

COMMUNITY RADIO PROJECT, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

COMMUNITY RADIO PROJECT, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Community Radio Project, Inc.

Opinion

We have audited the accompanying financial statements of Community Radio Project, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 financial statements referred to above present fairly, in all material respects, the financial position of Community Radio Project, Inc. as of December 31, 2022, 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. 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 Community Radio Project, Inc. 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 Community Radio Project, Inc.'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, 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.

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 Community Radio Project, Inc.'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 Community Radio Project, Inc.'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.

Report on Summarized Comparative Information

We have previously audited Community Radio Project, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPAs
Saint Louis, Missouri
April 17, 2023

COMMUNITY RADIO PROJECT, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS			
CURRENT ASSETS		2022	2021
Cash and cash equivalents		\$ 389,281	\$ 407,141
Endowment fund investment		6,825	8,227
Accounts receivable, net of allowance		11,115	14,371
Grant receivable		-	10,000
Prepaid expenses		23,585	18,818
Right of use assets		11,469	11,146
Total current assets		<u>430,806</u>	<u>458,557</u>
NONCURRENT ASSETS			
Property and equipment, net of depreciation		1,001,917	1,059,172
Right of use assets, less current portion		23,144	34,213
Total noncurrent assets		<u>1,001,917</u>	<u>1,059,172</u>
Total assets		<u>\$ 1,432,723</u>	<u>\$ 1,517,729</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable		\$ 2,115	\$ 7,102
Accrued payroll		4,877	5,589
Employee benefits		753	1,012
Compensated absences		21,870	13,741
Deferred underwriting revenue		1,502	9,594
Notes payable		3,237	3,110
Minimum lease payments		11,469	11,146
Total current liabilities		<u>34,354</u>	<u>40,148</u>
NONCURRENT LIABILITIES			
Notes payable, less current portion		165,718	168,955
Minimum lease payments, less current portion		23,144	34,213
Total noncurrent liabilities		<u>165,718</u>	<u>168,955</u>
Total liabilities		<u>200,072</u>	<u>209,103</u>
NET ASSETS			
Without donor restriction		1,195,040	1,201,908
With donor restriction		37,611	106,718
Total net assets		<u>1,232,651</u>	<u>1,308,626</u>
Total liabilities and net assets		<u>\$ 1,432,723</u>	<u>\$ 1,517,729</u>

See accompanying notes and independent auditors' report

COMMUNITY RADIO PROJECT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Without Donor restriction	With Donor restriction	2022 Total	2021 Total
SUPPORT AND REVENUE				
Grants	\$ 221,116	\$ 30,786	\$ 251,902	\$ 438,756
Contributions	195,740	-	195,740	144,382
Underwriting	55,562	-	55,562	58,388
Special event	21,857	-	21,857	7,218
In-kind contributions	63,931	-	63,931	70,679
Other	80	-	80	109,368
Total support and revenue	558,286	30,786	589,072	828,791
Net assets released from restrictions				
Satisfaction of restrictions	98,493	(98,493)	-	-
Total	656,779	(67,707)	589,072	828,791
EXPENSES				
Program	321,108	-	321,108	284,856
Total program	321,108	-	321,108	284,856
Supporting services				
General and administration	97,744	-	97,744	91,245
Fundraising	244,795	-	244,795	235,944
Total support services	342,539	-	342,539	327,189
Total expenses	663,647	-	663,647	612,045
Changes in net assets from operations	(6,868)	(67,707)	(74,575)	216,746
INVESTMENT ACTIVITIES				
Unrealized gain (loss) on endowment	-	(1,443)	(1,443)	1,050
Interest and dividend income	-	163	163	149
Investment expenses	-	(120)	(120)	(120)
Total investment activities	-	(1,400)	(1,400)	1,079
Changes in net assets	(6,868)	(69,107)	(75,975)	217,825
Net assets - beginning of year	1,201,908	106,718	1,308,626	1,090,801
Net assets - end of year	\$ 1,195,040	\$ 37,611	\$ 1,232,651	\$ 1,308,626

See accompanying notes and independent auditors' report

COMMUNITY RADIO PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Program	General and Administration	Fundraising	2022 Total	2021 Total
Salaries and wages	\$ 145,125	\$ 29,024	\$ 116,100	\$ 290,249	\$ 286,167
Payroll taxes	11,608	2,319	9,287	23,214	26,455
Employee benefits	15,853	3,168	12,679	31,700	20,862
Events	-	-	14,184	14,184	6,808
Advertising	-	-	7,248	7,248	7,536
In-kind	-	-	49,937	49,937	52,859
Communications	-	5,298	-	5,298	4,972
Occupancy	-	184	-	184	1,200
Depreciation	33,419	6,683	26,735	66,837	65,322
Dues and subscriptions	-	5,570	-	5,570	8,321
Insurance	3,239	648	2,590	6,477	6,546
Interest	3,413	682	2,730	6,825	6,947
Other	-	17,690	-	17,690	810
Bad debt	-	-	-	-	1,896
Professional fees	-	17,373	-	17,373	25,721
Programming and production	104,318	-	-	104,318	73,924
Repairs and maintenance	634	127	506	1,267	1,907
Supplies	-	3,676	-	3,676	4,860
Taxes and licenses	-	1,260	-	1,260	875
Training and travel	-	3,341	-	3,341	408
Utilities	3,499	701	2,799	6,999	7,649
Total	<u>\$ 321,108</u>	<u>\$ 97,744</u>	<u>\$ 244,795</u>	<u>\$ 663,647</u>	<u>\$ 612,045</u>

See accompanying notes and independent auditors' report

COMMUNITY RADIO PROJECT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

CASH FLOWS FROM OPERATING ACTIVITIES	2022	2021
Changes in net assets	\$ (75,975)	\$ 217,825
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	66,837	65,322
Unrealized (gain) loss on endowment	1,443	(1,050)
Debt forgiveness income - Paycheck Protection Program	-	108,787
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net of allowance	3,256	(5,823)
(Increase) decrease in grant receivable	10,000	(10,000)
(Increase) decrease in prepaid expenses	(4,767)	(15,683)
(Increase) decrease in right of use assets	(323)	10,433
Increase (decrease) in accounts payable	(4,987)	1,342
Increase (decrease) in accrued payroll	(712)	(1,239)
Increase (decrease) in employee benefits	(259)	(1,134)
Increase (decrease) in compensated absences	8,129	(1,064)
Increase (decrease) in deferred underwriting revenue	(8,092)	5,798
Increase (decrease) in minimum lease payments	323	(10,433)
Net cash provided by (used in) operating activities	<u>(5,127)</u>	<u>363,081</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(41)	(29)
Purchase of property and equipment	<u>(9,582)</u>	<u>(995)</u>
Net cash provided by (used in) investing activities	<u>(9,623)</u>	<u>(1,024)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable	-	54,394
Principal payments on notes payable	<u>(3,110)</u>	<u>(220,563)</u>
Net cash provided by (used in) financing activities	<u>(3,110)</u>	<u>(166,169)</u>
Net increase (decrease) in cash and cash equivalents	(17,860)	195,888
Cash and cash equivalents - beginning of year	<u>407,141</u>	<u>211,253</u>
Cash and cash equivalents - end of year	<u><u>\$ 389,281</u></u>	<u><u>\$ 407,141</u></u>
Supplemental cash flow information:		
Cash paid during the year for interest	\$ 6,825	\$ 6,947

See accompanying notes and independent auditors' report

COMMUNITY RADIO PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Community Radio Project, Inc. (the Organization) is a Colorado nonprofit corporation branded as KSJD and is the licensee of KSJD, KICO, and KZET. The Organization was incorporated in 2004 and functions as a non-commercial public radio broadcast station. The mission of the Organization is to inform, entertain and empower the people of the Four Corners region through news, arts, culture, and public media service. The Four Corners region is comprised of Colorado, Arizona, New Mexico, and Utah, including the Ute Mountain Ute Tribe and portions of the Navajo Nation. The Organization envisions a community strengthened and elevated by locally-driven media and performing arts.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with auditing standards generally accepted in the United States of America. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 objective of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions - Net assets that are 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 that the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

COMMUNITY RADIO PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

The Organization considers all cash and highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Contribution 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 the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction, depending on the nature of the restriction, is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Income Taxes

The Organization is exempt from income taxes pursuant to section 501(c)(3) of the Internal Revenue Service Code. Therefore, no provision is made for taxes on income.

On January 1, 2010, the Organization adopted the provisions of Accounting for Uncertainty in Income Taxes. The adoption of that guidance resulted in no change to the financial statements for prior periods. As of December 31, 2022, no amounts have been recognized for uncertain tax positions. The Organization's tax returns filed for 2019 and prior are closed.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at their estimated fair market value at the date of the donation. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Buildings and building improvements have been depreciated over periods ranging from 15 to 39 years. All other depreciable property has been depreciated over periods ranging from 4 to 15 years. Expenditures for repairs and maintenance are charged to operating expenses as incurred. Depreciation expense for the years ended December 31, 2022 and 2021 was \$66,837 and \$65,322, respectively.

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Advertising Costs

Advertising costs are expensed as incurred. Advertising cost for the years ended December 31, 2022 and 2021 was \$7,248 and \$7,536, respectively.

COMMUNITY RADIO PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

The Organization has adopted "Accounting for Certain Investments Held by Non-Profit Organizations." Under the standard, investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Contributed Services

A number of volunteers contribute services to the Organization. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer efforts have not been satisfied.

Accounts Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due for underwriting services. Management used the allowance method to account for doubtful accounts. As of December 31, 2022 and 2021, the allowance for doubtful accounts was \$4,000 and \$4,000, respectively.

Compensated Absences

Employees of the Organization are entitled to paid vacation, depending on job classification, length of service, and other factors. Employees accumulate earned vacation and, upon separation, are paid out any unused vacation pay based on current pay rates. Accordingly, compensated absences as of December 31, 2022 and 2021 was \$21,870 and \$13,741, respectively.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's program services and support services. Nonoperating activities are limited to resources that generate a return on investment and other activities considered to be of a more unusual or nonrecurring nature.

New Accounting Pronouncement

During 2022, the Organization adopted ASU 2016-02 *Leases (Topic 842)*, which superseded existing guidance for accounting for leases under *Topic 840, Leases*. The adoption of the guidance requires the recognition of the remaining value of operating leases as assets and liabilities on the statement of financial position as right of use assets and future minimum lease obligations, respectively.

Revenue from Contracts with Customers

The Organization recognizes revenue that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

COMMUNITY RADIO PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 - NON-CASH CONTRIBUTIONS

The Organization receives donations of services and products from various sources. When such services represent specialized skills that would be otherwise purchased and the value of the services can be readily ascertained, those values are recorded as contributed services and charged to the appropriate expense category in the financial statements. When contributed services do not meet the criteria for recognition, they are not recognized in the financial statements. The amount of these donations recorded at fair market value for the years ended December 31, 2022 and 2021 are comprised of the following:

	2022	2021
Tower rent	\$ 17,820	\$ 17,820
Printing	1,447	6,000
Advertising	18,435	17,925
Professional services	6,134	7,339
Antenna and rack space	19,095	19,095
Fundraising materials	1,000	2,500
Total	<u>\$ 63,931</u>	<u>\$ 70,679</u>

NOTE 3 - CONCENTRATION OF CREDIT RISK

As of December 31, 2022, the Organization had cash deposits with various banks of \$379,342. These cash balances are in excess of the federally insured limit of \$250,000 per depositor by \$129,220.

As of December 31, 2021, the Organization had cash deposits with various banks of \$405,800. These cash balances are in excess of the federally insured limit of \$250,000 per depositor by \$155,677.

NOTE 4 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between fundraising, administration, or the appropriate program based on evaluations of the related benefits. Such allocations are determined by management on an equitable basis. Expenditures have been allocated based on time and effort or specific identification, when available.

COMMUNITY RADIO PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 5 - PROPERTY AND EQUIPMENT

A summary of property and equipment as of December 31, 2022 and 2021 follows:

	2022	2021
Building	\$ 160,000	\$ 160,000
Building improvements	1,231,674	1,231,674
Equipment	383,310	373,455
Total depreciable property	1,774,984	1,765,129
Accumulated depreciation	(813,067)	(745,957)
Depreciable property, net	961,917	1,019,172
Land	40,000	40,000
Property and equipment, net	<u>\$ 1,001,917</u>	<u>\$ 1,059,172</u>

NOTE 6 - NOTES PAYABLE

In July 2014, the Organization obtained a mortgage with the USDA in order to refinance an existing loan. The Organization could draw funds up to \$193,710 to assist in the renovation of the Organization's building. The mortgage is collateralized by a deed of trust on the Organization's building. The mortgage carries an interest rate of 4% and monthly payments of principal and interest of \$828 are payable through July 2052. The outstanding balance on the mortgage as of December 31, 2022 and 2021 was \$168,955 and \$172,065, respectively.

In April 2020 and February 2021, the Organization received loan proceeds in the amount of \$54,394 and \$54,394, respectively, under the Paycheck Protection Program ("PPP"). The PPP is administered by the Small Business Administration. The loan and accrued interest (1%) are forgivable after eight to twenty-four weeks as long as the Organization used the loan proceeds for eligible purposes, such as payroll, benefits, rent, and utilities. During 2021, the entire loan balance was forgiven and \$108,788 was recorded as other income on the statement of activities. The balance as of December 31, 2022 and 2021 was \$0 and \$54,394, respectively.

Future maturities of notes payable:

Year ending December 31,	
2023	\$ 3,237
2024	3,369
2025	3,506
2026	3,649
2027 and subsequent	155,194
Total	<u>\$ 168,955</u>

COMMUNITY RADIO PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 7 - DONOR RESTRICTED ENDOWMENT

In December 2015, the Organization received a donation in the amount of \$50,000 to start an endowment fund. In October 2016, the Organization transferred the \$50,000 to Onward! A Legacy Foundation, to be held as a separate fund. The Organization signed an agreement with Onward!, which states that principal and net income from the fund be used for news, arts, and entertainment programs of KSJD and the Sunflower Theater. As of December 31, 2022 and 2021 the balance was \$6,825 and \$8,227, respectively.

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Endowment net assets - January 1, 2022	\$ -	\$ 8,227	\$ 8,227
Distributions	-	(2)	(2)
Investment income	-	163	163
Unrealized gain	-	(1,443)	(1,443)
Investment expenses	-	(120)	(120)
Endowment net assets - December 31, 2022	<u>\$ -</u>	<u>\$ 6,825</u>	<u>\$ 6,825</u>

	Without Donor Restriction	With Donor Restriction	Total Endowment Net Assets
Endowment net assets - January 1, 2021	\$ -	\$ 7,148	\$ 7,148
Investment income	-	149	149
Unrealized gain	-	1,050	1,050
Investment expenses	-	(120)	(120)
Endowment net assets - December 31, 2021	<u>\$ -</u>	<u>\$ 8,227</u>	<u>\$ 8,227</u>

NOTE 8 - FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described in the following paragraphs:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

COMMUNITY RADIO PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 8 - FAIR VALUE MEASUREMENTS (continued)

- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes during 2022 in the methodologies used to value the investments as of December 31, 2022.

Funds held by Onward! may be pooled with other investor accounts and invested jointly. Onward! values the pool based on published closing prices of various securities on active exchanges.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments as of December 31, 2022.

	Level 1	Level 2	Level 3	Total
Endowment fund - Onward!	\$ -	\$ 6,825	\$ -	\$ 6,825
Total	\$ -	\$ 6,825	\$ -	\$ 6,825

The following table sets forth by level, within the fair value hierarchy, the Organization's investments as of December 31, 2021.

	Level 1	Level 2	Level 3	Total
Endowment fund - Onward!	\$ -	\$ 8,227	\$ -	\$ 8,227
Total	\$ -	\$ 8,227	\$ -	\$ 8,227

NOTE 9 - LEASES

In March 2015, the Organization entered into a contract with American Tower Corporation for the use of an antenna, feedlines, and ground space. The contract is for 10 years with the option for three five-year renewal periods. The monthly lease expense is \$750 with 3% annual increases. For the years ended December 31, 2022 and 2021, the expense associated with this lease was \$17,820, which is recorded as in-kind revenue and expense.

COMMUNITY RADIO PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 9 - LEASES (continued)

On May 1, 2020, the Organization entered into a lease with Robert Dobry for the use of storage space. Lease payments are \$100/month. The lease was renewed on April 30, 2022, for an additional year. For the years ended December 31, 2022 and 2021, the expense associated with this lease was \$1,200.

Future minimum lease payments are as follows:

December 31,	
2023	\$ 11,469
2024	11,401
2025	11,743
Total	<u>\$ 34,613</u>

NOTE 10 - DONOR-ADVISED FUNDS

A donor-advised fund (the "Fund") was established in May 2019 on behalf of the Organization. The Fund was established by a local donor to help the Organization as they grow in the future and help fund capital investments and expenditures. The amount to be received by the Organization is unknown at this time. Therefore, no amounts have been recorded on the books of the Organization as of December 31, 2022 or 2021.

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2022 and 2021 are restricted as follows:

	2022		2021	
	Purpose	Period	Purpose	Period
Endowment fund	\$ 6,825	\$ -	\$ 8,227	\$ -
CSG Grant	30,786	-	21,671	58,820
Colorado Humanities	-	-	18,000	-
Total	<u>\$ 37,611</u>	<u>\$ -</u>	<u>\$ 47,898</u>	<u>\$ 58,820</u>

COMMUNITY RADIO PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 12 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets as of December 31, 2022:

Financial assets at year-end	
Cash and cash equivalents	\$ 389,281
Endowment fund investment	6,825
Accounts receivable, net of allowance	11,115
Total financial assets at year-end	<u>407,221</u>
Less amounts not available for general expenditures within one year	
Net assets with period restrictions in excess of one year	-
Net assets with purpose restrictions	37,611
Total amounts not available for general expenditures within one year	<u>37,611</u>
Financial assets available to meet general expenditures within one year	<u>\$ 369,610</u>

NOTE 13 - REVENUE RECOGNITION UNDER ASU 2014-09

Contracts with Customers

The Organization recognized \$55,562 and \$58,388 of revenue from contracts with customers during 2022 and 2021, respectively. Bad debt of \$0 and \$1,896 was recognized on receivables during 2022 and 2021, respectively.

Disaggregated Revenue

Underwriting revenue is recognized when the Organization provides airtime to the customer. Hence, economic factors can materially affect the nature, timing, and uncertainty of revenues and cash flows from underwriting revenue.

Contract Balances

A summary of beginning and ending contract-type balances follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable, net of allowance	\$ 11,115	\$ 14,371
Deferred underwriting revenue	1,502	9,594

Performance Obligations

Contract performance for underwriting obligations is satisfied at the time when services are provided. The Organization does not charge interest on accounts receivable and has no formal obligation for refunds.

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NOTE 13 - REVENUE RECOGNITION UNDER ASU 2014-09 (continued)

Significant Judgments

There were no significant judgments used for the recognition of revenue for 2022 and 2021. Also, during 2022, there were no changes in the judgments utilized for determining the timing of the satisfaction of performance obligations or transaction prices allocated to performance obligations.

The Organization bills for services using an agreed-upon rate. Adjusting consideration for the effects of the time value of money is not necessary for the Organization's contract receivables. The financial statements include no estimates of variable consideration or noncash consideration.

Practical Expedients Used for Financing Components

There is no financing component to the Organization's recognition of revenue.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 17, 2023, the date which the financial statements were available for issue, and no reportable events were noted.