WMNR FINE ARTS RADIO

AUDITED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

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WMNR FINE ARTS RADIO

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Principals
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INDEPENDENT AUDITORS' REPORT

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

Qualified Opinion

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, 2023 and 2022, 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, except for the effects of the value of donated services and facilities not recorded in the financial statements described in the Basis for Qualified Opinion section of our report, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of WMNR Fine Arts Radio as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WMNR Fine Arts Radio and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WMNR Fine Arts Radio's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 WMNR Fine Arts Radio'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 WMNR Fine Arts Radio's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Accavallo & Company LLC

Shelton, Connecticut
December 6, 2023

WMNR FINE ARTS RADIO
STATEMENTS OF FINANCIAL POSITION

	June 30, 2023	June 30, 2022
ASSETS		
Cash and cash equivalents	$ 785,337	$ 711,994
Contributions receivable	9,751	6,599
Pledges receivable	1,448	1,448
Restricted cash	26,000	-
Property and equipment, net	148,625	169,396
Operating lease right-of-use assets	613,026	-
TOTAL ASSETS	$ 1,584,187	$ 889,437
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 18,789	$ 21,099
Accrued expenses and taxes	2,576	-
Operating lease obligations due within one year	54,092	-
TOTAL CURRENT LIABILITIES	75,457	21,099
LONG-TERM LIABILITIES		
Long-term operating lease obligations	564,170	-
TOTAL LIABILITIES	639,627	21,099
NET ASSETS		
Without donor restrictions	918,560	868,338
With donor restrictions	26,000	-
TOTAL NET ASSETS	944,560	868,338
TOTAL LIABILITIES AND NET ASSETS	$ 1,584,187	$ 889,437

See notes to financial statements.

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

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support						
Membership contributions	$ 413,463	$ 26,000	$ 439,463	$ 376,284	$ -	$ 376,284
Major gifts and bequests	51,201	-	51,201	61,443	-	61,443
Underwriting	46,362	-	46,362	29,803	-	29,803
Grants (CPB)	65,132	23,111	88,243	58,753	21,304	80,057
Donated services	-	48,789	48,789	-	33,217	33,217
Donated facilities	-	38,500	38,500	-	38,430	38,430
Royalties	89	-	89	872	-	872
Income - fundraising	139,240	-	139,240	148,693	-	148,693
Total revenues and other support	715,487	136,400	851,887	675,848	92,951	768,799
Expenses						
Program services	232,923	61,611	294,534	189,132	80,404	269,536
Management and general	425,956	48,789	474,745	368,669	63,544	432,213
Fundraising	13,623	-	13,623	16,560	1,211	17,771
Total operating expenses	672,502	110,400	782,902	574,361	145,159	719,520
Change in net assets from operations	42,985	26,000	68,985	101,487	(52,208)	49,279
Nonoperating activities						
American Rescue Plan Act Stabilization Grant	-	-	-	-	52,208	52,208
Interest income	7,237	-	7,237	105	-	105
Total nonoperating activities	7,237	-	7,237	105	52,208	52,313
Change in net assets	50,222	26,000	76,222	101,592	-	101,592
Net assets, beginning of year	868,338	-	868,338	766,746	-	766,746
Net assets, end of year	$ 918,560	$ 26,000	$ 944,560	$ 868,338	$ -	$ 868,338

See notes to financial statements.

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

	Program Services		Management and General		Fundraising		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Salaries	$ 59,278	$ 63,413	$ 152,867	$ 138,253	$ 9,552	$ 10,917	$ 221,697	$ 212,583
Transmitter and remote site operations (CPB)	67,832	58,753	-	-	-	-	67,832	58,753
Lease expense	-	-	60,679	51,880	-	-	60,679	51,880
Advertising (trade out) - restricted	-	-	48,789	33,217	-	-	48,789	33,217
Administrative fees	-	-	40,404	39,504	-	-	40,404	39,504
Rent (trade out) - restricted	38,500	38,430	-	-	-	-	38,500	38,430
Depreciation	27,452	28,928	6,677	6,657	-	-	34,129	35,585
Consultants	30,529	26,242	-	-	-	-	30,529	26,242
Transmitter and remote site operations (non-CPB)	27,779	18,464	-	-	-	-	27,779	18,464
Syndicated programs (CPB) - restricted	23,111	21,304	-	-	-	-	23,111	21,304
Development	-	-	16,867	2,941	-	-	16,867	2,941
Electric	-	-	16,660	12,424	-	-	16,660	12,424
Payroll taxes	4,535	4,851	10,321	9,458	731	835	15,587	15,144
Internet service	-	-	15,230	12,948	-	-	15,230	12,948
Postage	-	-	14,499	18,962	-	-	14,499	18,962
Equipment	-	-	12,839	11,337	-	-	12,839	11,337
Accounting	-	-	12,750	12,000	-	-	12,750	12,000
Legal and professional	-	-	12,724	27,587	-	-	12,724	27,587
Insurance	-	-	11,267	11,749	-	-	11,267	11,749
Broadcast supplies and maintenance	9,385	3,323	-	-	-	-	9,385	3,323
Hospitality	-	-	8,811	4,521	518	476	9,329	4,997
Computer	-	-	9,128	10,078	-	-	9,128	10,078
Bank charges	-	-	8,156	8,728	-	-	8,156	8,728
Office supplies and expenses	-	-	7,443	5,781	-	-	7,443	5,781
Research	5,620	5,520	-	-	-	-	5,620	5,520
Maintenance	-	-	4,028	8,173	-	-	4,028	8,173
Pledge week premiums	-	-	-	-	2,822	5,543	2,822	5,543
Dues and subscriptions	-	-	2,755	2,755	-	-	2,755	2,755
Telephone	-	-	1,851	2,574	-	-	1,851	2,574
Syndicated programs (non-CPB)	513	308	-	-	-	-	513	308
Travel	-	-	-	686	-	-	-	686
	$ 294,534	$ 269,536	$ 474,745	$ 432,213	$ 13,623	$ 17,771	$ 782,902	$ 719,520

See notes to financial statements.

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

	2023	2022
Cash flows from operating activities		
Change in net assets	$ 76,222	$ 101,592
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	34,129	35,585
Amortization of right-of-use assets	56,504	35,585
Change in operating assets:		
Contributions receivable	(3,153)	(3,871)
Pledges receivable	-	1,323
Due from/to related parties	-	6,089
Restricted cash	(26,000)	-
Change in operating liabilities:		
Accounts payable	(2,307)	(18,213)
Accrued expenses and taxes	2,576	-
Operating lease liability	(51,268)	-
Deferred revenue	-	(52,208)
Net cash from operating activities	86,703	105,882
Cash flows from investing activities		
Purchase of fixed assets	(13,360)	(17,685)
Net cash from investing activities	(13,360)	(17,685)
Net change in cash and cash equivalents	73,343	40,438
Cash and cash equivalents, beginning of year	711,994	671,556
Cash and cash equivalents, end of year	$ 785,337	$ 711,994
Supplemental cash flows disclosures:		
Right-of-use assets obtained in exachange for a lease liability	$ 669,530	$ -
Non-cash activities during the year:		
Donated services	$ (48,789)	$ (33,217)
Donated facilities	$ (38,500)	$ (38,430)
Trade out - services	$ 48,789	$ 33,217
Trade out - facilities	$ (38,500)	$ 38,430

See notes to financial statements.

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 6). 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 or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Refer to Note 7 to review the current stipulations for net assets with donor restrictions.

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.

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, 2023, The Organization's contributions receivable consisted of unconditional promises to give in the amount of $9,751 all of which are expected to be collected within one year. As of June 30, 2022, contributions receivable consisted of unconditional promises to give in the amount of $6,599.

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.

Leases
The Organization recognizes and measures its leases in accordance with FASB ASC 842, Leases. The Organization is a lessee in several noncancellable operating leases, for the use of office space, other space for broadcasting towers and other operations. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the balance sheet.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses its incremental borrowing rate or a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that they will exercise that option. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received and any impairment recognized. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization uses rates implicit in the lease, or if not readily available, they use their incremental borrowing rate. The incremental borrowing rate is based on an estimated secured rate comprised of a risk-free rate plus a credit spread as secured by our assets. Determining a credit spread as secured by the assets may require significant judgment.

Revenue Recognition
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).

During the 2021 fiscal year, the Organization received an American Rescue Plan Act Stabilization Grant as a result of the COVID-19 pandemic. The grant's purpose is to allow public communications entities to maintain their programming, services, and to prevent, prepare for, and respond to the coronavirus. The total amount received was $131,266. These funds are restricted, however, they do not have a spending period requirement. Funds received in advance for which qualifying expenditures have not been incurred are reflected as deferred revenue in the accompanying statement of financial position. The Organization recognizes grants to the extent that eligible grant costs are incurred.

As of June 30, 2022, the remaining unspent grant monies have been spent on qualified expenses. Consequently, the entire balance of deferred revenue has been reclassified to income.

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, 2023.

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.

Subsequent Events
Subsequent events were evaluated through December 6, 2023, the date of the financial statements were available to be issued.

Recently Adopted Accounting Guidance
Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (ASU 2020-07)— Effective in 2022, the amendments in this update apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. Adoption of this pronouncement had no effect on the Organization's current or previously issued financial statements.

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification ASC 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures and the comparative period presented for the twelve months ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The standard had a material impact on the balance sheet, but did not have an impact on the statement of operations, nor statement of cash flows, therefore no adjustment to retained earnings was performed. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases, while the accounting for finance leases remained substantially unchanged.

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,	
Financial assets at year end:	2023	2022
Cash and cash equivalents	$ 785,337	$ 711,994
Contributions receivable	9,751	6,599
Pledges receivable	1,448	1,449
Total financial assets	796,536	720,042
Financial assets available to meet general expenditures over the next twelve months	$ 796,536	$ 720,042

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, 2023 and 2022 is as follows:

	2023	2022
Audio frequency	$ 167,432	$ 167,433
Radio frequency	740,143	731,579
Office furniture and equipment	172,793	167,997
Leasehold improvements	152,639	152,639
	1,233,007	1,219,648
Less: accumulated depreciation	(1,084,382)	(1,050,252)
Property and equipment, net	$ 148,625	$ 169,396

For the years ended June 30, 2023 and 2022, depreciation expense totaled $34,129 and $35,585, respectively.

NOTE 4 – LEASES

The Organization is a lessee in several noncancellable operating leases for office space and antenna site and transmitter space.

The components of lease expense for the year ended June 30, 2023 are as follows:

Operating lease cost	$ 60,679

Other information related to operating leases was as follows:	
Supplemental cash flow information:	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 67,159
ROU assets obtained in exchange for lease obligations	$ 669,530
Reductions to ROU assets resulting from reductions to lease obligations	$ (56,504)
Weighted average remaining lease term:	16 years
Weighted average discount rate:	2.95%

Amounts disclosed for ROU assets obtained in exchange for lease obligations and reductions to ROU assets resulting from reductions to lease obligations include amounts added to or reduced from the carrying amount of ROU assets resulting from new leases, lease modifications, or reassessments.

Future minimum operating lease payments under non-cancellable leases as of June 30, 2023 are as follows:

June 30,		
2024	$	76,994
2025		80,476
2026		84,121
2027		87,936
2028		73,686
Thereafter		396,870
Total undiscounted lease payments		800,083
Less imputed interest		(181,821)
Total lease liabilities	$	618,262

Reported as of June 30, 2023:

Operating lease liabilities due within one year	$	54,092
Long-term operating lease obligations		564,170
Total	$	618,262

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 for the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
REVENUE		
Donated services	$ 48,789	$ 33,217
Donated facility	38,500	38,430
	$ 87,289	$ 71,647
EXPENSES		
Advertising	$ 48,789	$ 33,217
Transmitter site operations	38,500	38,430
	$ 87,289	$ 71,647

NOTE6 - ADVERTISING

Advertising costs are expensed as incurred. Total advertising expense for June 30, 2023 and 2022 were $48,789 and $33,217, respectively.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

During the year, WMNR ran a fundraiser for a special project. This special project calls for the installation of LED lights which would allow the tower to flash a red light at night and a white light during the day. Installing the LED lights would allow the Organization to forgo painting the tower every five years, instead having to paint every ten years. This project is expected to be completed by the end of the next fiscal year. The amount of proceeds that the fundraiser raised, and the amount residing in restricted funds as of June 30, 2023 is $26,000.