

# WMKV

A Public Telecommunications Entity Owned  
and Operated by Maple Knoll Communities, Inc.

## Financial Statements

As of December 31, 2023 and for the Year Then Ended  
with Independent Auditor's Report



YOUR SUCCESS IS OUR PASSION

WMKV

Financial Statements

*As of December 31, 2023 and for the Year Then Ended  
with Independent Auditor's Report*

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## Independent Auditor's Report

To the Board of Directors  
WMKV, a Public Telecommunications Entity  
Owned and Operated by Maple Knoll Communities, Inc.

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of WMKV, a public telecommunications entity owned and operated by Maple Knoll Communities, Inc., which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WMKV as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 WMKV 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 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 WMKV's ability to continue as a going concern for one year after the date that the financial statements are 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



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therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 WMKV’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 WMKV’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.

Brixey & Meyer, Inc.  
Miamisburg, Ohio  
May 20, 2024

**WMKV**  
**Statement of Financial Position**  
**December 31, 2023**

**Assets**

Current assets:

Accounts receivable, underwriting	\$ 27,737
Pledges receivable	2,047
Due from related party	466,662
Total current assets	<u>496,446</u>

Total assets	<u><u>\$ 496,446</u></u>
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**Liabilities and Net Assets**

Current liabilities:

Accounts payable	\$ 43,763
Accrued compensation	8,466
Total current liabilities	<u>52,229</u>

Net assets:

Without donor restrictions	418,446
With donor restrictions	25,771
Total net assets	<u>444,217</u>

Total liabilities and net assets	<u><u>\$ 496,446</u></u>
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**WMKV**  
**Statement of Activities**  
**For the year ended December 31, 2023**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Operating revenues and support:			
Contributions	\$ 295,475	\$ -	\$ 295,475
Underwriting	123,318	-	123,318
Special event	99,570	-	99,570
Grants from Corporation for Public Broadcasting	65,855	23,368	89,223
Donated services	23,526	-	23,526
Other grants	-	9,000	9,000
Net assets released from restrictions	6,597	(6,597)	-
Total operating revenues and support	<u>614,341</u>	<u>25,771</u>	<u>640,112</u>
Operating expenses:			
Program services	227,732	-	227,732
Supporting services	416,629	-	416,629
Total operating expenses	<u>644,361</u>	<u>-</u>	<u>644,361</u>
(Decrease) increase in net assets	(30,020)	25,771	(4,249)
Net assets, beginning of year	<u>448,466</u>	<u>-</u>	<u>448,466</u>
Net assets, end of year	<u>\$ 418,446</u>	<u>\$ 25,771</u>	<u>\$ 444,217</u>

**WMKV**  
**Statement of Functional Expenses**  
**For the year ended December 31, 2023**

	<b>Program Services</b>				<b>Supporting Services</b>				<b>Total</b>
	<b>Programming and Production</b>	<b>Broadcasting and Engineering</b>	<b>Program Information</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Underwriting</b>	<b>Total Supporting Services</b>	
Salaries and wages	\$ 79,786	\$ 67,242	\$ 4,981	\$ 152,009	\$ 34,897	\$ 42,637	\$ 36,058	\$ 113,592	\$ 265,601
Purchased services	-	15,866	-	15,866	88,024	23,526	-	111,550	127,416
Administrative overhead	-	-	-	-	88,497	-	-	88,497	88,497
Employee benefits and payroll taxes	24,790	20,892	1,548	47,230	10,843	13,247	11,203	35,293	82,523
Office supplies	3,015	9,612	-	12,627	3,249	30,745	2,417	36,411	49,038
Special event	-	-	-	-	-	19,517	-	19,517	19,517
Other	-	-	-	-	8,142	3,627	-	11,769	11,769
Total operating expenses	<u>\$ 107,591</u>	<u>\$ 113,612</u>	<u>\$ 6,529</u>	<u>\$ 227,732</u>	<u>\$ 233,652</u>	<u>\$ 133,299</u>	<u>\$ 49,678</u>	<u>\$ 416,629</u>	<u>\$ 644,361</u>

**WMKV**  
**Statement of Cash Flows**  
**For the year ended December 31, 2023**

<b>Cash Flows from Operating Activities</b>	
Decrease in net assets	\$ (4,249)
Changes in operating assets and liabilities:	
Accounts receivable, underwriting	(8,003)
Pledges receivable	(1,472)
Due from related party	(1,099)
Accounts payable	20,290
Accrued compensation	(5,467)
Net cash used in operating activities	-
 <b>Cash Flows from Investing Activities</b>	 -
 <b>Cash Flows from Financing Activities</b>	 -
 <b>Net Change in Cash</b>	 -
 <b>Cash, Beginning of Year</b>	 -
 <b>Cash, End of Year</b>	 \$ -



**WMKV**  
**Notes to the Financial Statements**  
**December 31, 2023**

**Note 1 – Nature of Business**

WMKV (the “Organization”) is a public telecommunications entity owned and operated by Maple Knoll Communities, Inc. (“Maple Knoll”). Founded in 1995, the Organization is housed on the campus of Maple Knoll, a non-profit retirement community in Springdale, Ohio.

The Organization’s mission is to provide radio programming that covers a diverse array of content in the areas of music, cultural arts, information, and entertainment. The Organization targets older adults, striving to serve as an informational and entertainment companion to seniors, caregivers, and families in Greater Cincinnati and Butler and Warren County, Ohio via WMKV 89.3FM and WLHS 89.9FM. Programming is also available around the world via streaming services and smart speakers. The Organization’s mission also includes the preservation of broadcast history and is produced largely for, about, and by seniors, while exposing new generations to musical standards and nostalgia and spreading critical aging, arts, veterans, and public service information, with a respectful, largely apolitical, and friendly presentation.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Presentation**

The financial statements are prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Accounts Receivable**

The Organization carries its accounts receivable at invoiced amounts less an allowance for expected credit losses. The allowance for expected credit losses is the Organization’s best estimate of expected credit losses on existing accounts receivable balances. The Organization determined the allowance for expected credit losses using estimates based on historical loss experience while also considering the current and future economic environment. The Organization reviews the allowance for expected credit losses on a regular basis. At December 31, 2023, the allowance for expected credit losses was \$0.

The following amounts are included in the statement of financial position as of:

	<b>December 31, 2023</b>	<b>January 1, 2023</b>
Accounts receivable, underwriting	<u>\$ 27,737</u>	<u>\$ 19,734</u>

**WMKV**  
**Notes to the Financial Statements (continued)**  
**December 31, 2023**

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Net Assets**

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 without donor restrictions are available for use at the discretion of the Organization for general operating purposes and not subject to donor or certain grantor restrictions. From time to time, the Organization may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management’s discretion. There were no board designated net assets at December 31, 2023.
- Net assets with donor restrictions – Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time or purpose 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 those resources be maintained in perpetuity. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restriction. At December 31, 2023, net assets with donor restrictions were \$25,771. See Note 5 for more information.

**Revenue Recognition**

*Contributions*

The Organization is supported by contributions from other organizations. Contributions are recognized when the grantor or donor makes a promise to give in writing to the Organization that is, in substance, unconditional. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they are dependent are substantially met. Contributions are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When the stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions are recorded at fair value at the date of donation.

*Underwriting*

Revenue from contracts with customers is primarily recognized from underwriting. The Organization identifies a contract with a customer for revenue recognition when there is approval and commitment from both parties, the rights of the parties and payment terms are identified, the contract has commercial substance, and the collectability of consideration is probable. The Organization evaluates each contract to determine the number of distinct performance obligations.

**WMKV**  
**Notes to the Financial Statements (continued)**  
**December 31, 2023**

**Note 2 – Summary of Significant Accounting Policies (continued)**

**Revenue Recognition (continued)**

These contracts consist of performance obligations to broadcast underwriting announcements and are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. Each on-air broadcast is determined to be a distinct performance obligation. The transaction price is stated in the contracts and is known at the time of contract inception. The Organization determines the transaction price based on standard charges for goods and services provided.

Underwriting revenue is recognized at a point in time when the underwriting announcements are broadcast on-air. Customers are billed for underwriting spots monthly after they are broadcast on-air and payment is expected within 30 days.

*Special Event*

Revenue from the special event is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for the direct cost of the benefits received by the participant at the event. Revenue for performance obligations satisfied over time is generally recognized over the duration of the related special event.

*Donated Services*

Donated services are recognized at their estimated fair value as revenue and expense in the statement of activities if they (1) create or enhance non-financial assets or (2) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services that do not meet these criteria are not recognized. The fair value of the donated services is estimated based on hourly rates and the amount of time donated.

For the year ended December 31, 2023, the Organization received donated services with a fair value of \$23,526 that were used to support fundraising activities of the Organization.

**Functional Allocation of Expense**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, expenses are directly applied when applicable and other expenses have been allocated among the program and supporting services benefitted. Salaries and wages and employee benefits and payroll taxes are allocated based upon time and effort expended. All other expenses are allocated based on usage of resources.

**Income Taxes**

The Organization is a component of Maple Knoll. Maple Knoll is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

**WMKV**  
**Notes to the Financial Statements (continued)**  
**December 31, 2023**

**Note 2 – Summary of Significant Accounting Policies (continued)**

**New Accounting Pronouncement**

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, to introduce a new impairment model for recognizing credit losses on financial instruments based on an estimate of current expected credit losses. The new model requires the impairment calculation on an individual security level and requires that an entity use the present value of cash flows when estimating the expected credit losses. The credit-related losses are required to be recognized through earnings. In April 2019, the FASB further clarified the scope of the credit losses standard and addressed issues related to accrued interest receivable balances, recoveries, variable interest rates, and prepayment. The Organization adopted this new standard on January 1, 2023. The adoption did not have a material impact on the Organization’s financial statements.

**Note 3 – Liquidity and Availability of Resources**

The Organization is substantially supported by contributions and underwriting revenue. As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following reflects the Organization’s financial assets available to meet cash needs for general expenditures within one year reduced by the amounts not available for general expenditures within one year of December 31, 2023:

Financial assets:	
Accounts receivable, underwriting	\$ 27,737
Pledges receivable	2,047
Due from related party	466,662
Total financial assets	496,446
Less those unavailable for general expenditures within one year due to:	
Contractual or donor-imposed restrictions	25,771
Board designations	-
Total	25,771
Financial assets available to meet cash needs for general expenditures within one year	\$ 470,675

**WMKV**  
**Notes to the Financial Statements (continued)**  
**December 31, 2023**

**Note 4 – Special Event**

Special event revenue and expenses are directly related to fundraising and consist of the following for the year ended December 31, 2023:

Special event revenue	\$	99,570
Less: Special event expenses - Costs of direct benefit to donors		(19,517)
Increase to net assets from special event	<u>\$</u>	<u>80,053</u>

**Note 5 – Net Assets with Donor Restrictions**

Net assets with donor restrictions at December 31, 2023 are restricted for the following purposes:

Acquisition and distribution of national programming	\$	23,368
Equipment		2,403
Net assets with donor restrictions	<u>\$</u>	<u>25,771</u>

For the year ended December 31, 2023, \$6,597 of net assets were released from donor restrictions by incurring expenses that satisfied the restricted purposes.

**Note 6 – Related Party Transactions**

The Organization does not have its own cash account. Instead, Maple Knoll handles all cash transactions related to the Organization, including the receipt of contributions, underwriting revenues, and special event income, and the disbursement of operating expenses. The impact of the cash activity on the statement of financial position is recorded to a general department within Maple Knoll, and the impact of revenues and expenses on the statement of activities is recorded to the Organization’s department. To balance the Organization’s financial statements, the Organization will record the net impact of all cash receipts and disbursements as a balance due from Maple Knoll on the statement of financial position. The balance due to WMKV from Maple Knoll was \$466,662 at December 31, 2023, which is recorded as due from related party on the statement of financial position.

In addition, Maple Knoll charges an administrative overhead fee to the Organization to capture time incurred by Maple Knoll employees for accounting, human resources, and information technology, among other things. The administrative overhead fee also includes an allocation of rent for office space. The administrative overhead fee is calculated based on the percentage of WMKV’s revenue in relation to Maple Knoll’s revenue as a whole. For the year ended December 31, 2023, the Organization recognized administrative overhead expense of \$88,497.

**WMKV**  
**Notes to the Financial Statements (continued)**  
**December 31, 2023**

**Note 7 – Retirement Plan**

The Organization participates in a defined contribution 401(k) retirement savings plan (the Plan) sponsored by Maple Knoll, covering all employees who have met the eligibility requirements. The Organization makes a safe harbor nonelective contribution to the Plan in an amount equal to 3% of compensation. The expense for Organization contributions to the Plan was \$7,352 for the year ended December 31, 2023.

**Note 8 – Contingencies**

From time to time, the Organization may be involved in legal actions arising in the ordinary course of business. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably. The Organization establishes accruals for losses that management deems to be probable and subject to reasonable estimate. The Organization is not currently involved in any such matters as of December 31, 2023.

**Note 9 – Subsequent Events**

The financial statements and related disclosures include evaluation of events up through and including May 20, 2024, which is the date the financial statements were available to be issued. No subsequent events requiring financial statement adjustment and/or disclosure have been identified.