

**COMMUNITY WIRELESS OF PARK CITY, INC.  
(OPERATING AS KPCW-FM)**

Financial Statements for the Year  
Ended August 31, 2017  
and Independent Auditors' Report

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## **INDEPENDENT AUDITORS' REPORT**

To The Board of Trustees  
**Community Wireless of Park City, Inc.**  
Park City, Utah

We have audited the accompanying financial statements of Community Wireless of Park City, Inc. (the Station) (a nonprofit corporation) which comprise the statement of financial position as of August 31, 2017 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the Station's 2016 financial statements, and in our report dated January 17, 2017, we expressed an unqualified opinion on those financial statements.

### **Management's Responsibility for the Financial Statements**

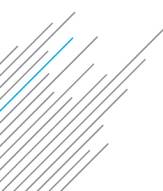
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Wireless of Park City, Inc. as of August 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Stayner Bates P.C.*

Stayner Bates P.C.  
Salt Lake City, Utah  
January 10, 2018

**COMMUNITY WIRELESS OF PARK CITY, INC.**  
**(Operating as KPCW-FM)**  
**(A Non-Profit Organization)**  
**Statement of Financial Position**  
**August 31, 2017**

	<u>2017</u>	<u>2016</u> <u>(Memorandum</u> <u>Only)</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 617,657	\$ 505,325
Pledges receivable, net	16,701	22,254
Accounts receivable, net	42,851	47,790
Asset held for sale	900,000	1,750,000
Prepaid expenses	3,264	4,542
	<u>1,580,473</u>	<u>2,329,911</u>
<b>Total Current Assets</b>		
	<u>910,542</u>	<u>950,947</u>
<b>PROPERTY AND EQUIPMENT, NET</b>		
<b>OTHER ASSETS</b>		
Deposits	<u>10,538</u>	<u>21,288</u>
<b>Total Other Assets</b>	<u>10,538</u>	<u>21,288</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,501,553</u></b>	<b><u>\$ 3,302,146</u></b>

The accompanying notes are an integral part of these financial statements.

**COMMUNITY WIRELESS OF PARK CITY, INC.**  
**(Operating as KPCW-FM)**  
**(A Non-Profit Organization)**  
**Statement of Financial Position (Continued)**  
**August 31, 2017**

**LIABILITIES AND NET ASSETS**

	<b>2017</b>	<b>2016 (Memorandum Only)</b>
	<u>          </u>	<u>          </u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 36,221	\$ 53,276
Current portion - equipment lease	2,942	2,462
Deferred revenue	<u>106,357</u>	<u>93,508</u>
Total Current Liabilities	<u>145,520</u>	<u>149,246</u>
<b>LONG-TERM LIABILITIES</b>		
Equipment lease	<u>7,708</u>	<u>10,650</u>
Total Liabilities	<u>153,228</u>	<u>159,896</u>
<b>NET ASSETS - Unrestricted</b>		
Undesignated	1,576,750	2,345,920
Net investment in property and equipment	<u>771,575</u>	<u>796,330</u>
Total Net Assets - Unrestricted	<u>2,348,325</u>	<u>3,142,250</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 2,501,553</u></b>	<b><u>\$ 3,302,146</u></b>

The accompanying notes are an integral part of these financial statements.

**COMMUNITY WIRELESS OF PARK CITY, INC.**  
**(Operating as KPCW-FM)**  
**(A Non-Profit Organization)**  
**Statement of Activities**  
**For the Year Ended August 31, 2017**

	<b>2017</b>	<b>2016 (Memorandum Only)</b>
<b>SUPPORT AND REVENUE</b>		
Underwriting revenue	\$ 654,141	\$ 565,216
Contributions and grants	594,391	2,274,465
Corporation for Public Broadcasting - Community Service Grant	151,758	169,874
In-kind contributions	253,284	255,478
Interest income	867	846
Other income	15,332	183,686
	<b>1,669,773</b>	<b>3,449,565</b>
<b>OPERATING EXPENSES</b>		
Program services -		
Programming and production	605,302	533,483
Engineering	53,074	66,794
	<b>658,376</b>	<b>600,277</b>
Support services -		
Fund-raising, development and underwriting	498,177	440,519
Management and administration	457,145	508,419
	<b>955,322</b>	<b>948,938</b>
	<b>1,613,698</b>	<b>1,549,215</b>
<b>INCOME FROM OPERATIONS</b>	<b>56,075</b>	<b>1,900,350</b>
<b>OTHER EXPENSES</b>		
Impairment loss on assets held for sale	(850,000)	-
	<b>(850,000)</b>	<b>-</b>
<b>CHANGE IN NET ASSETS</b>	<b>(793,925)</b>	<b>1,900,350</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>3,142,250</b>	<b>1,241,900</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 2,348,325</b>	<b>\$ 3,142,250</b>

The accompanying notes are an integral part of these financial statements.

**COMMUNITY WIRELESS OF PARK CITY, INC.**  
**(Operating as KPCW-FM)**  
**(A Non-Profit Organization)**  
**Statement of Functional Expenses**  
**For the Year Ended August 31, 2017**

	<u>Programming &amp; Production</u>	<u>Engineering</u>	<u>Fundraising, Development &amp; Underwriting</u>	<u>Management &amp; Administration</u>	<u>Total Expenses</u>
Salaries	\$ 378,545	\$ -	\$ 207,053	\$ 208,546	\$ 794,144
Payroll taxes	27,683	-	15,330	16,696	59,709
Employee benefits	45,525	-	29,439	12,873	87,837
Workers compensation	3,017	-	656	1,359	5,032
Marketing	-	-	-	41,577	41,577
Purchased programming	89,983	-	-	-	89,983
Professional fees	-	-	10,868	27,019	37,887
Outside services	7,599	26,968	14,933	9,591	59,091
Premiums	-	-	139,685	-	139,685
Transmitter rental	39,266	-	-	-	39,266
Channel change	-	-	-	1,600	1,600
Internet & computer	-	-	-	18,273	18,273
Licenses & dues	-	-	-	11,875	11,875
Utilities	-	7,581	-	3,442	11,023
Telephone	2,356	-	503	9,222	12,081
Bank & credit card fees	-	-	23,801	118	23,919
Supplies	1,921	1,044	453	3,063	6,481
Printing & reproduction	-	-	1,660	2,126	3,786
Travel & auto	920	734	1,353	10,537	13,544
Purchased production	8,238	-	-	-	8,238
Insurance	-	-	-	9,389	9,389
Events	-	-	37,197	-	37,197
Miscellaneous	249	16	3,301	8,889	12,455
Software	-	-	5,260	716	5,976
Meals & entertainment	-	-	784	10,760	11,544
Postage & delivery	-	-	1,780	1,229	3,009
Maintenance	-	16	-	3,355	3,371
Advertising	-	-	4,121	9,110	13,231
Payroll processing fees	-	-	-	1,634	1,634
Interest	-	-	-	480	480
<b>Total Functional Expenses</b>	<b>605,302</b>	<b>36,359</b>	<b>498,177</b>	<b>423,479</b>	<b>1,563,317</b>
Depreciation	-	16,715	-	33,666	50,381
<b>Total Expenses</b>	<b>\$ 605,302</b>	<b>\$ 53,074</b>	<b>\$ 498,177</b>	<b>\$ 457,145</b>	<b>\$ 1,613,698</b>

The accompanying notes are an integral part of these financial statements.



**COMMUNITY WIRELESS OF PARK CITY, INC.**  
**(Operating as KPCW-FM)**  
**(A Non-Profit Organization)**  
**Statement of Functional Expenses**  
**For the Year Ended August 31, 2016 (Memorandum Only)**

	<b>Programming &amp; Production</b>	<b>Engineering</b>	<b>Fundraising, Development &amp; Underwriting</b>	<b>Management &amp; Administration</b>	<b>Total Expenses</b>
Salaries	\$ 301,974	\$ -	\$ 182,113	\$ 225,627	\$ 709,714
Payroll taxes	21,699	-	14,299	18,318	54,316
Employee benefits	53,575	-	8,539	12,520	74,634
Workers compensation	1,182	-	352	652	2,186
Marketing	-	-	-	51,726	51,726
Purchased programming	82,633	-	-	-	82,633
Professional fees	-	-	3,461	38,732	42,193
Outside services	12,554	25,700	8,484	8,104	54,842
Premiums	-	-	136,266	-	136,266
Transmitter rental	45,382	-	-	-	45,382
Channel change	-	-	-	27,433	27,433
Internet & computer	-	-	-	18,785	18,785
Licenses & dues	-	-	-	12,336	12,336
Utilities	-	6,533	-	4,539	11,072
Telephone	4,675	-	520	8,657	13,852
Bank & credit card fees	-	-	18,431	91	18,522
Supplies	302	298	581	2,506	3,687
Printing & reproduction	-	-	49	4,939	4,988
Travel & auto	200	-	1,345	2,292	3,837
Purchased production	8,493	-	-	-	8,493
Insurance	-	-	-	8,761	8,761
Events	-	-	50,983	-	50,983
Miscellaneous	312	-	248	4,526	5,086
Software	-	-	7,220	330	7,550
Meals & entertainment	-	-	1,440	12,243	13,683
Postage & delivery	502	-	1,379	1,669	3,550
Maintenance	-	51	-	1,879	1,930
UBI tax	-	-	-	3,685	3,685
Advertising	-	-	4,809	3,815	8,624
Payroll processing fees	-	-	-	1,547	1,547
Interest	-	-	-	415	415
<b>Total Functional Expenses</b>	<b>533,483</b>	<b>32,582</b>	<b>440,519</b>	<b>476,127</b>	<b>1,482,711</b>
Depreciation	-	34,212	-	32,292	66,504
<b>Total Expenses</b>	<b>\$ 533,483</b>	<b>\$ 66,794</b>	<b>\$ 440,519</b>	<b>\$ 508,419</b>	<b>\$ 1,549,215</b>

The accompanying notes are an integral part of these financial statements.

**COMMUNITY WIRELESS OF PARK CITY, INC.**  
**(Operating as KPCW-FM)**  
**(A Non-Profit Organization)**  
**Statement of Cash Flows**  
**For the Year Ended August 31, 2017**

	<b>2017</b>	<b>2016 (Memorandum Only)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (793,925)	\$ 1,900,350
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	50,381	66,504
Donation of asset held for sale	-	(1,750,000)
Impairment loss	850,000	-
(Increase) decrease in operating assets:		
Receivables	10,492	(14,127)
Prepays and deposits	12,028	(3,903)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(17,055)	14,772
Deferred revenue	12,849	39,642
Net Cash Provided by Operating Activities	124,770	253,238
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(9,976)	(107,520)
Net Cash Used in Investing Activities	(9,976)	(107,520)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments under capital lease obligation	(2,462)	(799)
Net Cash Used in Financing Activities	(2,462)	(799)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	112,332	144,919
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	505,325	360,406
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 617,657</b>	<b>\$ 505,325</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash Paid For:		
Interest	\$ 480	\$ 415
Income taxes	\$ -	\$ -
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Purchase of fixed assets through capital lease financing	\$ -	\$ 13,911

The accompanying notes are an integral part of these financial statements.

**COMMUNITY WIRELESS OF PARK CITY, INC.**  
**(Operating as KPCW-FM)**  
**(A Non-Profit Organization)**  
**Notes to the Financial Statements**  
**August 31, 2017**

**NOTE 1 - ORGANIZATION**

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.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Method 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 and conform to Principles of Accounting and Financial Reporting for Public Telecommunications Entities published by the Corporation for Public Broadcasting (CPB). The following is a summary of the Station's more significant accounting policies:

**Revenue Recognition**

CPB grants are recognized as revenue when the related expenditures are recorded. Pledged contributions are recognized as revenue when evidence of an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. Conditional promises to give are not included as revenue until such time as the conditions are substantially met. Deferred revenue represents underwriting contracts collected in advance.

**In-Kind Contributions**

In-kind contributions consist of the following: (1) donated professional services - primarily legal, marketing and production services, (2) transmitter site rentals and other miscellaneous contributions, (3) donations of the use of facilities and other services related to special events held by the Station, (4) gifts in kind from local vendors of goods and services to be used as pledge premiums or donor thank-you gifts and (5) underwriting trade agreements in which goods or services are provided in exchange for on-air underwriting credits. Underwriting trades are recorded as revenue at the time of the donation, provided there is a clearly measurable and objective basis for determining the value. Donated professional services and other in-kind contributions are recorded as revenue with a corresponding charge to expense or capitalized cost at their estimated fair value when donated.

**COMMUNITY WIRELESS OF PARK CITY, INC.**  
**(Operating as KPCW-FM)**  
**(A Non-Profit Organization)**  
**Notes to the Financial Statements**  
**August 31, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**In-Kind Contributions (Continued)**

	<b>2017</b>	<b>2016 (Memorandum Only)</b>
Professional services	\$ 8,000	\$ 8,950
Transmitter site rental	36,866	42,782
Other	152,800	143,378
Underwriting trades	55,618	60,368
<b>Total In-Kind Contributions</b>	<b>\$ 253,284</b>	<b>\$ 255,478</b>

**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, 2017 and for the year 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 year ended August 31, 2017, there was no tax interest or penalties reflected in the statement of activities or in the statement of financial position. The Station is no longer subject to U.S. federal, state, and local income tax examinations by taxing authorities for years before 2014.

**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 of three to thirty-nine years.

**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 and expenses including functional allocations 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.

**COMMUNITY WIRELESS OF PARK CITY, INC.**  
**(Operating as KPCW-FM)**  
**(A Non-Profit Organization)**  
**Notes to the Financial Statements**  
**August 31, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Functional Allocation of Expenses**

The costs of providing the programs and broadcasting and other services have been summarized on a functional basis in the Statement 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.

**Cash and Cash Equivalents**

The Station considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Accounts Receivable and Pledges Receivable**

Accounts receivable and pledges receivable are recorded net of the allowance for doubtful accounts of \$3,600 as of August 31, 2017 and 2016.

**Prior Year Financial Statements**

The financial information shown for 2016 in the accompanying financial statements represents summarized totals and is shown for comparison only. Certain reclassifications have been made to conform to the current year presentation with no effect to the change in net assets.

**Basis of Presentation**

In accordance with accounting principles generally accepted in the United States of America, the Station reports information regarding its financial position and activities according to the existence and nature of donor restrictions in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

The Station also records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions. There were no temporarily or permanently restricted net assets as of August 31, 2017 and 2016.

Accounting principles generally accepted in the United States of America allow the Station to treat as unrestricted, any temporarily restricted revenue where the restrictions are met in the same year. The Station has elected to follow that reporting method. As a result (when applicable), all activities in which restrictions are met are recorded in the unrestricted net asset class.

**COMMUNITY WIRELESS OF PARK CITY, INC.**  
**(Operating as KPCW-FM)**  
**(A Non-Profit Organization)**  
**Notes to the Financial Statements**  
**August 31, 2017**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Concentration of Credit Risk**

The Station maintains all of its cash with three banks in multiple accounts. The carrying amount of deposits, net of any outstanding checks, was \$617,657 and \$505,325 as of August 31, 2017 and 2016, respectively. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At August 31, 2017 and 2016 there were no amounts held in the Station's bank accounts in excess of the FDIC insured limits.

**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*.

**Recent Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*, which requires an entity to recognize the rights and obligations resulting from leases as lease assets and lease liabilities on the statement of financial position, including leases previously recorded and classified as operating leases. Pursuant to this new guidance, a lessee should recognize in the statement of financial position a liability to make lease payments (lease liability) and a right-of-use asset (lease asset) representing its right to use the underlying asset for the lease term, initially measured at the present value of the lease payments. This new standard is effective for the Station for the year ended August 31, 2021, with early application permitted, using a modified retrospective approach. The Station is currently evaluating the impact of the pending adoption of ASU 2016-02 on its financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which changes the way all not-for-profits (NFPs) classify net assets and prepare financial statements. Adoption of FASB ASU 2016-14 will result in significant changes to financial reporting and disclosure for NFPs. Some of the more significant changes will be the change of net asset classifications from three classes (unrestricted, temporarily restricted, and permanently restricted) to two (net assets without donor restrictions and net assets with donor restrictions); and additional disclosure of quantitative and qualitative information about liquidity will be required. The new standard is effective for annual financial statements issued for years beginning after December 15, 2017, with early adoption permitted, using a modified retroactive approach. The Station is currently evaluating the impact of the pending adoption of ASU 2016-14 on its financial statements.

**COMMUNITY WIRELESS OF PARK CITY, INC.**  
**(Operating as KPCW-FM)**  
**(A Non-Profit Organization)**  
**Notes to the Financial Statements**  
**August 31, 2017**

**NOTE 3 - ASSET HELD FOR SALE**

In April 2016, the Station was gifted a radio station from another radio broadcasting and entertainment company. The Station recorded this gift as contribution revenue and as an asset held for sale as the Station is actively marketing the gifted station for sale. It is valued in accordance with ASC Subtopic 958-605 *Revenue Recognition*, which requires contributions of property and equipment to be recognized at fair value. During the year ended August 31, 2017, management of the Station determined the fair market value of these assets had decreased, and as a result the Station recorded an impairment loss of \$850,000 related to the donated assets.

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment at August 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016 (Memorandum Only)</u>
Broadcast equipment	\$ 378,496	\$ 368,517
Buildings and improvements	1,003,140	1,003,140
Office equipment, furniture and fixtures	<u>67,862</u>	<u>67,862</u>
 Total property and equipment	 1,449,498	 1,439,519
Less: accumulated depreciation	<u>(538,956)</u>	<u>(488,572)</u>
 <b>Property and equipment, net</b>	 <b><u>\$ 910,542</u></b>	 <b><u>\$ 950,947</u></b>

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. The net book value of the building unit has been classified as net investment in property and equipment in unrestricted net assets in the statement of financial position.

Depreciation expense was \$50,381 and \$66,504 for the years ended August 31, 2017 and 2016, respectively.

**COMMUNITY WIRELESS OF PARK CITY, INC.**  
**(Operating as KPCW-FM)**  
**(A Non-Profit Organization)**  
**Notes to the Financial Statements**  
**August 31, 2017**

**NOTE 5 - ALLOCATION OF JOINT COSTS**

During the years ended August 31, 2017 and 2016, the Station incurred joint costs of \$1,149,726 and \$1,021,264, respectively, for activities that included fundraising appeals. These joint costs were allocated as follows:

	<u>2017</u>	<u>2016 (Memorandum Only)</u>
Programming and Production	\$ 467,815	\$ 396,975
Engineering	28,762	25,998
Fundraising, Development and Underwriting	321,295	253,270
Management and Administration	331,854	345,021
<b>Total</b>	<b><u>\$ 1,149,726</u></b>	<b><u>\$ 1,021,264</u></b>

**NOTE 6 - COMMITMENTS AND CONTINGENCIES**

During the year ended August 31, 2016, the Station entered into a lease agreement for a copier for a period of sixty-three (63) months. The lease requires monthly rental payments of \$245.

Obligations under the capital lease at August 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016 (Memorandum Only)</u>
Total capital leases	\$ 10,650	\$ 13,112
Less: current portion	<u>(2,942)</u>	<u>(2,462)</u>
<b>Long-term portion of capital leases</b>	<b><u>\$ 7,708</u></b>	<b><u>\$ 10,650</u></b>



**COMMUNITY WIRELESS OF PARK CITY, INC.**  
**(Operating as KPCW-FM)**  
**(A Non-Profit Organization)**  
**Notes to the Financial Statements**  
**August 31, 2017**

**NOTE 6 - COMMITMENTS AND CONTINGENCIES (Continued)**

The future minimum lease payments for the copier and the net present value of the future minimum lease payments are as follows:

<b>Years Ending</b> <b><u>August 31,</u></b>	
2018	\$ 2,942
2019	2,942
2020	2,942
2021	<u>2,697</u>
Total minimum lease payments	11,523
Less executory costs and related profit	<u>-</u>
Net minimum lease payments	11,523
Less amount representing interest	<u>(873)</u>
<b>Present value of minimum lease payments</b>	<b><u>\$ 10,650</u></b>

Depreciation expense for the copier for the years ended August 31, 2017 and 2016 was \$2,650 and \$883, respectively.

**NOTE 7 - SUBSEQUENT EVENTS**

For purposes of these financial statements and all disclosures, subsequent events were evaluated through January 10, 2018, which is the date the financial statements were available to be issued. No material subsequent events that would require disclosure or adjustment to these financial statements as of August 31, 2017 were noted.