

**CARBONDALE COMMUNITY ACCESS RADIO**

**FINANCIAL STATEMENTS**

**December 31, 2010 and 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
Notes to the Financial Statements	5-8



**JOHN CUTLER**  
& ASSOCIATES

Board of Directors  
Carbondale Community Access Radio  
Carbondale, Colorado

**Independent Auditors' Report**

We have audited the accompanying statement of financial position of Carbondale Community Access Radio as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Carbondale Community Access Radio'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 Carbondale Community Access Radio as of December 31, 2010 and 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*

May 3, 2011

CARBONDALE COMMUNITY ACCESS RADIO

STATEMENT OF FINANCIAL POSITION

December 31, 2010 and 2009

<b>ASSETS</b>	<u>2010</u>	<u>2009</u>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 112,542	\$ 113,940
Accounts Receivable	18,495	27,038
Grants Receivable	<u>96,085</u>	<u>96,085</u>
Total Current Assets	<u>227,122</u>	<u>237,063</u>
<b>Property and Equipment,</b>		
Furniture and Equipment	224,915	220,971
Less: Accumulated Depreciation	<u>(198,836)</u>	<u>(195,173)</u>
Total Property and Equipment, Net	<u>26,079</u>	<u>25,798</u>
<b>Other Assets</b>		
Investments - Long Term	<u>274,637</u>	<u>263,958</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 527,838</u></u>	<u><u>\$ 526,819</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts Payable	\$ 5,582	\$ 1,578
Accrued Expenses	<u>8,977</u>	<u>9,700</u>
Total Liabilities	<u>14,559</u>	<u>11,278</u>
<b>NET ASSETS</b>		
Unrestricted	<u>513,279</u>	<u>515,541</u>
Total Net Assets	<u>513,279</u>	<u>515,541</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 527,838</u></u>	<u><u>\$ 526,819</u></u>

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

CARBONDALE COMMUNITY ACCESS RADIO

STATEMENT OF ACTIVITIES  
Year Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>		
Corporation for Public Broadcasting Grants	\$ 140,669	\$ 118,075
Underwriting	116,155	148,046
Membership Dues	126,911	108,019
Fundraising	28,505	48,242
Other Grants and Contributions	52,588	50,002
Unrealized Gain on Investments	10,679	4,608
Interest Income	77	652
	<u>475,584</u>	<u>477,644</u>
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>		
<b>EXPENSES</b>		
<b>Program Services</b>		
Programming and Production	192,675	178,469
Broadcasting and Engineering	27,264	25,287
	<u>219,939</u>	<u>203,756</u>
<b>Supporting Services</b>		
General and Administrative	135,870	122,611
Fundraising	53,246	59,795
Underwriting	68,791	72,664
	<u>257,907</u>	<u>255,070</u>
<b>TOTAL EXPENSES</b>	<u>477,846</u>	<u>458,826</u>
<b>CHANGE IN NET ASSETS</b>	(2,262)	18,818
<b>UNRESTRICTED NET ASSETS, Beginning</b>	<u>515,541</u>	<u>496,723</u>
<b>UNRESTRICTED NET ASSETS, Ending</b>	<u>\$ 513,279</u>	<u>\$ 515,541</u>

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

CARBONDALE COMMUNITY ACCESS RADIO

STATEMENT OF CASH FLOWS  
Year Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (2,262)	\$ 18,818
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation	3,663	3,663
Changes in Assets and Liabilities		
Accounts Receivable	8,543	(5,380)
Grants Receivable	-	(49,976)
Prepays	-	2,346
Accounts Payable	4,004	-
Accrued Expenses	<u>(723)</u>	<u>(1,438)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>13,225</u>	<u>(31,967)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(3,944)	-
Purchases of Investments	<u>(10,679)</u>	<u>(4,609)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(14,623)</u>	<u>(4,609)</u>
<b>NET DECREASE IN CASH</b>	(1,398)	(36,576)
<b>CASH, Beginning</b>	<u>113,940</u>	<u>150,516</u>
<b>CASH, Ending</b>	<u>\$ 112,542</u>	<u>\$ 113,940</u>

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

CARBONDALE COMMUNITY ACCESS RADIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010 and 2009

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

Organization – Carbondale Community Access Radio (the “Organization”) is a Colorado nonprofit corporation incorporated in 1981 as community access radio created by and for its listeners to provide diverse and innovative programming that reflects the concerns and interest of the communities it serves. The Organization is supported primarily by funding from the Corporation for Public Broadcasting, underwriting, memberships, 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 temporarily or permanently restricted net assets as of December 31, 2010 and 2009.

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

Receivables – Accounts Receivable consists primarily of amounts due for underwriting. As of December 31, 2010, 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 5 - 20 years. If donors stipulate the use of property and equipment, it is recorded as restricted.

Contributions – Contributions received are recognized in the period received. Collectible unconditional promises to give are recognized in the period granted. 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.

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.

CARBONDALE COMMUNITY ACCESS RADIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010 and 2009

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

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: INVESTMENTS**

Investments are reported at fair value and are summarized as follows:

	<u>2010</u>	<u>2009</u>
Mutual Funds	\$ 112,191	\$ 100,224
Investment in Sunlight Peak, LLC	117,987	126,798
Investment in Community Non-Profit Center, LLC	<u>44,459</u>	<u>36,936</u>
Total Investments	<b><u>\$ 274,637</u></b>	<b><u>\$ 263,958</u></b>

The Organization is a one third owner of Sunlight Peak, LLC. The purpose of Sunlight Peak is to operate broadcast transmission facilities primarily to enhance the non-commercial activities of each member.

The Organization has a 50% owner interest in the Community Non-Profit Center, LLC. This LLC owns the building that the Organization occupies in Carbondale.

**NOTE 3: PROPERTY AND EQUIPMENT**

Property and Equipment consists of the following:

	<u>2010</u>	<u>2009</u>
Studio Equipment	\$ 190,045	\$ 186,101
Office Equipment	20,775	20,775
CD’s, Tapes, Albums	<u>14,095</u>	<u>14,095</u>
Total	224,915	220,971
Less: Accumulated Depreciation	<u>(198,836)</u>	<u>(195,173)</u>
Total Property and Equipment	<b><u>\$ 26,079</u></b>	<b><u>\$ 25,798</u></b>



CARBONDALE COMMUNITY ACCESS RADIO

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2010 and 2009

**NOTE 3: PROPERTY AND EQUIPMENT** (Continued)

Depreciation expense of \$3,663 is included in the statement of activities for the years ended December 31, 2010 and 2009, respectively. This expense is categorized as a general and administrative expense.

**NOTE 4: LINE OF CREDIT**

The Organization had an annual \$5,000 line of credit with an interest rate of 11.75% which they let expired in 2010. There was no amount owed on this line of credit at December 31, 2010 and 2009.

**NOTE 5: COMMITMENTS AND CONTINGENCIES**

The Organization pays rent and utilities to the Community Non-profit Center for occupancy of the radio station offices. The term of this agreement is indefinite.