ROARING FORK PUBLIC RADIO, INC.
(DBA: ASPEN PUBLIC RADIO)

FINANCIAL STATEMENTS

December 31, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Roaring Fork Public Radio, Inc.
Aspen, Colorado

We have audited the accompanying financial statements of Roaring Fork Public Radio, Inc. (DBA: Aspen Public Radio, a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall

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presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roaring Fork Public Radio, Inc. of December 31, 2014 and 2013, 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.

Reese Henry & Company, Inc.

Certified Public Accountants
Aspen, Colorado
May 19, 2015

ROARING FORK PUBLIC RADIO, INC.
(DBA: ASPEN PUBLIC RADIO)

STATEMENTS OF FINANCIAL POSITION
December 31, 2014 and 2013

	2014	2013
ASSETS		
Cash and Cash Equivalents	$ 777,082	$ 535,004
Accounts Receivable	25,643	24,366
Employee Receivables	967	994
Investments	279,136	276,789
Investments - Other	73,589	73,589
Property and Equipment, net	54,336	55,553
Prepaid Expenses	5,352	5,942
Security Deposits	5,086	5,086
TOTAL ASSETS	**$ 1,221,191**	**$ 977,323**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	$ 5,943	$ 2,729
Other Liabilities	32,045	29,168
Deferred Revenue	17,745	16,022
Note Payable	34,721	44,357
TOTAL LIABILITIES	**90,454**	**92,276**
NET ASSETS		
Unrestricted, Undesignated	323,596	359,211
Unrestricted, Board Designated	487,141	203,585
Total Unrestricted	810,737	562,796
Temporarily Restricted	100,000	102,251
Permanently Restricted	220,000	220,000
TOTAL NET ASSETS	**1,130,737**	**885,047**
TOTAL LIABILITIES AND NET ASSETS	**$ 1,221,191**	**$ 977,323**

See accompanying notes and Independent Auditor's Report.

ROARING FORK PUBLIC RADIO, INC.
(DBA: ASPEN PUBLIC RADIO)

STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2014 and 2013

	December 31, 2014				December 31, 2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUES								
Contributions	$ 513,464	$ -	$ -	$ 513,464	$ 549,369	$ 10,000	$ -	$ 559,369
Grants	268,707	188,892	-	457,599	198,779	103,758	-	302,537
Underwriting Revenue - Paid	252,573	-	-	252,573	226,291	-	-	226,291
Underwriting Revenue - Trade	60,845	-	-	60,845	62,790	-	-	62,790
Special Events, Net	42,876	-	-	42,876	-	-	-	-
Other Revenue	5,865	-	-	5,865	10,150	-	-	10,150
Investment Income - Operating Accounts	760	-	-	760	782	-	-	782
Investment Income - Endowment	2,364	-	-	2,364	27,511	-	-	27,511
Net Assets Released from Restrictions:								
Satisfaction of Program Restrictions	191,143	(191,143)	-	-	97,866	(97,866)	-	-
TOTAL SUPPORT AND REVENUES	**1,338,597**	**(2,251)**	**-**	**1,336,346**	**1,173,538**	**15,892**	**-**	**1,189,430**
EXPENSES								
Program Services	807,714	-	-	807,714	751,028	-	-	751,028
General & Administrative	214,704	-	-	214,704	230,978	-	-	230,978
Fundraising	68,239	-	-	68,239	102,733	-	-	102,733
TOTAL EXPENSES	**1,090,656**	**-**	**-**	**1,090,656**	**1,084,739**	**-**	**-**	**1,084,739**
CHANGE IN NET ASSETS	**247,941**	**(2,251)**	**-**	**245,690**	**88,799**	**15,892**	**-**	**104,691**
NET ASSETS, January 1	**562,796**	**102,251**	**220,000**	**885,047**	**473,997**	**86,359**	**220,000**	**780,356**
NET ASSETS, December 31	**$ 810,737**	**$ 100,000**	**$ 220,000**	**$ 1,130,737**	**$ 562,796**	**$ 102,251**	**$ 220,000**	**$ 885,047**

See accompanying notes and Independent Auditor’s Report.

ROARING FORK PUBLIC RADIO, INC.
(DBA: ASPEN PUBLIC RADIO)

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 245,690	$ 104,691
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	33,007	37,905
Unrealized (Gain)/Loss on Investments	14,733	(14,240)
Non Cash Stock Contributions	(5,873)	(19,105)
Realized (Gain)/Loss on Sale of Investments	(13,506)	(9,216)
(Increase) Decrease in Accounts Receivable	(1,277)	(1,968)
(Increase) Decrease in Employee Receivables	27	275
(Increase) Decrease in Prepaid Expenses	590	(5,942)
(Increase) Decrease in Security Deposits	-	(71)
Increase (Decrease) in Accounts Payable	3,214	6,707
Increase (Decrease) in Other Liabilities	2,877	2,521
Increase (Decrease) in Deferred Revenue	1,723	4,864
NET CASH PROVIDED BY OPERATING ACTIVITIES	**281,205**	**106,421**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the Sale of Investments	5,891	21,683
Purchase of Property and Equipment	(31,790)	(13,531)
Purchase of Investments	(3,592)	(6,633)
NET CASH USED IN INVESTING ACTIVITIES	**(29,491)**	**1,519**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Note Payable	(9,636)	(7,850)
NET CASH USED IN FINANCING ACTIVITIES	**(9,636)**	**(7,850)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**242,078**	**100,090**
CASH AND CASH EQUIVALENTS, January 1	**535,004**	**434,914**
CASH AND CASH EQUIVALENTS, December 31	**$ 777,082**	**$ 535,004**

See accompanying notes and Independent Auditor's Report.

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE
Roaring Fork Public Radio, Inc. (the Station) was incorporated October 9, 1980 as a Colorado nonprofit corporation. The Station operates as Aspen Public Radio. The Station is organized to broadcast non-commercial, nonprofit radio, serving the communities of the Roaring Fork, Frying Pan, Colorado and Crystal River Valleys with predominantly cultural, educational and informational radio service.

BASIS OF ACCOUNTING
The financial statements of the Station have been prepared on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

FINANCIAL STATEMENT PRESENTATION
The Financial Statements are presented in accordance with FASC 958-205, *Presentation of Financial Statements for Not-for-Profit Organizations.* Under FASC 958-205, the Station is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

CASH AND CASH EQUIVALENTS
Cash and cash equivalents include all cash held in deposits and temporary investments with an original maturity of three months or less.

ACCOUNTS RECEIVABLE
Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. Management has reviewed balances for the years ended December 31, 2014 and 2013 and believes they are all collectible.

INVESTMENTS
The Station carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

FAIR VALUE MEASUREMENTS

The Station is subject to the provisions of *Fair Value Measurements and Disclosures* Topic of FASB ASC. This standard requires use of a fair value of hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

PROPERTY AND EQUIPMENT

The Station capitalizes all additions to property and equipment in excess of $1,000. Purchased property and equipment are carried at cost. Donated property and equipment are carried at fair value at the date of donation. Such donated property is reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Station reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Station reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated over their estimated useful lives of 5 to 39 years primarily using the straight-line method.

The Station's lease specifies that upon termination the Landlord may require the Station to return the leased premises to the original condition prior to the commencement of this lease. Management does not believe the Landlord will require the Station to restore the premises to their original condition given the improvements made. Therefore, an asset retirement obligation has not been included in the financial statements. In the unlikely case that the Station was required to remove the improvements, the estimated cost to restore would be immaterial.

DEFERRED REVENUE

The Station recognizes revenue when the services are performed. Deferred revenue at December 31, 2014 and 2013 consists of underwriting revenue which totals $17,745 and $16,022 respectively.

ACCRUED VACATION

A liability for accrued vacation has not been included in these financial statements because the Station's policy does not permit vacation time to be carried forward beyond the end of the year.

CONTRIBUTIONS

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

UNDERWRITING REVENUE

For the year ended December 31, 2014, $60,845 of underwriting revenue was received as trade for services and is included in underwriting revenue on this financial statement. The amount included $22,850 in benefits, $18,565 in advertising, $6,450 in services, $4,550 in professional fees, $980 in special events travel and catering; and $7,450 for office phones. Of these amounts, $45,965 is included in program expenses and $13,509 is included in general & administrative expenses and $1,371 are included in fundraising expenses.

For the year ended December 31, 2013, $62,790 of underwriting revenue was received as trade for services and is included in underwriting revenue on this financial statement. The amount included $18,600 in benefits, $17,850 in advertising, $7,460 in fees and subscriptions, $6,350 in professional fees, $4,780 in special events travel and catering; and $7,750 for office phones. Of these amounts, $47,058 is included in program expenses and $14,802 is included in general & administrative expenses and $930 are included in fundraising expenses.

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DONATED SERVICES

The Station receives a significant amount of donated services from unpaid volunteers who assist in fund-raising, program activities and special events. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Station if not provided by donation. Services meeting the above criteria are recorded at their fair values in the period received. For the years ended December 31, 2014 and 2013, no contributed services met these requirements.

INCOME TAX STATUS

The Station is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Contributions to the Station are tax deductible as permitted under the Code.

FASC Topic 740-10, Accounting for Uncertainty in Income Taxes, prescribes when to recognize and how to measure the financial statement effects of income tax positions taken or expected to be taken on its income tax returns. These rules require management to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained. Based on that evaluation, the Station only recognizes the maximum benefit of each income tax position that is more than 50% likely of being sustained. To the extent that all or a portion of the benefits of an income tax position are not recognized, a liability would be recognized for the unrecognized benefits, along with any interest and penalties that would result from disallowance of the position. Should any such penalties and interest be incurred, they would be recognized as operating expenses. The Station had no material unrecognized tax benefits for the years ended December 31, 2014 and 2013. As a result, no interest or penalties were accrued for unrecognized tax benefits during the year.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of producing the various programs and 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.

ADVERTISING

The organization expenses advertising costs as incurred. Total advertising expense for the years ended December 31, 2014 and 2013 was $24,287 and $20,137 respectively. For the years ended December 31, 2014 and 2013 the station received $18,565 and $17,850 respectively of total advertising expenses in trade for underwriting revenue.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

2. INVESTMENTS

Investments at December 31, 2014 and 2013 are stated at fair value and consist exclusively of:

	2014	2013
Money Funds	$ 114,960	$ 53,606
Bond Funds	108,316	80,701
Equities	55,860	142,482
	279,136	276,789
LLC Interest in Sunlight Peak, LLC	73,589	73,589
Total Investments	$ 352,725	$ 350,378

Investment income is summarized as follows:

	2014	2013
Interest and Dividends on Investments	$ 3,591	$ 4,055
Net Realized and Unrealized Gain (Loss	(1,227)	23,456
Total Return	$ 2,364	$ 27,511

For the years ending December 31, 2014 and 2013 the Station incurred no investment management fees.

The Station's endowment consists of funds established to provide the Station with a continual source of earnings. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Station has not adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Though they have not adopted this Act, the Board classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The expendable investment income from the corpus, which includes interest and dividends, realized and unrealized gains, net of administrative fees, is included in the unrestricted net assets. The Station is committed to preserving the corpus of the endowment funds.

The Station has a formal investment policy. Under this policy, management of the Endowment Fund is delegated to the Finance Committee. The Finance Committee has chosen one of its members as lead Manager to execute trades in conformance with the Policy, with the concurrence of the Treasurer.

The Station's spending policy is to only spend earnings and not invade corpus per the agreements with donors.

The Endowment net asset composition consists of donor-restricted endowment funds totaling $220,000. Income from the endowment fund investment is reported in the unrestricted fund and therefore there were no changes in the endowment net assets during the years ended December 31, 2014 and 2013.

3. FAIR VALUE MEASUREMENTS

GAAP requires disclosure of an estimate of fair value of certain financial instruments. The fair value option was chosen to measure all financial assets and liabilities in order to mitigate volatility in reported changes in net assets. The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

Investments measured on a recurring basis and reported at fair value are classified and disclosed in one of the three fair value hierarchy categories.

The following table summarizes the valuation of the Station's investments by the above fair value hierarchy levels at December 31, 2014 and 2013:

	December 31, 2014		
	Fair Value	Level 1	Level 3
Money Funds	$ 114,960	$ 114,960	$ -
Bond Funds	108,316	108,315	-
Equities	55,860	55,860	-
LLC Interest in Sunlight Peak, LLC	73,589	-	73,589
	$ 352,725	$ 279,135	$ 73,589

	December 31, 2013		
	Fair Value	Level 1	Level 3
Money Funds	$ 53,606	$ 53,606	$ -
Bond Funds	80,701	80,701	-
Equities	142,482	142,482	-
LLC Interest in Sunlight Peak, LLC	73,589	-	73,589
	$ 350,378	$ 276,789	$ 73,589

The Station's investment in Sunlight Peak, LLC consists of $73,589 in capital contributions. Sunlight Peak, LLC ("Sunlight"), is a Colorado non-profit limited liability company owned by three non-profit organizations to jointly share in the construction and maintenance costs of the Sunlight Peak transmitter tower. As of December 31, 2014 and 2013 there were no changes in this investment measured at fair value for which the Station has used Level 3 inputs to determine fair value. Sunlight is a nonprofit 501(c)(3) organization with a fiscal year end of June 30. Sunlight filed Form 990-EZ for the fiscal years ended June 30, 2014 and 2013. The 990-EZ showed total equity of $252,892 and total assets of $252,892 for the year 2014 and total equity of $278,357 and total assets of $278,357 for the year ended 2013. Both years were reported on the accrual basis of accounting.

4. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2014 and 2013 consisted of the following:

	2014	2013
Building and Improvements	$ 75,752	$ 55,698
Radio Equipment	57,665	52,364
Computer Equipment	108,875	109,226
	242,292	217,288
Less Accumulated Depreciation	(187,956)	(161,735)
Net Property and Equipment	$ 54,336	$ 55,553

Depreciation expense was $33,007 and $37,905 for the years ended December 31, 2014 and 2013, respectively.

5. NOTE PAYABLE / REVENUE SHARING AGREEMENT MANAUS FUND

Effective February 22, 2006 the Station entered into a program-related investment agreement with the Manaus Fund (“Manaus”). Under this agreement the Station added a full time, down-valley bilingual (English and Spanish) reporter to the news department in order to enhance in-depth on-air coverage of issues of interest to all residents of the Roaring Fork, Colorado and Eagle River Valleys. Manaus provided to the Station $50,000 on the date of employment of the new reporter, $40,000 on the first year anniversary, and $30,000 on the second year anniversary date. The total amount of $120,000 received from Manaus was treated by the Station as notes payable. $25,000 was in the form of a loan evidenced by a promissory note due and payable no later than five years following the initial $50,000 payment with 5% interest rate with interest payable annually. The remaining $95,000 was booked as a note payable without stated interest rate as there was an expectation on the part of Manaus to receive a return on their investment should this campaign result in an increase in down-valley contributions and underwriting income.

Both notes payable are serviced by a revenue sharing arrangement from a split of all new underwriting revenues and members obtained during the next ten years. The new revenue must originate from the zip codes specified in the contract. Under the payment plan the payments will apply to the $25,000 note payable with stated interest first. There is no cap on the amount of revenue sharing during the 10 year period.

Manaus sharing percentages of related new members and underwriting revenues was 45% for 2009 through 2009 and is 20% for 2010 through 2015.

For the years ended December 31, 2014 and 2013 the Station paid $9,636 and $7,850 respectively to Manaus for its share of newly generated revenues subject to this agreement. The $25,000 interest bearing note was paid in full in 2007, therefore all payments made in 2014 and 2013 were applied to the note payable without stated interest.

In addition to the payments above, the agreement allows for underwriting trade announcements provided to Manaus or on behalf of their specified non-profits to be applied towards the note payable. For the years ended December 31, 2014 and 2013, there was no trade revenue to apply toward the note.

The above payments resulted in an unpaid balance on the note payable at December 31, 2014 and 2013 of $34,721 and $44,357 respectively.

6. UNRESTRICTED BOARD DESIGNATED NET ASSETS

Board designated funds are set aside to cover anticipated future costs required for Station property. At December 31, 2014 and 2013 the balance of board designated net assets is as follows:

	2014	2013
Capital Reserve	$ 105,702	$ 72,183
Operating Reserve	381,439	93,746
Smuggler Reserve	-	37,656
	$ 487,141	$ 203,585

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2014 and 2013 were $100,000 and $102,251 respectively. These funds were restricted for use in future periods.

8. PERMANENTLY RESTRICTED NET ASSETS

At December 31, 2014 and 2013 permanently restricted net assets consists of $220,000. The endowment fund was established in 2007 to provide the Station with a continual source of earnings. The principal is not expendable by the Station for general operating purposes. Income from the endowment fund investment is reported in the unrestricted fund and is available for the Station's operations.

9. CONCENTRATION OF RISKS

CREDIT RISK

The Station maintains its cash balances at three financial institutions and had amounts on deposit at financial institutions that exceeded amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC) as of January 1, 2015. Total uninsured cash and cash equivalent balances at January 1, 2015 were $250,399. The Station has not experienced any losses in these accounts and believes there is no significant risk with respect to these deposits.

ECONOMIC DEPENDENCY

The Station operates from a single location and relies on its broadcasting assets to serve its coverage areas within the Roaring Fork, Frying Pan, Colorado and Crystal River Valleys. The Station's broadcasting assets (including transmission towers) are located in various leased properties that may not be easily replaced or substituted with different properties. If the Station is required to change the locations of its broadcasting assets, it may need to settle with less than ideal locations or invest in additional broadcasting assets to maintain its coverage areas.

The Station receives a substantial amount of its support from the Corporation for Public Broadcasting (CPB) and contributors. If a significant reduction in this level of support were to occur, it may have an adverse effect on the Station's programs and activities. CPB funds are subject to certain use and reporting requirements. Should CPB determine funds were not spent properly; the Station may be required to return the funds. The Station believes all CPB funds have been spent in accordance with CPB's restrictions.

The Station also receives a significant amount of grant support from the City of Aspen through the general grant application process with the City of Aspen. If a significant reduction in this level of support were to occur, it may have an adverse effect on the Station's programs and activities.

The Station receives a significant amount of services from National Public Radio (NPR). The Station's programming would be negatively affected if it no longer had access to NPR programming.

10. OPERATING LEASES

The Station leases office space from the City of Aspen under a five year lease that expires September 30, 2016. Rent expense for the years ended December 31, 2014 and 2013 was $44,425 and $43,540 respectively. A security deposit of $3,824 is included in these financial statements.

The Station has a lease for a radio transmitter site on Smuggler Mountain in Aspen. That lease expires on February 28, 2020. The Station has an option to extend the lease for an additional 15 years after the current extension expires. The lease allows the Station to sublease space on its transmitter tower and in the equipment building provided that the station gives to the owner six-months prior notice of its intention to exercise this option. The lease calls for a rent of one dollar per year. If the Station subleases space at the site, the lessor is to receive 30% of the sublease revenue until all costs for the transmitter tower, building, and equipment have been paid in full. After these costs have been paid in full the lessor is to receive 50% of the sublease revenue. The property changed hands in 2006. Until the current year, the new owner had not contacted the Station and, in particular, had not given the Station instructions for payment of rent. On October 1, 2004, the Station entered into a sublease agreement with Everwave for $1,000 per month through September 30, 2007, and $1,100 from October 1, 2007 through September 30, 2009. Everwave paid a termination fee to the Station of $6,000 to terminate their lease on February 1, 2009. On June 1, 2009 the Station entered into a sublease agreement with Rocky Mountain Broadband, LLC for $1,100 per month until May 31, 2010 and for $1,200 per month until the lease ends on May 31, 2014. The sublease agreement was terminated early on July 31, 2013. The Station had established a reserve fund against the possibility that the owner may contact the Station and demand rent and therefore accrued rent liability. These financial statements include $8,400 of sublease income for 2013. The financial statements also include additional rent expense accrued for 2013 of $7,200. No rent expense related to sublease income was accrued for 2014 as no sublease income was earned. At December 31, 2014 and 2013 the lease liability included in the Station's financial statements is $32,045 and $29,168 respectively.

The Station entered a land lease agreement with POW, Inc. for access to the radio booster antenna and associated equipment located on Iron Mountain near Glenwood Springs through May 31, 2015. The lease includes an option to renew for an additional ten years. The lessor has the option to receive 50% of the lease payments in trade radio spots. There is a cancellation fee of $3,000 on the lease. For the fiscal year ending December 31, 2014 and 2013 the lease expense was $3,540.

Future minimum payments under all lease agreements follow:

December 31,	Expense
2015	$ 48,179
2016	35,279
Total	$ 83,458

Total expense under these leases for the years ended December 31, 2014 and 2013 was $48,452 and $47,682 respectively.

11. RETIREMENT PLAN

The Station offers to its staff the option to participate in a retirement plan pursuant to section 403(b) of the Internal Revenue Code. Staff contributions are voluntary and are made on a pre-tax basis. The Station has no obligation to make employer contributions. The Station does voluntarily make contributions based on the employee manual in accordance with its policy. This is a matching program that starts during the second year of continual employment as a match to the employees' voluntary contribution. The matching contribution by the Station is based on the length of employment and will at no time exceed 6% of the employee's salary. For the years ended December 31, 2014 and 2013, the Station's contributions totaled $9,687 and $13,648 respectively.

12. RECLASSIFICATIONS

Certain amounts in the 2013 financial statements have been reclassified for comparative purposes to conform to the current year presentation. The reclassifications have no effect on the net income for 2013.

13. SUBSEQUENT EVENTS

In February 2015 an agreement was reached between the Station and the lessor of the radio transmitter site on Smuggler Mountain. The lessor agreed to accept payment in the amount of $32,045 as payment for all amounts due for back rent and sublease revenue as of March 31, 2015. A check was issued On February 13, 2015 for the full amount.

Subsequent events were evaluated through May 19, 2015, which is the date the financial statements were available to be issued.