

**NORTH FORK VALLEY PUBLIC RADIO, INC.**

**FINANCIAL STATEMENTS**

**September 30, 2009**

## TABLE OF CONTENTS

	<b>Page</b>
Independent Auditors' Report	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to the Financial Statements	6-8



**JOHN CUTLER**  
& ASSOCIATES

Board of Directors  
North Fork Valley Radio, Inc.  
Paonia, Colorado

**Independent Auditors' Report**

We have audited the accompanying statement of financial position of North Fork Valley Radio, Inc. as of September 30, 2009, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of North Fork Valley Radio, Inc.'s management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Fork Valley Radio, Inc. as of September 30, 2009, and its changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*John Cutler & Associates, LLC*

December 28, 2009

NORTH FORK VALLEY PUBLIC RADIO, INC.

STATEMENT OF FINANCIAL POSITION

September 30, 2009

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 95,516
Accounts Receivable	<u>4,530</u>
Total Current Assets	<u>100,046</u>

**Property and Equipment,**

Building, Furniture and Equipment	1,151,991
Less: Accumulated Depreciation	<u>(268,166)</u>
Total Property and Equipment, Net	<u>883,825</u>

<b>TOTAL ASSETS</b>	<u><u>\$ 983,871</u></u>
---------------------	--------------------------

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 6,457
Current Portion of Long-Term Liabilities	<u>7,923</u>
Total Current Liabilities	<u>14,380</u>

**Long-Term Liabilities**

Mortgage Payable	<u>89,972</u>
------------------	---------------

<b>TOTAL LIABILITIES</b>	<u>104,352</u>
--------------------------	----------------

**NET ASSETS**

Unrestricted	674,511
Temporarily Restricted	<u>205,008</u>
Total Net Assets	<u>879,519</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 983,871</u></u>
---	--------------------------

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

NORTH FORK VALLEY PUBLIC RADIO, INC.

STATEMENT OF ACTIVITIES  
Year Ended September 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Grants	\$ 123,693	\$ -	\$ 123,693
Government Grants	1,500	-	1,500
Non Profit and Foundation Grants	1,629	-	1,629
Memberships and Donations	17,143	-	17,143
Annual Pledge Drive	86,112	-	86,112
Capital Campaign	5,000	-	5,000
Underwriting	80,760	-	80,760
Fundraising	28,894	-	28,894
Interest Income	2,480	-	2,480
Other	9,038	-	9,038
In-Kind and Trade Out Contributions	80,284	-	80,284
	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	436,533	-	436,533
	<hr/>	<hr/>	<hr/>
<b>EXPENSES</b>			
Program Services	393,854	-	393,854
Management and General	44,602	-	44,602
Fundraising	25,225	-	25,225
	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	463,681	-	463,681
	<hr/>	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	(27,148)	-	(27,148)
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, Beginning</b>	701,659	205,008	906,667
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, Ending</b>	<u>\$ 674,511</u>	<u>\$ 205,008</u>	<u>\$ 879,519</u>

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

NORTH FORK VALLEY PUBLIC RADIO, INC.

STATEMENT OF CASH FLOWS  
Year Ended September 30, 2009

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ (27,148)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	45,089
Changes in Assets and Liabilities	
Accounts Receivable	4,169
Accounts Payable	3,171
Accrued Expenses	<u>(3,765)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>21,516</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of Property and Equipment	(5,606)
Sale of Investments	<u>11,619</u>
<b>Net Cash Provided by Investing Activities</b>	<u>6,013</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Mortgage Payments	<u>(6,384)</u>
<b>NET INCREASE IN CASH</b>	21,145
<b>CASH, Beginning</b>	<u>74,371</u>
<b>CASH, Ending</b>	<u><u>\$ 95,516</u></u>

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

NORTH FORK VALLEY PUBLIC RADIO, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended September 30, 2009

	Program Services	Management and General	Fundraising	Total
Advertising and Promotion	\$ 6,780	\$ -	\$ 408	\$ 7,188
Bank and Credit Card Charges	-	1,833	-	1,833
Contract Labor	74,433	1,175	-	75,608
Depreciation	44,343	746	-	45,089
Dues and Subscriptions	4,384	-	-	4,384
Fundraising	-	-	10,209	10,209
Insurance	11,429	-	-	11,429
Interest	1,145	4,861	-	6,006
Internet Fees	10,165	-	-	10,165
Legal and Accounting	442	6,122	-	6,564
Licenses and Fees	-	126	-	126
Maintenance and Repair	8,484	-	-	8,484
Meetings	2,360	-	-	2,360
Mileage Reimbursement	1,565	-	-	1,565
Miscellaneous	285	43	1,625	1,953
Payroll	116,131	24,131	10,557	150,819
Payroll Taxes and Worker's Comp	11,926	2,478	1,084	15,488
Payroll - Health Insurance	11,060	2,298	1,005	14,363
Postage and Shipping	2,810	142	-	2,952
Printing Costs	1,502	-	-	1,502
Professional Development	3,516	100	-	3,616
Program Acquisitions	42,484	-	-	42,484
Supplies	14,092	547	337	14,976
Telephone	3,958	-	-	3,958
Transmitter Site Rental	3,800	-	-	3,800
Utilities	16,760	-	-	16,760
	<u>\$ 393,854</u>	<u>\$ 44,602</u>	<u>\$ 25,225</u>	<u>\$ 463,681</u>

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

NORTH FORK VALLEY PUBLIC RADIO, INC.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization – North Fork Valley Radio, Inc. (the “Organization”) is a Colorado nonprofit corporation incorporated in 1978 as a non-commercial public radio broadcast station. The Organization broadcasts in the surrounding counties of West Central Colorado, providing entertainment, cultural, educational, and informational programs. The Organization is supported primarily by funding from the Corporation for Public Broadcasting, underwriting, and fund-raising.

Basis of Reporting – The Organization’s financial statements have been prepared using the accrual basis of accounting.

Financial Statement Presentation – The Organization reports its financial position and activities in three classes of net assets; unrestricted, temporarily restricted and permanently restricted. The Organization does not have any permanently restricted net assets as of September 30, 2009.

Cash and Cash Equivalents – For financial statement purposes, the Organization considers all highly liquid investments with an original maturity of twelve months or less to be cash equivalents.

Receivables – Accounts Receivable consists primarily of amounts due for underwriting. As of September 30, 2009, management has deemed all accounts to be collectable; therefore no allowance for uncollectible accounts is necessary.

Property and Equipment – Property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the date of donation. The Organization capitalizes all property and equipment with a useful life of more than one year. Depreciation is calculated using the straight line method over estimated useful lives between 7 - 30 years. If donors stipulate the use of property and equipment, it is recorded as restricted.

Contributions – Contributions received as well as collectible unconditional promises to give are recognized in the period received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. Support that is restricted by the donor is reported as unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. Temporary restricted net assets are reclassified to unrestricted net assets when the donor restriction is satisfied. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

NORTH FORK VALLEY PUBLIC RADIO, INC.

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2009

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status – The Organization is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Estimates – Preparation of the Organization’s financial statements in conformity with generally accepted accounting principles requires the use of management’s estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2: PROPERTY AND EQUIPMENT**

Property and Equipment consists of the following:

Building	\$ 866,724
Studio Equipment, Restricted	205,008
Studio Equipment, Unrestricted	67,731
Office Equipment	<u>12,528</u>
Total	1,151,991
Less: Accumulated Depreciation	<u>(268,166)</u>
Total Property and Equipment	<b><u>\$ 883,825</u></b>

Depreciation expense of \$45,089 is included in the statement of activities for the year ended September 30, 2009. Of this amount, \$44,343 is categorized as program expense and \$746 is categorized as general and administrative expense.

NORTH FORK VALLEY PUBLIC RADIO, INC.

NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2009

**NOTE 3: MORTGAGE PAYABLE**

The Organization has entered into a mortgage agreement with Paonia State Bank for its building. The mortgage carries a variable interest rate of 2% over prime, not to exceed 8.5%. The Organization is required to make monthly principal and interest payments in the amount of \$1,126. The final payment is due in 2019.

Future debt service requirements are as follows:

<u>Year Ended September 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 7,923	\$ 5,593	\$ 13,516
2011	8,411	5,105	13,516
2012	8,930	4,586	13,516
2013	9,481	4,035	13,516
2014	10,066	3,450	13,516
2015 - 2019	<u>53,084</u>	<u>7,269</u>	<u>60,353</u>
Total	<u>\$ 97,895</u>	<u>\$ 30,038</u>	<u>\$ 127,933</u>

**NOTE 4: IN KIND DONATIONS**

During the year the Organization received donated services from various sources for its program. For the year ended September 30, 2009, the amount of in-kind donations totaled \$66,031. These amounts are recorded as contribution revenue and program expense in the financial statements.

A number of volunteers have donated time in connection with the Organization's activities. No amounts have been reflected in the financial statements for these donated services as they do not meet the criteria for recognition under SFAS No. 116.

**NOTE 5: TEMPORARILY RESTRICTED NET ASSETS**

In previous fiscal years, the Organization purchased broadcasting equipment totaling \$205,008 through various grants from the National Telecommunications and Information Administration (NTIA). The grant provisions require that title to the equipment must be secured by the grantor for a period of ten years. The Organization records the cost of the equipment as temporarily restricted net assets until the grant provisions expire in 2010.