61,707	-	-	61,707
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	368,262	82,481	123,783	574,526
Less expenses included with revenues on the Statement of Activities:				
Cost of special event direct benefits to donors	-	-	2,346	2,346
Cost of goods sold	3,961	-	-	3,961
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses included on the expenses section on the Statement of Activities	<u>\$ 364,301</u>	<u>\$ 82,481</u>	<u>\$ 121,437</u>	<u>\$ 568,219</u>

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



**KWMR**  
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**STATEMENTS OF FUNCTIONAL EXPENSES (Continued)**  
For the year ended September 30, 2021

	Program Services	Management and General	Fundraising	Total
Personnel	\$ 172,667	\$ 57,555	\$ 57,555	\$ 287,777
Insurance	4,101	1,367	1,367	6,835
Programming expenses	25,782	-	-	25,782
Disaster council	741	-	-	741
Fundraising and membership	-	-	17,295	17,295
Office expenses	9,707	3,236	3,236	16,179
Rent and utilities	13,819	4,606	4,606	23,031
Telephone	5,404	1,801	1,801	9,006
Professional services	-	13,852	-	13,852
Outside services	1,890	1,260	-	3,150
Produced programs	20,059	-	-	20,059
Cost of goods sold	3,709	-	-	3,709
In-kind expenses	40,977	-	-	40,977
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	298,856	83,677	85,860	468,393
Less expenses included with revenues on the Statement of Activities:				
Cost of goods sold	<hr/> 3,709	<hr/> -	<hr/> -	<hr/> 3,709
Total expenses included on the expenses section on the Statement of Activities	<u>\$ 295,147</u>	<u>\$ 83,677</u>	<u>\$ 85,860</u>	<u>\$ 464,684</u>

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

**KWMR**  
(A California Nonprofit Corporation)

**STATEMENTS OF CASH FLOWS**  
For the years ended September 30, 2022 and 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (21,420)	\$ 275,421
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,714	4,325
Unrealized loss (gain) on investments	355	(342)
Forgiveness of PPP conditional grant/loan	-	(48,620)
Changes in assets and liabilities:		
Grants and accounts receivable	(3,775)	1,500
Prepaid expenses and deposits	(1,092)	(3,021)
Accounts payable and accrued expenses	23,484	4,343
Total adjustments	<u>26,686</u>	<u>(41,815)</u>
Net cash provided by operating activities	<u>5,266</u>	<u>233,606</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash paid for furniture, equipment, and leasehold improvements	<u>(34,739)</u>	<u>(14,735)</u>
Net cash used by investing activities	<u>(34,739)</u>	<u>(14,735)</u>
Net (decrease) increase in cash and cash equivalents	(29,473)	218,871
Cash and cash equivalents, beginning of year	<u>506,430</u>	<u>287,559</u>
Cash and cash equivalents, end of year	<u>\$ 476,957</u>	<u>\$ 506,430</u>
Supplementary information:		
Non-cash transactions:		
Forgiveness of PPP conditional grant/loan	<u>\$ -</u>	<u>\$ 48,620</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, 2022 and 2021**

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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 7). 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.

Net Assets - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions.

*Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

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.

Advertising - Advertising costs are expensed as incurred. During the years ended September 30, 2022 and 2021, the Station paid \$1,593 and \$1,016, respectively, in advertising.

**KWMR**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2022 and 2021**

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

Investments - Investments primarily include mutual funds. Purchased investments in equity and debt securities with readily determinable fair values are reported at fair value based on quoted market prices. Other investment instruments are measured on the net equity basis, as reported on the K-1 or other year-end report. Investments received by donation are recorded at the fair value at the date of donation.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Fair Value Measurements - Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Station determines the fair values of its assets and liabilities based on the fair value hierarchy, which includes three levels of inputs that may be used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Station has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are significant other observable inputs other than Level 1 inputs, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data. Level 3 inputs are unobservable inputs for the assets or liabilities. Unobservable inputs reflect the Station's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, and may include the Station's own data.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Station's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Revenue and Revenue Recognition - The Station recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and right of return - are not recognized until the conditions on which they depend have been met. Memberships are functionally treated as support, as there is no exchange transaction associated with this designation.

Revenue, other than unconditional contributions, bequests, and grants, is recognized in the period in which service is provided.

Functional Expenses - The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, as well as salaries and wages, benefits, payroll taxes, interest, insurance, and other, which are allocated based on time studies and natural classification.

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

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2022 and 2021**

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

Use of Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. 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 Accounts 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 has 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 Update, ASU 2014-09, Revenue from Contracts with Customers (Topic 606) - In May 2014, the FASB provided a new five-step process for the analysis of contracts with customers and the recognition of revenue resulting from those contracts. Among other steps is the identification of performance obligations under the contracts and the allocation of a transaction price to those performance obligations. The amendment does not affect contributions or investment income. The Station has elected the practical expedient with regard to the application of this new standard. The new standard was effective for fiscal years beginning after December 15, 2019, and did not have an impact on the Station's reporting of earned revenue.

Accounting Standards Update, ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets - In September 2020, the FASB amended guidance regarding the way nonprofit organizations report nonfinancial assets, including donated goods and rent, in-kind professional services, etc. The amendment requires contributed nonfinancial assets to be presented separately from cash and other financial assets on the statement of activities, and the footnote disclosure must include a dis-aggregation by type, donor restrictions, if applicable, and other details about the nature and valuation of the nonfinancial assets received. The new standard was effective for fiscal years beginning after June 15, 2021, and had an impact on the Station's reporting of contributed nonfinancial assets.

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, 2021, 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.

**KWMR**  
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**NOTES TO FINANCIAL STATEMENTS**  
For the years ended September 30, 2022 and 2021

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

Subsequent Events - Subsequent events have been evaluated through February 16, 2023, which is the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY OF RESOURCES

Nonprofit KWMR, Inc. has \$482,205 in liquid assets, and \$9,274 cannot be included since they are donor restricted funds. Therefore \$472,931 in cash and other liquid assets are available for general expenditures. These assets are not subject to donor restrictions, internal designation, or any contractual obligations. This is approximately 363 days of operational funding for the Station.

NOTE 3 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, 2022 and 2021:

<u>Description</u>	<u>Fair Value Measurements Using</u>			<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>	
Mutual funds:				
September 30, 2022	<u>\$ 1,473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,473</u>
September 30, 2021	<u>\$ 1,828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,828</u>

The following summarizes the investment income, including amounts earned on interest-bearing cash accounts, for the years ended September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest and dividend income, including interest earned on interest-bearing accounts	\$ 1,961	\$ -
Unrealized gain (loss) on investments	<u>(355)</u>	<u>342</u>
	<u>\$ 1,606</u>	<u>\$ 342</u>

**KWMR**  
(A California Nonprofit Corporation)

**NOTES TO FINANCIAL STATEMENTS**  
For the years ended September 30, 2022 and 2021

NOTE 4 FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS

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

Furniture, Equipment, and Leasehold Improvements, at Cost	Furniture and Fixtures	Equipment and Vehicles	Leasehold Improve- ments	Total
Balance, September 30, 2020	\$ 2,227	\$ 167,307	\$ 5,478	\$ 175,012
Additions	-	6,303	8,432	14,735
Disposals	-	(21,246)	-	(21,246)
Balance, September 30, 2021	2,227	152,364	13,910	168,501
Additions	-	34,739	-	34,739
Balance, September 30, 2022	2,227	187,103	13,910	203,240
<u>Accumulated Depreciation</u>				
Balance, September 30, 2020	2,227	154,148	5,478	161,853
Depreciation expense	-	4,255	70	4,325
Disposals	-	(21,246)	-	(21,246)
Balance, September 30, 2021	2,227	137,157	5,548	144,932
Depreciation expense	-	6,871	843	7,714
Balance, September 30, 2022	2,227	144,028	6,391	152,646
Furniture, equipment, and leasehold improvements, net	<u>\$ -</u>	<u>\$ 43,075</u>	<u>\$ 7,519</u>	<u>\$ 50,594</u>

NOTE 5 PPP CONDITIONAL GRANT/LOAN

On May 3, 2020, the Station entered into an unsecured note payable to Wells Fargo Bank, N.A., as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act's "Paycheck Protection Program" which is guaranteed by the U.S. Small Business Administration. The loan was for \$48,620, was scheduled to mature on May 3, 2022, and bore interest at the fixed rate of 1% per annum. Payments of principal and interest were deferred for six months, then were to be made in eighteen equal payments until maturity. Under the terms of the program, some or all of the loan may be forgiven if funds are used during the covered period for costs identified in the CARES Act: payroll costs, covered rent obligations, and covered utility payments. On May 7, 2021, the loan was forgiven and the conditional grant was recognized as income.

**KWMR**  
(A California Nonprofit Corporation)

**NOTES TO FINANCIAL STATEMENTS**  
For the years ended September 30, 2022 and 2021

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2022	2021
Network upgrade (County of Marin)	\$ 3,490	\$ -
Spanish language broadcast (West Marin Fund)	3,000	-
Community Archives (West Marin Fund)	1,512	2,686
Remote Kits (County of Marin)	572	1,500
Equipment (LBC)	500	500
Strategic Plan (West Marin Fund)	200	5,000
Communications (West Marin Fund)	-	5,579
Transmitter (County of Marin)	-	5,000
Community information (PG&E)	-	3,839
Computers (County of Marin)	-	3,610
Youth DJ (County of Marin)	-	3,500
Studio B Upgrade (West Marin Fund)	-	1,000
Engineering (County of Marin)	-	600
	\$ 9,274	\$ 32,814

NOTE 7 IN-KIND GOODS AND SERVICES

The Corporation received the benefit of in-kind professional services and goods during the years ended September 30, 2022 and 2021, which were recorded at fair value based on the market approach on a non-recurring basis as follows:

<u>Description</u>	Fair Value Measurements Using			<u>Total</u>
	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<u>2022:</u>				
<i>Non-cash donations:</i>				
Donated vehicles, monetized	\$ -	\$ 17,881	\$ -	\$ 17,881
<i>In-kind goods and services, utilized:</i>				
Bartered goods and services	\$ -	\$ 11,051	\$ -	\$ 11,051
Donated tower use	-	815	-	815
Donated ads	-	5,760	-	5,760
Professional services	-	44,081	-	44,081
	\$ -	\$ 61,707	\$ -	\$ 61,707



**KWMR**  
(A California Nonprofit Corporation)

**NOTES TO FINANCIAL STATEMENTS**  
For the years ended September 30, 2022 and 2021

NOTE 7 IN-KIND GOODS AND SERVICES (Continued)

<u>Description</u>	Fair Value Measurements Using			<u>Total</u>
	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<u>2021:</u>				
Bartered goods and services	\$ -	\$ 27,694	\$ -	\$ 27,694
Donated tower use	-	5,760	-	5,760
Professional services	-	1,305	-	1,305
Donated ads	-	6,218	-	6,218
	<u>\$ -</u>	<u>\$ 40,977</u>	<u>\$ -</u>	<u>\$ 40,977</u>

The Station also benefits from the services of volunteers who assist with events and pledge drives, and provide on-air programming. Volunteer hours have increased, even during COVID, using strict health protocols. KWMR currently has 65 volunteer programmers. Many programmers are doing their shows live, or via the web. Other programmers continue to produce their programs at home. It is estimated that program hosts provided 3,495 and 3,380 hours to KWMR in 2022 and 2021, 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. If the value of on-air programming produced by volunteers were to be recorded at an hourly rate of \$25.54, the program expenses would increase by \$89,262. The same estimated value of on air programming for 2021 was \$96,640.

NOTE 8 SPECIAL EVENTS

During the year ended September 30, 2022, the Station held a special event, as follows:

Income	\$ 2,829
Expenses	<u>(2,346)</u>
	<u>\$ 483</u>

NOTE 9 DEFINED CONTRIBUTION RETIREMENT PLANS

The Station contributed to eligible employees' SEP-IRA through December 31, 2021. Employer contributions of 4% of employee annual salaries (2% prior to January 1, 2021) were made. For the years ended September 30, 2022 and 2021, the Station contributed \$6,045 and \$4,630, respectively, to this plan.

**KWMR**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2022 and 2021**

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NOTE 9    DEFINED CONTRIBUTION RETIREMENT PLANS (Continued)

Beginning January 1, 2022, the Station began to offer a 401(k) for eligible employees. Employer contributions of 4% of employee annual salaries were made totaling \$7,350 for the year ended September 30, 2022.

NOTE 10    LEASE

The Station leases offices in Pt. Reyes Station, California, under operating leases that were month-to-month through September 30, 2020, then were commemorated under new lease terms through September 30, 2023. The extended lease requires base monthly rent totaling \$1,642 beginning October 1, 2020, increasing each anniversary, as applicable under the terms of the lease. For the years ended September 30, 2022 and 2021, the Station paid a total of \$20,292 and \$19,704, respectively, under the lease.

NOTE 11    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 12    RISKS, UNCERTAINTIES AND CONCENTRATIONS

- Coronavirus Pandemic - In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) began to spread among various countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. The impact to the Station's operations included following all State and NIH protocols. KWMR has resumed mostly normal operations in 2021, with the installation of a more robust mini-split air system and air purifiers. Volunteers and staff are asked to stay home if they don't feel well and to test for COVID if they are symptomatic. While COVID is here to stay, the station operating procedures, with everyone's health in mind, are based on recommendations from the CDPH and Marin County HHS.
- 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 2022, the Station received \$134,647, or 25% (45% in 2021) of total income, from one funder.