

GRAND VALLEY PUBLIC
RADIO COMPANY, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2021 AND 2020

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Independent Auditors' Report

To the Board of Directors
Grand Valley Public Radio Company, Inc.
Grand Junction, CO

Opinion

We have audited the accompanying financial statements of Grand Valley Public Radio Company, Inc. (a nonprofit corporation) which comprise the statement of financial position as of December 31, 2021, 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 Grand Valley Public Radio Company, Inc. as of December 31, 2021, 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 our Financial Statements section of our report. We are required to be independent of Grand Valley Public Radio Company, 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 Grand Valley Public Radio Company, 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 Grand Valley Public Radio Company, 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 Grand Valley Public Radio Company, 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

The financial statements of Grand Valley Public Radio Company, Inc. as of December 31, 2020, were audited by other auditors whose report dated July 1, 2021, express an unmodified opinion on those statements.

A handwritten signature in cursive script, appearing to read 'Soronon Donley Patterson'.

Soronon, Donley, Patterson CPA's PC
June 29, 2022

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

STATEMENTS OF FINANCIAL POSITION FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

| | <u>12/31/2021</u> | <u>12/31/2020</u> |
|---|-------------------|-------------------|
| <u>ASSETS</u> | | |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$203,131 | \$115,261 |
| Accounts Receivable | 15,285 | 0 |
| Artwork Inventory | 31,000 | 0 |
| Prepaid Expenses | 2,792 | 36,691 |
| TOTAL CURRENT ASSETS | <u>252,208</u> | <u>151,952</u> |
| PROPERTY & EQUIPMENT | | |
| Building and Land | 483,763 | 470,549 |
| Furniture and Equipment | 147,579 | 152,023 |
| Loan Fees | 6,547 | 6,547 |
| Less: Accumulated Depreciation and Amortization | <u>(344,360)</u> | <u>(324,328)</u> |
| NET PROPERTY & EQUIPMENT | <u>293,529</u> | <u>304,791</u> |
| OTHER ASSETS | | |
| Cash Restricted for Use in the Following Year | 7,147 | 61,833 |
| Cash Designated for Debt Repayment and Fixed Asset Acquisition | 17,763 | 25,747 |
| TOTAL OTHER ASSETS | <u>24,910</u> | <u>87,580</u> |
| TOTAL ASSETS | <u>\$570,647</u> | <u>\$544,323</u> |
| <u>LIABILITIES & NET ASSETS</u> | | |
| CURRENT LIABILITIES | | |
| Current Portion of Long-Term Debt | \$15,600 | \$11,530 |
| Accounts Payable and Accrued Liabilities | 13,931 | 10,060 |
| Deferred Underwriting Revenue | 29,129 | 42,686 |
| TOTAL CURRENT LIABILITIES | <u>58,660</u> | <u>64,276</u> |
| LONG-TERM DEBT | <u>154,267</u> | <u>253,771</u> |
| TOTAL LIABILITIES | <u>212,927</u> | <u>318,047</u> |
| NET ASSETS | | |
| Without Donor Restrictions | | |
| Designated by the Board of Directors as Debt Repayment and Fixed Asset Acquisition | 17,763 | 23,963 |
| Undesignated | 332,810 | 140,480 |
| Total Without Donor Restrictions | <u>350,573</u> | <u>164,443</u> |
| With Donor Restrictions | 7,147 | 61,833 |
| TOTAL NET ASSETS | <u>357,720</u> | <u>226,276</u> |
| TOTAL LIABILITIES & NET ASSETS | <u>\$570,647</u> | <u>\$544,323</u> |

See accompanying notes to the financial statements

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020

| | Without Donor <u>Restrictions</u> | With Donor <u>Restrictions</u> | 12/31/2021 <u>Total</u> | 12/31/2020 <u>Total</u> |
|---------------------------------------|--------------------------------------|-----------------------------------|----------------------------|----------------------------|
| REVENUE AND SUPPORT | | | | |
| Contributed Goods and Services | \$84,622 | \$0 | \$84,622 | \$84,033 |
| Fund Drives and Contributions | 80,001 | 0 | 80,001 | 49,877 |
| Underwriting | 111,460 | 0 | 111,460 | 83,267 |
| Grants | 226,256 | 7,147 | 233,403 | 203,973 |
| Fund Raising Events | 11,555 | 0 | 11,555 | 10,219 |
| Concerts | 6,857 | 0 | 6,857 | 6,514 |
| Raffle | 1,458 | 0 | 1,458 | 4,514 |
| Paycheck Protection Program | 39,333 | 0 | 39,333 | 27,650 |
| Other Revenues | 327 | 0 | 327 | 143 |
| Net Assets Released from Restrictions | 61,833 | (61,833) | 0 | 0 |
| TOTAL REVENUE AND SUPPORT | <u>623,702</u> | <u>(54,686)</u> | <u>569,016</u> | <u>470,190</u> |
| EXPENSES | | | | |
| Program Services | | | | |
| Programming and Production | 115,912 | 0 | 115,912 | 98,031 |
| Broadcasting and Engineering | 53,062 | 0 | 53,062 | 41,625 |
| Program Information and Promotion | 53,552 | 0 | 53,552 | 41,406 |
| Supporting Services | | | | |
| Management and General | 91,407 | 0 | 91,407 | 51,049 |
| Fund-raising & Membership Development | 43,651 | 0 | 43,651 | 54,287 |
| Underwriting and Grant Solicitation | 79,988 | 0 | 79,988 | 114,956 |
| TOTAL EXPENSES | <u>437,572</u> | <u>0</u> | <u>437,572</u> | <u>401,354</u> |
| CHANGE IN NET ASSETS | 186,130 | (54,686) | 131,444 | 68,836 |
| NET ASSETS - BEGINNING | 164,443 | 61,833 | 226,276 | 368,005 |
| PRIOR PERIOD ADJUSTMENT (See Note J) | <u>0</u> | <u>0</u> | <u>0</u> | <u>(210,565)</u> |
| NET ASSETS - ENDING | <u>\$350,573</u> | <u>\$7,147</u> | <u>\$357,720</u> | <u>\$226,276</u> |

See accompanying notes to the financial statements

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH COMPARITIVE TOTALS FOR DECEMBER 31, 2020

| | Program Services | | | | Supporting Services | | | 12/31/2021 Total Expenses | 12/31/2020 Total Expenses |
|--|-------------------------------|---------------------------------|---|---------------------------|---------------------------|--|--|------------------------------|------------------------------|
| | Programming and Production | Broadcasting and Engineering | Program Information and Promotion | Total Program Services | Management and General | Fundraising and Membership Development | Underwriting and Grant Solicitation | | |
| Compensation and Related Expenses | | | | | | | | | |
| Compensation | \$71,575 | \$30,348 | \$30,348 | \$132,271 | \$8,055 | \$5,173 | \$45,369 | \$190,868 | \$189,292 |
| Payroll Taxes | 5,777 | 2,449 | 2,449 | 10,675 | 650 | 418 | 3,662 | 15,405 | 14,408 |
| Total Compensation and Related Expenses | 77,352 | 32,797 | 32,797 | 142,946 | 8,705 | 5,591 | 49,031 | 206,273 | 203,700 |
| Advertising | 2,000 | 0 | 3,000 | 5,000 | 11,930 | 5,635 | 3,000 | 25,565 | 20,137 |
| Bad Debts | 0 | 0 | 0 | 0 | 0 | 0 | 3,286 | 3,286 | 3,198 |
| Bank and Credit Card Charges | 0 | 0 | 0 | 0 | 466 | 538 | 2,904 | 3,908 | 4,005 |
| Commissions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,927 |
| Depreciation and Amortization | 7,806 | 3,310 | 3,310 | 14,426 | 879 | 564 | 4,948 | 20,817 | 21,456 |
| Memberships and Dues | 0 | 0 | 0 | 0 | 9,074 | 0 | 0 | 9,074 | 8,146 |
| Information Technology | 1,565 | 1,540 | 85 | 3,190 | 2,521 | 0 | 1,500 | 7,211 | 8,714 |
| Insurance | 3,751 | 1,590 | 1,590 | 6,931 | 422 | 271 | 2,377 | 10,001 | 5,077 |
| Interest | 3,902 | 1,654 | 1,654 | 7,210 | 439 | 282 | 2,473 | 10,404 | 15,222 |
| Miscellaneous | 636 | 270 | 269 | 1,175 | 590 | 745 | 404 | 2,914 | 3,535 |
| Off-air Fundraising | 0 | 0 | 0 | 0 | 0 | 10,540 | 0 | 10,540 | 7,133 |
| Office Expense | 4,301 | 4,301 | 4,302 | 12,904 | 5,572 | 4,302 | 4,301 | 27,079 | 16,018 |
| Payroll Processing | 1,473 | 625 | 626 | 2,724 | 166 | 106 | 934 | 3,930 | 3,294 |
| Professional Fees | 0 | 0 | 0 | 0 | 33,645 | 0 | 0 | 33,645 | 34,485 |
| Programming | 6,367 | 0 | 0 | 6,367 | 0 | 0 | 0 | 6,367 | 2,937 |
| Radio Room | 0 | 0 | 0 | 0 | 11,656 | 0 | 0 | 11,656 | 5,183 |
| Rent | 0 | 3,150 | 0 | 3,150 | 0 | 0 | 0 | 3,150 | 3,450 |
| Repairs and Maintenance | 1,793 | 1,794 | 1,794 | 5,381 | 1,794 | 1,793 | 1,793 | 10,761 | 5,496 |
| Supplies | 0 | 0 | 0 | 0 | 0 | 12,735 | 0 | 12,735 | 9,211 |
| Utilities | 4,763 | 2,019 | 2,020 | 8,802 | 536 | 344 | 3,019 | 12,701 | 11,926 |
| Volunteer, Employee, and Member Appreciation | 203 | 12 | 12 | 227 | 2,012 | 205 | 18 | 2,462 | 1,232 |
| Website | 0 | 0 | 2,093 | 2,093 | 1,000 | 0 | 0 | 3,093 | 2,872 |
| Total Expenses | \$115,912 | \$53,062 | \$53,552 | \$222,526 | \$91,407 | \$43,651 | \$79,988 | \$437,572 | \$401,354 |

See accompanying notes to the financial statements

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

| | <u>12/31/2021</u> | <u>12/31/2020</u> |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Increase (Decrease) in Net Assets | \$131,444 | \$68,836 |
| Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by: | | |
| Operating Activities: | | |
| Depreciation | 20,817 | 21,456 |
| Donation of Art Inventory | (31,000) | |
| (Increase) Decrease in Operating Assets: | | |
| Accounts Receivable | (15,285) | 5,688 |
| Prepaid Expenses | 33,899 | (16,364) |
| Increase (Decrease) in Operating Liabilities: | | |
| Deferred Underwriting Revenue | (13,557) | (6,604) |
| Accounts Payable | 693 | (1,407) |
| Accrued Liabilities | 3,178 | (4,885) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>130,189</u> | <u>66,720</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Equipment | (9,555) | (720) |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>(9,555)</u> | <u>(720)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| New Borrowings: | | |
| Short-Term | 0 | 0 |
| Debt Reduction: | | |
| Long-Term | (95,434) | (6,532) |
| NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES | <u>(95,434)</u> | <u>(6,532)</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 25,200 | 59,468 |
| BEGINNING CASH AND CASH EQUIVALENTS | <u>202,841</u> | <u>143,373</u> |
| ENDING CASH AND CASH EQUIVALENTS | <u>\$228,041</u> | <u>\$202,841</u> |
| SUPPLEMENTAL DISCLOSURES | | |
| Interest Paid | <u>\$10,404</u> | <u>\$15,222</u> |
| SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING & FINANCIAL ACTIVITIES | | |
| Donation of Art Inventory | <u>\$31,000</u> | <u>\$0</u> |
| PER STATEMENT OF FINANCIAL POSITION | | |
| Cash | \$203,131 | \$115,261 |
| Cash restricted for use in the following year | 7,147 | 61,833 |
| Cash designated by the board for non-operating purposes | 17,763 | 25,747 |
| | <u>\$228,041</u> | <u>\$202,841</u> |

See accompanying notes to the financial statements

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE A – NATURE OF ACTIVITIES

Description of the Organization

Grand Valley Public Radio Company, Inc. (the Organization) is a local not-for-profit organization located in Grand Junction, Colorado, supported primarily by contributions and underwriting from the surrounding community and a grant from the Corporation for Public Broadcasting. The Organization operates the community radio station KAFM, largely with volunteer on-air personalities and support staff.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Basis of Presentation

The financial statements of Grand Valley Public Radio Company, 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, where by 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 received are recorded as without donor restriction or with donor restriction, depending, on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions.

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.

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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.

In applying the standard there were no significant changes in the way the Organization recognized support and revenue in the past, therefore there were no changes to previous years financial statements.

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 December 31, 2021, management has deemed all accounts to be collectable; therefore, no allowance for uncollectible accounts is necessary.

Artwork Inventory

The Organization had artwork that appraised at \$31,000 donated in 2021. The Organization is actively trying to sell the artwork, and has recorded it at its fair market value.

Property and Equipment

The Organization follows the practice of capitalizing all expenditures for land, buildings, and equipment of \$750 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).

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

Donated Services

Contributions of 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.

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 | Direct Costs |
| Bank and Credit Card Charges | Allocated based on income |
| Depreciation and Amortization | Time and effort |
| Memberships and Dues | Direct Costs |
| Information Technology | Direct Costs |
| Insurance | Time and effort |
| Interest | Time and effort |
| Miscellaneous | Direct Costs |
| Office Expense | Direct Costs |
| Repairs and Maintenance | Direct Costs |
| Rent | Direct Costs |
| Supplies | Direct Costs |
| Utilities | Time and effort |
| Volunteer/Employee/Member | |
| Appreciation | Direct Costs |
| Website | Direct Costs |

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 December 31, 2021, and 2020 were \$25,565 and \$20,137 respectively.

Subsequent Events

Management has evaluated subsequent events through June 29, 2022, the date the financial statements were available to be issued.

NOTE C – IN-KIND DONATIONS

The Organization received donated services from various sources for program services and fundraising events for the years ended December 31, 2021, and 2020 of \$53,622 and \$84,033 respectively. This amount is recorded as in-kind contributions on the statement of activities and on the statement of functional expenses.

The Organization received contributions of time in furtherance of Grand Valley Public Radio Company, Inc.'s mission over the course of the year. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria or recognition under US GAAP.

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE D – LONG-TERM DEBT

| | |
|---|-------------------|
| Note payable – Financial Institution | |
| Payable in monthly installments of \$1,809, including principal and interest at 4% until May of 2031. The loan is collateralized by real estate property. | \$ 169,867 |
| Less: Current-Portion | <u>(15,600)</u> |
| Total | <u>\$ 154,267</u> |

Maturities of long-term debt at December 31, are as follows:

| | |
|------------|-------------------|
| 2022 | \$ 15,600 |
| 2023 | 15,822 |
| 2024 | 16,467 |
| 2025 | 17,137 |
| 2026 | 17,836 |
| Thereafter | <u>87,005</u> |
| Total | <u>\$ 169,867</u> |

NOTE E – PAYROLL PROTECTION PROGRAM LOAN

In January 2021, the Organization was granted a loan from a financial institution, in the aggregate amount of \$39,333 pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Organization initially recorded a notes payable and subsequently recorded grant income when the loans obligation was legally released. The first PPP loan was legally released on August 26, 2021. The Organization recognized \$39,333 of grant income for the forgiven Paycheck Protection Program (the PPP) loans for the year ended December 31, 2021.

NOTE F – CONCENTRATIONS

The Organization maintains cash balances at local financial institutions which are insured by the Federal Deposit Insurance Corporation. At times, such balances may be in excess of Federal Deposit Insurance Corporation insurance limits. Management is aware of such exposure and is willing to accept the risks associated with the potential losses involved.

One donor gave 37% of all contributions for the year ended December 31, 2021, and one donor gave 28% of all contributions for the year ended December 31, 2020. Nearly all of The Organization's operating support comes from contributions from Corporation for Public Broadcasting.

NOTE G – NET ASSETS

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 December 31:

| | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|
| Restricted by Timing: | | |
| Corporation for Public Broadcasting grant to be used in the subsequent year | \$ 7,147 | \$ 61,833 |

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE G – NET ASSETS - Continued

Net assets released from net assets with donor restrictions are as follows for the years ended December 31:

| | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| Satisfaction of Timing Restriction Corporation for Public Broadcasting grant to be used in the subsequent year | \$ 61,833 | \$ 50,619 |

NOTE H – OPERATING LEASES

Organization's Studio and Tower Space

The Organization has one non-cancelable operating lease, for a printer and fax machine, with monthly rent amounts of \$125. The lease expires in June of 2023.

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

| | |
|-------|-----------------|
| 2022 | \$ 1,500 |
| 2023 | <u>750</u> |
| Total | <u>\$ 2,250</u> |

NOTE I – 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 \$103,393). As part of its liquidity plan, excess cash is retained in the Organization's bank accounts.

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|-------------------|
| Financial assets at year-end: | | |
| Cash and Cash Equivalents | \$ 203,131 | \$ 115,261 |
| Accounts Receivable | 15,285 | 0 |
| Prepaid Expenses | 2,792 | 36,691 |
| Cash restricted for use in following year | 7,147 | 61,833 |
| Cash designated for debt repayment and fixed asset acquisition | <u>17,763</u> | <u>25,747</u> |
| Total | <u>\$ 246,118</u> | <u>\$ 239,532</u> |
| Less amounts not available to be used within one year: | | |
| Net assets with donor restrictions | \$ 7,147 | \$ 61,833 |
| Less net assets with purpose restrictions to be met in less than a year | (7,147) | (61,833) |
| Designated by the Board as a Reserve | <u>17,763</u> | <u>22,963</u> |
| | <u>\$ 17,763</u> | <u>\$ 22,963</u> |
| Financial assets available to meet general expenditures over the next twelve months | <u>\$ 228,355</u> | <u>\$ 216,569</u> |

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

NOTE J – PRIOR PERIOD ADJUSTMENT

The Organization previously recorded a music library of \$210,565 as property and equipment. Although the music library has tremendous intrinsic value to the organization, the fair value of the music library is minimal, and has been taken off of the financial statements.