

REDWOOD COMMUNITY RADIO, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2014 and 2013

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December 31, 2014

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To the Board of Directors
Redwood Community Radio, Inc.

We have audited the accompanying financial statements of Redwood Community Radio, Inc. (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 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 Redwood Community Radio, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Directors
Redwood Community Radio, Inc.

Other Matter

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 15 and 16 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Aycock and Edgmon
July 10, 2015

Philip R. Aycock, CPA
philipaycock@aecpas.com

AN ACCOUNTANCY CORPORATION

Stacey R. Edgmon, CPA
stacey@aecpas.com

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 171,138	\$ 142,734
Accounts receivable - Net	53,085	44,027
Grant receivable	-	37,134
Prepaid expenses	9,176	5,359
Inventory	<u>3,743</u>	<u>5,340</u>
Total Current Assets	237,142	234,594
Property and Equipment		
Land	49,037	49,037
Buildings	268,199	268,199
Equipment	630,934	628,141
Accumulated depreciation	<u>(473,012)</u>	<u>(424,202)</u>
Total Property and Equipment	<u>475,158</u>	<u>521,175</u>
TOTAL ASSETS	<u>\$ 712,300</u>	<u>\$ 755,769</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 13,492	\$ 8,506
Sales tax payable	791	661
Payroll taxes and related benefits payable	1,558	1,646
Deferred revenue	114,248	11,616
Accrued liabilities:		
Compensated absences	<u>-</u>	<u>5,124</u>
Total Current Liabilities	<u>130,089</u>	<u>27,553</u>
TOTAL LIABILITIES	<u>130,089</u>	<u>27,553</u>
Net Assets		
Unrestricted net assets	484,181	587,031
Temporarily restricted net assets	<u>98,030</u>	<u>141,185</u>
Total Net Assets	<u>582,211</u>	<u>728,216</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 712,300</u>	<u>\$ 755,769</u>

The accompanying notes to financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT, REVENUE, AND GAINS				
Support				
Contributions	\$ 105,663	\$ 18,080	\$ -	\$ 123,743
Membership contributions	211,559	-	-	211,559
Underwriting	144,341	-	-	144,341
In-kind and trade-out support	<u>41,032</u>	<u>-</u>	<u>-</u>	<u>41,032</u>
Total Support	<u>502,595</u>	<u>18,080</u>	<u>-</u>	<u>520,675</u>
Revenue and Gains				
Fund-raising	107,333	-	-	107,333
Direct event costs	(92,273)	-	-	(92,273)
Other income	-	-	-	-
Novelty sales	8,325	-	-	8,325
Interest income	<u>187</u>	<u>-</u>	<u>-</u>	<u>187</u>
Total Revenue and Gains	<u>23,572</u>	<u>-</u>	<u>-</u>	<u>23,572</u>
Net Assets Released from Restriction	25,060	(25,060)	-	-
TOTAL SUPPORT, REVENUE, AND GAINS	<u>551,227</u>	<u>(6,980)</u>	<u>-</u>	<u>544,247</u>
EXPENSES				
Program Services				
Program expenses	<u>317,764</u>	<u>-</u>	<u>-</u>	<u>317,764</u>
Total Program Services	<u>317,764</u>	<u>-</u>	<u>-</u>	<u>317,764</u>
Support Services				
Fund-raising and membership	154,127	-	-	154,127
General and administrative	<u>218,361</u>	<u>-</u>	<u>-</u>	<u>218,361</u>
Total Support Services	<u>372,488</u>	<u>-</u>	<u>-</u>	<u>372,488</u>
TOTAL EXPENSES	<u>690,252</u>	<u>-</u>	<u>-</u>	<u>690,252</u>
CHANGE IN NET ASSETS	(139,025)	(6,980)	-	(146,005)
DEPRECIATION ON GRANT FUNDED EQUIPMENT	36,175	(36,175)	-	-
NET ASSETS, JANUARY 1	<u>587,031</u>	<u>141,185</u>	<u>-</u>	<u>728,216</u>
NET ASSETS, DECEMBER 31	<u>\$ 484,181</u>	<u>\$ 98,030</u>	<u>\$ -</u>	<u>\$ 582,211</u>

The accompanying notes to financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT, REVENUE, AND GAINS				
Support				
Contributions	\$ 236,899	\$ 52,922	\$ -	\$ 289,821
Membership contributions	211,542	-	-	211,542
Underwriting	134,903	-	-	134,903
In-kind and trade-out support	<u>20,851</u>	<u>-</u>	<u>-</u>	<u>20,851</u>
Total Support	<u>604,195</u>	<u>52,922</u>	<u>-</u>	<u>657,117</u>
Revenue and Gains				
Fund-raising	92,545	-	-	92,545
Direct event costs	(72,730)	-	-	(72,730)
Other income	3,515	-	-	3,515
Novelty sales	8,195	-	-	8,195
Interest income	<u>138</u>	<u>-</u>	<u>-</u>	<u>138</u>
Total Revenue and Gains	<u>31,663</u>	<u>-</u>	<u>-</u>	<u>31,663</u>
Net Assets Released from Restriction	29,852	(29,852)	-	-
TOTAL SUPPORT, REVENUE, AND GAINS	<u>665,710</u>	<u>23,070</u>	<u>-</u>	<u>688,780</u>
EXPENSES				
Program Services				
Program expenses	<u>310,194</u>	<u>-</u>	<u>-</u>	<u>310,194</u>
Total Program Services	<u>310,194</u>	<u>-</u>	<u>-</u>	<u>310,194</u>
Support Services				
Fund-raising and membership	121,901	-	-	121,901
General and administrative	<u>212,830</u>	<u>-</u>	<u>-</u>	<u>212,830</u>
Total Support Services	<u>334,731</u>	<u>-</u>	<u>-</u>	<u>334,731</u>
TOTAL EXPENSES	<u>644,925</u>	<u>-</u>	<u>-</u>	<u>644,925</u>
CHANGE IN NET ASSETS	20,785	23,070	-	43,855
DEPRECIATION ON GRANT FUNDED EQUIPMENT	36,175	(36,175)	-	-
NET ASSETS, JANUARY 1	<u>530,071</u>	<u>154,290</u>	<u>-</u>	<u>684,361</u>
NET ASSETS, DECEMBER 31	<u>\$ 587,031</u>	<u>\$ 141,185</u>	<u>\$ -</u>	<u>\$ 728,216</u>

The accompanying notes to financial statements are an integral part of this statement.

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (146,005)	\$ 43,855
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	48,810	49,207
Realized loss on sale of assets	-	2,311
(Increases) decreases in operating assets:		
Accounts receivable	(9,058)	7,233
Grant receivable	37,134	(37,134)
Prepaid expenses	(3,817)	4,949
Inventory	1,597	(3,540)
Increases (decreases) in operating liabilities:		
Accounts payable	4,986	5,725
Sales tax payable	130	(172)
Accrued liabilities	(5,212)	(16,362)
Deferred revenue	102,632	(3,635)
Total Adjustments	<u>177,202</u>	<u>8,582</u>
Net Cash Provided by Operating Activities	<u>31,197</u>	<u>52,437</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of assets	-	4,689
Purchase of equipment	<u>(2,793)</u>	<u>-</u>
Net Cash Used by Investing Activities	<u>(2,793)</u>	<u>4,689</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments paid to reduce debt	<u>-</u>	<u>(20,000)</u>
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>(20,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,404	37,126
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>142,734</u>	<u>105,608</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 171,138</u>	<u>\$ 142,734</u>

The accompanying notes to financial statements are an integral part of this statement.

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIESNature of Activities

Redwood Community Radio, Inc. (RCR) is a nonprofit public benefit corporation chartered on April 21, 1983. It is governed by a board of directors that represents the community it serves. The primary purpose of RCR is to own and operate a community-supported broadcast system that provides news, educational programs, public information, music, and entertainment.

RCR operates three transmitters serving Humboldt, northern Mendocino, and Trinity counties in northern California. RCR is membership-based and receives a significant portion of its financial support through pledges from members of the community. The daily operations of RCR is performed by volunteer programmers and paid full-time staff.

Basis of Accounting

The financial statements of RCR have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Promises to Give

Contributions are recognized when the donor makes a promise to give to RCR that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

RCR uses the allowance method to determine uncollectible unconditional promises received. The allowance is based on the prior years' uncollected spring and fall balances.

Financial Statement Presentation

RCR presents information about its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. During the fiscal years ended December 31, 2014 and 2013, RCR had no permanently restricted net assets.

Unrestricted net assets are those whose use is not restricted by donor-imposed stipulations even though their use may be limited in other respects, such as by contract, loan agreement, or board designation.

Temporarily restricted net assets are those whose use is subject to a donor-imposed restriction of time or purpose. When a purpose or time restriction ends, temporarily restricted net assets are released to unrestricted net assets.

Property and Equipment

Property and equipment are valued at historical cost for purchased items and at estimated fair value for donated items. Depreciation is computed on all depreciable property using the straight line method based on estimated useful lives. The estimated lives of such assets range between five and forty years. RCR has not established an explicit capitalization policy.

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUEDRestricted and Unrestricted Support

Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Contributed Services

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) required specialized skills, are performed by people with those skills, and would otherwise be purchased by RCR.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, RCR considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Income Taxes

RCR is exempt from federal and state income taxes under Internal Revenue Code Section (IRC) 501(c)(3) and California Revenue and Taxation Code Section 23701(d). Additionally, the Internal Revenue Service has determined that RCR is not a private foundation within the meaning of IRC Section 509(a).

Compensated Absences

Accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Functional Expenses

RCR allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification. Other expenses that are common to several functions are allocated by various statistical bases.

Advertising

RCR uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. The advertising costs totaled \$13,988 and \$7,620 for the years ended December 31, 2014 and 2013, respectively.

Use of 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE B - CASH AND CASH EQUIVALENTS

At December 31, 2014 and 2013, cash and cash equivalents were composed of the following:

	<u>2014</u>	<u>2013</u>
Petty cash	\$ 150	\$ 150
Checking and savings	170,988	142,584
	<u>\$ 171,138</u>	<u>\$ 142,734</u>

NOTE C - RECEIVABLES

Receivables were composed of the following at December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Underwriting receivables	\$ 23,010	\$ 13,013
Allowance for doubtful accounts	(5,122)	(4,262)
	17,888	8,751
Spring and Fall Pledge receivables	24,333	30,315
Trade receivable	9,209	4,961
Other receivable	1,655	-
	53,085	44,027
Grant receivable	-	37,134
	<u>\$ 53,085</u>	<u>\$ 81,161</u>

NOTE D - PROPERTY AND EQUIPMENT

The following is a summary of the changes in property and equipment:

	<u>Balance Jan 1, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance Dec 31, 2014</u>
Land and land improvements	\$ 49,037	\$ -	\$ -	\$ 49,037
Building and improvements	268,199	-	-	268,199
Studio equipment	105,197	2,793	-	107,990
Broadcast equipment	481,310	-	-	481,310
Office equipment	41,634	-	-	41,634
	945,377	2,793	-	948,170
Accumulated depreciation	(424,202)	(48,810)	-	(473,012)
	<u>\$ 521,175</u>	<u>\$ (46,017)</u>	<u>\$ -</u>	<u>\$ 475,158</u>
	<u>Balance Jan 1, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance Dec 31, 2013</u>
Land and land improvements	\$ 49,037	\$ -	\$ -	\$ 49,037
Building and improvements	268,199	-	-	268,199
Studio equipment	105,197	-	-	105,197
Broadcast equipment	481,310	-	-	481,310
Office equipment	41,634	-	-	41,634
	945,377	-	-	945,377
Accumulated depreciation	(374,995)	(49,207)	-	(424,202)
	<u>\$ 570,382</u>	<u>\$ (49,207)</u>	<u>\$ -</u>	<u>\$ 521,175</u>

Depreciation expense for the years ended December 31, 2013 and 2012 was \$48,810 and \$49,207, respectively.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE E - INVESTMENT

In 2011, RCR received a bequest that contained, among other assets, a collection of silver coins. The fair value at the date of contribution was appraised at \$7,000. The silver was sold during 2013 for \$4,689 resulting in a loss of \$2,311.

NOTE F - DEFERRED REVENUE

Deferred revenue consists of the following as of December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Prepayments made by underwriters and are short-term in nature	\$ 12,538	\$ 11,616
2015 Radio Community Services Agreement Grant	101,710	-
	<u>\$ 114,248</u>	<u>\$ 11,616</u>

NOTE G - NOTES PAYABLE

The following is a schedule of the changes in the long-term debt for the years ended December 2013:

	Balance <u>Jan 1, 2013</u>	Principal <u>Additions</u>	Principal <u>Reductions</u>	Balance <u>Dec 31, 2013</u>	Classification	
					<u>Current Portion</u>	<u>Long-Term Portion</u>
Laura Glaubergerman	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- A. Note payable to Laura Glaubergerman payable within 30 days of the sale of RCR interest in the former Fitch property provided that payment is made on or before October 31, 2013 with interest at 3% beginning July 30, 2012;

The interest rate increases to 6% beginning November 1, 2013 if the unpaid principal is not paid by October 31, 2013. Minimum monthly payments of at least \$1,000 will be due beginning November 2014 if the full balance of principal and interest is not fully paid on or before October 31, 2014.

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets contain donor-imposed restrictions that are available for the following purposes or periods:

CONTRIBUTIONS AND GRANTS

Beginning Balance, January 1, 2014

2011 Radio Community Service Grant funds that are restricted to the use of acquiring, producing, promoting, and distributing national public radio programming	\$ 6,980
Net assets released by incurring expenses satisfying the purpose restriction during 2014	<u>(6,980)</u>

Ending Balance, December 31, 2014 \$ -

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE H - TEMPORARILY RESTRICTED NET ASSETS - CONTINUED

Temporarily restricted net assets contain donor-imposed restrictions that are available for the following purposes or periods:

ASSETS REVERTING TO OTHERS

Beginning Balance, January 1, 2014

Equipment purchased under three Digital Radio Conversion Grants funded by the Corporation for Public Broadcasting. These grants include a ten-year covenant provision. These grant funds are considered restricted over the life of the assets:

Cost of grant funded equipment of	\$ 170,380	
less accumulated depreciation	<u>(36,175)</u>	\$ 134,205

Net assets released by incurring expenses satisfying the time restriction during 2014		<u>(36,175)</u>
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Ending Balance, December 31, 2014		<u>\$ 98,030</u>
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The total cost of the equipment, including professional services to place the equipment in service, and including matching funds is as follows:

<u>Cost of Equipment</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
\$ 361,750	\$ 93,834	\$ 267,916

NOTE I - SIGNIFICANT CONCENTRATION RISK

RCR maintains cash balances with local financial institutions that are insured by either the Federal Deposit Insurance Corporation or the National Credit Union Administration for up to \$250,000. Redwood Community Radio, Inc. had no uninsured cash balances at December 31, 2014 and 2013.

NOTE J - OPERATING LEASES

RCR leases space to house a transmitter, antenna and related equipment at three locations as follows:

Lease with Estrella TV

RCR leases space for the transmitter located on Cahto Peak in Mendocino County. The lease is month to month and may be cancelled by either party with thirty days written notice. The monthly rent is \$381 per month.

Lease with N. Johannesen

RCR entered into a lease with N. Johannesen on August 11, 1999 for space on a tower for broadcasting equipment on Pratt Mountain. The current rent is \$1,270 per month.

Lease with Pollack/Peltz Broadcasting, LLC

This lease is for space on a broadcast tower located in Eureka, California. The lease is renewed each year with a 3% increase from the previous year. The current rent is \$847 per month.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

NOTE K - COMMUNITY SERVICE GRANTS

The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public entities. CSGs are used to augment the financial resources of public broadcasting stations and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated Section 396(k)(7), (1983) Supplement. In any event, each grant must be expended within two years of the initial grant authorization.

The grant funds received under CSG are allocated between unrestricted and restricted amounts by a percentage determined by CPB. The percentages were 80.78% unrestricted and 19.22% restricted for the 2014 and 2013 grant years, respectively. The restricted funds are to be used exclusively for the acquisition, production, promotion and distribution of national programming of high quality, diversity, creativity, excellence, and innovation.

A summary of grants received are as follows:

	<u>2014</u>	<u>2013</u>
Unrestricted	\$ 75,975	\$ 105,504
Restricted	18,080	29,852
Total	<u>\$ 95,055</u>	<u>\$ 135,356</u>

NOTE L - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing 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 benefitted.

NOTE M - CONTINGENT LIABILITIES

Financial awards from federal, state, and local governmental entities in the form of grants are subject to audit. Such audits could result in claims against RCR for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits because the amounts, if any, cannot be determined at this date.

NOTE N - SUBSEQUENT EVENTS

RCR's management has evaluated its subsequent events through July 10, 2015, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2014

	<u>Program</u>	<u>Fund-raising</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and wages	\$ 107,060	\$ 58,444	\$ 112,784	\$ 278,288
Payroll taxes	10,196	5,339	9,950	25,485
Workers' compensation insurance	707	342	4,141	5,190
	<u>117,963</u>	<u>64,125</u>	<u>126,875</u>	<u>308,963</u>
Advertising	578	13,410	-	13,988
Bad debt expense	-	24,161	-	24,161
Bank charges	-	2,103	57	2,160
Broadcasting	52,026	-	345	52,371
Fund-raising and novelty costs	-	40,567	-	40,567
Insurance	-	-	11,059	11,059
Interest expense	-	-	689	689
Occupancy costs	2,217	-	21,698	23,915
Professional	55,019	5,991	28,876	89,886
Programming	14,293	-	-	14,293
Promotion	6,808	-	-	6,808
Repair and maintenance - Building	205	-	2,586	2,791
Staff development and organization development	5,924	171	783	6,878
Supplies	11,795	2,338	12,803	26,936
Travel and training	9,714	1,261	4,672	15,647
Miscellaneous	-	-	330	330
TOTAL EXPENSES BEFORE DEPRECIATION AND LOSSES	<u>276,542</u>	<u>154,127</u>	<u>210,773</u>	<u>641,442</u>
Depreciation	41,222	-	7,588	48,810
Loss on asset disposal	-	-	-	-
TOTAL EXPENSES AND LOSSES	<u>\$ 317,764</u>	<u>\$ 154,127</u>	<u>\$ 218,361</u>	<u>\$ 690,252</u>

The accompanying notes to financial statements are an integral part of this statement.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2013

	<u>Program</u>	<u>Fund-raising</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and wages	\$ 107,293	\$ 47,753	\$ 102,256	\$ 257,302
Payroll taxes	9,628	4,227	9,337	23,192
Workers' compensation insurance	<u>2,584</u>	<u>1,133</u>	<u>2,555</u>	<u>6,272</u>
	119,505	53,113	114,148	286,766
Advertising	2,877	4,743	-	7,620
Bad debt expense	-	24,184	-	24,184
Bank charges	-	1,633	160	1,793
Broadcasting	53,299	-	260	53,559
Fund-raising and novelty costs	-	30,559	200	30,759
Insurance	-	-	10,576	10,576
Interest expense	-	2	520	522
Occupancy costs	2,704	70	20,457	23,231
Professional	53,001	4,028	32,257	89,286
Programming	11,438	-	-	11,438
Promotion	2,124	-	-	2,124
Repair and maintenance - Building	9,652	-	731	10,383
Staff development and organization development	5,798	-	769	6,567
Supplies	8,064	2,204	16,186	26,454
Travel and training	424	1,365	6,271	8,060
Miscellaneous	<u>-</u>	<u>-</u>	<u>85</u>	<u>85</u>
TOTAL EXPENSES BEFORE DEPRECIATION AND LOSSES	<u>268,886</u>	<u>121,901</u>	<u>202,620</u>	<u>593,407</u>
Depreciation	41,308	-	7,899	49,207
Loss on asset disposal	<u>-</u>	<u>-</u>	<u>2,311</u>	<u>2,311</u>
TOTAL EXPENSES AND LOSSES	<u>\$ 310,194</u>	<u>\$ 121,901</u>	<u>\$ 212,830</u>	<u>\$ 644,925</u>

The accompanying notes to financial statements are an integral part of this statement.

