

Montague Community Cable, Inc.

Financial Statements

December 31, 2009



Remice 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, 2009 and December 31, 2008 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.

April 27, 2010

A handwritten signature in black ink that reads "Bernice F. Lord CPA". The signature is written in a cursive style with a large, stylized initial "B".

Montague Community Cable, Inc.

Statement of Financial Position

As of December 31, 2009
With Summary Totals for 2008

<u>CURRENT ASSETS</u>	<u>2009</u>	<u>2008</u>
Cash	\$57,667	\$36,350
Accounts Receivable	26,312	25,578
Prepaid Expenses	3,081	210
Security Deposits	<u>831</u>	<u>831</u>
Total Current Assets	87,891	62,969
<u>PROPERTY AND EQUIPMENT</u>		
Furniture and Fixtures	500	500
Equipment	<u>70,199</u>	<u>62,251</u>
	70,699	62,751
Less Accumulated Depreciation	<u>32,621</u>	<u>20,830</u>
Total Property and Equipment	<u>38,078</u>	<u>41,921</u>
TOTAL ASSETS	<u>\$125,969</u>	<u>\$104,890</u>
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 846	\$ 557
Accrued Expenses	8,299	7,257
Deferred Revenue	<u>17,242</u>	<u>2,242</u>
TOTAL CURRENT LIABILITIES	26,387	10,056
<u>NET ASSETS</u>		
Unrestricted	<u>99,582</u>	<u>94,834</u>
TOTAL NET ASSETS	<u>99,582</u>	<u>94,834</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$125,969</u>	<u>\$104,890</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, 2009
With Summary Totals for 2008

UNRESTRICTED NET ASSETS

Support and Revenue	<u>2009</u>	<u>2008</u>
Cable Fees Revenue	\$104,895	\$100,955
Contributions	75	20
Sales of Tapes	745	520
Special Events	925	0
Miscellaneous Income	59	100
Interest Income	151	190
In-Kind Revenue	<u>45</u>	<u>0</u>
 Total Unrestricted Support and Revenue	 106,895	 101,785
 Expenses		
Program Services	86,035	76,794
Management & General	<u>16,112</u>	<u>14,779</u>
 Total Expenses	 102,147	 91,573
 Increase/(Decrease) in Unrestricted Net Assets	 4,748	 10,212
 Beginning Net Assets	 94,834	 84,622
 Ending Net Assets	 <u>\$ 99,582</u>	 <u>\$ 94,834</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, 2009

With Summary Totals for 2008

	<u>Program Services</u>	<u>General & Administrative</u>	<u>2009 Total</u>	<u>2008 Total</u>
Salaries & Wages	\$46,495		\$46,495	\$43,371
Payroll Taxes	4,803		4,803	4,609
Fringe Benefits	<u>5,400</u>		<u>5,400</u>	<u>5,400</u>
Subtotal	56,698		56,698	53,380
Advertising	517		517	105
Consultants		\$ 7,000	7,000	6,684
Depreciation	9,079	2,712	11,791	8,929
Dues & Fees	589	176	765	440
In-Kind Expense	45		45	0
Insurance	1,102	329	1,431	790
Maintenance	788	236	1,024	537
Office Expenses	599	180	779	411
Postage	54	16	70	41
Professional Fees		1,540	1,540	1,490
Program Expenses	1,191		1,191	959
Rent	8,455	2,525	10,980	10,775
Staff Travel	620		620	193
Stipends	1,616		1,616	370
Telephone	1,967	587	2,554	2,264
Utilities	<u>2,715</u>	<u>811</u>	<u>3,526</u>	<u>4,205</u>
Total Expenses	<u>\$86,035</u>	<u>\$16,112</u>	<u>\$102,147</u>	<u>\$91,573</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, 2009
With Summary Totals for 2008

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
	<u>2009</u>	<u>2008</u>
Increase/(Decrease) in net assets	4,748	10,212
Prior Period Adjustments		
Adjustment to reconcile change in net assets to		
Net cash provided by operating activities:		
Depreciation	11,791	8,929
(Increase) Decrease in operating assets:		
Accounts Receivable	(734)	(3,109)
Prepaid Expenses	(2,871)	800
Increase (Decrease) in operating liabilities:		
Accrued Expenses	1,042	(78)
Accounts Payable	289	(1,035)
Deferred Revenue	<u>15,000</u>	<u>0</u>
Net CASH PROVIDED/(USED)		
BY OPERATING ACTIVITIES	29,265	15,719
 <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Fixed Assets Purchased	<u>(7,948)</u>	<u>(19,628)</u>
NET CASH PROVIDED/(USED)		
BY INVESTING ACTIVITIES	(7,948)	(19,628)
 <u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
NET CASH PROVIDED/(USED)		
BY FINANCING ACTIVITIES	<u>0</u>	<u>0</u>
NET INCREASE/(DECREASE) IN CASH		
AND CASH EQUIVALENTS	21,317	(3,909)
BEGINNING CASH AND CASH EQUIVALENTS	<u>36,350</u>	<u>40,259</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$57,667</u>	<u>\$36,350</u>

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

Montague Community Cable, Inc.

Notes to Financial Statements

December 31, 2009

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, 2009

1. Summary of Significant Accounting Policies (continued)

F. Advertising Costs:

The organization expenses the cost of advertising as incurred. A total of \$105 in advertising costs were expensed in 2008 and \$517 in 2009.

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 December 31, 2009, 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, 2009

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, 2009, 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>62,251</u>	<u>\$ 7,948</u>	<u> </u>	<u>70,199</u>
Total	<u>\$ 62,751</u>	<u>\$ 7,948</u>	<u>\$ 0</u>	<u>\$ 70,699</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>20,330</u>	<u>\$ 11,791</u>	<u> </u>	<u>32,121</u>
Total	<u>\$ 20,830</u>	<u>\$ 11,791</u>	<u>\$ 0</u>	<u>\$ 32,621</u>

8. Operating Lease

The organization has a short term operating lease for office space. Rent expense for the years ending December 31, 2009 and December 31, 2008 was \$10,980 and \$10,775, 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.

