BLOOMINGTON COMMUNITY RADIO, INC.

Financial Statements
MAY 30, 2014

BLOOMINGTON COMMUNITY RADIO, INC.

Table of Contents

Stampfli Associates, CPAs, P.C.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Bloomington Community Radio, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Bloomington Community Radio, Inc. (a nonprofit organization) which comprise the balance sheet as of May 30, 2014, and the related statements of activities, functional expenses and cash flows for the year 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 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 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 qualified audit opinion.

200 South College Avenue, PO Box 2628, Bloomington, IN 47402 - t 812.339.0450 - f 812.339.3380 -
stampfli@stampflicpa.com

Basis for Qualified Opinion

As described in note 5, the cost of property acquired before 2010 could not be documented. We were unable to obtain sufficient appropriate audit evidence about the cost and accumulated depreciation of most of the property and equipment. Consequently we were unable to determine whether any adjustments to those amounts were necessary.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Bloomington Community Radio, Inc. as of May 30, 2014, 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.

Stampfli Associates

December 8, 2014

BLOOMINGTON COMMUNITY RADIO, INC.

Balance Sheet
May 30, 2014

ASSETS

Cash	$ 74,620	
Underwriting receivable (Note 4)	3,050	
Prepaid expenses	2,236	
Total current assets		$ 79,906
PROPERTY AND EQUIPMENT-NET		
Land	5,000	
Leasehold improvements	16,530	
Tower and transmitter	114,378	
Equipment	142,162	
	278,070	
Less Accumulated depreciation	203,277	
		74,793
TOTAL ASSETS		$ 154,699

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	$ 5,230	
Underwriter credit	250	
Accrued payroll and taxes	8,234	
TOTAL LIABILITIES		$ 13,714
NET ASSETS - UNRESTRICTED		140,985
TOTAL LIABILITIES AND NET ASSETS		$ 154,699

BLOOMINGTON COMMUNITY RADIO, INC.

Statement of Activity
Year Ended May 30, 2014

SUPPORT		
Membership	$ 102,532	
Corporation for Public Broadcasting	72,313	
Underwriting	47,007	
In-kind contributions	30,000	
Donations	4,329	
Other government support	1,503	
Total support		$ 257,684
REVENUE		
Revenue from Public Library	10,000	
Special events (net of expenses of $8,997)	7,238	
Interest income	12	
Total revenue		17,250
Revenues, gains and other support		274,934
EXPENSES:		
Program services	154,335	
Management and general	95,999	
Fund raising	41,305	
Total expenses		291,639
CHANGE IN UNRESTRICTED NET ASSETS		(16,705)
NET ASSETS -- Beginning of Year		157,690
NET ASSETS -- End of Year		$ 140,985

See accompanying notes to financial statements

BLOOMINGTON COMMUNITY RADIO, INC.

Statement of Cash Flows
Year Ended May 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	$ (16,705)	
Changes not requiring cash in the current year:		
Depreciation	8,866	
Add (deduct) net changes in other accounts:		
Accounts receivable	(3,050)	
Prepaid expenses	1,439	
Accounts payable	(4,595)	
Underwriter credit	250	
Accrued payroll and taxes	334	
Net cash provided (used) by operating activities		$ (13,461)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment		(2,306)
CASH FLOWS FROM FINANCING ACTIVITIES:		-
INCREASE IN CASH AND CASH EQUIVALENTS		(15,767)
CASH AND CASH EQUIVALENTS -- Beginning of Year		90,387
CASH AND CASH EQUIVALENTS -- End of Year		$ 74,620

SUPPLEMENTAL DATA:	
Interest paid	$ 24

See accompanying notes to financial statements

BLOOMINGTON COMMUNITY RADIO, INC.

Statement of Functional Expenses
Year Ended May 30, 2014

	Programming and Production	Broadcasting and Engineering	Program Info. and Promotion	Total Program	Management and General	Fund Raising	Total
EXPENSES							
Payroll	$ 36,137	$ 14,443	$ 4,033	$ 54,613	$ 66,946	$ 15,645	$ 137,204
Employee benefits	5,009	2,002	559	7,570	9,279	2,168	19,017
Payroll taxes	2,841	1,135	317	4,293	5,262	1,230	10,785
	43,987	17,580	4,909	66,476	81,487	19,043	167,006
Occupancy	21,693	7,549	6,375	35,617	4,190	2,095	41,902
Fundraising expense	-	-	-	-	-	13,690	13,690
Program expenses	13,533	-	-	13,533	-	-	13,533
Supplies	6,641	2,286	2,357	11,284	-	-	11,284
Depreciation	2,261	4,522	753	7,536	887	443	8,866
Staff development	5,676	-	-	5,676	-	-	5,676
Professional fees	-	-	-	-	2,821	2,574	5,395
Dues and subscriptions	1,551	-	1,824	3,375	844	-	4,219
Internet	2,745	-	687	3,432	404	202	4,038
Insurance	1,819	-	-	1,819	1,819	-	3,638
Uncollectible accounts	-	-	-	-	-	3,258	3,258
Miscellaneous	737	439	1,392	2,568	642	-	3,210
Bank charges	-	-	-	-	2,881	-	2,881
Licenses	2,477	-	47	2,524	-	-	2,524
Advertising and promotion	-	-	495	495	-	-	495
Interest	-	-	-	-	24	-	24
Total expenses	$ 103,120	$ 32,376	$ 18,839	$ 154,335	$ 95,999	$ 41,305	$ 291,639

See accompanying notes to financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Operations:
Bloomington Community Radio, Inc. (the organization) is an Indiana not-for-profit corporation. The purpose of the organization is to operate a non-commercial educational radio broadcast facility and the carrying out of educational and media activities and such projects as may be related to public education or communication. It operates from Bloomington Indiana.

Cash and Cash Equivalents:
Cash and cash equivalents include cash and bank accounts.

Property and Equipment:
Property and equipment are recorded at cost, except in the case of donated property which is recorded at the estimated fair-market value at the date of donation. Property and equipment are depreciated using the straight-line method over estimated useful lives of the respective classes of property as follows:

	Years
Buildings and leasehold improvements	39
Transmitter, tower and antenna	20
Furniture and equipment	5

Restricted contributions:
It is the policy of the organization to treat temporarily restricted contributions as unrestricted if the restriction is met in the same period as the contribution.

Donated Services:
Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. A number of individuals volunteer services for the management, program and fund raising activities which do not meet the standards of recognition.

Donated Assets:
The organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the donated assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained the organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Use of Estimates:
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - INCOME TAX STATUS:

The organization files Federal and Indiana income tax returns as an exempt organization under section 501(c)(3) of the Internal Revenue Code and does not report any unrelated business income or other income taxes. The agency is not considered to be a private foundation.

The organization's Federal and Indiana income tax returns for tax year 2011 and later are subject to examination by the IRS and state of Indiana, generally for three years after they were filed. The organization recognizes tax benefits only to the extent the organization believes it is "more likely than not" that its tax positions would be sustained upon examination. There were no tax positions considered less than 50% likely of sustainability.

There were no income tax penalties or interest incurred in 2014.

NOTE 3 - FINANCIAL INSTRUMENTS:

The carrying amount of all financial instruments reported approximate fair values because of the short maturities of those instruments.

NOTE 4 - UNDERWRITING RECEIVABLE:

Underwriting receivables are stated at the amount of uncollateralized amounts that management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable underwriting receivable. Accounts are considered delinquent when 90 days past due. The allowance for doubtful accounts at May 30, 2014 is $0. All amounts are currently due.

As of May 2014 all receivables except $500 are less than 90 days old.

NOTE 5 - PROPERTY AND EQUIPMENT:

The Organization can not locate documentation to support the cost of most property acquired previous to 2010. The cost of property and equipment with unsubstantiated costs totals $209,150 and an undepreciated balance of $21,380 as of May 30, 2014.

NOTE 6 - IN-KIND CONTRIBUTIONS:

The organization received in-kind contributions as consisting of unpaid use of office and studio facilities in Bloomington. In-kind contributions of rent for 2014 totaled $30,000.

NOTE 7 - CONCENTRATIONS:

The organization received support from the Corporation for Public Broadcasting in the amount of $72,313 which is approximately 26% of total support and revenue.

NOTE 8- ADVERTISING:

The organization expenses the production costs of advertising the first time the advertising takes place.

NOTE 9 - SUBSEQUENT EVENTS:

The organization has evaluated subsequent events through December 8, 2014 which is the date the financial statements were available to be issued.