

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

**FINANCIAL STATEMENTS**

**For the Years Ended**  
**September 30, 2024 and 2023 (as restated)**

## **C O N T E N T S**

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 16



70 Mitchell Blvd., Ste. 102  
San Rafael, CA 94903  
Phone (415) 491-1130 \* Fax (415) 524-4167  
[www.DoranAssociates.net](http://www.DoranAssociates.net)  
Member CalCPA and AICPA

## **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, 2024 and 2023 (as restated; see Note 11), 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, 2024 and 2023 (as restated), 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*

January 16, 2025

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

**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2024 and 2023 (as restated)**

	2024	2023 (Restated; Note 11)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Note 1)	\$ 338,601	\$ 483,776
Certificate of deposit (Note 1)	200,000	-
Prepaid expenses and deposits	17,503	12,573
Grants and accounts receivable (Note 1)	<u>-</u>	<u>25</u>
Total current assets	556,104	496,374
Operating lease right of use asset, net of accumulated amortization of \$42,893 at 2024 and \$21,861 at 2023 (Note 3)	39,515	60,547
Furniture, equipment, and leasehold improvements, net of accumulated depreciation of \$169,672 at 2024 and \$163,498 at 2023 (Notes 1 and 4)	<u>62,772</u>	<u>53,217</u>
Total assets	<u><u>\$ 658,391</u></u>	<u><u>\$ 610,138</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 55,918	\$ 43,090
Current portion of operating lease liability (Note 3)	<u>20,504</u>	<u>20,699</u>
Total current liabilities	76,422	63,789
Operating lease liability, net of current portion (Note 3)	<u>20,301</u>	<u>40,805</u>
Total liabilities	<u>96,723</u>	<u>104,594</u>
Net assets:		
Without donor restrictions	544,276	478,935
With donor restrictions (Note 5)	<u>17,392</u>	<u>26,609</u>
Total net assets	<u>561,668</u>	<u>505,544</u>
Total liabilities and net assets	<u><u>\$ 658,391</u></u>	<u><u>\$ 610,138</u></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, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE, AND TRANSFERS</b>			
Support:			
Memberships and donations	\$ 341,854	\$ -	\$ 341,854
Non-cash donations (Note 6)	26,850	-	26,850
Grants	171,892	12,282	184,174
In-kind goods and services (Note 6)	<u>60,111</u>	<u>-</u>	<u>60,111</u>
Total support	<u>600,707</u>	<u>12,282</u>	<u>612,989</u>
Revenue:			
Special events, net of expenses of \$5,599 (Note 7)	(2,016)	-	(2,016)
Sales, net of cost of goods sold of \$4,091, and other income	9,817	-	9,817
Interest income	<u>16,995</u>	<u>-</u>	<u>16,995</u>
Total revenue	<u>24,796</u>	<u>-</u>	<u>24,796</u>
Net assets with donor restrictions released from restrictions, fulfillment of purpose and/or time restrictions	<u>21,499</u>	<u>(21,499)</u>	<u>-</u>
Total support, revenue, and transfers	<u>647,002</u>	<u>(9,217)</u>	<u>637,785</u>
<b>EXPENSES AND LOSSES</b>			
Program services (see Note 6)	345,109	-	345,109
Management and general	70,061	-	70,061
Fundraising	<u>166,491</u>	<u>-</u>	<u>166,491</u>
Total expenses and losses	<u>581,661</u>	<u>-</u>	<u>581,661</u>
Change in net assets	65,341	(9,217)	56,124
Net assets, beginning of year	<u>478,935</u>	<u>26,609</u>	<u>505,544</u>
Net assets, end of year	<u><u>\$ 544,276</u></u>	<u><u>\$ 17,392</u></u>	<u><u>\$ 561,668</u></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, 2023 (as restated)**

	Without Donor Restrictions (Restated)	With Donor Restrictions	Total
<b>SUPPORT, REVENUE, AND TRANSFERS</b>			
Support:			
Memberships and donations	\$ 271,539	\$ -	\$ 271,539
Non-cash donations (Note 6)	36,314	-	36,314
Grants	159,593	24,525	184,118
In-kind goods and services (Note 6)	<u>147,797</u>	<u>-</u>	<u>147,797</u>
Total support	<u>615,243</u>	<u>24,525</u>	<u>639,768</u>
Revenue:			
Special events, net of expenses of \$1,737 (Note 7)	4,814	-	4,814
Sales, net of cost of goods sold of \$6,256, and other income	1,651	-	1,651
Fees for service	2,000	-	2,000
Interest income	<u>14,840</u>	<u>-</u>	<u>14,840</u>
Total revenue	<u>23,305</u>	<u>-</u>	<u>23,305</u>
Net assets with donor restrictions released from restrictions, fulfillment of purpose and/or time restrictions	<u>7,190</u>	<u>(7,190)</u>	<u>-</u>
Total support, revenue, and transfers	<u>645,738</u>	<u>17,335</u>	<u>663,073</u>
<b>EXPENSES AND LOSSES</b>			
Program services (see Note 6)	442,823	-	442,823
Management and general	54,815	-	54,815
Fundraising	<u>155,444</u>	<u>-</u>	<u>155,444</u>
Total expenses and losses	<u>653,082</u>	<u>-</u>	<u>653,082</u>
Change in net assets	(7,344)	17,335	9,991
Net assets, beginning of year	<u>486,279</u>	<u>9,274</u>	<u>495,553</u>
Net assets, end of year	<u><u>\$ 478,935</u></u>	<u><u>\$ 26,609</u></u>	<u><u>\$ 505,544</u></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, 2024**

	Program Services	Management and General	Fundraising	Total
Personnel	\$ 200,474	\$ 50,119	\$ 107,397	\$ 357,990
Insurance	2,489	622	1,334	4,445
Programming expenses	41,775	-	-	41,775
Disaster council	657	-	-	657
Fundraising and membership	-	-	22,962	22,962
Office expenses	15,202	3,800	8,144	27,146
Rent and utilities	15,766	3,941	8,446	28,153
Telephone and internet	8,635	2,158	4,627	15,420
Professional and outside services	-	5,821	13,581	19,402
Pass-through grants	-	3,600	-	3,600
Special events	-	-	5,599	5,599
Cost of goods sold	4,091	-	-	4,091
In-kind expenses	<u>60,111</u>	<u>-</u>	<u>-</u>	<u>60,111</u>
Total expenses	349,200	70,061	172,090	591,351
Less expenses included with revenues on the Statement of Activities:				
Cost of special event direct benefits to donors	-	-	5,599	5,599
Cost of goods sold	<u>4,091</u>	<u>-</u>	<u>-</u>	<u>4,091</u>
Total expenses included on the expenses section on the Statement of Activities	<u>\$ 345,109</u>	<u>\$ 70,061</u>	<u>\$ 166,491</u>	<u>\$ 581,661</u>

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



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

**STATEMENTS OF FUNCTIONAL EXPENSES (Continued)**  
**For the year ended September 30, 2023 (as restated)**

	Program Services	Management and General	Fundraising	Total (Restated)
Personnel	\$ 177,491	\$ 32,272	\$ 112,948	\$ 322,711
Insurance	4,249	773	2,705	7,727
Programming expenses	32,940	-	-	32,940
Strategic Plan	2,090	380	1,330	3,800
Disaster council	10,213	-	-	10,213
Fundraising and membership	-	-	18,021	18,021
Office expenses	14,406	1,893	6,624	22,923
Rent and utilities	14,424	2,623	9,179	26,226
Telephone and fiber internet	7,288	1,324	4,637	13,249
Professional services	-	15,550	-	15,550
Contract IT	7,430	-	-	7,430
Outside services	2,770	-	-	2,770
Produced programs	21,725	-	-	21,725
Special event	-	-	1,737	1,737
Cost of goods sold	6,256	-	-	6,256
In-kind expenses	<u>147,797</u>	<u>-</u>	<u>-</u>	<u>147,797</u>
Total expenses	449,079	54,815	157,181	661,075
Less expenses included with revenues on the Statement of Activities:				
Cost of special event direct benefits to donors	-	-	1,737	1,737
Cost of goods sold	<u>6,256</u>	<u>-</u>	<u>-</u>	<u>6,256</u>
Total expenses included on the expenses section on the Statement of Activities	<u>\$ 442,823</u>	<u>\$ 54,815</u>	<u>\$ 155,444</u>	<u>\$ 653,082</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, 2024 and 2023 (as restated)**

	2024	2023 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 56,124	\$ 9,991
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,649	10,852
Amortization of right of use asset	21,032	21,861
Realized and unrealized gain on investments	-	(151)
Gain on sale of vehicle	(4,500)	-
Changes in assets and liabilities:		
Grants and accounts receivable	25	3,750
Prepaid expenses and deposits	(4,930)	(866)
Accounts payable and accrued expenses	12,828	(5,863)
Cash paid for operating lease	(20,699)	(20,904)
Total adjustments	17,405	8,679
Net cash provided by operating activities	73,529	18,670
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash paid for certificate of deposit	(200,000)	-
Proceeds from sale of vehicle	4,500	-
Cash paid for furniture, equipment, and leasehold improvements	(23,204)	(13,475)
Proceeds from sale of investments	-	1,624
Net cash used by investing activities	(218,704)	(11,851)
Net (decrease) increase in cash and cash equivalents	(145,175)	6,819
Cash and cash equivalents, beginning of year	483,776	476,957
Cash and cash equivalents, end of year	\$ 338,601	\$ 483,776
<b>Supplementary information:</b>		
Non-cash transactions:		
Donation of vehicles	\$ 26,850	\$ 36,314
Addition to right of use asset obtained from new operating lease liability, net of discount	\$ -	\$ 82,408

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

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

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2024 and 2023 (as restated)**

---

**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 6). 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.

Certificate of Deposit - The Station holds a bank certificate of deposit totaling \$200,000 at September 30, 2024. The CD bears interest at the rate of 5.5% per annum and was scheduled to mature November 24, 2024. The CD was renewed upon maturity.

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, 2024 and 2023, the Station paid \$3,592 and \$2,052, respectively, in advertising.

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

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2024 and 2023 (as restated)**

---

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

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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2024 and 2023 (as restated)**

---

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

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, insurance, and other, which are allocated based on time studies and natural classification, including the following:

<u>Expense:</u>	<u>Method of Allocation</u>
Payroll related expenses	Time and effort
Insurance	Function and usage
Facilities	Asset usage - utilization by square feet
Postage and shipping	Function and usage
Telephone	Function and usage
Auto expense	Function and usage
Office expense	Function and usage
Promotion and marketing	Function and usage
Depreciation expense	Function and usage

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.

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

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2024 and 2023 (as restated)**

---

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

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 required 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 Update, ASU 2016-02, *Leases* - In February 2016, the FASB issued amendments to the way lessees record lease transactions. Lessees are 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 was effective for annual financial statements issued for fiscal years beginning after December 15, 2021, and had an impact on the financial statements of the Station.

Change in Accounting Principle - During the year ended September 30, 2023, the Station adopted Accounting Standard, ASU 2016-02, *Leases*. As a result, the Station recognized during the year the commencement of 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. See Note 3 for details regarding the lease disclosures resulting from this change in accounting principle.

Subsequent Events - Subsequent events have been evaluated through January 16, 2025, which is the date the financial statements were available to be issued.

**NOTE 2 LIQUIDITY AND AVAILABILITY OF RESOURCES**

At September 30, 2024, nonprofit KWMR, Inc. had \$538,601 in liquid assets, and \$17,392 cannot be included since they are donor restricted funds. Therefore \$521,209 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 400 days of operational funding for the Station.

At September 30, 2023, nonprofit KWMR, Inc. had \$483,776 in liquid assets, and \$26,609 cannot be included since they are donor restricted funds. Therefore \$457,167 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 326 days of operational funding for the Station.

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

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2024 and 2023 (as restated)**

**NOTE 3 OPERATING LEASE RIGHT OF USE ASSETS**

The Station leases offices in Pt. Reyes Station, California, under operating leases that were commemorated under new lease terms through September 30, 2023, with an option to renew for an additional 3-year period. 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, to \$1,903 per month through September 30, 2026.

The property has a fair value far in excess of the lease value, and alternative expected uses to the lessor after the lease term. The Station has elected to use the risk-free interest rate of 3.829% for calculation of long-term discounting. The lease conveys no ownership at the end of the lease terms, contain no purchase options, and require no guarantee of residual value. During the years ended June 30, 2024 and 2023, the Organization paid \$21,528 and \$20,904, respectively, under this lease. The amortization of the right of use assets was \$21,032 for 2024, and \$21,861 for 2023, leaving a net right of use assets of \$39,515 at June 30, 2024, and \$60,547 at June 30, 2023.

The future payments under these lease obligations are as follows:

Year ending September 30,	Scheduled Payments	Less: effects of discounting	Net
2025	\$ 22,176	\$ 1,672	\$ 20,504
2026	22,836	2,535	20,301
	<u>\$ 45,012</u>	<u>\$ 4,207</u>	<u>\$ 40,805</u>

**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, 2022	\$ 2,227	\$ 187,103	\$ 13,910	\$ 203,240
Additions	<u>-</u>	<u>7,648</u>	<u>5,827</u>	<u>13,475</u>
Balance, September 30, 2023	2,227	194,751	19,737	216,715
Additions	-	23,204	-	23,204
Disposal	<u>-</u>	<u>(7,475)</u>	<u>-</u>	<u>(7,475)</u>
Balance, September 30, 2024	<u>2,227</u>	<u>210,480</u>	<u>19,737</u>	<u>232,444</u>

**KWMR**  
(A California Nonprofit Corporation)

**NOTES TO FINANCIAL STATEMENTS**  
For the years ended September 30, 2024 and 2023 (as restated)

**NOTE 4 FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS**

	Furniture and Fixtures	Equipment and Vehicles	Leasehold Improve- ments	Total
<u>Accumulated Depreciation</u>				
Balance, September 30, 2022	2,227	144,028	6,391	152,646
Depreciation expense	-	9,928	924	10,852
Balance, September 30, 2023	2,227	153,956	7,315	163,498
Depreciation expense	-	12,223	1,426	13,649
Disposal	-	(7,475)	-	(7,475)
Balance, September 30, 2024	2,227	158,704	8,741	169,672
Furniture, equipment, and leasehold improvements, net	<u>\$ -</u>	<u>\$ 51,776</u>	<u>\$ 10,996</u>	<u>\$ 62,772</u>

Depreciation expense totaling \$13,649 is reported on the statement of functional expenses allocated as follows: Program \$7,643, Management and General \$1,911, and Fundraising \$4,095.

**NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS**

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

	2024	2023
Community information (PG&E)	\$ 5,000	\$ 5,000
Community Advisory Board (West Marin Fund)	-	5,000
Community Based Program Evaluation (West Marin Fund)	4,105	4,105
Stinson Beach Community Fund	-	3,000
Community Response Team (WMCS)	-	3,000
Equipment Upgrades (County of Marin)	-	3,000
Community Archives (West Marin Fund)	-	1,512
Engineering (County of Marin)	-	1,420
Remote Kits (County of Marin)	-	572
Organizational effectiveness (West Marin Fund)	7,460	-
Racial equity book fund (West Marin Fund)	827	-
	<u>\$ 17,392</u>	<u>\$ 26,609</u>



**KWMR**  
(A California Nonprofit Corporation)

**NOTES TO FINANCIAL STATEMENTS**  
For the years ended September 30, 2024 and 2023 (as restated)

**NOTE 6 IN-KIND GOODS AND SERVICES**

The Corporation received the benefit of in-kind professional services and goods during the years ended September 30, 2024 and 2023, which were recorded at fair value based on the market approach on a non-recurring basis as follows:

Description	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>2024:</u>				
<i>Non-cash donations:</i>				
Donated vehicles, monetized	\$ -	\$ 26,850	\$ -	\$ 26,850
<i>In-kind goods and services, utilized:</i>				
Bartered goods and services	\$ -	\$ 19,608	\$ -	\$ 19,608
Donated tower use	-	5,760	-	5,760
Professional services	-	340	-	340
Donated ads	-	34,403	-	34,403
	<u>\$ -</u>	<u>\$ 60,111</u>	<u>\$ -</u>	<u>\$ 60,111</u>
<u>2023:</u>				
<i>Non-cash donations:</i>				
Donated vehicles, monetized	\$ -	\$ 36,314	\$ -	\$ 36,314
<i>In-kind goods and services, utilized:</i>				
Bartered goods and services	\$ -	\$ 12,800	\$ -	\$ 12,800
Donated tower use	-	5,760	-	5,760
Professional services	-	2,350	-	2,350
Donated ads	-	126,887	-	126,887
	<u>\$ -</u>	<u>\$ 147,797</u>	<u>\$ -</u>	<u>\$ 147,797</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 returned to normal levels since the COVID emergency has been lifted. Many programmers are doing their shows live. Other programmers continue to produce their programs at home. It is estimated that program hosts provided 4,290 and 4,160 hours to KWMR in 2024 and 2023, 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 \$36.65, the program expenses would increase by \$152,939. The same estimated value of on-air programming for 2023 was \$136,780.

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

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended September 30, 2024 and 2023 (as restated)**

---

**NOTE 7 SPECIAL EVENTS**

During the years ended September 30, 2024 and 2023, the Station held a special event, as follows:

	<u>2024</u>	<u>2023</u>
Income	\$ 3,583	\$ 6,551
Expenses	<u>(5,599)</u>	<u>(1,737)</u>
	<u>\$ (2,016)</u>	<u>\$ 4,814</u>

**NOTE 8 DEFINED CONTRIBUTION RETIREMENT PLANS**

Prior to January 1, 2022, the Station contributed to eligible employees' SEP-IRA. Employer contributions of 4% of employee annual salaries (2% prior to January 1, 2021) were made. 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 \$11,604 and \$10,341 for the years ended September 30, 2024 and 2023, respectively.

**NOTE 9 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 10 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 2024, the Station received \$158,292, or 25% (22% in 2023) of total income, from one funder.

**NOTE 11 RESTATEMENT**

During the year ended September 30, 2024, it was discovered that the office and studio lease previously thought to be month-to-month had been under the terms of a signed lease extension. As a result, the lease right of use asset of \$60,547 and lease liability of \$61,504 was reported as a restatement as of September 30, 2023. This change also increased expenses by \$957 for the year ended September 30, 2023, decreasing net assets without donor restriction by the same amount at September 30, 2023.