

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

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

SEPTEMBER 30, 2022 AND 2021

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## **Independent Auditors' Report**

To the Board of Directors  
North Fork Valley Public Radio, Inc.  
Paonia, CO

### **Opinion**

We have audited the accompanying financial statements of North Fork Valley Public Radio, Inc. (a nonprofit organization) which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 North Fork Valley Public Radio, Inc. as of September 30, 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 audit 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 North Fork Valley Public Radio, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 North Fork Valley Public Radio, Inc.'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.

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 North Fork Valley Public Radio, 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.



### **Independent Auditors' Report - continued**

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about North Fork Valley Public Radio 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 North Fork Valley Public Radio, Inc.'s September 30, 2021, financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Soronen Donley Patterson*

Soronen, Donley, Patterson, CPA's PC  
January 10, 2023

# NORTH FORK VALLEY PUBLIC RADIO, INC

## STATEMENTS OF FINANCIAL POSITION FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	<u>9/30/2022</u>	<u>9/30/2021</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$369,074	\$441,906
Accounts Receivable	6,167	6,056
Prepaid Expenses	500	500
TOTAL CURRENT ASSETS	<u>375,741</u>	<u>448,462</u>
PROPERTY & EQUIPMENT		
Building and Land	887,595	887,595
Construction WIP	24,005	0
Equipment, Restricted	0	5,945
Equipment, Unrestricted	335,650	311,663
Less: Accumulated Depreciation	<u>(633,108)</u>	<u>(598,873)</u>
NET PROPERTY & EQUIPMENT	<u>614,142</u>	<u>606,330</u>
TOTAL ASSETS	<u>\$989,883</u>	<u>\$1,054,792</u>
<u>LIABILITIES &amp; NET ASSETS</u>		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$0	\$4,934
Accounts Payable	7,605	5,679
Accrued Liabilities	24,763	17,010
TOTAL CURRENT LIABILITIES	<u>32,368</u>	<u>27,623</u>
LONG-TERM DEBT	<u>0</u>	<u>13,213</u>
TOTAL LIABILITIES	<u>32,368</u>	<u>40,836</u>
NET ASSETS		
Without Donor Restrictions		
Designated by the Board of Directors as a Reserve	112,000	112,000
Undesignated	724,069	720,850
Total Without Donor Restrictions	<u>836,069</u>	<u>832,850</u>
With Donor Restrictions	121,446	181,106
TOTAL NET ASSETS	<u>957,515</u>	<u>1,013,956</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$989,883</u>	<u>\$1,054,792</u>

See accompanying notes to the financial statements

# NORTH FORK VALLEY PUBLIC RADIO, INC

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2022 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	9/30/2022 <u>Total</u>	9/30/2021 <u>Total</u>
REVENUE AND SUPPORT				
Contributions & Grants	\$342,418	\$26,500	\$368,918	\$666,594
In-Kind Contributions	25,605	0	25,605	28,017
Underwriting	123,493	0	123,493	99,467
Rent Income	12,761	0	12,761	15,885
Other	8,130	0	8,130	8,855
Special Event	84,460	0	84,460	0
Less: Direct Benefit	(42,459)	0	(42,459)	0
Net Assets Released from Restrictions	86,160	(86,160)	0	0
TOTAL REVENUE AND SUPPORT	<u>640,568</u>	<u>(59,660)</u>	<u>580,908</u>	<u>818,818</u>
EXPENSES				
Program Services				
Broadcasting, Engineering, & Promotion	435,336	0	435,336	398,430
Supporting Services				
Management & General	89,414	0	89,414	95,583
Fund-raising	112,599	0	112,599	67,945
TOTAL EXPENSES	<u>637,349</u>	<u>0</u>	<u>637,349</u>	<u>561,958</u>
CHANGE IN NET ASSETS	3,219	(59,660)	(56,441)	256,860
NET ASSETS - BEGINNING	<u>832,850</u>	<u>181,106</u>	<u>1,013,956</u>	<u>757,096</u>
NET ASSETS - ENDING	<u><u>\$836,069</u></u>	<u><u>\$121,446</u></u>	<u><u>\$957,515</u></u>	<u><u>\$1,013,956</u></u>

See accompanying notes to the financial statements

# NORTH FORK VALLEY PUBLIC RADIO, INC

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED SEPTEMBER 30, 2022 WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2021

	<u>Program Services</u>	<u>Supporting Services</u>		9/30/2022	9/30/2021
	<u>Broadcasting, Engineering, &amp; Promotion</u>	<u>Management &amp; General</u>	<u>Fund-raising</u>	<u>Total</u>	<u>Total</u>
Compensation and Related Expenses					
Compensation	\$244,500	\$32,691	\$53,565	\$330,756	\$280,436
Payroll Taxes	20,458	2,735	4,482	27,675	23,080
Total Compensation and Related Expenses	<u>264,958</u>	<u>35,426</u>	<u>58,047</u>	<u>358,431</u>	<u>303,516</u>
Advertising & Promotion	13,268	2,926	11,207	27,401	31,018
Bank & Credit Card Charges	0	3,342	2,846	6,188	5,275
Contract Labor	5,280	0	0	5,280	10,714
Depreciation	25,307	3,384	5,544	34,235	32,347
Dues, Fees, Subscriptions	5,803	2,693	2,595	11,091	9,994
Fundraising Supplies	0	820	11,579	12,399	8,643
Insurance	14,118	1,888	3,093	19,099	20,803
Interest	103	14	23	140	1,689
Licenses & Fees	2,295	86	0	2,381	2,768
Meetings	652	2,098	435	3,185	519
Miscellaneous	13,600	12,403	4,344	30,347	4,633
Postage & Shipping	40	656	2,540	3,236	3,856
Printing Costs	0	0	3,358	3,358	2,963
Professional Development	1,026	2,710	254	3,990	2,189
Professional Fees	0	9,583	0	9,583	9,277
Program Acquisitions	43,269	0	0	43,269	46,795
Rent	11,149	7,604	915	19,668	9,406
Repairs & Maintenance	5,393	0	0	5,393	20,562
Supplies	5,471	625	648	6,744	2,827
Telephone	7,847	1,049	1,719	10,615	11,975
Utilities	15,757	2,107	3,452	21,316	20,189
Total Expenses	<u><u>\$435,336</u></u>	<u><u>\$89,414</u></u>	<u><u>\$112,599</u></u>	<u><u>\$637,349</u></u>	<u><u>\$561,958</u></u>

See accompanying notes to the financial statements

# NORTH FORK VALLEY PUBLIC RADIO, INC

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	<u>9/30/2022</u>	<u>9/30/2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	(\$56,441)	\$256,860
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by:		
Operating Activities:		
Depreciation	34,235	32,347
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(111)	3,712
Prepaid Expenses	0	0
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	1,926	(457)
Accrued Liabilities	7,753	(1,579)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(12,638)</u>	<u>290,883</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Building Construction & Improvements	(24,005)	0
Purchase of Unrestricted Equipment	(18,042)	0
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(42,047)</u>	<u>0</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New Borrowings:		
Short-Term	0	0
Debt Reduction:		
Short-Term	0	(52,360)
Long-Term	(18,147)	(30,310)
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>(18,147)</u>	<u>(82,670)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(72,832)	208,213
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>441,906</u>	<u>233,693</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u><u>\$369,074</u></u>	<u><u>\$441,906</u></u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Interest Paid	<u><u>\$140</u></u>	<u><u>\$1,689</u></u>

See accompanying notes to the financial statements



# NORTH FORK VALLEY PUBLIC RADIO, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

### NOTE A – NATURE OF ACTIVITIES

#### Description of the Organization

North Fork Valley Public 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 information programs. The Organization is supported primarily by funding from a grant from the Corporation for Public Broadcasting, contributions, underwriting, and fund-raising.

### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

#### Basis of Presentation

The financial statements of North Fork Valley Public Radio, Inc., have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), 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 objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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

#### Revenue Recognition

##### Contributions

Contributions are recognized when cash or other assets are received, or the donor makes a promise to give to the Organization that is, in substance, unconditional. Pledges receivable due within the next year are reflected as current receivables, while pledges due after one year are reflected as long-term receivables.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The Organization receives verbal pledges from donors that are open-ended. The donor pledges a certain dollar amount to be withdrawn from his or her account each month until the donor says to stop. The fact that it is cancelable by the donor and the ambiguity of the open-ended pledge make the pledge conditional. Therefore, the verbal pledges are not reflected in the financial statements.

##### Underwriting

Underwriting support of programs is recognized as revenue when the applicable broadcast occurs. Underwriting support received in advance of broadcast is reported as deferred revenue. Underwriting is donor supported on-air technical and informative information allowing listeners to form their own opinion about a product or service. There are FCC technical guidelines for underwriting that must be adhered to.

##### Rent Income

Rent income is recognized monthly as the rent is earned. Rent payments received in advance of the month is reported as deferred revenue.

# NORTH FORK VALLEY PUBLIC RADIO, INC.

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES – Continued

#### Support from Contracts with Customers

The Organization recognizes revenue and support in accordance with FASB ASC 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows.

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the contract price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The core principle is that an entity will recognize revenue when it transfers 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. Grants and contributions that have certain requirements, underwriting, rent income are all examples of the Organization's contracts. Contract support and revenue for these contracts is recognized over time, as the services commence, and the Organization satisfies the performance obligation.

#### Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the organization's ongoing mission. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

#### Accounts Receivable

Accounts receivable consists of amounts due for underwriting. As of September 30, 2022, management has deemed all accounts to be collectable; therefore, no allowance for uncollectible accounts is necessary.

#### Property and Equipment

The Organization follows the practice of capitalizing all expenditures for land, buildings, and equipment of \$5,000 or more. The fair value of donated assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of 39-40 years for buildings and improvements, and 7-13 years for equipment. If donor stipulate the use of property and equipment, it is recorded as a restricted asset.

#### 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 results could differ from those estimates.

#### Income Taxes

The Organization is exempt from Federal and State income taxes under the provisions of Internal Revenue Code Section 501 (c) (3).

#### Advertising Costs

The Organization uses advertising to promote their broadcasting services and fundraising events. Advertising costs are expensed as incurred. Advertising costs for the years ended September 30, 2022, and 2021 were \$27,401 and \$31,018 respectively.

# NORTH FORK VALLEY PUBLIC RADIO, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES – Continued

#### Functional Reporting of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Compensation and Related Expenses	Time and effort
Advertising & Promotion	Direct Costs
Bank & Credit Card Charges	Direct Costs
Depreciation	Time and effort
Dues, Fees, Subscriptions	Direct Costs
Insurance	Time and effort
Interest	Time and effort
License & Fees	Direct Costs
Meetings	Direct Costs
Miscellaneous	Direct Costs
Postage & Shipping	Time and effort
Printing Costs	Direct Costs
Professional Development	Direct Costs
Repairs & Maintenance	Time and effort
Rent Expense	Direct Costs
Supplies	Time and effort
Telephone	Time and effort
Utilities	Time and effort

#### Subsequent Events

Management has evaluated subsequent events through January 10, 2023, the date the financial statements were available to be issued.

### NOTE C – IN-KIND CONTRIBUTIONS

The Organization's in-kind contributions consisted of the following as of September 30:

	<u>2022</u>	<u>2021</u>
Advertising & Promotion	\$ 25,605	\$ 28,017

Advertising and promotion services are valued using estimated average prices of identical or similar products or services using pricing data of similar products or serves under a "like-kind" methodology, considering the utility of the services and goods at the time of the contribution. These services are recognized at the fair value of the services received if the services (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No in-kind contributions were restricted. The Organization does not sell donated gifts in-kind and only uses services, good and facilities for its own program or supporting service activities.

### NOTE D – PROMISES TO GIVE

Pledges of future cash contributions, which have been received subject to annual review by the contributors, unsigned pledges, verbal pledges, and pledges of future donated services, have not been recorded in the financial statements. Unrecorded conditional pledges receivable at September 30, 2022, and 2021 were approximately \$4,000 and \$4,000 respectively.

# NORTH FORK VALLEY PUBLIC RADIO, INC.

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

### NOTE E – OPERATING LEASES

#### Lease Income from Tenants

The Organization leased tower space to five tenants on a month-to-month basis. Monthly rent income for the five tenants is \$1,324 and rent income collected for the years ended September 30, 2022, and 2021 were \$15,885 and \$15,885 respectively.

#### Organization's Studio and Tower Space

The Organization has a non-cancelable operating lease, for studio space, through August 2024 at \$550 a month. The Organization also has a non-cancelable operating lease, for tower space, with a monthly rent amount of \$300. The lease expires in October of 2027.

Future minimum lease payments under operating leases that have remaining terms as of September 30 are:

2023	\$ 10,200
2024	10,200
2025	3,600
2026	3,600
2027	<u>1,200</u>
Total	<u>\$ 28,800</u>

### NOTE F – NET ASSETS

In previous fiscal years, the Organization purchased broadcasting equipment 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 net assets with donor restrictions until the grant provisions expire in 2022.

Net assets with donor restrictions were as follows for the years ended September 30:

	<u>2022</u>	<u>2021</u>
Specific Purpose		
Time Restriction on Broadcast Equipment	\$ 0	\$ 5,945
Programming, Engineering, & Promotion	<u>121,446</u>	<u>175,161</u>
Total Net Assets with Donor Restrictions	<u>\$ 121,446</u>	<u>\$ 181,106</u>

Net assets released from net assets with donor restrictions are as follows for the years ended September 30:

	<u>2022</u>	<u>2021</u>
Satisfaction of Purpose Restrictions		
Programming, Engineering, & Promotion	\$ 80,215	\$ 161,215
Passage of Time – Broadcast Equipment	<u>5,945</u>	<u>25,395</u>
Total Net Assets Released from Restrictions	<u>\$ 86,160</u>	<u>\$ 186,610</u>

# NORTH FORK VALLEY PUBLIC RADIO, INC.

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

### NOTE G – AVAILABILITY AND LIQUIDITY

The Organization monitors the liquidity required to meet its operating needs and other contractual commitments on an ongoing basis. The Organization regularly receives funding from the Corporation for Public Broadcasting, memberships, underwriting, and fund-raising to be available to pay general expenditures over the next twelve months. Contributions restricted by donors for expenditures central to its annual operations are treated as available to pay general expenditures within the next year. In addition to financial assets available to meet general expenditures, the Organization operates with a balanced budget and anticipates collecting sufficient support and sales to cover general expenditures over the next twelve months. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$140,000). As part of its liquidity plan, excess cash is retained in the Organization's bank accounts.

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and Cash Equivalents	\$ 369,074	\$ 441,906
Accounts Receivable	6,167	6,056
Prepaid Expenses	500	500
Total	<u>\$ 375,741</u>	<u>\$ 448,462</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	\$ 121,446	\$ 181,106
Less net assets with purpose restrictions to be met in less than a year	(121,446)	(181,006)
Designated by the Board as a Reserve	<u>112,000</u>	<u>112,000</u>
	<u>\$ 112,000</u>	<u>\$ 112,000</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 263,741</u>	<u>\$ 336,462</u>