

GRAND VALLEY PUBLIC
RADIO COMPANY, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2022 AND 2021

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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, 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 Grand Valley Public Radio Company, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (US GAAP).

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 controls. 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.



Independent Auditors' Report – Continued

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about 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

We have previously audited Grand Valley Public Radio Company, Inc.'s 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated June 29, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Soronen Donley Patterson

Soronen, Donley, Patterson CPA's PC
April 17, 2023

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

STATEMENTS OF FINANCIAL POSITION FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>12/31/2022</u>	<u>12/31/2021</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$165,421	\$203,131
Accounts Receivable	19,833	15,285
Artwork Inventory	31,000	31,000
Prepaid Expenses	8,008	2,792
TOTAL CURRENT ASSETS	<u>224,262</u>	<u>252,208</u>
PROPERTY & EQUIPMENT		
Building and Land	500,679	483,763
Furniture and Equipment	153,891	147,579
Loan Fees	6,547	6,547
Less: Accumulated Depreciation and Amortization	<u>(362,839)</u>	<u>(344,360)</u>
NET PROPERTY & EQUIPMENT	<u>298,278</u>	<u>293,529</u>
OTHER ASSETS		
Cash Restricted for Use in the Following Year	23,732	7,147
Cash Designated for Debt Repayment and Fixed Asset Acquisition	15,770	17,763
TOTAL OTHER ASSETS	<u>39,502</u>	<u>24,910</u>
TOTAL ASSETS	<u>\$562,042</u>	<u>\$570,647</u>
<u>LIABILITIES & NET ASSETS</u>		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$15,822	\$15,600
Accounts Payable and Accrued Liabilities	16,139	13,931
Deferred Underwriting Revenue	29,296	29,129
TOTAL CURRENT LIABILITIES	<u>61,257</u>	<u>58,660</u>
LONG-TERM DEBT	<u>138,952</u>	<u>154,267</u>
TOTAL LIABILITIES	<u>200,209</u>	<u>212,927</u>
NET ASSETS		
Without Donor Restrictions		
Designated by the Board of Directors as Debt Repayment and Fixed Asset Acquisition	15,770	17,763
Undesignated	322,384	332,810
Total Without Donor Restrictions	<u>338,154</u>	<u>350,573</u>
With Donor Restrictions	23,679	7,147
TOTAL NET ASSETS	<u>361,833</u>	<u>357,720</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$562,042</u>	<u>\$570,647</u>

See accompanying notes to the financial statements

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	12/31/2022 <u>Total</u>	12/31/2021 <u>Total</u>
REVENUE AND SUPPORT				
Contributed Goods and Services	\$67,550	\$0	\$67,550	\$84,622
Fund Drives and Contributions	148,336	0	148,336	80,001
Underwriting	110,408	0	110,408	111,460
Grants	74,859	23,679	98,538	233,403
Fund Raising Events	24,868	0	24,868	11,555
Concerts	18,918	0	18,918	6,857
Raffle	0	0	0	1,458
Paycheck Protection Program	0	0	0	39,333
Other Revenues	89	0	89	327
Net Assets Released from Restrictions	7,147	(7,147)	0	0
TOTAL REVENUE AND SUPPORT	<u>452,175</u>	<u>16,532</u>	<u>468,707</u>	<u>569,016</u>
EXPENSES				
Program Services				
Programming and Production	113,549	0	113,549	115,912
Broadcasting and Engineering	34,989	0	34,989	53,062
Program Information and Promotion	58,536	0	58,536	53,552
Supporting Services				
Management and General	104,699	0	104,699	91,407
Fund-raising & Membership Development	69,586	0	69,586	43,651
Underwriting and Grant Solicitation	83,235	0	83,235	79,988
TOTAL EXPENSES	<u>464,594</u>	<u>0</u>	<u>464,594</u>	<u>437,572</u>
CHANGE IN NET ASSETS	(12,419)	16,532	4,113	131,444
NET ASSETS - BEGINNING	350,573	7,147	357,720	226,276
PRIOR PERIOD ADJUSTMENT (See Note J)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS - ENDING	<u>\$338,154</u>	<u>\$23,679</u>	<u>\$361,833</u>	<u>\$357,720</u>

See accompanying notes to the financial statements

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARITIVE TOTALS FOR DECEMBER 31, 2021

	Program Services				Supporting Services			12/31/2022 Total Expenses	12/31/2021 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	\$60,595	\$20,451	\$34,870	\$115,916	\$10,491	\$12,635	\$50,673	\$189,715	\$190,868
Payroll Taxes	4,581	1,546	2,636	8,763	793	955	3,831	14,342	15,405
Total Compensation and Related Expenses	65,176	21,997	37,506	124,679	11,284	13,590	54,504	204,057	206,273
Advertising	2,000	0	3,000	5,000	19,607	3,000	3,000	30,607	25,565
Bad Debts	0	0	0	0	0	0	284	284	3,286
Bank and Credit Card Charges	0	0	0	0	653	628	3,390	4,671	3,908
Depreciation and Amortization	5,902	1,992	3,397	11,291	1,022	1,231	4,936	18,480	20,817
Memberships and Dues	0	0	0	0	11,030	0	0	11,030	9,074
Miscellaneous	100	34	58	192	2,050	1,221	84	3,547	2,914
Information Technology	4,040	2,000	0	6,040	1,609	0	2,000	9,649	7,211
Insurance	2,909	982	1,674	5,565	504	606	2,432	9,107	10,001
Interest	2,128	718	1,224	4,070	368	444	1,779	6,661	10,404
Off-air Fundraising	0	0	0	0	0	8,289	0	8,289	10,540
Office Expense	5,233	1,818	3,045	10,096	1,821	1,153	4,389	17,459	27,079
Payroll Processing	1,832	618	1,054	3,504	317	382	1,532	5,735	3,930
Professional Fees	0	0	0	0	26,827	0	0	26,827	33,645
Programming	18,512	0	0	18,512	0	0	0	18,512	6,367
Radio Room	0	0	0	0	23,166	0	0	23,166	11,656
Rent	0	2,400	0	2,400	0	0	0	2,400	3,150
Repairs and Maintenance	755	755	755	2,265	755	755	755	4,530	10,761
Special Event Expenses	0	0	0	0	0	24,733	0	24,733	0
Supplies	0	0	0	0	0	11,291	0	11,291	12,735
Utilities	4,870	1,644	2,802	9,316	843	1,015	4,073	15,247	12,701
Volunteer, Employee, and Member Appreciation	92	31	53	176	2,843	1,248	77	4,344	2,462
Website	0	0	3,968	3,968	0	0	0	3,968	3,093
Total Expenses	<u>\$113,549</u>	<u>\$34,989</u>	<u>\$58,536</u>	<u>\$207,074</u>	<u>\$104,699</u>	<u>\$69,586</u>	<u>\$83,235</u>	<u>\$464,594</u>	<u>\$437,572</u>

See accompanying notes to the financial statements

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>12/31/2022</u>	<u>12/31/2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$4,113	\$131,444
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by:		
Operating Activities:		
Depreciation	18,480	20,817
Donation of Art Inventory	0	(31,000)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(4,548)	(15,285)
Prepaid Expenses	(5,216)	33,899
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Liabilities	2,207	3,871
Deferred Underwriting Revenue	167	(13,557)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>15,203</u>	<u>130,189</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	(6,312)	(9,555)
Purchase of Building Improvements	(16,916)	0
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(23,228)</u>	<u>(9,555)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
New Borrowings:		
Short-Term	0	0
Debt Reduction:		
Long-Term	(15,093)	(95,434)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(15,093)</u>	<u>(95,434)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(23,118)	25,200
 BEGINNING CASH AND CASH EQUIVALENTS	<u>228,041</u>	<u>202,841</u>
 ENDING CASH AND CASH EQUIVALENTS	<u>\$204,923</u>	<u>\$228,041</u>
 SUPPLEMENTAL DISCLOSURES		
Interest Paid	<u>\$6,661</u>	<u>\$10,404</u>
 SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING & FINANCIAL ACTIVITIES		
Donation of Art Inventory	<u>\$0</u>	<u>\$31,000</u>
 PER STATEMENT OF FINANCIAL POSITION		
Cash	\$165,421	\$203,131
Cash restricted for use in the following year	23,732	7,147
Cash designated by the board for non-operating purposes	15,770	17,763
	<u>\$204,923</u>	<u>\$228,041</u>

See accompanying notes to the financial statements

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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; these net assets will be available for use by the Organization when the Organization meets the criteria outlined by the donor and/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 as “Net Assets Without Donor Restrictions” and reported in the Statements of Activities as “Net Assets Released from Restrictions.”

Adoption of FASB ASC 842

Effective January 1, 2022, adopted FASB ASC 842, *Leases*. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

The Organization elected to adopt FASB ASC 842, *Leases*, using the optional transition method that allows The Organization to initially apply the new leases standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption. As a result, the Organization reporting for the comparative period presented in the financial statements is in accordance with FASB ASC 840.

The Organization elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Organization also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

Adoption of FASB ASU 2020-07

Effective January 1, 2022, the Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which is effective for fiscal years beginning after June 15, 2021, and is intended to improve transparency in the reporting of contributed non-financial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed non-financial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The adoption of ASU 2020-07 resulted in no material changes to the recognition of collections.

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

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

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 Restrictions” are reclassified as “Net Assets Without Donor Restrictions” and reported in the Statements 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. The Federal Communications Commission (FCC) issues technical guidelines on underwriting with which the Organization must comply.

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, and 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 its performance obligation.

In applying the above standard, there were no significant changes in the way the Organization recognized support and revenue in the past, hence, 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 returns 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, 2022, management has deemed all accounts to be collectable; therefore, no allowance for uncollectible amount is necessary.

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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

Artwork Inventory

In 2021, the Organization received artwork which was appraised at \$31,000. The Organization is actively attempting to sell the artwork. It is herein recorded at the appraised value, which management deems to be 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 a donor stipulates 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).

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. Expenses which 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	Based on Income
Depreciation and Amortization	Time and Effort
Information Technology	Direct Costs
Insurance	Time and Effort
Interest	Time and Effort
Miscellaneous	Direct Costs
Office Expense	Direct Costs
Payroll Processing	Time and Effort
Repairs and Maintenance	Direct Costs
Utilities	Time and Effort
Volunteer/Employee/Member Appreciation	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, 2022, and 2021 were \$30,607 and \$25,565 respectively.

Subsequent Events

Management has evaluated subsequent events through April 17, 2023, the date the financial statements were available to be issued.

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

NOTE C – IN-KIND DONATIONS

The Organization's in-kind contributions consisted of the following as of December 31:

	<u>2022</u>	<u>2021</u>
Program Services, Advertising, and Fundraising Events	\$ 67,550	\$ 84,622

Program services, advertising, and fundraising events expenses are valued using estimated average prices of identical or similar products or services using pricing data of similar products or services 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, goods and facilities for its own program or supporting service activities.

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.

Less: Current Portion

\$	154,774
	<u>(15,822)</u>
\$	<u>138,952</u>

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

2023	\$	15,822
2024		16,467
2025		17,137
2026		17,836
2027		18,562
Thereafter		<u>68,950</u>
Total	\$	<u>154,774</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.

For the year ending December 31, 2022, and 2021, one donor gave 19% and 37% respectively of all contributions for the year. Nearly all of the Organization's operating support comes from contributions from Corporation for Public Broadcasting.

GRAND VALLEY PUBLIC RADIO COMPANY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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>2022</u>	<u>2021</u>
Restricted by Timing:		
Corporation for Public Broadcasting grant to be used in the subsequent year	\$ 23,679	\$ 7,147

Net assets released from Net Assets with Donor Restrictions are as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Satisfaction of Timing Restriction		
Corporation for Public Broadcasting grant to be used in the subsequent year	\$ 7,147	\$ 61,833

NOTE H – 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 \$115,000). 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	\$ 165,421	\$ 203,131
Accounts Receivable	19,833	15,285
Prepaid Expenses	8,008	2,792
Cash restricted for use in following year	23,732	7,147
Cash designated for debt repayment and fixed asset acquisition	<u>15,770</u>	<u>17,763</u>
Total	<u>\$ 232,764</u>	<u>\$ 246,118</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	\$ 23,679	\$ 7,147
Less net assets with purpose restrictions to be met in less than a year	(23,679)	(7,147)
Designated by the Board as a Reserve	<u>15,770</u>	<u>17,763</u>
	<u>\$ 15,770</u>	<u>\$ 17,763</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 216,994</u>	<u>\$ 228,355</u>