

WMNR FINE ARTS RADIO
AUDITED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019



WMNR FINE ARTS RADIO

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INDEPENDENT AUDITORS' REPORT

To the Town of Monroe and
WMNR Fine Arts Radio
Monroe, CT 06468

We have audited the accompanying financial statements of WMNR Fine Arts Radio (a nonprofit organization) which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 qualified audit opinion.

Basis for Qualified Opinion

As described in Note 5 to the financial statements, the value of on-air volunteers, donated music library and donated programs have not been recorded in the financial statements. Accounting principles generally accepted in the United States of America require that the value of on-air volunteers, donated music library and donated programs to be recorded at its fair market value at the date of receipt. The effects on the accompanying financial statements of the failure to record the value of on-air volunteers, donated music library and donated programs have not been determined.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of WMNR Fine Arts Radio as of June 30, 2020 and 2019, 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.

AO & Company, LLC

Shelton, Connecticut
December 23, 2020

WMNR FINE ARTS RADIO
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2020	2019
ASSETS		
Cash and cash equivalents	\$ 420,178	\$ 362,757
Contributions receivable	4,356	9,132
Pledges receivable	1,866	3,166
Prepaid expenses	9,535	10,216
Property and equipment, net	180,470	205,586
TOTAL ASSETS	\$ 616,405	\$ 590,857
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 15,599	\$ 7,701
Due to related parties	-	193
Deferred revenue	-	4,375
	15,599	12,269
NET ASSETS		
Without donor restrictions	600,806	578,588
With donor restrictions	-	-
TOTAL NET ASSETS	600,806	578,588
TOTAL LIABILITIES AND NET ASSETS	\$ 616,405	\$ 590,857

See notes to financial statements

**WMNR FINE ARTS RADIO
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support						
Membership contributions	\$ 330,650	\$ -	\$ 330,650	\$ 270,351	\$ -	\$ 270,351
Major gifts and bequests	-	-	-	50,000	-	50,000
Underwriting	42,548	-	42,548	45,236	-	45,236
Grants (CPB)	61,833	22,489	84,322	63,021	22,757	85,778
Donated services	-	17,405	17,405	-	18,657	18,657
Donated facilities	-	38,500	38,500	-	38,290	38,290
Income - fundraising	160,978	-	160,978	204,151	-	204,151
Total revenues and other support	<u>596,009</u>	<u>78,394</u>	<u>674,403</u>	<u>632,759</u>	<u>79,704</u>	<u>712,463</u>
Expenses						
Program services	226,732	60,989	287,721	231,206	61,047	292,253
Management and general	402,118	17,405	419,523	366,376	18,657	385,033
Fundraising	23,310	-	23,310	31,785	-	31,785
Total operating expenses	<u>652,160</u>	<u>78,394</u>	<u>730,554</u>	<u>629,367</u>	<u>79,704</u>	<u>709,071</u>
Change in net assets from operations	(56,151)	-	(56,151)	3,392	-	3,392
Nonoperating activities						
CARES Act via CPB	75,000	-	75,000	-	-	-
Interest income	3,369	-	3,369	4,796	-	4,796
Total nonoperating activities	<u>78,369</u>	<u>-</u>	<u>78,369</u>	<u>4,796</u>	<u>-</u>	<u>4,796</u>
Change in net assets from operations	22,218	-	22,218	8,188	-	8,188
Net assets, beginning of year	<u>578,588</u>	<u>-</u>	<u>578,588</u>	<u>570,400</u>	<u>-</u>	<u>570,400</u>
Net assets, end of year	<u>\$ 600,806</u>	<u>\$ -</u>	<u>\$ 600,806</u>	<u>\$ 578,588</u>	<u>\$ -</u>	<u>\$ 578,588</u>

See notes to financial statements

WMNR FINE ARTS RADIO
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 60,925	\$ 173,778	\$ 14,461	\$ 249,164
Transmitter and remote site operations (CPB)	61,833	-	-	61,833
Rent	-	49,505	-	49,505
Rent (trade out) - restricted	38,500	-	-	38,500
Administrative fees	-	38,148	-	38,148
Consultants	36,813	-	-	36,813
Depreciation	24,360	9,219	-	33,579
Transmitter and remote site operations (non-CPB)	25,879	-	-	25,879
Payroll taxes	4,661	13,225	1,101	18,987
Syndicated programs (CPB) - restricted	18,286	-	-	18,286
Advertising (trade out) - restricted	-	17,405	-	17,405
Computer	-	15,302	-	15,302
Development	-	13,902	-	13,902
Legal and professional	-	12,674	-	12,674
Electric	-	11,556	-	11,556
Accounting	-	11,470	-	11,470
Internet service	-	10,535	-	10,535
Postage	-	10,439	-	10,439
Bank charges	-	7,905	-	7,905
Office supplies and expenses	-	5,947	-	5,947
Maintenance	-	5,589	-	5,589
Travel - fundraising	-	-	5,199	5,199
Broadcast supplies and maintenance	5,160	-	-	5,160
Research	4,888	-	-	4,888
Telephone	-	4,122	-	4,122
Salaries (CPB) - restricted	3,904	-	-	3,904
Hospitality	-	3,491	317	3,808
Dues and subscriptions	-	2,965	-	2,965
Pledge week premiums	-	-	2,232	2,232
Syndicated programs (non-CPB)	2,213	-	-	2,213
Equipment	-	1,228	-	1,228
Insurance	-	1,118	-	1,118
Payroll taxes (CPB) - restricted	299	-	-	299
	<u>\$ 287,721</u>	<u>\$ 419,523</u>	<u>\$ 23,310</u>	<u>\$ 730,554</u>

See notes to financial statements

WMNR FINE ARTS RADIO
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 75,432	\$ 144,705	\$ 24,460	\$ 244,597
Transmitter and remote site operations (CPB)	63,021	-	-	63,021
Rent	-	48,389	-	48,389
Rent (trade out) - restricted	38,290	-	-	38,290
Administrative fees	-	37,392	-	37,392
Depreciation	23,961	9,492	-	33,453
Transmitter and remote site operations (non-CPB)	24,292	-	-	24,292
Consultants	23,406	-	-	23,406
Syndicated programs (CPB) - restricted	22,064	-	-	22,064
Advertising (trade out) - restricted	-	18,657	-	18,657
Computer	-	17,601	-	17,601
Payroll taxes	9,552	6,059	1,735	17,346
Development	-	15,906	-	15,906
Postage	-	13,253	-	13,253
Electric	-	12,723	-	12,723
Internet service	-	10,918	-	10,918
Accounting	-	10,315	-	10,315
Legal and professional	-	9,098	-	9,098
Bank charges	-	7,906	-	7,906
Research	7,420	-	-	7,420
Pledge week	-	-	5,143	5,143
Maintenance	-	5,108	-	5,108
Office supplies and expenses	-	4,394	-	4,394
Broadcast supplies and maintenance	4,122	-	-	4,122
Telephone	-	4,033	-	4,033
Hospitality	-	3,432	447	3,879
Dues and subscriptions	-	2,970	-	2,970
Insurance	-	2,682	-	2,682
Salaries (CPB) - restricted	644	-	-	644
Payroll taxes (CPB) - restricted	49	-	-	49
	<u>\$ 292,253</u>	<u>\$ 385,033</u>	<u>\$ 31,785</u>	<u>\$ 709,071</u>

See notes to financial statements

**WMNR FINE ARTS RADIO
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,**

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 22,218	\$ 8,188
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	33,579	33,452
Change in operating assets:		
Contributions receivable	4,776	(5,220)
Pledges receivable	1,300	(1,641)
Refundable expenses	-	2,603
Due from/to related parties	(193)	193
Prepaid expenses	681	(8,599)
Change in operating liabilities:		
Accounts payable	7,898	3,366
Deferred revenue	<u>(4,375)</u>	<u>4,375</u>
Net cash from operating activities	65,884	36,717
 Cash flows from investing activities		
Purchase of fixed assets	<u>(8,463)</u>	<u>(17,514)</u>
Net cash from investing activities	<u>(8,463)</u>	<u>(17,514)</u>
 Net change in cash and cash equivalents	57,421	19,203
Cash and cash equivalents, beginning of year	<u>362,757</u>	<u>343,554</u>
Cash and cash equivalents, end of year	<u>\$ 420,178</u>	<u>\$ 362,757</u>
 Supplemental cash flows disclosures:		
Non-cash activities during the year:		
Donated services	<u>\$ (17,405)</u>	<u>\$ (18,657)</u>
Donated facilities	<u>\$ (38,500)</u>	<u>\$ (38,290)</u>
Trade out - services	<u>\$ 17,405</u>	<u>\$ 18,657</u>
Trade out - facilities	<u>\$ 38,500</u>	<u>\$ 38,290</u>

See notes to financial statements

WMNR FINE ARTS RADIO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 – DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Organization

WMNR Fine Arts Radio (the “Organization”) is a public radio station, licensed to the Town of Monroe, Connecticut. The Organization broadcasts classical and fine arts radio programming. The Organization operates as a unit reporting to the WMNR Commission, the First Selectmen, and the Town Council. The Organization began broadcasting classical and fine arts music in 1982. A portion of the Organization’s revenue is derived from corporate underwriting, private donations, and a grant from Corporation for Public Broadcasting (“CPB”). To supplement the Organization’s various income sources, the Organization also relies on donated services and facilities (see note 5). The Organization has approximately 50,000 listeners and 3,500 contributing members.

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization’s or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. At June 30, 2020 and 2019, the Organization has no net assets with donor restrictions imposed.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating activities. Operating activities consist of those items attributable to the Organization's ongoing broadcasts and fine arts radio programming.

Use of 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. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturities of 90 days or less and cash in banks to be cash equivalents. The Organization maintains its cash and cash equivalents in bank deposit accounts that, at times, may exceed federally insured limits. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

WMNR FINE ARTS RADIO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

As of June 30, 2020, The Organization's contributions receivable consisted of unconditional promises to give in the amount of \$4,356 all of which are expected to be collected within one year. As of June 30, 2019, contributions receivable consisted of unconditional promises to give in the amount of \$9,132.

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. Equipment and furniture are depreciated over seven years; leasehold improvements are depreciated over thirty-nine years. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the account, and any related gain or loss is reflected as an other income (expense) item for the period. It is the Organization's policy to capitalize renewals and betterments acquired for greater than \$1,000 and expense normal repairs and maintenance as incurred. The Organization's management periodically evaluates whether events or circumstances have occurred indicated that the carrying amount of long-lived assets may not be recovered.

Deferred Revenue

Deferred revenue represents revenue received for a bus trip that has been organized by the Organization, which took place in July 2019. The amounts deferred as of June 30, 2019 were \$4,375.

Due to Related Parties

Amounts reported as due to related parties, included in the accompanying statements of financial position, arise principally from the collaborative activities between the Organization and the Town of Monroe (the Town). The Town initiates transfers from the Organization's bank account to their bank account. Subsequently, the Town disperses the appropriate amount of payroll to each employee.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

In addition, management includes a value for donated professional services, donated facilities and donated premiums, which is consistent with the method used by the CPB to calculate its matching grant (see note 5).

WMNR FINE ARTS RADIO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

Functional Allocation of Expenses

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications using bases determined by management to be reasonable.

Income Taxes

The Organization operates as a special revenue fund of the Town of Monroe, Connecticut. The Organization and the Town of Monroe do not appear on the IRS 501(c)(3) list of tax-deductible groups as this list is only for private non-profit corporations and the Organization is part of a governmental entity. Contributions to the Organization are tax deductible as charitable contributions under Section 170(c)(1) of the Internal Revenue Code and as such the Organization is exempt from income taxes. The Organization is not currently under audit nor has the organization been contacted by any jurisdiction. The Organization believes all tax positions taken past and present would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the fiscal year ended June 30, 2020.

Compensated Absences

Employees of the Organization are entitled to paid vacation and paid sick days depending on job classification and length of service. It is impracticable to estimate the amount of compensation for future absences as they are immaterial and, accordingly, no liability has been recorded in the accompanying financial statements. Management's policy is to recognize the costs of compensated absences when actually paid to employees.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operation results of the Organization could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The Organization has not included any contingencies in the financial statements specific to this issue.

Subsequent events were evaluated through December 23, 2020, the date of the financial statements were available to be issued.

Recently Issued Accounting Standards Implemented

Accounting Pronouncements Adopted:

As of July 1, 2019, the Organization adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Results for reporting the years ending June 30, 2020 and 2019 (if chosen) are presented under FASB ASC Topic 606. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

During the year, the Organization also adopted the provisions of FASB ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional.

WMNR FINE ARTS RADIO
NOTES TO FINANCIAL STATEMENTS
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ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606). If no commensurate value is received by the grant maker, the transfer is a contribution. ASU 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the year ending June 30, 2020 are presented under FASB ASU 2018-08. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

In 2019, the Organization adopted the provisions of FASB ASU 2016-18, Statement of Cash Flows (Topic 230). This ASU requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statement of cash flows. The amendments in the ASU do not provide a definition of restricted cash or restricted cash equivalents. The Organization has applied the provisions of ASU 2016-18 to retrospectively to all periods presented with no effect on net assets or previously issued financial statements.

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities, which changed the previous guidance for net asset classification, governing board designations, investment return, underwater endowment funds, expenses, liquidity and presentation of operating cash flows. ASU 2016-14 reduced the required number of classes of net assets from three to two: net assets with donor restrictions and net assets without donor restrictions. ASU 2016-14 also requires not-for-profit entities to provide enhanced disclosures about the amounts and purposes of governing board designations and appropriations. ASU 2016-14 requires not-for-profits to report investment return net of external and direct internal investment expenses. The requirement to disclose those netted expenses was eliminated. ASU 2016-14 requires not-for-profit entities to disclose the aggregate fair value of underwater endowment funds as well as the aggregate original gift amounts to be maintained. ASU 2016-14 also requires a not-for-profit to disclose its interpretation of the ability to spend from underwater endowment funds including its policy, and any actions taken during the period, concerning appropriation from underwater endowment funds.

All underwater endowment funds are classified as part of net assets with donor restrictions rather than as a charge to unrestricted net assets as per the previous rules. In the absence of explicit donor restrictions, ASU 2016-14 requires not-for-profit entities to use the placed-in-service approach to account for capital gifts. The option to use the over-time approach has been eliminated. ASU 2016-14 requires expenses to be reported by nature in addition to function and include an analysis of expenses by both nature and function. The methods used by not-for-profit entities to allocate costs among program and support functions must be disclosed. ASU 2016-14 requires not-for-profit entities to provide both qualitative and quantitative information on management of liquid available resources and the ability to cover short-term cash needs within one year of the balance sheet date. For statements of cash flows, ASU 2016-14 eliminates the requirement to present or disclose the indirect method of reconciliation if the entity decides to use the direct method. ASU 2016-14 was effective for annual reporting periods beginning after December 15, 2017. The Organization adopted the provisions of ASU 2016-14 in 2018 and has retrospectively applied this standard to the financial statements as of and for the year ending June 30, 2019. Accordingly, adoption of this accounting pronouncement had no effect on 2018 net assets.

Recently Issued Accounting Standards Not Yet Implemented

The following accounting pronouncements were recently issued by the FASB: In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the consolidated statement of financial

WMNR FINE ARTS RADIO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the consolidated statement of activities and changes in net assets and the consolidated statement of cash flows will be substantially unchanged from the existing lease accounting guidance. In 2019, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2020. Early adoption is permitted. The Organization is currently evaluating the full effect that the adoption of this standard will have on the consolidated financial statements.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FUNDS

The financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

	June 30,	
	2020	2019
Financial assets at year end:		
Cash and cash equivalents	\$ 420,178	\$ 362,757
Contributions receivable	4,356	9,132
Pledges receivable	1,866	3,166
Total financial assets	426,400	375,055
Financial assets available to meet general expenditures over the next twelve months	\$ 426,400	\$ 375,055

The Organization’s goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is deposited into its money market account.

NOTE 3 – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at June 30, 2020 and 2019 is as follows:

	2020	2019
Audio frequency	\$ 132,015	\$ 130,288
Radio frequency	708,528	701,792
Office furniture and equipment	167,997	167,997
Leasehold improvements	152,639	152,639
	1,161,179	1,152,716
Less: accumulated depreciation	(980,709)	(947,130)
Property and equipment, net	\$ 180,470	\$ 205,586

For the years ended June 30, 2020 and 2019, depreciation expense totaled \$33,579 and \$33,453, respectively.

**WMNR FINE ARTS RADIO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 4 – LEASE COMMITMENTS

WMNR Fine Arts Radio leases space in Monroe, Connecticut, under an operating lease which was entered into on May 31, 2012. The Town Council voted to exercise the first renewal option on May 1, 2018 extending the lease through April 30, 2023. Commencing on the commencement date of each renewal period Years 2-5, the gross rent for the then applicable renewal period shall increase by the percentage of increase, if any, in the Consumer Price Index (“CPI”) for the month of December in the last year of the then applicable term over the CPI for the month of December of the preceding year. In no event shall the percentage of increase exceed 3%.

Future minimum lease payments for the years ended June 30 are as follows:

Fiscal Year End	Rental Expense
2021	\$ 49,842 *
2022	50,585 *
2023	42,782 *
	\$ 143,209

* Adjusted for percentage increase in CPI - assumed 1.49%
which was the average CPI from 2015-2020

WMNR maintains antenna site and transmitter space operating lease agreements in the various locations listed below:

The Organization leases from Bark Out Loud Dogs Media, LLC in Sag Harbor, NY for \$600 per month, with no annual increases. The lease runs through December 2022.

The Organization leases from Burwell in West Haven, CT on a month-by-month basis at \$165 per month.

The Organization leases from Celtic Frost in Southampton, NY on a month-to-month basis at \$400 per month.

The Organization leases from ATC Managed Sites in New London, CT on a month-to-month basis at \$663 per month.

The Organization leased from SBA Site Management in Mt. Kisco, NY on a month-to-month basis at \$1,089 per month which ceased on June 15, 2020. The Organization expects to move to a new tower in the next fiscal year.

The Organization leases from SBA GC Towers in West Hartford, CT on a month-to-month basis at \$560 per month.

The Organization leases from Spectrasite in Guilford, CT for \$300 per month, with no annual increases. The lease runs through June 2024.

The Organization leases from IWG Tower in Seymour, CT for \$513 per month.

The Organization leases from Tucker Anderson in Warren, CT on a quarterly basis at \$360 per quarter.

The Organization leases from Birdcage Communications in Middlefield, CT for \$1,560 per year. The lease runs through June 2021.

WMNR FINE ARTS RADIO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

The aggregate future minimum payments on the above antenna sites and transmitter space for the years ended June 30 are as follows:

Fiscal Year End	Rental Expense
2021	\$ 12,360
2022	10,800
2023	7,200
2024	3,600
	\$ 33,960

NOTE 5 – DONATED SERVICES AND FACILITIES

When the CPB calculates the amount of its matching grant, it does not assign a value for on-air volunteers, donated music library or donated programs to be included in the calculation. As a result, management does not include a value for on-air volunteers, donated music library and donated programs in the financial statements. Management’s decision to include donated goods and services in these financial statements, as illustrated in the table below, represents a departure from generally accepted accounting principles. The donated goods and services were included in the financial statements so WMNR remains in compliance with the CPB Financial Reporting Guidelines. It was not practicable to determine the effects of this inconsistent application of accounting principles.

The value of donated materials and services included in the financial statements and the corresponding expenses are as follows:

	2020	2019
REVENUE		
Donated services	\$ 17,405	\$ 18,657
Donated facility	38,500	38,290
	\$ 55,905	\$ 56,947
EXPENSES		
Advertising	\$ 17,405	\$ 18,657
Transmitter site operations	38,500	38,290
	\$ 55,905	\$ 56,947

NOTE 6 - ADVERTISING

Advertising costs are expensed as incurred. Total advertising expense for June 30, 2020 and 2019 were \$17,405 and \$18,657, respectively.