

**WOMEN'S AUDIO MISSION**  
**(A California Nonprofit Public Benefit Corporation)**

**FINANCIAL STATEMENTS**

**For the Years Ended**  
**December 31, 2023 and 2022**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Women's Audio Mission  
San Francisco, California

### **Opinion**

We have audited the accompanying financial statements of the Women's Audio Mission (a California nonprofit public benefit corporation) ("WAM") (the "Corporation"), which comprise the statements of financial position as of December 31, 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, the financial statements referred to above present fairly, in all material respects, the financial position of WAM as of December 31, 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 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 WAM 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 WAM'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, including omissions, 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.

## **INDEPENDENT AUDITOR'S REPORT (continued)**

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 WAM'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 WAM'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.

# **DRAFT**

Bunker & Company LLP

San Rafael, CA

**WOMEN'S AUDIO MISSION**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2023 and 2022**

	2023	2022
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,167,106	\$ 2,125,817
Accounts and grants receivable, current portion	307,144	192,214
Prepaid expenses	8,472	9,719
Investments	3,895,934	2,153,974
Right of use asset, current portion	35,676	34,608
Total current assets	5,414,332	4,516,332
Right of use asset, long term portion	69,269	99,919
Grant receivable, long term portion	-	100,000
Deposits	9,290	9,290
Land, building, leasehold improvements and equipment net of accumulated depreciation and amortization of \$526,498 in 2023 and \$440,368 in 2022	1,540,349	1,604,908
Total assets	\$ 7,033,240	\$ 6,330,449
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 21,082	\$ 5,929
Accrued vacation	33,917	40,401
Credit cards payable	14,793	6,103
Deferred revenue	3,058	-
Lease liability, current portion	35,676	34,608
Total current liabilities	108,526	87,042
Lease liability, long term portion	69,269	99,919
Total liabilities	177,795	186,961
Net assets		
Net assets without donor restrictions	5,077,910	5,556,488
Net assets with donor restrictions	1,777,535	587,000
Total net assets	6,855,445	6,143,488
Total liabilities and net assets	\$ 7,033,240	\$ 6,330,449

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

**WOMEN'S AUDIO MISSION**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF ACTIVITIES**  
**For the year ended December 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE AND TRANSFERS</b>			
Contributions and grants	\$ 706,032	\$ 1,277,292	\$ 1,983,324
In-kind contributions	48,826	-	48,826
Recording services	36,967	-	36,967
Special event revenue, including \$14,300 of in kind goods donated, net of expenses	92,118	-	92,118
Workshop fees and memberships	39,873	-	39,873
Investment income	139,953	-	139,953
<b>Total support and revenue</b>	<b>1,063,769</b>	<b>1,277,292</b>	<b>2,341,061</b>
Net assets released from restrictions	761,757	(761,757)	-
<b>Total support, revenue and transfers</b>	<b>1,825,526</b>	<b>515,535</b>	<b>2,341,061</b>
<b>EXPENSES</b>			
Program services	1,300,089	-	1,300,089
General and administrative	102,559	-	102,559
Fundraising	226,456	-	226,456
<b>Total operating expenses</b>	<b>1,629,104</b>	<b>-</b>	<b>1,629,104</b>
Change in net assets	196,422	515,535	711,957
Net assets, beginning of year	5,556,488	587,000	6,143,488
Reclassification of net assets	(675,000)	675,000	-
	<b>4,881,488</b>	<b>1,262,000</b>	<b>6,143,488</b>
Net assets, end of year	<b>\$ 5,077,910</b>	<b>\$ 1,777,535</b>	<b>\$ 6,855,445</b>

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

**WOMEN'S AUDIO MISSION**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF ACTIVITIES**  
**For the year ended December 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT, REVENUE AND TRANSFERS</b>			
Contributions and grants	\$ 1,739,724	\$ 812,466	\$ 2,552,190
In-kind contributions	27,320	-	27,320
Recording services	24,093	-	24,093
Workshop fees and memberships	43,540	-	43,540
Investment income	(7,901)	-	(7,901)
	<u>1,826,776</u>	<u>812,466</u>	<u>2,639,242</u>
Total support and revenue	1,826,776	812,466	2,639,242
Net assets released from restrictions	<u>671,146</u>	<u>(671,146)</u>	<u>-</u>
	<u>2,497,922</u>	<u>141,320</u>	<u>2,639,242</u>
Total support, revenue and transfers	2,497,922	141,320	2,639,242
<b>EXPENSES</b>			
Program services	1,170,432	-	1,170,432
General and administrative	69,398	-	69,398
Fundraising	194,803	-	194,803
	<u>1,434,633</u>	<u>-</u>	<u>1,434,633</u>
Total operating expenses	1,434,633	-	1,434,633
Change in net assets	1,063,289	141,320	1,204,609
Net assets, beginning of year	<u>4,493,199</u>	<u>445,680</u>	<u>4,938,879</u>
Net assets, end of year	<u>\$ 5,556,488</u>	<u>\$ 587,000</u>	<u>\$ 6,143,488</u>

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

**WOMEN'S AUDIO MISSION**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENTS OF CASH FLOWS**  
**For the years ended December 31, 2023 and 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	<u>\$ 711,957</u>	<u>\$ 1,204,609</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	92,529	94,483
Realized and unrealized (gains) losses	(45,430)	36,684
Changes in assets and liabilities		
Accounts receivable	(14,930)	(265,766)
Prepaid expenses	1,247	(4,629)
Right of use asset	29,582	(134,527)
Deposits	-	(5,600)
Accounts payable and accrued expenses	20,416	(55,388)
Total adjustments	<u>83,414</u>	<u>(334,743)</u>
Net cash provided by operating activities	<u>795,371</u>	<u>869,866</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in fixed assets	(27,970)	(21,041)
Change in investment activities	<u>(1,696,530)</u>	<u>(188,104)</u>
Net cash used by investing activities	<u>(1,724,500)</u>	<u>(209,145)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease liability	<u>(29,582)</u>	134,527
Net cash provided by financing activities	<u>(29,582)</u>	134,527
Net change in cash and cash equivalents	(958,711)	795,248
Cash and cash equivalents, beginning of year	<u>2,125,817</u>	<u>1,330,569</u>
Cash and cash equivalents, end of year	<u>\$ 1,167,106</u>	<u>\$ 2,125,817</u>
Supplementary information:		
Cash paid for interest	<u>\$ -</u>	<u>\$ 173</u>

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



**WOMEN'S AUDIO MISSION**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the year ended December 31, 2023**

	Program	Management and General	Fundraising	Total
Personnel	\$ 874,024	\$ 51,563	\$ 166,369	\$ 1,091,956
Rent	56,438	3,668	9,254	69,360
Office expense	13,279	820	3,541	17,640
Audio/video supplies	5,716	3	163	5,882
Outside services	180,241	36,629	16,412	233,282
Repairs and maintenance	4,141	30	84	4,255
Supplies	2,794	359	371	3,524
Taxes and licenses	217	339	38	594
Telephone & Internet	4,255	78	218	4,551
Utilities	10,367	370	1,036	11,773
Special programs	298	48	2,746	3,092
Insurance	6,710	414	1,160	8,284
Interest and bank fees	5,689	1,156	988	7,833
Auto and travel	22,101	206	4,345	26,652
Miscellaneous	38,870	2,250	6,777	47,897
Depreciation and amortization	74,949	4,626	12,954	92,529
Total expenses	<u>\$ 1,300,089</u>	<u>\$ 102,559</u>	<u>\$ 226,456</u>	<u>\$ 1,629,104</u>
	80%	6%	14%	100%

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

**WOMEN'S AUDIO MISSION**  
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**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the year ended December 31, 2022**

	Program	Management and General	Fundraising	Total
Personnel	\$ 821,535	\$ 48,492	\$ 144,209	\$ 1,014,236
Rent	53,879	3,130	8,799	65,808
Office expense	15,420	1,651	4,386	21,457
Audio/video supplies	4,352	94	-	4,446
Outside services	141,136	5,778	17,838	164,752
Repairs and maintenance	12,267	553	1,155	13,974
Supplies	3,241	483	300	4,024
Taxes and licenses	583	36	101	720
Telephone & Internet	6,191	23	64	6,277
Utilities	5,462	337	944	6,743
Special programs	1,983	8	1,488	3,479
Insurance	6,543	469	1,131	8,143
Interest and bank fees	3,521	3,469	935	7,925
Auto and travel	17,722	97	226	18,045
Miscellaneous	66	54	-	120
Depreciation and amortization	76,531	4,724	13,228	94,483
Total expenses	<u>\$ 1,170,432</u>	<u>\$ 69,398</u>	<u>\$ 194,803</u>	<u>\$ 1,434,633</u>
	82%	5%	14%	100%

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

**WOMEN'S AUDIO MISSION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2023 and 2022**

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**NOTE 1 DESCRIPTION OF ORGANIZATION**

Organization - Women's Audio Mission ("WAM"), a California nonprofit public benefit corporation, is a San Francisco-based nonprofit that is dedicated to the advancement of women in creative technology and digital media production, a field in which women are critically underrepresented (less than 5%). WAM uses music and media to attract and connect 4,000 underserved San Francisco Bay Area girls/women each year to free digital creative technology training, mentoring, and career/educational counseling. In an era that is increasingly dependent on technology, WAM believes that women's participation in this field will expand the voice of music and media, ensuring that women's ideas, interests, and points of view are conveyed throughout our culture and society.

Programs:

**Girls on the Mic** - Inspires over 3,000 underserved Bay Area girls, ages 11-18 a year to become the next music producers, recording engineers, and technology innovators.

**WAM Core Training** - Provides hands-on music and media technology certification training in a professional recording studio to over 500 underserved Bay Area women a year.

**WAM Studio** - Provides paid work experience and critical professional credits for aspiring women music producers and recording engineers while offering low/no-cost recording services to independent artists in the only professional recording studio in the world built and run entirely by women. This program places 30+ young women in audio careers every year.

**Local Sirens Music Series** - Provides free quarterly performances featuring Bay Area women composers and musicians at local venues.

**WAMCon Conferences** - Recording and audio conference series for women/gender-diverse individuals that provides networking and mentoring opportunities with high-profile women/gender-diverse music producers, recording engineers and artists.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

Method of Accounting – The financial statements of Women's Audio Mission are prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, which reflects revenue when earned and expenses as incurred.

**WOMEN'S AUDIO MISSION**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2023 and 2022**

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**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

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. From time to time, amounts on deposit may exceed federally insured limits.

Basis of Presentation – WAM is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year.

Net assets with donor restrictions – Net assets that are restricted by a donor for use for a particular purpose or in a particular period. Some donor imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

As of December 31, 2023 and 2022, there were no net assets with permanent donor restrictions.

Fair Value Measurements – WAM carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received if selling an asset or paid if transferring a liability in an orderly transaction between market participants at the measurement date. Fair value measurement standards also require WAM to classify these financial instruments into a three-level hierarchy. WAM classifies its financial assets and liabilities according to the below three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

Level 1 – Quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities, without adjustment.

Level 2 – Quoted prices in markets that are not considered to be active for identical or similar assets or liabilities, quoted prices in active markets of similar assets or liabilities, and inputs other than quoted prices that are observable or can be corroborated by observable market data.

**WOMEN'S AUDIO MISSION**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2023 and 2022**

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**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

Level 3 – Inputs that are both significant to the fair value measurement and unobservable, including inputs that are not derived from market data or cannot be corroborated by market data.

WAM's carrying amounts of its assets and liabilities, approximate fair value under Level 1 for the years ended December 31, 2023 and 2022.

Property, Equipment, and Leasehold Improvements - WAM records property, 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 useful lives of the assets, which range from three to seven years. WAM capitalizes all property, equipment, and improvements with a cost in excess of \$1,000.

Contributions – Contributions consist of cash contributions as well as in-kind goods and services provided to the Corporation. Contributed services are recognized at their fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Donated securities are recorded at their fair value at the date of donation.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are 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.

Revenue Recognition – Revenue is recognized as earned as services are provided to the individuals and/or entities being served. All revenue received in advance of it being earned is deferred.

Accounts Receivable - Multi-year pledges are recorded at present value. Contributions receivable are reviewed for collectability, and reserves for uncollectible amounts are established as needed. It is the practice of the Corporation to expense uncollectibles only after exhausting all efforts to collect the amounts due. The Corporation considers all unconditional promises to give fully collectible and therefore, there was no allowance for doubtful accounts at December 31, 2023 and 2022.

Advertising Costs – It is the policy of WAM to expense advertising costs as incurred.

Functional Allocation of Expenses - The costs of providing the various programs, supporting services and other activities have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates and analysis of personnel time spent on each program and activity.

**WOMEN'S AUDIO MISSION**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2023 and 2022**

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**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

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. Accordingly, actual future results could differ from those estimates.

Income Taxes - WAM is exempt from federal and state taxes under Section 501(c) (3) of the Internal Revenue Code (IRC) and Section 23701d of the California Revenue and Taxation Code, and is considered by the IRS to be a Corporation other than a private foundation. In the opinion of management, there is no unrelated business income.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842). The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for all leases with a term longer than 12 months. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities and changes in net assets. In accordance with this ASU, the Corporation deems the effective date of January 1, 2022, to be in compliance with ASU 842 and has elected to apply the practical expedient of not restating comparative periods to be in conformity with the new standard.

In June 2016, the FASB issued ASU No. 2016-13, "Current Expected Credit Losses (Topic 326)" ("ASU 2016-13"). The credit loss model is intended to simplify standards and provide for more timely recognition of credit losses. The amended guidance requires financial assets that are measured at amortized cost be presented at the net amount expected to be collected. ASU 2016-13 is effective for the Corporation commencing on January 1, 2023. The Corporation has evaluated the impact of the adoption of this standard on its financial statements and does not expect a material impact.

**NOTE 3 ACCOUNTS RECEIVABLE**

As of December 31, 2023 and 2022, grants and pledges receivable consisted of amounts from grantors, individuals and other transactions as follows:

	<u>2023</u>	<u>2022</u>
Grants and pledges receivable	\$ 307,144	\$ 292,214

**WOMEN'S AUDIO MISSION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2023 and 2022**

**NOTE 4 FIXED ASSETS**

Land, building, leasehold improvements and equipment at cost, consist of the following at December 31, 2023 and 2022:

	2023	2022
Land	\$ 486,963	\$ 486,963
Building and improvements	1,227,534	1,222,243
Leasehold improvements	82,673	82,673
Equipment	269,677	253,397
	2,066,847	2,045,276
Accumulated depreciation and amortization	(526,498)	(440,368)
Fixed assets, net	\$ 1,540,349	\$ 1,604,908

Depreciation expense for the years ended December 31, 2023 and 2022 was \$75,993 and \$77,947, respectively. Amortization expense for the years ended December 31, 2023 and 2022 was \$16,536 and \$16,536, respectively.

**NOTE 5 INVESTMENTS**

Investments, shown at market value, as of June 30, 2023 and 2022 are summarized as follows:

	2023	2022
CDs, Treasury bills and notes	\$ 3,895,934	\$ 2,153,974

Investment income for the years ended December 31, 2023 and 2022 consisted of the following:

	2023	2022
Interest and dividends	\$ 94,523	\$ 28,783
Realized and unrealized gains (losses)	45,430	(36,684)
Total investment income	\$ 139,953	\$ (7,901)

**NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS**

These are contributions which were received with donor stipulations that limit the use of the assets for specific purposes and/or for specific time periods.

**WOMEN'S AUDIO MISSION**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2023 and 2022**

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**NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS (continued)**

Net assets with donor restrictions at December 31, 2023 and 2022 are restricted for the following uses:

	<u>2023</u>	<u>2022</u>
Girls on the Mic	\$ 110,000	\$ 110,000
Local Sirens	56,250	19,000
Capital campaign	1,571,285	300,000
Internship programs	30,000	38,000
Other restricted net assets	<u>10,000</u>	<u>120,000</u>
	<u>\$ 1,777,535</u>	<u>\$ 587,000</u>

During the year ended December 31, 2022, WAM commenced a Capital Campaign to raise \$9,000,000 in order to expand operations and fund additional locations. The intention is to open studios in both Nashville, Tennessee and Los Angeles, California by the end of 2025. Grants and contributions totaling \$701,200 in 2023 and \$975,000 in 2022 were obtained for the campaign.

As of December 31, 2022, \$675,000 of the \$975,000 was reported as unrestricted. The resulting net asset transfer restores the restricted balance to actual.

**NOTE 7 RIGHT OF USE ASSETS AND LEASE LIABILITIES**

As stated in Note 2, the Corporation has adopted ASU 842 and as such, is reflecting the present value of future operating lease payments as right of use assets and corresponding lease liabilities. In accordance with the ASU, the present value is calculated using a 5% discount rate, which approximates the U.S. Department of the Treasury rate.

The Corporation entered into a two year lease in Oakland on January 1, 2022 with monthly payments of \$1,800. WAM discontinued the lease and moved out on November 30, 2023.

WAM has entered into a new lease with the Community Arts Stabilization Trust commencing January 1, 2022, and had made leasehold improvements during the year ended December 31, 2021 in anticipation of occupancy. The lease term is for 5 years with the option of renewals. The base rent is \$2,800 per month increasing by 3% per annum for the duration of the lease.

Lease and occupancy expense for the years ended December 31, 2023 and 2022 was \$69,361 and \$65,808, respectively.



**WOMEN'S AUDIO MISSION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2023 and 2022**

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**NOTE 7 RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)**

The estimated future minimum payments for all operating leases for the current and succeeding years are as follows:

<u>December 31,</u>	
2024	\$ 35,676
2025	36,716
2026	37,817
Present value discount	<u>(5,264)</u>
	<u>\$ 104,945</u>

**NOTE 8 IN-KIND CONTRIBUTIONS**

Services - Contributed services are assessed at the fair value of the services received. During the year ended 2023, \$17,500 of pro-bono legal services, \$6,000 of HR services and \$1,650 of recording engineer services were recorded. During the year ended December 31, 2022, \$21,000 of pro-bono legal services were recorded. All of these services met the requirements outlined for professional services in Note 2.

Goods - During the years ended December 31, 2023 and 2022, various items of recording and sound equipment and computer equipment were donated to the Corporation. The fair value of these contributions was \$23,676 and \$6,320 in 2023 and 2022, respectively.

During the year ended December 31, 2023, WAM held a 20<sup>th</sup> anniversary gala and received various in-kind goods for their auction in the amount of \$14,300.

During the year ended December 31, 2023 and 2022, volunteers contributed non-professional services valued at approximately \$374,016 and \$332,000, respectively.

Accordingly, because these donated services did not meet the requirements in Note 2, they were not recorded.

**NOTE 9 LIQUIDITY MANAGEMENT**

As part of Women Audio Mission's liquidity management strategy, WAM structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. WAM's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of contributions, grants, membership fees and earned revenue. The Corporation has sufficient cash and cash equivalents to meet its current needs and investments which can be converted to cash for periods when cash is not available.

**WOMEN'S AUDIO MISSION**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2023 and 2022**

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**NOTE 9 LIQUIDITY MANAGEMENT (continued)**

Current liquidity at December 31, 2023 can be quantified as follows:

Cash and cash equivalents	\$ 1,167,106
Current receivables	307,144
Current fixed income	3,895,934
Less current restricted net assets	<u>(1,777,535)</u>
Assets available for current needs	<u>\$ 3,592,649</u>

**NOTE 10 RETIREMENT PLAN**

The Corporation established a 401(k) defined contribution plan during the year ended December 31, 2022. Employees who are at least 21 years of age, and work full-time or part-time may participate after one year of service. Once enrolled, the eligible employees may voluntarily make pre-tax contributions to the plan, up to the limit allowed by law. During the years ended December 31, 2023 and 2022, WAM did not make any matching contributions but paid \$1,588 and \$538, respectively, to administer the plan.

**NOTE 11 RECLASSIFICATION OF PRIOR YEAR PRESENTATION**

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

**NOTE 12 CONCENTRATION OF CREDIT RISK**

As of December 31, 2023, the Corporation's financial instruments consisted primarily of cash and cash equivalents. Cash balances may at times exceed the Federal Deposit Insurance Corporation (FDIC) limits on insurable amounts. The Corporation attempts to mitigate this risk by investing excess cash with major institutions.

**NOTE 13 SUBSEQUENT EVENTS**

Management has evaluated all subsequent events through the Auditor's Report date, the date the financial statements were available to be issued.