



# **Community Wireless of Park City, Inc. (Operating as KPCW-FM)**

## **Independent Auditor's Report and Financial Statements**

August 31, 2025 and 2024



**Community Wireless of Park City, Inc.**  
**(Operating as KPCW-FM)**  
**Contents**  
**August 31, 2025 and 2024**

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## Independent Auditor's Report

Board of Trustees  
Community Wireless of Park City, Inc.  
Park City, Utah

### ***Opinion***

We have audited the financial statements of Community Wireless of Park City, Inc. (the Station), which comprise the statements of financial position as of August 31, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Station as of August 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Station 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 the Station's ability to continue as a going concern within one year after the date that these 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 GAAS 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 control. Misstatements 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 GAAS, 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 the Station's internal control. Accordingly, no such opinion is expressed.
- 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 the Station'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.

**Forvis Mazars, LLP**

**Salt Lake City, Utah  
January 29, 2026**

**Community Wireless of Park City, Inc.**  
**(Operating as KPCW-FM)**  
**Statements of Financial Position**  
**August 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 666,590	\$ 919,996
Investment in U.S. Treasury bills	1,520,127	1,514,396
Contributions receivable, net of allowance	171,468	74,886
Accounts receivable, net of allowance	30,697	34,930
Prepaid expenses	394	669
<b>Total Current Assets</b>	<u>2,389,276</u>	<u>2,544,877</u>
<b>Property and Equipment, Net</b>	<u>1,972,446</u>	<u>2,058,528</u>
<b>Other Assets</b>		
Deposits	<u>58,826</u>	<u>54,236</u>
<b>Total Other Assets</b>	<u>58,826</u>	<u>54,236</u>
<b>Total Assets</b>	<u>\$ 4,420,548</u>	<u>\$ 4,657,641</u>

**Community Wireless of Park City, Inc.**  
**(Operating as KPCW-FM)**  
**Statements of Financial Position**  
**August 31, 2025 and 2024**

**(Continued)**

	<u>2025</u>	<u>2024</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 7,242	\$ 826
Accrued expenses and other liabilities	99,553	89,116
Deferred revenue	90,805	113,177
<b>Total Current Liabilities</b>	<u>197,600</u>	<u>203,119</u>
<b>Long-Term Liabilities</b>		
Deferred revenue	-	102,451
<b>Total Liabilities</b>	<u>197,600</u>	<u>305,570</u>
<b>Net Assets</b>		
Without donor restrictions	4,016,255	4,289,571
With donor restrictions	206,693	62,500
<b>Total Net Assets</b>	<u>4,222,948</u>	<u>4,352,071</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 4,420,548</u>	<u>\$ 4,657,641</u>

**Community Wireless of Park City, Inc.**  
**(Operating as KPCW-FM)**  
**Statements of Activities**  
**Years Ended August 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Revenue and Support without Donor Restrictions</b>		
Underwriting revenue	\$ 484,862	\$ 507,697
Contributions	862,417	1,069,634
Contributions of nonfinancial assets	129,960	137,704
Grants	346,976	206,105
Corporation for Public Broadcasting		
Community Service Grant	263,877	245,299
Underwriting trade revenue	156,863	197,343
Interest income	89,903	104,552
Other income	10,539	1,500
	<u>2,345,397</u>	<u>2,469,834</u>
Net assets released from donor restrictions	6,094	10,203
	<u>2,351,491</u>	<u>2,480,037</u>
<b>Total Revenue and Support Without Donor Restrictions</b>		
<b>Operating Expenses</b>		
Program services		
Programming and production	1,385,360	1,130,442
Engineering	149,975	142,507
	<u>1,535,335</u>	<u>1,272,949</u>
Total program services		
Support services		
Fundraising, development		
and underwriting	624,676	713,894
Management and administration	464,796	625,164
	<u>1,089,472</u>	<u>1,339,058</u>
Total support services		
<b>Total Operating Expenses</b>	<u>2,624,807</u>	<u>2,612,007</u>
<b>Change in Net Assets Without Donor Restrictions</b>	<u>(273,316)</u>	<u>(131,970)</u>
<b>Revenue and Support with Donor Restrictions</b>		
Contributions	150,287	62,500
<b>Net Assets Released from Donor Restrictions</b>	<u>(6,094)</u>	<u>(10,203)</u>
<b>Change in Net Assets with Donor Restrictions</b>	<u>144,193</u>	<u>52,297</u>
<b>Change in Total Net Assets</b>	(129,123)	(79,673)
<b>Net Assets, Beginning of Year</b>	<u>4,352,071</u>	<u>4,431,744</u>
<b>Net Assets, End of Year</b>	<u>\$ 4,222,948</u>	<u>\$ 4,352,071</u>

**Community Wireless of Park City, Inc.**  
**(Operating as KPCW-FM)**  
**Statement of Functional Expenses**  
**Year Ended August 31, 2025**

	<b>Programming and Production</b>	<b>Engineering</b>	<b>Fundraising, Development and Underwriting</b>	<b>Management and Administration</b>	<b>Total Expenses</b>
Salaries	\$ 914,813	\$ -	\$ 272,768	\$ 184,393	\$ 1,371,974
Payroll taxes	69,542	-	20,692	16,652	106,886
Employee benefits	107,543	-	37,290	22,639	167,472
Workers compensation	3,811	-	1,248	869	5,928
Purchased programming	127,202	-	-	-	127,202
Purchased production	11,465	-	-	-	11,465
Professional fees	-	-	-	33,154	33,154
Outside services	37,130	28,800	-	55,936	121,866
Premiums	-	-	29,257	4,272	33,529
Transmitter rental	91,652	-	-	-	91,652
Internet and computer	-	-	-	11,935	11,935
Licenses and dues	-	-	-	11,867	11,867
Utilities	-	12,534	-	4,512	17,046
Telephone	8,307	-	1,118	2,571	11,996
Bank and credit card fees	-	-	24,706	518	25,224
Supplies	1,317	-	366	4,464	6,147
Printing and reproduction	-	-	2,526	1,109	3,635
Travel and conferences	8,227	-	3,513	4,410	16,150
Insurance	-	-	-	16,773	16,773
Events	-	-	209,700	-	209,700
Miscellaneous	4,351	-	-	1,314	5,665
Software	-	-	13,905	6,066	19,971
Meals and entertainment	-	-	264	19,214	19,478
Postage and delivery	-	-	168	1,690	1,858
Maintenance	-	11,054	-	4,271	15,325
Advertising and marketing	-	-	7,155	40,105	47,260
Payroll processing fees	-	-	-	5,806	5,806
Interest	-	-	-	-	-
<b>Total functional expenses</b>	<b>1,385,360</b>	<b>52,388</b>	<b>624,676</b>	<b>454,540</b>	<b>2,516,964</b>
Depreciation	-	97,587	-	10,256	107,843
<b>Total expenses</b>	<b><u>\$ 1,385,360</u></b>	<b><u>\$ 149,975</u></b>	<b><u>\$ 624,676</u></b>	<b><u>\$ 464,796</u></b>	<b><u>\$ 2,624,807</u></b>

**Community Wireless of Park City, Inc.**  
**(Operating as KPCW-FM)**  
**Statement of Functional Expenses**  
**Year Ended August 31, 2024**

	<b>Programming and Production</b>	<b>Engineering</b>	<b>Fundraising, Development and Underwriting</b>	<b>Management and Administration</b>	<b>Total Expenses</b>
Salaries	\$ 790,803	\$ -	\$ 267,125	\$ 284,333	\$ 1,342,261
Payroll taxes	59,246	-	20,686	22,028	101,960
Employee benefits	80,250	1,700	33,454	29,061	144,465
Workers compensation	2,237	-	830	545	3,612
Purchased programming	109,069	-	-	-	109,069
Purchased production	11,539	-	-	-	11,539
Professional fees	-	-	-	44,635	44,635
Outside services	30,764	28,800	-	6,520	66,084
Premiums	-	-	197,343	58,023	255,366
Transmitter rental	25,000	-	-	-	25,000
Internet and computer	-	-	-	12,725	12,725
Licenses and dues	-	-	-	12,708	12,708
Utilities	-	10,698	-	13,837	24,535
Telephone	6,551	-	1,198	2,554	10,303
Bank and credit card fees	-	-	27,123	42	27,165
Supplies	2,077	46	460	5,749	8,332
Printing and reproduction	-	-	1,616	743	2,359
Travel and conferences	8,594	285	1,196	4,387	14,462
Insurance	-	-	-	16,911	16,911
Events	-	-	155,853	-	155,853
Capital expansion	-	-	-	4,506	4,506
Miscellaneous	4,312	-	147	34,525	38,984
Credit loss recovery	-	-	-	(300)	(300)
Software	-	-	6,321	5,703	12,024
Meals and entertainment	-	-	120	24,717	24,837
Postage and delivery	-	-	377	1,739	2,116
Maintenance	-	4,890	-	473	5,363
Advertising and marketing	-	-	45	22,114	22,159
Payroll processing fees	-	-	-	4,018	4,018
Interest	-	-	-	68	68
<b>Total functional expenses</b>	<b>1,130,442</b>	<b>46,419</b>	<b>713,894</b>	<b>612,364</b>	<b>2,503,119</b>
Depreciation	-	96,088	-	12,800	108,888
<b>Total expenses</b>	<b>\$ 1,130,442</b>	<b>\$ 142,507</b>	<b>\$ 713,894</b>	<b>\$ 625,164</b>	<b>\$ 2,612,007</b>

**Community Wireless of Park City, Inc.**  
**(Operating as KPCW-FM)**  
**Statements of Cash Flows**  
**Years Ended August 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (129,123)	\$ (79,673)
Items not requiring (providing) cash		
Depreciation	107,843	108,888
Credit loss recovery	-	(300)
Changes in		
Accounts receivable	4,233	1,206
Contributions receivable	(96,582)	(9,703)
Prepays and deposits	(4,315)	(1,924)
Accounts payable and accrued expenses	16,853	3,549
Deferred revenue	(124,823)	(45,398)
<b>Net Cash Used in Operating Activities</b>	<u>(225,914)</u>	<u>(23,355)</u>
<b>Cash Flows from Investing Activities</b>		
Investment in U.S. Treasury bills	(5,731)	(297,234)
Purchases of property and equipment	(21,761)	(32,483)
<b>Net Cash Used in Investing Activities</b>	<u>(27,492)</u>	<u>(329,717)</u>
<b>Cash Flows from Financing Activity</b>		
Principal payments under finance lease	-	(1,041)
<b>Net Cash Used in Financing Activity</b>	<u>-</u>	<u>(1,041)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(253,406)	(354,113)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>919,996</u>	<u>1,274,109</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 666,590</u>	<u>\$ 919,996</u>
<b>Supplemental Cash Flow Information</b>		
Cash paid for		
Interest	\$ -	\$ 68

## **Note 1. Nature of Operations and Summary of Significant Accounting Policies**

### ***Nature of Operations***

Community Wireless of Park City, Inc. (the Station) is a non-profit Utah corporation which operates a volunteer supported noncommercial public radio station in Park City, Utah (KPCW-FM) (a non-profit organization). The Station's mission is to serve Summit and Wasatch counties with local news, information, entertainment and emergency alerts through its broadcast signal and digital media platforms. The Station is also committed to provide its communication abilities to help other non-profit organizations in our community succeed.

### ***Basis of Accounting***

The accompanying financial statements have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America. In addition, the Station's financial statements have been prepared in accordance with the Corporation for Public Broadcasting's (CPB) *Application of Accounting and Financial Reporting to Public Telecommunication Entities*.

### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances in making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. While actual results could differ from those estimates, management believes that the estimates are reasonable.

### ***Cash and Cash Equivalents***

The Station considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. The carrying amount approximates fair value because of the short maturity of these investments. As of August 31, 2025 and 2024, cash equivalents consisted of 13 week U.S. Treasury bills (T-bills) totaling \$200,000 and \$400,000, respectively.

At August 31, 2025, the Station's cash accounts did not exceed federally insured limits. In addition, the Station's cash equivalents (T-bills with maturities of three months or less) of \$200,000 are not insured by the FDIC, however they are backed by the credit of the United States Government. The Station has not experienced any losses in such accounts or lack of access to its cash and believes it is not exposed to significant risk of loss with respect to cash and cash equivalents.

**Community Wireless of Park City, Inc.**  
**(Operating as KPCW-FM)**  
**Notes to Financial Statements**  
**August 31, 2025 and 2024**

***Investment in U.S. Treasury Bills***

The Station invested in five U.S. Treasury bills with maturities ranging from 26 to 52 weeks during the year ended August 31, 2025. These investments are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Below is a summary of these investments held as of August 31, 2025 and 2024 that are considered to be Level 2 (containing observable inputs such as quoted prices for similar assets, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset):

	<b>Face (Par) Value at Maturity</b>	<b>Maturity Date</b>	<b>Term (in weeks)</b>	<b>Yield %</b>	<b>Fair Value at August 31, 2025</b>
U.S. Treasury bill	\$ 300,000	3/19/2026	52	4.12%	\$ 293,425
U.S. Treasury bill	150,000	11/13/2025	26	4.25%	150,000
U.S. Treasury bill	300,000	9/25/2025	26	4.23%	300,000
U.S. Treasury bill	300,000	6/11/2026	52	4.12%	290,675
U.S. Treasury bill	<u>500,000</u>	5/14/2026	52	4.11%	<u>486,027</u>
Total	<u>\$ 1,550,000</u>				<u>\$ 1,520,127</u>

	<b>Face (Par) Value at Maturity</b>	<b>Maturity Date</b>	<b>Term (in weeks)</b>	<b>Yield %</b>	<b>Fair Value at August 31, 2024</b>
U.S. Treasury bill	\$ 300,000	2/20/2025	52	4.95%	\$ 293,231
U.S. Treasury bill	150,000	11/14/2024	26	5.38%	148,386
U.S. Treasury bill	300,000	9/26/2024	26	5.31%	298,894
U.S. Treasury bill	300,000	5/15/2025	52	5.16%	289,517
U.S. Treasury bill	<u>500,000</u>	4/17/2025	52	5.18%	<u>484,368</u>
Total	<u>\$ 1,550,000</u>				<u>\$ 1,514,396</u>

The concentration of market risk in U.S. Treasury bills, including those with a 13-week maturity (included in cash equivalents of \$200,000), as of August 31, 2025 totaled \$1,720,127 or approximately 80% of total cash, cash equivalents and investments in U.S. Treasury bills.

***Accounts Receivable and Contributions Receivable***

Accounts receivable consist of amounts due for underwriting. Contributions receivable consists of amounts due for unconditional promises to give to the Station. Accounts receivable and contributions receivable are stated at unpaid balances, less an allowance for credit loss. The allowance is based on a review of outstanding receivables, historical collection information, and existing economic conditions adjusted for current conditions and reasonable and supportable forecasts, which may affect the ability of customers and donors to meet their obligations. It is the Stations policy to expense uncollectible accounts receivable when management determines the receivable will not be collected. Accounts receivable are recorded net of an allowance of \$2,000 as of August 31, 2025 and 2024. Contributions receivable are recorded net of allowance of \$1,600 as of August 31, 2025 and 2024.

**Community Wireless of Park City, Inc.**  
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**Notes to Financial Statements**  
**August 31, 2025 and 2024**

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***Property and Equipment***

Property and equipment is recorded at cost or, in the case of donated equipment, at the estimated fair value at the date of donation. Repairs and maintenance are expensed as incurred, whereas major improvements are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows: building and improvements – 39 years, broadcast equipment – 5 to 10 years, and office equipment, furniture and fixtures – 3 to 5 years.

***Long-Lived Asset Impairment***

The Station reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Station evaluates the recoverability of long-lived assets by measuring the carrying amounts of the assets against the estimated undiscounted cash flows associated with these assets. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the assets' carrying value, the assets are adjusted to their fair values (based upon discounted cash flows). Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. No impairment losses were recognized for the years ended August 31, 2025 and 2024.

***Deferred Revenue***

Revenue from fees for underwriting are deferred and recognized over the periods to which the fees relate.

***Net Assets***

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restriction.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Restrictions are generally temporary in nature, such as those that will be met by the passage of time, use for specific purposes, or other events specified by the donor. At August 31, 2025 and 2024, net assets with donor restrictions included contributions and grants restricted for future periods. Releases of restriction represent the portion of contributions and grants attributable to the current period.

***Revenue Recognition – Exchange Revenues***

The Station derives its exchange revenues under the scope of Topic 606 from underwriting revenue and broadcaster club member contributions. The Station determines the amount of revenue to be recognized from these revenue streams through the application of the following five-step model:

- Identification of the contract, or contracts with the customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when or as the Station satisfies the performance obligations.

Underwriting revenue is recognized, over time, in the month or months the services are provided.

**Community Wireless of Park City, Inc.**  
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**Notes to Financial Statements**  
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Broadcaster club member contributions include benefits to being a member, depending on the level of membership or contribution (silver, sterling, gold, platinum, and diamond). Each level of membership receives member benefits with more benefits as membership levels increase. Depending on membership level, the benefits change annually but generally include several club events throughout the year, names being read on air, and on-air messages read by the member. The contributions are separated into two parts. One part is considered a sale of goods or services (exchange transaction) for the value of the benefits provided by the membership. The exchange transaction is under Topic 606 and revenue is recognized over the term of the benefits that are provided, generally 12 months. The excess amount is recognized as unrestricted contributions and revenue is recognized at such time when the donor's gift represents an unconditional promise to give. This customarily occurs upon the donor's pledge or when the donor becomes a member.

A performance obligation is a promise in a contract with a customer to transfer a product or services that are distinct. Determining whether services are distinct performance obligations that should be accounted for separately or combined as one unit of accounting may require significant judgment.

***Underwriting Revenue***

Revenue from underwriting and other services provided by the Station is recognized, over time, in the month or months the services are provided. The Station classifies such revenue according to the service being performed. Advanced or prepaid amounts are recorded as deferred revenues and amortized over the respective service period or as the services are provided.

***Underwriting Trade Revenue***

Underwriting trade revenue represents payments made by underwriters via services or goods rather than cash. Underwriting trade revenue is valued at the rates of the airtime provided which equals the value of the services or goods earned. Underwriting payments made via services are for services such as information technology support, transmitter site rental, marketing and public relations, and fundraising events. Underwriting payments made via goods are items such as gift certificates, restaurant certificates, and fundraising event catering.

***Contract Assets and Liabilities***

Contract assets (accounts receivable) and liabilities (deferred revenue) total:

	<b>August 31, 2025</b>	<b>August 31, 2024</b>	<b>September 1, 2023</b>
Contract assets	\$ 30,697	\$ 34,930	\$ 36,136
Contract liabilities	\$ 90,805	\$ 89,177	\$ 110,575

**Community Wireless of Park City, Inc.**  
**(Operating as KPCW-FM)**  
**Notes to Financial Statements**  
**August 31, 2025 and 2024**

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**Revenue Recognition – Non-Exchange Revenues**

**Contributions**

Contributions are provided to the Station either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Station overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period as received are recorded as revenue without donor restrictions.

**Contributed Nonfinancial Assets**

Donated goods are recorded in the accompanying financial statements at fair value as of the date of donation. The fair value of donated services is recognized in the financial statements if the services either (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated. Services that do not meet either of the preceding criteria are not recognized. Donated services are recorded at their fair value as the services are performed.

The Station also recognizes contribution revenue for donated property, equipment and supplies in the period received at the property's fair value. If donated assets have questionable or uncertain value and no alternative use that adds value to the assets, the Station does not recognize them in the financial statements. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Station reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Station also received other donated goods that are used for fundraising events and pledge drives and are recorded at the estimated fair value on the date of donation.

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For the years ended August 31, 2025 and 2024, contributed nonfinancial assets recognized within the statements of activities included:

	<u>2025</u>	<u>2024</u>
Professional services	\$ 7,300	\$ 13,400
Fundraising events	38,861	37,000
Transmitter site rental	75,000	25,000
Vehicles	4,527	4,281
Pledge drive premiums	<u>4,272</u>	<u>58,023</u>
Total contributed nonfinancial assets	<u>\$ 129,960</u>	<u>\$ 137,704</u>

The nonfinancial assets listed above were recognized within revenue and did not have donor-imposed restrictions.

The Station receives donated transmitter site rental, professional fees, discounts, goods and various gift items that are used in operations and fundraising. The Station estimates the fair value of these types of items on the basis of stated values or market prices from comparable vendors.

It is the Station's policy to sell all contributed vehicles immediately upon receipt at auction or for salvage unless the vehicle is restricted for use in a specific program by the donor. The Station contracts with a third-party which receives notification from the donor of the vehicle donation. The third-party then sells the vehicle at auction and remits any proceeds to the Station less expenses. No vehicles received during the period were restricted for use. All vehicles were sold and valued according to the actual cash proceeds on their disposition.

***Grant Revenue***

Unconditional grants are generally recognized as revenue in the period the amounts are granted. If a grant meets the terms of a conditional grant (right of return or release, and measurable performance-related barrier or hurdle to use or be entitled to the funds), then revenue is deferred and recognized as the Station meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under grant agreements.

***Functional Allocation of Expenses***

The costs of providing the programs and broadcasting and other services have been summarized on a functional basis in the statements of functional expenses. Where specific costs can be identified with a particular function, such costs are charged directly to that function. Certain costs that could not be identified with a particular program have been allocated across programs based upon an analysis of personnel time spent in each of those programs, or other relevant factors. The statements of functional expenses detail these amounts.

***Advertising***

The Station follows the policy of charging the costs of advertising and marketing to expense as incurred.

***Allocation of Joint Costs***

The Station allocates joint costs between fundraising and program services or management and general in accordance with ASC Subtopic 958-720, *Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Governmental Entities That Include Fundraising*.

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***Income Taxes***

The Station is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Station files a Form 990 tax return. As of August 31, 2025 and 2024, and for the years then ended, the Station has not engaged in any activity which management considers to be activity that could result in a loss of their 501(c)(3) IRS designation. For the years ended August 31, 2025 and 2024, there was no tax, interest or penalties reflected in the statements of activities or in the statements of financial position.

**Note 2. Liquidity and Availability**

The Station manages its cash available to meet general expenditures following these guiding principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets
- Maintaining sufficient reserves to provide reasonable assurance that long-term commitments that support mission fulfillment will continue to be met, ensuring the sustainability of the Station

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of August 31, 2025 and 2024, comprise the following:

	<u>2025</u>	<u>2024</u>
Total financial assets at year-end (*) available for use within 12 months	\$ 868,755	\$ 1,029,812
Less: those unavailable for general expenditures within one year, due to donor imposed purpose restrictions	<u>-</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 868,755</u>	<u>\$ 1,029,812</u>

(\*) Total assets, less nonfinancial (e.g., property and equipment and prepaids) and noncurrent assets

The Station receives contributions by donors and considers contributions for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general and program expenditures.

The Station's Investments in U.S. Treasury Bills are not considered to be available for use within 12 months as these issuances are illiquid until, and generally roll into new issuances upon, maturity.

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**Note 3. Contributions Receivable**

Contributions receivable as of August 31, 2025 and 2024 consisted of the following:

	<b>2025</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Due within one year	\$ 173,068	\$ -	\$ 173,068
Less			
Allowance for uncollectible contributions	(1,600)	-	(1,600)
	<u>\$ 171,468</u>	<u>\$ -</u>	<u>\$ 171,468</u>
	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Due within one year	\$ 76,486	\$ -	\$ 76,486
Less			
Allowance for uncollectible contributions	(1,600)	-	(1,600)
	<u>\$ 74,886</u>	<u>\$ -</u>	<u>\$ 74,886</u>

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**Note 4. Property and Equipment**

Property and equipment at August 31, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ 2,389,310	\$ 2,377,710
Broadcast equipment	355,648	346,499
Office equipment, furniture and fixtures	<u>115,912</u>	<u>116,531</u>
Total property and equipment	2,860,870	2,840,740
Less: accumulated depreciation	<u>(888,424)</u>	<u>(782,212)</u>
Property and equipment, net	<u>\$ 1,972,446</u>	<u>\$ 2,058,528</u>

The Station purchased a building unit in October 2009. The title to the building contains a clause restricting the sale of the building unit only to another non-profit organization.

Depreciation expense was \$107,843 and \$108,888 for the years ended August 31, 2025 and 2024, respectively.

**Note 5. Deferred Revenue**

Deferred revenues at August 31, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
Underwriting	\$ 83,752	\$ 78,238
Broadcaster club	7,053	10,939
American Rescue Plan Act (ARPA) grant	<u>-</u>	<u>126,451</u>
Total deferred revenues	90,805	215,628
Less: current portion	<u>(90,805)</u>	<u>(113,177)</u>
Long-term portion of deferred revenues	<u>\$ -</u>	<u>\$ 102,451</u>

The ARPA grant was received in advance and can only be used for specific purposes (allowable expenditures) and has a right of return if those purposes are not met. As such, the grant has been classified as a conditional grant and is recognized as revenue as those allowable expenditures are incurred. As of August 31, 2025, all conditions of the remaining funds have been satisfied and recognized as revenue.

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**Note 6. Allocation of Joint Costs**

During the years ended August 31, 2025 and 2024, the Station incurred joint costs of \$157,647 and \$166,353, respectively, for activities that included fundraising appeals. These joint costs were allocated as follows:

	<u>2025</u>	<u>2024</u>
Programming and production	\$ 21,662	\$ 23,771
Engineering	-	331
Fundraising, development and underwriting	54,969	39,433
Management and administration	<u>81,016</u>	<u>102,818</u>
Total	<u>\$ 157,647</u>	<u>\$ 166,353</u>

**Note 7. Retirement Plan**

Effective August 2016, the Station established a simple IRA retirement plan for eligible employees. To be considered eligible to participate in the plan, an employee must earn \$5,000 per year during any two preceding years or is expected to earn at least \$5,000 in the current year and have worked at the Station for six consecutive months. The Station matches dollar for dollar up to 3% of an employee's annual compensation. Participants are considered 100% vested in all contributions upon entering the plan. For the years ended August 31, 2025 and 2024, expenses for the plan totaled \$35,266 and \$28,018, respectively.

**Note 8. Subsequent Events**

In August 2025, the Corporation for Public Broadcasting (CPB) announced that it would wind down its primary operations by September 2025 and fully cease operations in January 2026. The CPB closure is due to the passage of the Reversions Act of 2025, which eliminated the U.S. government's funding for the CPB.

The CPB has provided annual community service grants to public media entities across the country to support programming and operations for over 50 years. However, the Station has been preparing for the possibility of CPB funding cuts by reviewing options to increase other funding sources and/or adjusting operating costs.

Subsequent events have been evaluated through January 29, 2026, which is the date the financial statements were available to be issued.