

**Listeners Community Radio of Utah, Inc.
d/b/a KRCL 90.9FM**

(a nonprofit Utah corporation)

Financial Statements

December 31, 2024

**Listeners Community Radio of Utah, Inc.
d/b/a KRCL 90.9FM**

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Independent Auditor's Report

To the Board of Directors
Listeners Community Radio of Utah, Inc.
d/b/a KRCL 90.9FM
Salt Lake City, Utah

Opinion

We have audited the financial statements of Listeners Community Radio of Utah, Inc. d/b/a KRCL 90.9FM (a nonprofit organization), 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 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 Listeners Community Radio of Utah, Inc. d/b/a KRCL 90.9FM 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.

Basis for Opinion

We conducted our audit in accordance with auditing 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 the Financial Statements section of our report. We are required to be independent of Listeners Community Radio of Utah, Inc. d/b/a KRCL 90.9FM and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the 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 these 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 Listeners Community Radio of Utah, Inc. d/b/a KRCL 90.9FM's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditor's Report (continued)

Auditor's Responsibility 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 Listeners Community Radio of Utah, Inc. d/b/a KRCL 90.9FM'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 Listeners Community Radio of Utah, Inc. d/b/a KRCL 90.9FM'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.

Brock and Company, CPAs, P.C.

Certified Public Accountants

Boulder, Colorado
July 14, 2025

Listeners Community Radio of Utah, Inc. d/b/a KRCL 90.9FM

Statement of Financial Position

December 31, 2024

ASSETS

Current Assets

Cash and cash equivalents	\$ 605,803
Accounts receivable, net	50,480
Contributions receivable, net	415,673
Prepaid expenses and other current assets	21,756
Total current assets	<u>1,093,712</u>

Property and Equipment, net	<u>1,811,318</u>
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Other Assets

Cash restricted to capital projects	217,631
Right-of-use operating lease assets	<u>749,241</u>
Total other assets	<u>966,872</u>
Total assets	<u>\$ 3,871,902</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and other accrued expenses	\$ 78,228
Accrued compensation and benefits	38,043
Deferred revenue	1,000
Current maturities of operating lease obligations	55,535
Current maturities of notes payable	28,431
Total current liabilities	<u>201,237</u>

Long-Term Liabilities

Operating lease obligations, net of current maturities	990,117
Notes payable, net of current maturities	<u>161,821</u>
Total long-term liabilities	<u>1,151,938</u>
Total liabilities	<u>1,353,175</u>

Net Assets

Without donor restrictions	1,842,625
With donor restrictions	676,102
Total net assets	<u>2,518,727</u>
Total liabilities and net assets	<u>\$ 3,871,902</u>

The accompanying Notes are an integral
part of these financial statements

Listeners Community Radio of Utah, Inc.

d/b/a KRCL 90.9FM

Statement of Activities

Year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Operating Support			
Contributions and memberships	\$ 42,437	\$ 990,883	\$ 1,033,320
In-kind contributions	500,370	-	500,370
Grants	435,635	26,614	462,249
Special event revenue	58,371	-	58,371
Special event expenses	(12,045)	-	(12,045)
Net assets released from restrictions			
Satisfaction of purpose restrictions	539,692	(539,692)	-
Expiration of time restrictions	260,825	(260,825)	-
Total operating support	<u>1,825,285</u>	<u>216,980</u>	<u>2,042,265</u>
Operating Revenue			
Underwriting fees	<u>193,189</u>	<u>-</u>	<u>193,189</u>
Total operating support and revenue	<u>2,018,474</u>	<u>216,980</u>	<u>2,235,454</u>
Operating Expenses			
Program services			
Production	621,413	-	621,413
Broadcasting	177,489	-	177,489
Supporting services			
General and administrative	245,334	-	245,334
Fundraising			
Underwriting and grant solicitation	111,331	-	111,331
Membership	442,573	-	442,573
Total operating expenses	<u>1,598,140</u>	<u>-</u>	<u>1,598,140</u>
Total operating support and revenue in excess of operating expenses	420,334	216,980	637,314
Other Changes			
Interest and other income	<u>11,276</u>	<u>-</u>	<u>11,276</u>
Change in Net Assets	431,610	216,980	648,590
Net Assets, Beginning of Year, As Previously Stated	1,471,311	459,122	1,930,433
Prior Period Adjustment	(60,296)	-	(60,296)
Net Assets, Beginning of Year, As Restated	<u>1,411,015</u>	<u>459,122</u>	<u>1,870,137</u>
Net Assets, End of Year	<u>\$ 1,842,625</u>	<u>\$ 676,102</u>	<u>\$ 2,518,727</u>

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part of these financial statements

Listeners Community Radio of Utah, Inc.

d/b/a KRCL 90.9FM

Statement of Functional Expenses

Year ended December 31, 2024

	Program Services			Supporting Services				
				Fundraising				
	Production	Broadcasting	Total	General and Administrative	Underwriting and Grant Solicitation	Membership	Total	Total
Salaries and wages	\$ 350,844	\$ 37,110	\$ 387,954	\$ 56,310	\$ 83,877	\$ 137,156	\$ 221,033	\$ 665,297
Employee benefits	65,922	723	66,645	11,731	2,434	32,516	34,950	113,326
Payroll taxes	21,013	2,839	23,852	3,866	5,937	10,561	16,498	44,216
Total personnel costs	437,779	40,672	478,451	71,907	92,248	180,233	272,481	822,839
Occupancy	27,675	95,383	123,058	84,393	-	-	-	207,451
Legal and professional	7,750	-	7,750	34,183	-	67,335	67,335	109,268
Depreciation	71,272	14,054	85,326	9,922	-	9,923	9,923	105,171
Event expenses	-	-	-	4,989	-	66,873	66,873	71,862
Advertising and marketing	160	-	160	-	-	48,330	48,330	48,490
Telephone and internet	29,382	720	30,102	9,973	-	-	-	40,075
Miscellaneous expenses	2,797	-	2,797	5,912	332	22,169	22,501	31,210
Bank and credit card fees	-	-	-	1,934	-	27,133	27,133	29,067
Software	13,059	247	13,306	-	3,152	9,528	12,680	25,986
Radio equipment rental	-	15,901	15,901	-	-	-	-	15,901
Credit loss expense	-	-	-	-	15,599	-	15,599	15,599
Insurance	6,048	-	6,048	8,130	-	-	-	14,178
Printing and postage	-	-	-	4,795	-	6,855	6,855	11,650
Dues and subscriptions	11,523	-	11,523	-	-	101	101	11,624
Contractual expenses	720	6,131	6,851	40	-	3,325	3,325	10,216
Office supplies	966	3,405	4,371	2,882	-	-	-	7,253
Conferences and meetings	6,119	-	6,119	-	-	768	768	6,887
Interest expense	2,667	-	2,667	4,125	-	-	-	6,792
Repairs and maintenance	3,496	976	4,472	2,149	-	-	-	6,621
Total operating expenses	<u>\$ 621,413</u>	<u>\$ 177,489</u>	<u>\$ 798,902</u>	<u>\$ 245,334</u>	<u>\$ 111,331</u>	<u>\$ 442,573</u>	<u>\$ 553,904</u>	<u>\$ 1,598,140</u>

The accompanying Notes are an integral part of these financial statements

Listeners Community Radio of Utah, Inc.

d/b/a KRCL 90.9FM

Statement of Cash Flows

Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash

Year ended December 31, 2024

Cash Flows From Operating Activities

Change in net assets	\$ 648,590
Adjustments to reconcile change in net assets	
to net cash provided by operating activities	
Depreciation	105,171
Amortization of right-of-use operating lease asset	45,801
Provisions for credit losses	15,599
Provisions for contributions receivable allowances	25,147
Increase (decrease) from changes in assets and liabilities	
Accounts receivable	(37,022)
Contributions receivable	(179,196)
Inventory	14,920
Prepaid expenses and other current assets	15,169
Accounts payable	65,669
Accrued compensation and benefits	14,466
Deferred revenue	(1,190)
Operating lease obligations	(50,684)
Net cash provided by operating activities	<u>682,440</u>

Cash Flows From Investing Activities

Purchases of property and equipment	<u>(885,584)</u>
Net cash used by investing activities	<u>(885,584)</u>

Cash Flows From Financing Activities

Repayments on note payable	<u>(27,086)</u>
Net cash used by financing activities	<u>(27,086)</u>

Net Decrease in Cash, Cash Equivalents and Restricted Cash

(230,230)

Cash, Cash Equivalents and Restricted Cash, Beginning of Year

1,053,664

Cash, Cash Equivalents and Restricted Cash, End of Year

\$ 823,434

Supplemental Cash Flow Information

Cash paid for interest	\$ 5,764
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The accompanying Notes are an integral part of these financial statements

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Listeners Community Radio of Utah, Inc.

d/b/a KRCL 90.9FM

Notes to Financial Statements

December 31, 2024

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. Listeners Community Radio of Utah d/b/a KRCL 90.9FM (the Organization) is a Utah non-profit corporation established in May 1975 as a listener-supported community radio station. The Organization's purpose is to strengthen the community through diverse, independent, and progressive public affairs and music programming and provides a unique voice, giving access to perspectives and music that are often excluded from traditional media. The Organization operates out of Salt Lake City, Utah. Funding for the Organization is primarily obtained through charitable contributions, memberships and grants from interested parties, and underwriting fees.

Basis of Accounting. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions. Net assets resulting from revenues generated by receiving contributions that have no donor stipulations, providing services, and receiving interest and other income, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents. Cash consists of checking and savings accounts held at financial institutions. For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Credit Losses. Accounts receivable are stated at the amount of consideration from customers, of which the Organization has an unconditional right to receive. The Organization operates a radio station and its accounts receivable are primarily derived from underwriting fees. The Organization grants credit in the normal course of business to customers and recognizes an expected allowance for credit losses to reduce credit risk. At each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. Accounts receivable are evaluated individually when they do not share similar risk characteristics which could exist in circumstances where amounts are considered at risk or uncollectible.

Listeners Community Radio of Utah, Inc.

d/b/a KRCL 90.9FM

Notes to Financial Statements

December 31, 2024

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Accounts Receivable and Allowance for Credit Losses (continued). The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's customers have remained fairly constant for many years. Management has recorded an allowance for credit losses of \$17,598 for the year ended December 31, 2024.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in revenue. The total amount of write-offs were \$15,599 for the year ended December 31, 2024.

Contributions Receivable. Unconditional promises to give are recognized as revenue in the period received. Contributions receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible contributions. The allowance for uncollectible contributions is estimated based on management's review of specific contributions outstanding. As of December 31, 2024, management has recorded an allowance for uncollectible contributions of \$44,590. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment. It is the Organization's policy to capitalize property and equipment at cost for purchases over \$1,000, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value on the date of gift. Such donations are reported as contributions without donor restriction unless the donor has restricted the donated asset to a specific purpose. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets, which is generally three to fifteen years for buildings, improvements, equipment, and furniture.

Leases and Right-of-Use Assets. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The Organization made a policy election not to separate lease and nonlease components for all leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable, or otherwise, the Organization uses its incremental borrowing rate based on the information available at the commencement date for all leases to discount certain lease asset class obligations. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The Organization has also elected to exclude leases with terms of 12 months or less from right-of-use asset and operating lease obligation recognition.

Listeners Community Radio of Utah, Inc.

d/b/a KRCL 90.9FM

Notes to Financial Statements

December 31, 2024

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Intangible Assets. The indefinite-lived intangible assets consists of multiple broadcast licenses. The broadcast licenses were acquired over forty years ago at minimal cost. The value of these broadcast licenses was deemed immaterial for financial statement purposes. The broadcast licenses must be renewed periodically at minimal cost. Significant future cash flows associated with the broadcast licenses are affected by the Organization's ability or intent to renew the licenses. The costs incurred to renew the broadcast licenses will be expensed as incurred. The broadcast licenses are subject to renewal in October 2029.

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the year ended December 31, 2024.

Revenue Recognition. The Organization earns revenue from contracts with customers through providing underwriting services, which primarily includes the marketing of corporate sponsors on air and on the Organization's website. The Organization's customers are primarily local businesses. The Organization's contracts typically include a single performance obligation to perform agreed upon services, which generally occur within a single fiscal year.

Underwriting fee revenue is recognized over time as the Organization's customers simultaneously receive and consume the benefits of the Organization's performance. The Organization typically provides underwriting services under fixed fee arrangements which are billed in advance of the service. Amounts that have been invoiced are recorded in either deferred revenue or revenue, depending on whether the revenue recognition criteria have been met. The Organization generally does not experience changes in the transaction price subsequent to the inception of its contracts.

Underwriting fee revenue recognized under contracts with customers for the year ended December 31, 2024 was \$193,189. The Organization had accounts receivable representing net billed amounts due on contracts with customers of \$50,480 and \$29,057 as of December 31, 2024 and January 1, 2024, respectively. The Organization did not have any contract assets associated with underwriting fees as of December 31, 2024 or as of January 1, 2024. The Organization typically collects fees in advance of services being provided, which are recorded as deferred revenue (contract liabilities) on the statements of financial position, and recorded as services are provided. Contract liabilities as of December 31, 2024 and January 1, 2024 totaled \$1,000 and \$2,190, respectively. Contract liabilities are generally recognized as revenue during the following year.

Contributions, Memberships, and Grants. Unconditional contributions, memberships, and grants are recognized when pledged and 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 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.

Listeners Community Radio of Utah, Inc.

d/b/a KRCL 90.9FM

Notes to Financial Statements

December 31, 2024

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Contributions, Memberships, and Grants (continued). 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. Donor restricted contributions, memberships, and grants whose restrictions are met in the same reporting period are reported as net assets with donor restrictions. Conditional contributions, memberships, and grants are recognized when the conditions on which they depend are substantially met. Funding received in advance of fulfilling the conditions and refundable to the donor are reported as refundable advances in the statement of financial position.

Contributed Services and Materials. Contributed services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed materials are reported at fair market value on the date of gift.

Barter Transactions. The Organization barters sponsorship broadcasts for materials and services. Revenue from such transactions is recorded at the estimated fair market value of the material or service received. Revenue is recognized as the sponsorships are broadcast, and expenses are recognized when incurred. When materials or services are received prior to the sponsorship broadcast, the Organization records deferred revenue. When sponsorships are broadcast in advance of receiving the materials or services, the Organization records a receivable. Barter transactions totaled \$19,969 in 2024.

Advertising. The Organization expenses advertising costs, including donated advertising, as incurred. Advertising expense for the year ended December 31, 2024 was \$5,044.

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Functional Allocation of Expenses. The costs of providing various programs and other activities have been summarized on a functional basis. Accordingly, direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through July 14, 2025, the date at which the financial statements were available for release.

Listeners Community Radio of Utah, Inc.

d/b/a KRCL 90.9FM

Notes to Financial Statements

December 31, 2024

Note 2 – Prior Period Adjustment

The Organization has recorded a prior period adjustment to correct financial reporting errors discovered by management after the release of the December 31, 2023 financial statements. The prior period adjustment corrects for errors in the recognition of operating lease obligations and related right-of-use assets. The financial statements have been restated to increase right-of-use operating lease assets and operating lease obligations by \$77,577 and \$137,873, respectively, and to decrease net assets without donor restrictions by \$60,296 at January 1, 2024.

Note 3 – Liquidity and Availability

The Organization's financial assets available for general expenditures within one year are as follows at December 31, 2024:

	Amount
Financial assets at year end:	
Cash and cash equivalents	\$ 605,803
Accounts receivable, net	50,480
Contributions receivable, net	633,304
	<hr/>
	1,289,587
Less amounts not available to be used within one year:	
Cash restricted by donors for capital projects	(217,631)
	<hr/>
	\$ 1,071,956

The Organization receives contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these guiding principles, the Organization forecasts its future cash flows and monitors its liquidity monthly. During the year ended December 31, 2024, the level of liquidity and reserves was managed within the guiding principles.

Listeners Community Radio of Utah, Inc.

d/b/a KRCL 90.9FM

Notes to Financial Statements

December 31, 2024

Note 4 – Property and Equipment

Property and equipment consist of the following at December 31, 2024:

	Amount
Building and improvements	\$ 977,357
Equipment and furniture	778,319
Construction in progress	<u>908,719</u>
	2,664,395
Less accumulated amortization	<u>(853,077)</u>
Net property and equipment	<u><u>\$ 1,811,318</u></u>

Depreciation expense for the year ended December 31, 2024 was \$105,171.

Note 5 – Operating Leases

The Organization leases a radio tower under a noncancelable operating lease. The lease expires in December 2036 as optional extension terms are expected to be exercised. The lease requires the Organization to pay for maintenance, usage and tax costs which were determined to be variable lease payments and are not included in lease payments used to determine lease obligations and are recognized as variable costs when incurred. The lease also includes rent escalation terms of 3% annually. The operating lease obligations and related right-of-use asset as of December 31, 2024 totaled \$1,042,064 and \$745,653, respectively

The Organization leases a copier under a noncancelable operating lease. The lease requires monthly payments of \$205 and expires in May 2026. The lease requires the Organization to pay for insurance and tax costs which were determined to be variable lease payments and are not included in lease payments used to determine lease obligations and are recognized as variable costs when incurred. The operating lease obligations and related right-of-use asset as of December 31, 2024 each totaled \$3,588.

Operating lease costs consist of the following for the year ended December 31, 2024:

	Amount
Amortization of right-of-use assets	\$ 45,801
Interest on lease liability	42,620
Variable rent expense	<u>3,657</u>
	<u><u>\$ 92,078</u></u>

Rent expense on short term lease agreements for various equipment and facilities totaled \$65,370 for the year ended December 31, 2024.

Cash paid for amounts included in the measurement of operating lease liabilities totaled \$82,274 for the year ended December 31, 2024.

Listeners Community Radio of Utah, Inc.

d/b/a KRCL 90.9FM

Notes to Financial Statements

December 31, 2024

Note 5 – Operating Leases (continued)

The weighted average of the remaining lease terms and discount rates as of December 31, 2024 were 12.05 years and 4.00%, respectively.

Scheduled maturities of operating lease liabilities are as follows at December 31, 2024:

Year	Amount
2025	\$ 96,030
2026	97,607
2027	99,269
2028	102,246
2029	105,314
Thereafter	<u>831,170</u>
	1,331,636
Less amount representing interest	<u>(285,984)</u>
	<u>\$ 1,045,652</u>

Note 6 – Notes Payable

The Organization has a note payable to Altabank with outstanding borrowings of \$40,252 at December 31, 2024. The agreement requires monthly principal and interest payments of \$2,479 and bears interest at 4.70%. The agreement is collateralized by all equipment and matures in May 2026.

The Organization has a note payable to the U.S. Small Business Administration under the Economic Injury Disaster Loan program with outstanding borrowings of \$150,000 at December 31, 2024. The agreement requires monthly principal and interest payments of \$641 and bears interest at 2.75%. The agreement is collateralized by generally all business assets and matures in February 2052, when all unpaid principal and interest is due.

Scheduled maturities of the long-term notes payable are as follows at December 31, 2024:

Year	Amount
2025	\$ 28,431
2026	11,821
2027	1,751
2028	3,661
2029	3,763
Thereafter	<u>140,825</u>
	<u>\$ 190,252</u>

Listeners Community Radio of Utah, Inc.

d/b/a KRCL 90.9FM

Notes to Financial Statements

December 31, 2024

Note 7 – Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the year ended December 31, 2024:

	Purpose Restrictions			Time Restrictions	Total
	Capital Projects	Broadcasting			
Balance, January 1, 2024	\$ 171,900	\$ 26,397		\$ 260,825	\$ 459,122
Additions	535,320	26,614		455,563	1,017,497
Releases	(489,589)	(50,103)		(260,825)	(800,517)
Balance, December 31, 2024	<u>\$ 217,631</u>	<u>\$ 2,908</u>		<u>\$ 455,563</u>	<u>\$ 676,102</u>

Note 8 – In-kind Contributions

The Organization received the following contributions of nonfinancial assets for the year ended December 31, 2024:

	Amount
Services	
Construction	\$ 327,435
Marketing and website	60,697
Accounting	14,899
Consulting	3,240
Other	<u>22,099</u>
Total services	428,370
Facilities use	<u>72,000</u>
	<u>\$ 500,370</u>

Contributed services received by the Organization are valued at the current rates for similar services. Contributed facilities use is reported at fair value by obtaining the value of the facility from the landlord and comparisons for similar facilities in the area. All donated services and facilities use were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the in-kind contributions.

Listeners Community Radio of Utah, Inc.

d/b/a KRCL 90.9FM

Notes to Financial Statements

December 31, 2024

Note 9 – Special Events

The Organization derived net revenue from the following special fundraising events during the year ended December 31, 2024:

	Record Sales	Music Meets			Total
		Movies	Other		
Registrations and sales	\$ 26,141	\$ 4,687	\$ 25,416		\$ 56,244
Contributions	-	-	2,127		2,127
	26,141	4,687	27,543		58,371
Direct costs	(394)	(1,826)	(9,825)		(12,045)
Net revenue	<u>\$ 25,747</u>	<u>\$ 2,861</u>	<u>\$ 17,718</u>		<u>\$ 46,326</u>

Note 10 – Retirement Plan

The Organization provides for a deferred compensation plan under Internal Revenue Code Section 408(p) which allows an employee to contribute up to \$16,000 of their annual compensation. Employees who earned at least \$5,000 in the preceding year and who are expected to earn at least \$5,000 in the current year are eligible to participate in the plan. The Organization provides a fully vested matching contribution to the plan of up to 3% of the employee's annual compensation. The Organization contributed \$18,535 to the plan for the year ended December 31, 2024.

Note 11 – Concentrations

Bank Deposits. The Organization routinely maintained cash balances in excess of federally insured limits during the year ended December 31, 2024.

Major Donor. The Organization had a single donor who comprised 11% of total support and revenue for the year ended December 31, 2024. Contributions receivable outstanding from the donor totaled \$125,000 at December 31, 2024.

Geographical Concentration. The Organization receives a substantial amount of their support from Salt Lake City, Utah and the surrounding areas.