

Montague Community Cable, Inc.

Financial Statements

December 31, 2010



Bernice F. Lord
CERTIFIED PUBLIC ACCOUNTANT

Montague Community Cable, Inc.

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ACCOUNTANT'S REVIEW REPORT

TO THE OFFICERS AND DIRECTORS
MONTAGUE COMMUNITY CABLE, INC.
TURNERS FALLS, MASSACHUSETTS

I have reviewed the accompanying statement of financial position of the Montague Community Cable, Inc. (a Massachusetts nonprofit organization) as of December 31, 2010 and December 31, 2009 and the related statements of activities, functional expenses, and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Montague Community Cable, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my reviews, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

August 10, 2011

Montague Community Cable, Inc.
Statement of Financial Position
As of December 31, 2010
With Summary Totals for 2009

<u>CURRENT ASSETS</u>	<u>2010</u>	<u>2009</u>
Cash	\$ 68,826	\$ 57,667
Accounts Receivable	28,176	26,312
Prepaid Expenses	3,457	3,081
Security Deposits	<u>831</u>	<u>831</u>
 Total Current Assets	 101,290	 87,891
 <u>PROPERTY AND EQUIPMENT</u>		
Furniture and Fixtures	500	500
Equipment	<u>75,470</u>	<u>70,199</u>
	75,970	70,699
Less Accumulated Depreciation	<u>45,839</u>	<u>32,621</u>
 Total Property and Equipment	 <u>30,131</u>	 <u>38,078</u>
 TOTAL ASSETS	 <u>\$131,421</u>	 <u>\$125,969</u>
 <u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 1,331	\$ 846
Accrued Expenses	8,224	8,299
Deferred Revenue	<u>17,242</u>	<u>17,242</u>
 TOTAL CURRENT LIABILITIES	 26,797	 26,387
 <u>NET ASSETS</u>		
Unrestricted	<u>104,624</u>	<u>99,582</u>
 TOTAL NET ASSETS	 <u>104,624</u>	 <u>99,582</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$131,421</u>	 <u>\$125,969</u>

See the Accompanying Accountant's Review Report and Notes to Financial Statements

Montague Community Cable, Inc.
Statement of Activities
For the Year Ended December 31, 2010
With Summary Totals for 2009

UNRESTRICTED NET ASSETS

Support and Revenue	<u>2010</u>	<u>2009</u>
Cable Fees Revenue	\$109,375	\$104,895
Contributions	131	75
Sales of Tapes	239	745
Special Events	4,911	925
Miscellaneous Income	10	59
Interest Income	118	151
In-Kind Revenue	<u>0</u>	<u>45</u>
 Total Unrestricted Support and Revenue	 114,784	 106,895
 Expenses		
Program Services	92,466	86,035
Management & General	<u>17,276</u>	<u>16,112</u>
 Total Expenses	 109,742	 102,147
 Increase/(Decrease) in Unrestricted Net Assets	 5,042	 4,748
 Beginning Net Assets	 <u>99,582</u>	 <u>94,834</u>
 Ending Net Assets	 <u>\$104,624</u>	 <u>\$ 99,582</u>

See the Accompanying Accountant's Review Report and Notes to Financial Statements

Montague Community Cable, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2010
With Summary Totals for 2009

	<u>Program Services</u>	<u>General & Administrative</u>	<u>2010 Total</u>	<u>2009 Total</u>
Salaries & Wages	\$50,392		\$50,392	\$46,495
Payroll Taxes	4,638		4,638	4,803
Fringe Benefits	<u>5,400</u>		<u>5,400</u>	<u>5,400</u>
Subtotal	60,430		60,430	56,698
Advertising	368	\$ 110	478	517
Consultants	0	7,052	7,052	7,000
Depreciation	10,178	3,040	13,218	11,791
Dues & Fees	289	86	375	765
In-Kind Expense	0	0	0	45
Insurance	2,105	629	2,734	1,431
Maintenance	438	131	569	1,024
Office Expenses	282	84	366	779
Postage	28	9	37	70
Professional Fees	0	1,600	1,600	1,540
Program Expenses	813	0	813	1,191
Rent	8,732	2,608	11,340	10,980
Staff Travel	15	5	20	620
Stipends	2,351	0	2,351	1,616
Supplies	2,800	836	3,636	0
Telephone	1,399	418	1,817	2,554
Utilities	<u>2,238</u>	<u>668</u>	<u>2,906</u>	<u>3,526</u>
 Total Expenses	 <u>\$92,466</u>	 <u>\$17,276</u>	 <u>\$109,742</u>	 <u>\$102,147</u>

See the Accompanying Accountant's Review Report and Notes to Financial Statements

Montague Community Cable, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2010
With Summary Totals for 2009

CASH FLOWS FROM OPERATING ACTIVITIES:

	<u>2010</u>	<u>2009</u>
Increase/(Decrease) in net assets	\$ 5,042	\$ 4,748
Prior Period Adjustments		
Adjustment to reconcile change in net assets to		
Net cash provided by operating activities:		
Depreciation	13,218	11,791
(Increase) Decrease in operating assets:		
Accounts Receivable	(1,864)	(734)
Prepaid Expenses	(376)	(2,871)
Increase (Decrease) in operating liabilities:		
Accrued Expenses	(75)	1,042
Accounts Payable	485	289
Deferred Revenue	<u>0</u>	<u>15,000</u>
Net CASH PROVIDED/(USED)		
BY OPERATING ACTIVITIES	16,430	29,265
CASH FLOWS FROM INVESTING ACTIVITIES:		
Fixed Assets Purchased	<u>(5,271)</u>	<u>(7,948)</u>
NET CASH PROVIDED/(USED)		
BY INVESTING ACTIVITIES	(5,271)	(7,948)
CASH FLOWS FROM FINANCING ACTIVITIES:		
NET CASH PROVIDED/(USED)		
BY FINANCING ACTIVITIES	<u>0</u>	<u>0</u>
NET INCREASE/(DECREASE) IN CASH		
AND CASH EQUIVALENTS	11,159	21,317
BEGINNING CASH AND CASH EQUIVALENTS	<u>57,667</u>	<u>36,350</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$68,826</u>	<u>\$57,667</u>

See the Accompanying Accountant's Review Report and Notes to Financial Statements

Montague Community Cable, Inc.
Notes to Financial Statements
December 31, 2010

I. Summary of Significant Accounting Policies

A. Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The accrual method recognizes income as it is earned and expenses as they are incurred.

The Organization has adopted Statement of Financial Accounting Standards Nos. 116 and 117, Accounting for Contributions Received and Contributions Made (SFAS 116) and “Financial Statements of Not-For-Profit Organizations” (SFAS 117). Under SFAS 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under SFAS 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Organization does not use fund accounting. Currently, the Organization has no restricted assets.

B. Functional Allocation of Expenses:

The cost of providing the organization’s various programs and supporting services 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. In some cases, common expenses are incurred which support the works performed under more than one program and or contract. Such expenses are allocated based upon promulgated methods and standards of American Institute of Certified Public Accountants.

C. Cash Equivalents:

For purposes of the statement of cash flows, the organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

D. Contributions:

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

E. Revenue Recognition:

Program Service Fees are recognized as costs are incurred, or services provided, which are eligible for reimbursement according to the contract. To the extent allowable costs, or billings for service, have not been reimbursed, an account receivable from the funding source is recognized. If a contract is terminated, any unexpected funds may have to be returned to the funding source. Funds received under a contract are limited to usage as determined by the contract.

Montague Community Cable, Inc.
Notes to Financial Statements
December 31, 2010

1. Summary of Significant Accounting Policies (continued)

F. Advertising Costs:

The organization expenses the cost of advertising as incurred. A total of \$517 in advertising costs were expensed in 2009 and \$478 in 2010.

G. Capitalization of Expenditures:

Property and equipment are recorded at cost. The cost of maintenance and repairs is charged to income as incurred. Major improvements are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives. The organization follows the practice of capitalizing all expenditures for fixed assets in excess of \$500.

2. Organization

Montague Community Cable, Inc. is a not for profit corporation organized under Massachusetts General Laws Chapter 180; it is also a 501 (c) (3) organization under the Internal Revenue Code of 1986 as amended. As such the organization is exempt from federal and state corporate income taxes and various federal and state excise and sales taxes. As a 501(c)(3) organization all donations made to the organization may be deductible for federal income purposes.

3. Operations

The organization operates a local community access television station and supplies copies of tapings.

4. Concentration Risk

Financial investments that potentially subject the organization to concentrations of credit risk consist principally of accounts receivable.

The organization is funded primary by a contract with the Town of Montague. At year end, accounts receivable consists of an amount due from this source. Management believes the risk of loss is remote.

5. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Montague Community Cable, Inc.
Notes to Financial Statements
December 31, 2010

6. Fair Value of Financial Instruments

The organization's financial instruments, none that are held for trading purposes, include cash and cash equivalents, accounts receivable and accounts payable. Management estimates that the fair value of all financial instruments at December 31, 2010, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

The estimated fair value amounts have been determined using available market information and appropriate valuation methods. The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable reported in the balance sheet approximate fair value because of the short maturities of those instruments.

7. Property and Equipment

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Furniture & Fixtures	\$ 500			\$ 500
Equipment	<u>70,199</u>	<u>\$ 5,271</u>	<u> </u>	<u>75,470</u>
Total	<u>\$ 70,699</u>	<u>\$ 5,271</u>	<u>\$ 0</u>	<u>\$75,970</u>

Accumulated Depreciation:

<u>Description</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Furniture & Fixtures	\$ 500			\$ 500
Equipment	<u>32,121</u>	<u>\$ 13,218</u>	<u> </u>	<u>45,339</u>
Total	<u>\$ 32,621</u>	<u>\$ 13,218</u>	<u>\$ 0</u>	<u>\$ 45,339</u>

8. Operating Lease

The organization has a short term operating lease for office space. Rent expense for the years ending December 31, 2010 and December 31, 2009 was \$11,340 and \$10,980, respectively.

9. Prior Year Information

Prior year information presented in these financial statements is not a complete presentation in conformity with generally accepted accounting principles.

