

CARBONDALE COMMUNITY ACCESS RADIO

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2024

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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, 2024, 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, 2024, 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.

A handwritten signature in cursive script that reads 'Soronon Donley Patterson'.

Soronon, Donley, Patterson CPA's PC
June 30, 2025

CARBONDALE COMMUNITY ACCESS RADIO

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$363,732
Investments	303,685
Accounts Receivable	24,034
Grants Receivable	43,655
Investment in Sunlight Peak, LLC	769
Other Assets	240

TOTAL CURRENT ASSETS	<u>736,115</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>(236,898)</u>

NET PROPERTY & EQUIPMENT	<u>233,807</u>
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TOTAL ASSETS	<u><u>\$969,922</u></u>
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LIABILITIES & NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	<u>\$995</u>
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TOTAL CURRENT LIABILITIES	<u>995</u>
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TOTAL LIABILITIES	<u>995</u>
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NET ASSETS

Without Donor Restrictions	920,751
With Donor Restrictions	<u>48,176</u>

TOTAL NET ASSETS	<u>968,927</u>
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TOTAL LIABILITIES & NET ASSETS	<u><u>\$969,922</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, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Corporation for Public Broadcasting Grants	\$102,786	\$71,993	\$174,779
Other Grants and Contributions	291,532	0	291,532
Underwriting Income	147,736	0	147,736
Special Events	61,761	0	61,761
Less: Costs of Special Events	(3,663)	0	(3,663)
Investment Income	32,364	0	32,364
Other Income	13,032	0	13,032
Net Assets Released from Restrictions	68,228	(68,228)	0
TOTAL REVENUE AND SUPPORT	<u>713,776</u>	<u>3,765</u>	<u>717,541</u>
EXPENSES			
Program Services			
Broadcasting, Engineering, & Promotion	493,360	0	493,360
Supporting Services			
Management and General	81,032	0	81,032
Fundraising	31,072	0	31,072
TOTAL EXPENSES	<u>605,463</u>	<u>0</u>	<u>605,463</u>
CHANGE IN NET ASSETS	108,313	3,765	112,078
NET ASSETS - BEGINNING	<u>812,438</u>	<u>44,411</u>	<u>856,849</u>
NET ASSETS - ENDING	<u>\$920,751</u>	<u>\$48,176</u>	<u>\$968,927</u>

See accompanying notes to the financial statements

CARBONDALE COMMUNITY ACCESS RADIO

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services	Supporting Services		
	Broadcasting, Engineering, & Promotion	Management and General	Fundraising	Total Expenses
Compensation and Related Expenses				
Compensation	\$241,992	\$45,374	\$15,125	\$302,490
Payroll Taxes	23,662	4,437	1,479	29,578
Employee Benefits	33,682	6,315	2,105	42,102
Total Compensation and Related Expenses	299,336	56,126	18,709	374,170
Depreciation and Amortization	8,302	1,557	519	10,378
Fundraising Expenses	0	0	9,869	9,869
In-Kind Trade Expense	40,088	0	0	40,088
Insurance	9,080	1,702	568	11,350
Marketing and Advertising	835	0	0	835
Office Expenses	11,493	2,157	718	14,368
Professional Services	7,655	17,422	0	25,077
Programming and Production	79,346	0	0	79,346
Repairs and Maintenance	339	63	21	423
Technology	36,886	2,005	668	39,559
Total Expenses	\$493,360	\$81,032	\$31,072	\$605,463

See accompanying notes to the financial statements

CARBONDALE COMMUNITY ACCESS RADIO

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets	\$112,078
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by:	
Operating Activities:	
Depreciation and Amortization	10,379
Unrealized (Gain)/Loss	(28,866)
(Increase) Decrease in Operating Assets:	
Accounts Receivable	(9,524)
Grants Receivable	101,088
Increase (Decrease) in Operating Liabilities:	
Accounts Payable and Accrued Liabilities	(82,204)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>102,951</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Receipt of Interest and Dividends Reinvested	<u>(3,498)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(3,498)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	99,453
BEGINNING CASH AND CASH EQUIVALENTS	<u>264,279</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$363,732</u></u>

See accompanying notes to the financial statements

CARBONDALE COMMUNITY ACCESS RADIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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."

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).

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."

CARBONDALE COMMUNITY ACCESS RADIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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

Revenue Recognition - continued

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.

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, 2024, there was \$43,655 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 2025.

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.

CARBONDALE COMMUNITY ACCESS RADIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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

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:

Expense	Method of Allocation
Compensation and Related Expenses	Time and Effort
Depreciation and Amortization	Time and Effort
Insurance	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 ending December 31, 2024, were \$835.

Subsequent Events

Management has evaluated subsequent events through June 30, 2025, the date the financial statements were available to be issued.

NOTE C – IN-KIND DONATIONS

For the year ended December 31, 2024, the Organization recognized revenue of \$40,088.00 from donated goods and services. Of this amount, \$40,088.00 is presented on the statement of activities as underwriting 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 \$40,088.00 of expenses recognized related to the donated services.

NOTE D – INVESTMENTS

Investments as of December 31, 2024, consist of the following:

Vanguard Money Market	\$ 60,679
Bond Market Index Fund	112,730
Stock Market Index Fund	<u>130,276</u>
Total Investments	<u>\$ 303,685</u>
Investment in Sunlight Peak, LLC	<u>\$ 769</u>

CARBONDALE COMMUNITY ACCESS RADIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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, 2024. 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>
Vanguard Money Fund	\$60,679	\$60,679	\$0	\$0
Bond Market Index Fund	112,730	112,730	0	0
Stock Market Index Fund	130,276	130,276	0	0
Investment in Sunlight Peak, LLC	769	0	0	769
Total	<u>\$304,454</u>	<u>\$303,685</u>	<u>\$0</u>	<u>\$769</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 ending December 31, 2024, the investment decreased by \$4,367 to record it 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 ending December 31, 2024, the Organization received approximately 26% 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.

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	\$ 43,655
Solar Conversion Project	<u>4,521</u>
Total Restrictions	<u>\$ 48,176</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	\$ 63,467
Solar Conversion Project	<u>4,761</u>
Total Satisfaction of Restrictions	<u>\$ 68,228</u>

CARBONDALE COMMUNITY ACCESS RADIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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	\$ 363,732
Investments	303,685
Accounts Receivable	24,034
Grants Receivable	<u>43,655</u>
Total	<u>\$ 735,106</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	\$ 48,176
Less net assets with purpose restrictions to be met in less than a year	<u>(48,176)</u>
	<u>\$ 0</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 735,106</u>