

# **CARBONDALE COMMUNITY ACCESS RADIO**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2023

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## **Independent Auditors' Report**

To the Board of Directors  
Carbondale Community Access Radio  
Carbondale, Colorado

### **Opinion**

We have audited the accompanying financial statements of Carbondale Community Access Radio (a nonprofit corporation) which comprise the statement of financial position as of December 31, 2023, 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 Carbondale Community Access Radio as of December 31, 2023, 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 Carbondale Community Access Radio 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 Carbondale Community Access Radio'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 Carbondale Community Access Radio'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 Carbondale Community Access Radio'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.

Soronen, Donley, Patterson CPA's PC  
July 4, 2024

# CARBONDALE COMMUNITY ACCESS RADIO

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

### ASSETS

#### CURRENT ASSETS

Cash and Cash Equivalents	\$264,279
Investments	266,954
Accounts Receivable	14,510
Grants Receivable	144,743
Investment in Sunlight Peak, LLC	5,136
Other Assets	240

TOTAL CURRENT ASSETS	<u>695,862</u>
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#### PROPERTY & EQUIPMENT

Building and Land	314,215
Office Equipment	30,984
Studio Equipment	108,336
Software	17,170
Less: Accumulated Depreciation and Amortization	<u>(226,520)</u>

NET PROPERTY & EQUIPMENT	<u>244,185</u>
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TOTAL ASSETS	<u><u>\$940,047</u></u>
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### LIABILITIES & NET ASSETS

#### CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	<u>\$83,198</u>
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TOTAL CURRENT LIABILITIES	<u>83,198</u>
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TOTAL LIABILITIES	<u>83,198</u>
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#### NET ASSETS

Without Donor Restrictions	812,438
With Donor Restrictions	<u>44,411</u>

TOTAL NET ASSETS	<u>856,849</u>
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TOTAL LIABILITIES & NET ASSETS	<u><u>\$940,047</u></u>
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See accompanying notes to the financial statements

# CARBONDALE COMMUNITY ACCESS RADIO

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Corporation for Public Broadcasting Grants	\$78,758	\$65,985	\$144,743
Other Grants and Contributions	279,539	0	279,539
Underwriting Income	164,260	0	164,260
Special Events	98,077	0	98,077
Less: Costs of Special Events	(60,484)	0	(60,484)
Investment Income	28,171	0	28,171
Other Income	16,528	0	16,528
Net Assets Released from Restrictions	67,014	(67,014)	0
TOTAL REVENUE AND SUPPORT	<u>671,863</u>	<u>(1,029)</u>	<u>670,834</u>
EXPENSES			
Program Services			
Broadcasting, Engineering, & Promotion	515,758	0	515,758
Supporting Services			
Management and General	103,600	0	103,600
Fundraising	28,165	0	28,165
TOTAL EXPENSES	<u>647,523</u>	<u>0</u>	<u>647,523</u>
CHANGE IN NET ASSETS	24,340	(1,029)	23,311
NET ASSETS - BEGINNING	<u>788,098</u>	<u>45,440</u>	<u>833,538</u>
NET ASSETS - ENDING	<u>\$812,438</u>	<u>\$44,411</u>	<u>\$856,849</u>

See accompanying notes to the financial statements

# CARBONDALE COMMUNITY ACCESS RADIO

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	Supporting Services		
	Broadcasting, Engineering, & Promotion	Management and General	Fundraising	Total Expenses
Compensation and Related Expenses				
Compensation	\$247,153	\$46,341	\$15,447	\$308,941
Payroll Taxes	23,518	4,410	1,470	29,398
Employee Benefits	31,207	5,851	1,950	39,008
Total Compensation and Related Expenses	301,878	56,602	18,867	377,347
Depreciation and Amortization	7,988	1,498	499	9,985
Fundraising Expenses	0	0	6,907	6,907
In-Kind Trade Expense	68,866	0	0	68,866
Insurance	8,611	1,614	538	10,763
Interest	290	15	0	305
Marketing and Advertising	981	0	0	981
Office Expenses	8,840	1,658	553	11,051
Professional Services	6,014	39,664	0	45,678
Programming and Production	71,106	0	0	71,106
Repairs and Maintenance	895	168	56	1,119
Technology	40,289	2,234	745	43,268
Travel	0	147	0	147
Total Expenses	\$515,758	\$103,600	\$28,165	\$647,523

See accompanying notes to the financial statements

# CARBONDALE COMMUNITY ACCESS RADIO

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

### CASH FLOWS FROM OPERATING ACTIVITIES

Increase (Decrease) in Net Assets	\$23,311
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by:	
Operating Activities:	
Depreciation and Amortization	9,985
Unrealized (Gain)/Loss	(28,171)
(Increase) Decrease in Operating Assets:	
Accounts Receivable	2,564
Grants Receivable	(109,303)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable and Accrued Liabilities	(700)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(102,314)</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Building Improvements	<u>(19,000)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(19,000)</u>

### CASH FLOWS FROM FINANCING ACTIVITIES

Debt Reduction:	
Long-Term	<u>(13,742)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(13,742)</u>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (135,056)

BEGINNING CASH AND CASH EQUIVALENTS 399,335

ENDING CASH AND CASH EQUIVALENTS \$264,279

### SUPPLEMENTAL DISCLOSURES

Interest Paid	<u><u>\$305</u></u>
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See accompanying notes to the financial statements



# CARBONDALE COMMUNITY ACCESS RADIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### NOTE A – NATURE OF ACTIVITIES

#### Description of the Organization

Carbondale Community Access Radio (the Organization) is a Colorado nonprofit corporation incorporated in 1981 as a community access radio created by and for its listeners to provide diverse and innovative programming that reflects the concerns and interest of the communities it serves. The Organization is supported primarily by funding from the Corporation for Public Broadcasting, underwriting, grants, contributions, and fundraising.

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

#### Basis of Presentation

The financial statements of Carbondale Community Access Radio, 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 ASU 2016-13

Effective January 1, 2023, the Organization adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Organization adopted this new guidance utilizing the modified retrospective transition method. Topic 326 requires measurement and recognition of expected versus incurred losses for financial assets held. Financial assets held by the Organization that are subject to ASU 2016-13 include trade accounts receivable. The adoption of this ASU did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

#### 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 other activities considered to be of a more unusual or nonrecurring nature.

#### 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).

# CARBONDALE COMMUNITY ACCESS RADIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### 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.

#### 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 Receivables and Related Allowance for Credit Losses

The Organization’s accounts receivable is due from customers for revenue recognized, but not yet paid. An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends, and macroeconomic factors. Account balances are charged off against the allowance when recovery efforts cease. For the year ended, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

# CARBONDALE COMMUNITY ACCESS RADIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

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

#### Grants Receivable

Unconditional pledges are recognized as revenue in the period the pledge is made. Pledges are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional pledges are recognized when the conditions on which they depend are substantially met. As of December 31, 2023, there was \$144,743 of grants receivable related to a grant from the Corporation for Public Broadcasting. The full amount of the receivable is expected to be received in cash in 2024.

#### Investments

The Organization carries investments in marketable debt and equity securities with readily determinable fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

#### Property and Equipment

The Organization follows the practice of capitalizing all expenditures for land, buildings, and equipment of \$2,500 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 40 years for buildings and improvements and 5-10 years for equipment. If a donor stipulates the use of property and equipment, it is recorded as a restricted asset.

#### 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
Depreciation and Amortization	Time and Effort
Insurance	Time and Effort
Interest	Time and Effort
Office Expense	Time and Effort
Professional Services	Direct Costs
Repairs and Maintenance	Time and Effort
Technology	Time and Effort

#### Advertising Costs

The Organization uses advertising to promote their broadcasting services and fundraising events. Advertising costs are expensed as incurred. Advertising costs for the year ended December 31, 2023, were \$981.

#### Subsequent Events

Management has evaluated subsequent events through July 4, 2024, the date the financial statements were available to be issued.

# CARBONDALE COMMUNITY ACCESS RADIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### NOTE C – IN-KIND DONATIONS

For the year ended December 31, 2023, the Organization recognized revenue of \$100,867 from donated goods and services. Of this amount, \$68,867 is presented on the statement of activities as underwriting income, and \$32,000 is presented on the statement of activities as special event income. The Organization provides underwriting spots for local events in exchange for sponsorship recognition, building cleaning, IT services, and marketing and advertising. The value of the services received is determined by the number of underwriting spots and relevant underwriting rates and is recognized as an expense in the related functional expense area on the statement of functional expenses. There was \$100,867 of expenses recognized related to the donated services.

### NOTE D – INVESTMENTS

Investments as of December 31, 2023, consist of the following:

Bond Market Index Fund	\$ 111,348
Stock Market Index Fund	<u>155,606</u>
Total Investments	<u>\$ 266,954</u>
Investment in Sunlight Peak, LLC	<u>\$ 5,136</u>

### NOTE E – FAIR VALUE MEASUREMENT

The Organization is subject to the provisions of Fair Value measurements and Disclosures. This standard requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

The following table summarizes the valuation of investments in the fair value hierarchy as of December 31, 2023. All investments are considered Level 1 investments with the exception of the investment in Sunlight Peak, LLC, which is classified as Level 3.

<u>Investment Description</u>	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Bond Market Index Fund	\$111,348	\$111,348	\$0	\$0
Stock Market Index Fund	155,606	155,606	0	0
Investment in Sunlight Peak, LLC	<u>5,136</u>	<u>0</u>	<u>0</u>	<u>5,136</u>
Total	<u>\$272,090</u>	<u>\$266,954</u>	<u>\$0</u>	<u>\$5,136</u>

The Organization's investment in Sunlight Peak, LLC, is a one-third ownership in the net assets of Sunlight Peak, LLC. Sunlight Peak, LLC ("Sunlight"), is a Colorado non-profit limited liability company owned by three non-profit organizations to jointly share in the construction and maintenance costs of the Sunlight Peak transmitter tower. For the year ended December 31, 2023, the investment was decreased by \$9,953 to record the investment at fair value.

### 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.

The Organization operates from a single location and relies on its broadcasting assets to serve its coverage areas within the Roaring Fork, Frying Pan, Colorado, and Crystal River Valleys. For the year ended December 31, 2023, the Organization received approximately 21% of its total revenues, gains, and other support from the Corporation for Public Broadcasting (CPB). CPB funds are subject to certain use and reporting requirements. Should CPB determine funds were not spent properly, the Organization may be required to return the funds. The Organization believes all CPB funds have been spent in accordance with CPB's restrictions.

# CARBONDALE COMMUNITY ACCESS RADIO

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

### NOTE G – NET ASSETS

Net assets with donor restrictions were as follows for the years ended December 31:

Restricted:	
Corporation for Public Broadcasting grant to be used in the subsequent year	\$ 35,129
Solar Conversion Project	<u>9,282</u>
Total Restrictions	<u>\$ 44,411</u>

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

Satisfaction of Restrictions	
Corporation for Public Broadcasting grant to be used in the subsequent year	\$ 66,296
Solar Conversion Project	<u>718</u>
Total Satisfaction of Restrictions	<u>\$ 67,014</u>

### 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, grants, contributions, 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.

Financial assets at year-end:	
Cash and Cash Equivalents	\$ 264,279
Investments	266,954
Accounts Receivable	14,510
Grants Receivable	<u>144,743</u>
Total	<u>\$ 690,486</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	\$ 44,411
Less net assets with purpose restrictions to be met in less than a year	<u>(44,411)</u>
	<u>\$ 0</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 690,486</u>