Rocky Mountain Public Media, Inc.

Consolidated Financial Report
with Supplemental Information
June 30, 2023

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Independent Auditor's Report

To the Board of Directors
Rocky Mountain Public Media, Inc.

Opinion

We have audited the consolidated financial statements of Rocky Mountain Public Media, Inc. and its subsidiaries (the "Network"), which comprise the consolidated statement of financial position as of June 30, 2023 and 2022 and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Network as of June 30, 2023 and 2022 and the changes in its net assets, functional expenses, and 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 Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Network and to meet our 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor’s Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 audits 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 consolidated financial statements.

To the Board of Directors
Rocky Mountain Public Media, Inc.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Network'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

December 21, 2023

Consolidated Statement of Financial Position

June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 13,347,746	$ 9,587,092
Receivables - Net of allowances:		
Program underwriting and fees	377,246	288,975
Contributions, grants, and other	2,835,873	2,599,102
Capital campaign pledges receivable (Notes 5 and 6)	189,031	600,149
Related party receivable (Note 17)	504,061	463,707
Total receivables - Net of allowances	3,906,211	3,951,933
Program inventory	126,613	120,760
Investments (Notes 7 and 8)	13,332,329	12,074,678
Operating license	53,017	53,017
Prepaid expenses and other assets	441,195	448,197
Loans and notes receivable (Notes 5 and 9)	6,690,000	6,690,000
Investments in subsidiaries	23,503	23,503
Assets held for resale (Note 10)	-	523,524
Right-of-use operating lease assets	3,298,323	-
Finance lease assets	128,235	-
Beneficial interest in trusts (Note 8)	140,183	127,291
Property and equipment - Net (Note 10)	37,309,111	38,107,290
Total assets	**$ 78,796,466**	**$ 71,707,285**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 308,844	$ 396,520
Deferred revenue:		
Refundable advances	39,030	62,815
Deferred revenue - Program underwriting	325,330	417,891
Accrued expenses	1,400,679	1,316,612
Lease liabilities - Operating (Note 14)	3,410,118	-
Lease liabilities - Finance (Note 14)	128,707	-
Notes payable - Net (Note 11)	10,311,230	10,593,088
Total liabilities	15,923,938	12,786,926
Net Assets		
Without donor restrictions (Note 12)	57,611,621	57,171,493
With donor restrictions (Note 12)	5,260,907	1,748,866
Total net assets	62,872,528	58,920,359
Total liabilities and net assets	**$ 78,796,466**	**$ 71,707,285**

Consolidated Statement of Activities and Changes in Net Assets

Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Membership	$ 11,798,985	$ -	$ 11,798,985	$ 12,001,686	$ -	$ 12,001,686
Underwriting	2,271,458	-	2,271,458	2,108,935	-	2,108,935
Bequests	1,937,277	-	1,937,277	1,324,579	1,500,000	2,824,579
Other gifts	1,649,939	3,581,835	5,231,774	2,271,804	365,560	2,637,364
Corporation for Public Broadcasting grants	2,611,285	-	2,611,285	2,444,287	-	2,444,287
Other grants	401,097	777,000	1,178,097	442,008	277,500	719,508
In-kind donations (Note 18)	497,814	-	497,814	554,246	-	554,246
Program service revenue	1,985	-	1,985	382	-	382
Rental, production, and other	276,515	-	276,515	395,852	-	395,852
Special event revenue - Net	117,271	-	117,271	38,647	-	38,647
Change in value of split-interest agreements	12,892	-	12,892	(35,146)	-	(35,146)
Net assets released from restrictions	979,958	(979,958)	-	1,107,426	(1,107,426)	-
Total revenue, gains, and other support	22,556,476	3,378,877	25,935,353	22,654,706	1,035,634	23,690,340
Expenses						
Program services:						
Programming and production	8,786,257	-	8,786,257	7,151,815	-	7,151,815
Broadcasting	3,220,565	-	3,220,565	2,661,061	-	2,661,061
Public information	1,510,317	-	1,510,317	1,107,229	-	1,107,229
Total program services	13,517,139	-	13,517,139	10,920,105	-	10,920,105
Support services:						
Management and general	3,718,301	-	3,718,301	3,739,709	-	3,739,709
Fundraising and development	4,169,016	-	4,169,016	4,179,942	-	4,179,942
Underwriting	1,052,430	-	1,052,430	970,338	-	970,338
Total support services	8,939,747	-	8,939,747	8,889,989	-	8,889,989
Total expenses	22,456,886	-	22,456,886	19,810,094	-	19,810,094
Change in Net Assets - Before nonoperating income (expense)	99,590	3,378,877	3,478,467	2,844,612	1,035,634	3,880,246
Nonoperating (Expense) Income						
Depreciation and amortization	(1,647,550)	-	(1,647,550)	(1,616,113)	-	(1,616,113)
Investment income (loss) - Net (Note 7)	1,235,901	133,164	1,369,065	(1,312,499)	(136,896)	(1,449,395)
Gain on sale/disposal of property and equipment	770,972	-	770,972	-	-	-
Finance lease asset amortization	(18,785)	-	(18,785)	-	-	-
Total nonoperating income (expense)	340,538	133,164	473,702	(2,928,612)	(136,896)	(3,065,508)
Change in Net Assets	440,128	3,512,041	3,952,169	(84,000)	898,738	814,738
Net Assets - Beginning of year	57,171,493	1,748,866	58,920,359	57,255,493	850,128	58,105,621
Net Assets - End of year	**$ 57,611,621**	**$ 5,260,907**	**$ 62,872,528**	**$ 57,171,493**	**$ 1,748,866**	**$ 58,920,359**

See notes to consolidated financial statements.

Consolidated Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services			Support Services			
	Programming and Production	Broadcasting	Public Information	Management and General	Fundraising and Development	Underwriting	Total
Personnel and payroll taxes	$ 4,429,611	$ 1,209,870	$ 1,113,820	$ 1,969,086	$ 1,124,139	$ 920,660	$ 10,767,186
Program acquisitions	2,832,389	-	-	-	-	-	2,832,389
Professional services	435,004	305,493	66,564	708,912	1,151,910	8,800	2,676,683
Mailing and shipping	7,001	7,573	25	2,453	639,782	-	656,834
Printing and duplicating	22,639	11,328	5,048	1,704	25,136	116	65,971
Building, distribution, and software	159,393	1,079,766	6,082	396,040	14,943	14,357	1,670,581
Building rent	5,789	-	250	57,895	-	-	63,934
Subscriptions, dues, and licenses	347,251	195,137	62,354	132,230	310,108	50,364	1,097,444
Premiums, advertising, and promotions	77,368	1,627	221,219	840	367,926	-	668,980
Supplies and videotapes	63,835	127,679	5,818	24,857	16,665	286	239,140
Travel, parking, and mileage	48,893	32,245	11,482	86,262	2,226	3,930	185,038
Insurance	247,698	59,520	8,769	33,490	21,810	21,358	392,645
Interest and bank fees	-	1,247	-	88,256	391,205	3,114	483,822
Trainings and meetings	85,924	10,210	7,949	192,437	83,456	8,378	388,354
Repairs and maintenance	23,462	177,651	937	23,839	2,282	2,254	230,425
Special events costs netted against special event revenue	-	-	-	-	99,292	-	99,292
Bad debt	-	1,219	-	-	17,428	18,813	37,460
Total functional expenses before depreciation and amortization	8,786,257	3,220,565	1,510,317	3,718,301	4,268,308	1,052,430	22,556,178
Depreciation and amortization	724,205	439,307	26,138	328,911	65,006	63,983	1,647,550
Finance lease asset amortization	-	18,785	-	-	-	-	18,785
Total functional expenses	**$ 9,510,462**	**$ 3,678,657**	**$ 1,536,455**	**$ 4,047,212**	**$ 4,333,314**	**$ 1,116,413**	**$ 24,222,513**

See notes to consolidated financial statements.

Consolidated Statement of Functional Expenses

Year Ended June 30, 2022

	Program Services			Support Services			
	Programming and Production	Broadcasting	Public Information	Management and General	Fundraising and Development	Underwriting	Total
Personnel and payroll taxes	$ 3,109,936	$ 1,057,456	$ 839,976	$ 2,049,212	$ 1,186,329	$ 783,780	$ 9,026,689
Program acquisitions	2,782,883	189	-	-	-	-	2,783,072
Professional services	690,910	279,402	33,528	711,091	1,045,342	1,975	2,762,248
Mailing and shipping	412	9,908	167	1,527	765,660	20	777,694
Printing and duplicating	912	30,993	3,356	872	20,521	132	56,786
Building, distribution, and software	93,344	905,488	4,063	154,651	13,333	9,435	1,180,314
Building rent	-	-	-	84,031	-	-	84,031
Subscriptions, dues, and licenses	19,535	62,925	2,084	90,940	7,950	423	183,857
Premiums, advertising, and promotions	82,702	66,552	165,750	18,080	690,300	144,305	1,167,689
Supplies and videotapes	52,110	105,712	16,013	19,769	2,424	522	196,550
Travel, parking, and mileage	42,307	19,547	8,821	15,650	2,145	3,539	92,009
Insurance	264,197	42,008	6,275	31,201	20,443	15,606	379,730
Interest and bank fees	-	-	-	257,801	385,710	4,058	647,569
Training and meetings	7,543	15,935	27,007	116,120	39,169	6,072	211,846
Repairs and maintenance	3,937	58,263	189	6,984	616	471	70,460
Special events costs netted against special event revenue	-	-	-	-	91,333	-	91,333
Other	1,087	-	-	-	-	-	1,087
Bad debt	-	6,683	-	181,780	-	-	188,463
Total functional expenses before depreciation and amortization	7,151,815	2,661,061	1,107,229	3,739,709	4,271,275	970,338	19,901,427
Depreciation and amortization	651,894	413,510	25,554	377,068	83,255	64,832	1,616,113
Total functional expenses	**$ 7,803,709**	**$ 3,074,571**	**$ 1,132,783**	**$ 4,116,777**	**$ 4,354,530**	**$ 1,035,170**	**$ 21,517,540**

See notes to consolidated financial statements.

Rocky Mountain Public Media, Inc.

Consolidated Statement of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Increase in net assets	$ 3,952,169	$ 814,738
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Depreciation and amortization	1,647,550	1,616,113
Amortization of right-of-use operating lease assets	481,245	-
Gain on sale of property and equipment	(770,972)	-
Finance lease interest expense	1,248	-
Amortization of finance lease assets	18,785	-
Realized and unrealized losses on investments	955,652	1,876,623
Change in allowance for doubtful accounts	(32,238)	(24,884)
Change in value of split-interest agreements	(12,892)	35,146
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Receivables	77,960	722,147
Program inventory	(5,853)	(26,992)
Prepaid expenses and other assets	7,002	(145,519)
Accounts payable	17,311	(159,944)
Accrued expenses	84,067	853,753
Deferred revenue	(116,346)	210,488
Operating lease liabilities	(474,437)	-
Net cash and cash equivalents provided by operating activities	5,830,251	5,771,669
Cash Flows from Investing Activities		
Purchase of property and equipment	(618,665)	(362,993)
Proceeds from disposition of property and equipment	1,283,390	-
Purchases of investments	(3,011,101)	(3,516,547)
Proceeds from sales and maturities of investments	797,798	2,193,844
Net cash and cash equivalents used in investing activities	(1,548,578)	(1,685,696)
Cash Flows from Financing Activities		
Payments on notes payable	(501,458)	(6,048,997)
Proceeds from notes payable	-	179,019
Payments on finance lease	(19,561)	-
Net cash and cash equivalents used in financing activities	(521,019)	(5,869,978)
Net Increase (Decrease) in Cash and Cash Equivalents	3,760,654	(1,784,005)
Cash and Cash Equivalents - Beginning of year	9,587,092	11,371,097
Cash and Cash Equivalents - End of year	**$ 13,347,746**	**$ 9,587,092**
Supplemental Cash Flow Information - Interest paid	$ 83,367	$ 250,790

See notes to consolidated financial statements.

Note 1 - Nature of Business

Rocky Mountain Public Media, Inc. (the "Network"), a nonprofit corporation, was founded in 1956 to manage Denver Public Schools' educational television station, KRMA-TV. In 1987, the Network spun off from the school district and obtained a community license from the FCC to operate KRMA-TV as a public broadcasting station under the name Rocky Mountain Public Broadcasting Network, Inc. In 1998, the Network began broadcast operations from Grand Junction, Colorado as KRMJ in partnership with Colorado Mesa University; in 2001, the Network began broadcasting from Pueblo, Colorado as KTSC after acquiring the station from Colorado State University in Pueblo; in 2005, the Network began broadcasting from Durango, Colorado as KRMU; and, in 2007, the Network began broadcasting from Steamboat Springs, Colorado as KRMZ, one of the first digital-only television stations in the country. On September 22, 2016, the articles of incorporation were amended, and the Network's name was changed to Rocky Mountain Public Media, Inc.

On January 1, 2013, the Network merged with I-News in order to increase the news coverage provided to Coloradans. Seven months later, the Network merged with KUVO/Denver Educational Broadcasting and began public radio broadcasting. Each of the acquisitions was strategic in increasing the Network's ability to enrich the lives of Coloradans through engaging and essential programs, services, and community partnerships that inform, enlighten, and entertain. By increasing reach digitally and terrestrially, the Network continues its commitment to education, arts, culture, public service journalism, and educational content available on more platforms than ever before. The Network airs seven hours of award-winning quality programming for children every day and reaches 98 percent of Colorado homes with a free, over-the-air signal.

The Network expanded its broadcasting through the purchase of a new translator to broadcast THE DROP, an urban alternative FM radio station, in the metro-Denver area. The purchase was executed on November 25, 2020. THE DROP, one of public media’s first and only Hip Hop/R&B stations, started as a digital-only station in 2019. Digital natives found THE DROP and built a loyal following prior to the purchase of the translator, allowing expanded access onto the radio dial on 104.7 FM in Denver, Aurora, and the surrounding areas. To date, THE DROP is one of the fastest growing radio stations in Colorado, working to co-create programming alongside the communities served, communities that are not often engaged through public media. For financial statement purposes, business activities for THE DROP fall under KUVO, LLC, which is the entity for the Network's radio operations.

In addition to providing engaging and educational content on a variety of platforms, the Network operates regional locations in Colorado Springs, Pueblo, and Grand Junction to bring civic dialogue to life through community screenings of thought-provoking dialogue and family-centered Science Nights and the Kids Fun Fest, and it partners with other nonprofits to provide educational content to the community.

Note 2 - Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Network; Rocky Mountain PBS, a separate nonprofit public television organization that includes I-News, its wholly owned subsidiary; RMPB Ventures, Inc., a separate for-profit organization established in June 1997; and KUVO, LLC, a separate nonprofit public radio organization. There was no significant operating activity in RMPB Ventures, Inc. during the years ended June 30, 2023 or 2022.

The financial statements also include the accounts of the Network's wholly owned subsidiary, Rocky Mountain Public Media QALICB, Inc. (RMPM QALICB) since its incorporation on September 21, 2018 as a Colorado nonprofit corporation and a Section 509(a)(3) supporting organization of the Network, including its activity starting on or about October 30, 2018 as part of the New Markets Tax Credit financing for the Buell Public Media Center, as discussed in Note 5.

All material intercompany accounts and transactions have been eliminated in consolidation.

Note 2 - Significant Accounting Policies (Continued)

Basis of Presentation

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). Management also follows the Corporation for Public Broadcasting's publication, *Principles of Accounting and Financial Reporting for Public Telecommunication Entities*, which follows U.S. GAAP and promotes consistency in financial reporting among public broadcasting entities.

Classification of Net Assets

Net assets of the Network are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Network.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Network or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Cash Equivalents

The Network considers all investments with an original maturity of three months or less when purchased to be cash equivalents. The Network continually monitors its positions with, and the credit quality of, the financial institutions with which it invests. Financial instruments that potentially subject the Network to concentrations of credit risk consist principally of cash in excess of FDIC limits, temporary cash investments, investment securities, programming, underwriting, fees receivable, and pledges receivable.

At June 30, 2023 and 2022, amounts included in prepaid expenses and other assets related to cash that are held in escrow to be used for building maintenance and shared antenna use amounted to $0 and $118,904, respectively.

Investments

Investments in limited liability companies (LLCs) and limited partnerships (LPs) in which the Network has more than a minor interest (generally 3 to 5 percent) are accounted for using the equity method. Under the equity method, the investment is carried at cost, adjusted for the Network’s proportionate share of undistributed earnings or losses. Impairment losses due to a decline in the value of the investment that is other than temporary are recognized when incurred. No impairment losses were recognized for 2023 and 2022.

Investment securities are classified based on the Network’s intent with respect to holding securities.

Debt and equity securities are purchased and held principally for the purpose of selling them in the near term and are reported at fair value, with unrealized gains and losses included in earnings.

Contribution Revenue

Membership, Corporation for Public Broadcasting grants, bequests, and other contributions are recorded as receivables and recognized as revenue when pledged. If not pledged, this revenue is recognized as revenue when received in cash. Unconditional promises to give cash and other assets to the Network are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received.

Note 2 - Significant Accounting Policies (Continued)

The gifts are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible.

The Network began incurring costs and receiving pledges in fiscal year 2017 relating to the capital campaign. Multiyear capital campaign pledges receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

Conditional promises to give are not recognized as revenue until barriers prescribed by the grant or pledge agreements are overcome. The Network records cash received in advance of meeting conditions as a refundable advance on the consolidated statement of financial position.

Contracts with Customers

The Network's primary revenue streams under contracts with customers is related to underwriting contracts.

<u>Underwriting</u>

The Network generates revenue from written program underwriting agreements that identify specific obligations, such as air-time broadcast or radio spots and digital impressions that are delivered on behalf of a corporate sponsor. These air-time spots and digital impressions are recognized over time as they are delivered, satisfying each performance obligation. Underwriting is billed periodically throughout the contract. In some situations, the Network bills customers and collects cash prior to the satisfaction of the performance obligation, which results in the Network recognizing deferred revenue.

The Network’s receivables from program underwriting were $318,806, $253,034, and $387,925 as of June 30, 2023; June 30, 2022; and July 1, 2021, respectively. The balances of the Network’s deferred revenue from program underwriting were $325,330, $417,891, and $230,407 as of June 30, 2023; June 30, 2022; and July 1, 2021, respectively.

Program Inventory

The Network maintains its purchased inventory of programming on the specific identification basis. Programming rights for specials are expensed after the first broadcast. Purchased programming for program series for which costs can be specifically identified is expensed based on the percentage of the entire first run of that series that has been broadcast in the current year. Inventories are carried at the lower of cost or net realizable value on the first-in, first-out basis of accounting.

Purchased programming agreements that provide for one year of unlimited airing of the package are expensed when the first program of the package is aired. The Network has determined that the individual program's cost in the package cannot be reasonably estimated and, therefore, is expensed rather than amortized.

Note 2 - Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives ranging from 2 to 30 years. The Network capitalizes all expenditures for property and equipment in excess of $5,000 and with a useful life exceeding one year. Costs of maintenance and repairs are charged to expense when incurred. Donated fixed assets are also capitalized at fair value at the date of donation.

The Network has capitalized costs related to transmitters, broadcasting equipment, network infrastructure, and building. Once the projects are completed, they are placed into service and depreciated.

Long-lived Assets

Acquired long-lived assets are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually. The Network looks primarily to the undiscounted future cash flows in its assessment of whether long-lived assets have been impaired. There were no impairments at June 30, 2023 and 2022.

In-kind and Donated Services

Certain donated services are recognized as support in the consolidated statement of activities and changes in net assets. The value of these services is determined based on estimated fair value at the date of donation. See Note 18 for more information.

A number of volunteers have donated time to the Network. As of June 30, 2023 and 2022, approximately 8,000 and 7,700, respectively, volunteer hours were received. These values have not been included in the consolidated financial statements, as they do not meet the requirements to be recorded under accounting principles generally accepted in the United States of America.

Leases

The Network has operating leases for buildings and broadcasting equipment and finance leases for equipment. The Network recognizes expense for leases on a straight-line basis over the lease term. The Network made a policy election not to separate lease and nonlease components for buildings, broadcasting equipment, and equipment. Therefore, all payments are included in the calculation of the right-of-use operating lease asset, finance asset, and lease liability.

The Network has operating leases for buildings, broadcasting equipment, and equipment, with a lease term of one year or less that the Network elected to account for as short-term leases. As these leases are short-term leases, they are not included in the right-of-use asset and lease liability. Total expense related to short-term leases was $147,925 for 2023.

The Network elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for buildings, broadcast equipment, and equipment.

Note 2 - Significant Accounting Policies (Continued)

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the accompanying consolidated financial statements. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Costs have been allocated between the various program and support services based on estimates determined by management. Most expenses were directly assigned by management to the various functions, but personnel and payroll taxes were allocated based on estimated time and effort, and building rent and depreciation were allocated based on estimated square footage. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Advertising Expense

The Network uses advertising to promote its programs among the audiences it serves. Advertising expense is charged to expense during the year in which it is incurred. Advertising expense for 2023 and 2022 was $336,151 and $315,245, respectively.

Income Taxes

The Network is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

RMPB Ventures, Inc. is a for-profit corporation and is subject to federal and state income taxes at the applicable corporate rates. As there were no significant operating activities in RMPB Ventures, Inc., income taxes were inconsequential for the years ended June 30, 2023 and 2022.

Upcoming Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*. The ASU includes changes to the accounting and measurement of financial assets, including the Network's accounts and loans and notes receivable, by requiring the Network to recognize an allowance for all expected losses over the life of the financial asset at origination. This is different from the current practice where an allowance is not recognized until the losses are considered probable. The new guidance will be effective for the Network's year ending June 30, 2024. Upon adoption, the ASU will be applied using a modified retrospective transition method to the beginning of the year of adoption.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The consolidated financial statements and related disclosures include evaluation of events up through and including December 21, 2023, which is the date the consolidated financial statements were available to be issued.

Note 3 - Adoption of New Accounting Pronouncement

As of July 1, 2022, the Network adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-02, *Leases*. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. The Network elected to adopt the ASU using the modified retrospective method as of July 1, 2022 and applied the following practical expedients:

- The Network did not reassess if expired or existing contracts are or contain a lease.
- The Network did not reassess the lease classification for expired or existing leases.
- The Network did not reassess initial direct costs for any existing leases.

As a result of the adoption of the ASU, the Network recorded a finance lease asset of $51,656, an operating right-of-use asset of $3,779,568, a lease liability of $51,656 for finance leases, and a lease liability of $3,779,568 as of July 1, 2022 for existing operating leases. There was no impact on net assets as a result of adopting the new ASU.

Note 4 - Liquidity and Availability of Resources

The following reflects the Network's financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of June 30:

	2023	2022
Cash and cash equivalents	$ 13,347,746	$ 9,587,092
Receivables	3,906,211	3,951,933
Investments	13,332,329	12,074,678
Beneficial interest in trusts	140,183	127,291
Loans and notes receivable	6,690,000	6,690,000
Financial assets - At year end	37,416,469	32,430,994
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions and board designations:		
Capital campaign pledges receivable limited for use on capital campaign related expenditures or to service related debts	189,031	600,149
Beneficial interest in trusts, subject to an implied time restriction and an expressed purpose restriction for the capital campaign	140,183	127,291
RMPM QALICB cash, subject to contractual restrictions for the financing of the Buell Public Media Center	161,253	272,554
Other cash and notes receivable subject to contractual restrictions related to the New Markets Tax Credit financing	7,173,013	7,076,088
Net assets restricted by donors in addition to those listed above	5,260,907	1,605,285
Financial assets available to meet cash needs for general expenditures within one year	$ 24,492,082	$ 22,749,627

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statement of financial position date.

The Network has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Network invests cash in excess of liquidity requirements in various short-term investments.

Note 4 - Liquidity and Availability of Resources (Continued)

The Network also realizes there could be unanticipated liquidity needs.

The Network has a committed line of credit in the amount of $1,200,000 at June 30, 2023 and 2022, which it could draw upon if needed to meet general expenditure liquidity requirements, as discussed in Note 15.

The Network's available borrowing capacity through the notes payable discussed in Note 11 is contractually restricted for the Buell Public Media Center capital campaign and cannot be used to meet general expenditure liquidity requirements.

Note 5 - Buell Public Media Center Capital Campaign

Beginning during the year ended June 30, 2016, and completed during the year ended June 30, 2021, the Network embarked on a capital campaign. The Network is committed to being the leader in the reinvention of public media. By changing Colorado's public media landscape through an ambitious capital campaign initiative, the vision of the $34 million Buell Public Media Center (BPMC) was realized. BPMC houses a replicable model of high-tech media collaboration, original programming, and community involvement. Key funding sources included capital campaign contributions, a land-for-land exchange agreement with the State of Colorado, sale of other land and assets, and a financing structure using New Markets Tax Credit (NMTC) and sale of tax exempt bonds.

In order to facilitate the NMTC financing structure, the Network subdivided the Arapahoe Street property pursuant to a Planned Community Declaration for the Buell Public Media Center, and separate ownership units were created (each a "Unit"). The Network donated one of the Units to Emily Griffith Technical College (a Colorado nonprofit corporation), which contributed the Unit, plus cash, to a newly created entity, CMC QALICB, LLC (CMC QALICB) (a Colorado limited liability company), to establish a 95 percent limited membership interest. Furthermore, the Network contributed cash to establish a 5 percent membership interest in CMC QALICB, entered into an operating agreement for CMC QALICB, and accepted its role as managing member of CMC QALICB. The Network does not have control of CMC QALICB due to the participation rights held by the limited member. As such, the Network's investment in CMC QALICB is accounted for as an investment in subsidiary on the consolidated statement of financial position. CMC QALICB constructed and developed the Unit for lease to the City and County of Denver, Colorado.

The Network donated the remaining Units and predevelopment costs to another newly created entity, Rocky Mountain Public Media QALICB, Inc. (a Colorado nonprofit corporation) (RMPM QALICB), a wholly owned subsidiary of the Network, as described in the *Principles of Consolidation* section of Note 2. The Network's investment in RMPM QALICB was in the form of approximately $2,483,000 of property and equipment and $5,287,000 of cash, sourced from the capital campaign, and other sources and has been eliminated during consolidation. RMPM QALICB constructed and developed the Units for lease to RMPM, Inc.

The Network loaned the principal amount of $6,690,000 to Rocky Mountain Investment Fund, LLC (a Delaware limited liability company). Rocky Mountain Investment Fund, LLC used these proceeds, together with other funds invested by Wells Fargo Community Investment Holdings, LLC, the NMTC tax credit investor, to fund a qualified equity investment in Rose Urban Green Sub-CDE, XVI, LLC (a Delaware limited liability company) (the "Sub-CDE"). This note receivable is described in Note 9.

Both of these QALICB entities have entered into notes payable to be provided funds to build out their portions of BPMC through qualified low-income community investment (QLICI) from the Sub-CDE. RMPM QALICB's notes payable to the Sub-CDE are described in Note 11. CMC QALICB's notes payable total $1,960,000. These QALICB notes payable are secured by deeds of trust on the underlying property and the assignment of leases and rents. RMPM has provided a guarantee on the notes payable.

Note 5 - Buell Public Media Center Capital Campaign (Continued)

The Network broke ground on BPMC on November 29, 2018 and was placed into service on September 10, 2020. Total capitalized costs incurred by the Network toward the BPMC amounted to $32,782,596. Total capitalized costs incurred by CMC QALICB toward the BPMC amounted to $2,269,565. The Network raised a total of $14,784,092 in capital contributions as of June 30, 2023.

Note 6 - Capital Campaign Pledges Receivable

Included in receivables are several unconditional promises to give generated from the capital campaign. They are included at June 30 as follows:

	2023	2022
Gross promises to give before unamortized discount	$ 195,558	$ 651,558
Less allowance for uncollectible contributions	-	(9,105)
Less allowance for net present value discount of approximately 3 percent	(6,527)	(42,304)
Net contributions receivable	$ 189,031	$ 600,149
Amounts due in:		
Less than one year	$ 161,000	$ 507,000
One to five years	34,558	144,558
Gross promises to give	$ 195,558	$ 651,558

Note 7 - Investments

The details of the Network's investments at June 30 are as follows:

	2023	2022
Money market funds	$ 268,207	$ 134,287
Fixed-income mutual funds	1,720,726	2,107,959
Equity mutual funds	9,398,881	7,560,611
Multistrategy mutual funds	1,136,139	1,367,342
Multistrategy hedge fund	808,190	904,293
Non-fungible tokens	186	186
Total investments	$ 13,332,329	$ 12,074,678

Investment return consists of the following:

	2023	2022
Dividends and interest	$ 458,572	$ 469,728
Net realized (losses) gains	(7,536)	327,252
Net unrealized gains (losses)	963,188	(2,203,875)
Fees	(45,159)	(42,500)
Total investment return	$ 1,369,065	$ (1,449,395)

Note 8 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Note 8 - Fair Value Measurements (Continued)

The following tables present information about the Network's assets measured at fair value on a recurring basis at June 30, 2023 and 2022 and the valuation techniques used by the Network to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Network has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

As required by GAAP, the Network uses net asset value (NAV) per share or its equivalent (practical expedient), such as member units or an ownership interest in partners' capital, to estimate the fair value of an alternative investment and requires additional fair value disclosures of the Network's alternative investments. Certain investments that are measured at fair value using the NAV practical expedient are not classified in the fair value hierarchy. The fair value amounts presented in the following table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of financial position.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Network's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2023
Investments:				
Money market funds	$ 268,207	$ -	$ -	$ 268,207
Fixed-income mutual funds	1,720,726	-	-	1,720,726
Equity mutual funds	9,398,881	-	-	9,398,881
Multistrategy mutual funds	1,136,139	-	-	1,136,139
Beneficial interest in trusts	-	-	140,183	140,183
Subtotal	$ 12,523,953	$ -	$ 140,183	12,664,136
Investments measured at NAV				808,190
Total assets				$ 13,472,326

Note 8 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2022			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2022
Investments:				
Money market funds	$ 134,287	$ -	$ -	$ 134,287
Fixed-income mutual funds	2,107,959	-	-	2,107,959
Equity mutual funds	7,560,611	-	-	7,560,611
Multistrategy mutual funds	1,367,342	-	-	1,367,342
Beneficial interest in trusts	-	-	127,291	127,291
Subtotal	$ 11,170,199	$ -	$ 127,291	11,297,490
Investments measured at NAV				904,293
Total assets				$ 12,201,783

In addition to the assets noted above, the Network holds $186 in the investment balance related to non-fungible tokens as of June 30, 2023 and 2022, which are not carried at fair value.

The following are descriptions of the valuation methodologies used for assets measured at fair value:

Money market funds and mutual funds: Valued at the closing price reported on the active market on which the funds and individual securities are traded.

Beneficial interest in trusts: The fair value of investments held in beneficial interests in trusts include Levels 1 and 2; however, the Network's pro rata share of the interest in the trusts is determined by actuarial assumptions that are not quoted on active markets and, therefore, are classified under Level 3 in the fair value hierarchy.

There were no changes to the valuation techniques used during the period.

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended June 30, 2023 and 2022 are as follows:

	Beneficial Interest in Trusts
Balance at July 1, 2022	$ 127,291
Change in value of split-interest agreements	12,892
Balance at June 30, 2023	$ 140,183

	Beneficial Interest in Trusts
Balance at July 1, 2021	$ 162,437
Change in value of split-interest agreements	(35,146)
Balance at June 30, 2022	$ 127,291

Note 8 - Fair Value Measurements (Continued)

Investments in Entities that Calculate Net Asset Value per Share

The Network holds shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	June 30, 2023	June 30, 2022	June 30, 2023		
	Fair Value	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Multistrategy hedge funds	$ 808,190	$ 904,293	$ -	Quarterly	30 to 120 Days

The multistrategy hedge funds class invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

Note 9 - Note Receivable

A note receivable in the amount of $6,690,000 from Rocky Mountain Investment Fund, LLC (the "Investment Fund") was made as part of the NMTC financing described in Note 5, effective on October 30, 2018, and is due in installments of principal and interest at 1.4647 percent, equal to the amount and with consistent frequency of distributions the Investment Fund receives from the Sub-CDE, to which this note's proceeds were subsequently invested.

The note is collateralized by the Investment Fund's interest in the Sub-CDE and the rights to the distributions from the Sub-CDE, as prescribed by the Sub-CDE's operating agreement, as amended and restated. The note matures on October 30, 2044 but includes the option that, after the end of the NMTC compliance period (seven years from the effective date of October 30, 2018), the fund has the option, but shall not be obligated, to provide for the payment of this note, in whole, by the transfer to the Network of the promissory notes evidencing the CMC QALICB QLICI loan and the RMPM QALICB QLICI loan described in Notes 5 and 11.

Because of the variable nature of the timing of repayment on this note receivable, as it is based on the distributions to the Investment Fund from the Sub-CDE, no amount of the note is considered current, and no maturity schedule has been disclosed.

Note 10 - Property and Equipment

Property and equipment are summarized as follows:

	2023	2022
Land	$ 4,985,880	$ 4,985,880
Buildings and improvements	30,969,818	30,969,818
Furniture, fixtures, and equipment	4,713,381	4,364,312
Transmitter facilities and equipment	3,907,526	3,673,216
Construction in progress	121,776	84,617
Total cost	44,698,381	44,077,843
Accumulated depreciation:		
Buildings and improvements	2,241,852	1,450,860
Furniture, fixtures, and equipment	2,996,453	2,776,245
Transmitter facilities and equipment	2,150,965	1,743,448
Total accumulated depreciation	7,389,270	5,970,553
Net property and equipment	$ 37,309,111	$ 38,107,290

Depreciation expense for 2023 and 2022 was $1,427,950 and $1,396,513, respectively.

During the year ended June 30, 2022, the Network determined certain property to be held for sale. The Network reclassified $523,524 as of June 30, 2022. The property was sold in September 2022 with proceeds of approximately $1,400,000, resulting in a gain of approximately $800,000.

Note 11 - Notes Payable

Notes payable at June 30 are as follows:

	2023	2022
The Network has an obligation under a note payable for property for a mortgage payable to Five Points Media Center. The note is due in monthly installments of principal and interest of $1,004 through December 2023, with an interest rate of 5 percent and secured by a first deed of trust on an office condominium	$ 5,632	$ 17,090
In October 2016, the Network entered into a note payable to the City and County of Denver, Colorado. The note allows for a total principal amount of up to $1,500,000 to be borrowed, which includes $1,000,000 as a performance-based loan at 0 percent interest and $500,000 as a repayable loan at 2 percent interest. The note is secured by a first deed of trust on property. The repayable loan is due in monthly principle and interest payments to commence based on occupancy, with any remaining outstanding amount due 84 months following the execution of an amendment in October 2018 on the note payable. If the Network remains in compliance with the notes, as defined in the agreement, the performance-based loan will be deemed to be fully paid and satisfied 84 months following the execution of an amendment in October 2018 on the note payable. The repayable portion of the loan was repaid during 2023	980,000	1,470,000
In October 2018, the Network entered into an amendment of the October 2016 note payable to the City and County of Denver, Colorado. The amendment authorized an additional principal amount of up to $1,900,000 to be borrowed under the same terms of the original note payable, bearing interest at 0 percent, and is repayable on November 1, 2026	1,780,000	1,780,000

Note 11 - Notes Payable (Continued)

	2023	2022
On October 30, 2018, as part of the NMTC financing for the Buell Public Media Center described in Note 5, the Network entered into a pair of promissory notes for $5,352,000 and $2,488,000 of qualified low-income community investment proceeds from the Sub-CDE. The notes are secured by a second deed of trust to RMPM QALICB's property in BPMC, including building units 2, 3, and 4; parking unit I; and a terrace unit, according to the Planned Community Declaration recorded. This second deed in trust is subordinated to the senior deed in trust outlined above according to an intercreditor agreement by PB&T and the Sub-CDE. The notes mature on October 30, 2048 and bear interest at 1 percent annually. Quarterly interest-only payments, in the schedule described in the promissory notes, are required until October 30, 2025, at which point, one of the notes requires a one-time principal payment of $40,000, and then, beginning on March 1, 2026, both notes require principal and interest payments sufficient to fully repay the outstanding principal plus interest in level quarterly payments over the remaining term of the notes	$ 7,840,000	$ 7,840,000
Less debt issuance costs	(294,402)	(514,002)
Notes payable	$ 10,311,230	$ 10,593,088

The balance of the above debt matures as follows:

Fiscal Years Ending June 30:	Amount
2024	$ 6,848
2025	-
2026	1,171,592
2027	2,083,485
2028	-
Thereafter	7,343,707
Unamortized debt discount	(294,402)
Total	$ 10,311,230

Interest expense for 2023 and 2022 was $83,367 and $250,790, respectively. During the year ended June 30, 2021, the Buell Public Media Center project described in Note 5 was placed into service, and the Network commenced amortization of the debt issuance costs. The Network recognized $219,600 of amortization expense for the years ended June 30, 2023 and 2022.

Note 12 - Net Assets

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2023	2022
Subject to expenditures for a specified purpose:		
Corporation for Public Broadcasting	$ -	$ 143,581
Digital content	-	91,875
Radio	185,646	178,347
Journalism positions	336,894	76,560
Digital innovation	232,297	-
Education	2,911,740	-
Partner content	190,000	-
Building engagement	12,664	-
Subject to the Network's spending policy and appropriation - Accumulated endowment earnings (deficit)	129,949	(3,214)
Not subject to appropriation or expenditure - Endowment amounts required to be maintained in perpetuity by donors:		
General endowment	201,717	201,717
Medearis	60,000	60,000
Metzler	1,000,000	1,000,000
Total not subject to appropriation or expenditure	1,261,717	1,261,717
Total net assets with donor restrictions	$ 5,260,907	$ 1,748,866

Note 13 - Employee Benefit Plan

The Network has a tax-sheltered annuity plan (the "Plan") under IRC Section 403(b) covering substantially all full-time employees. The Network contributes 100 percent up to 3 percent of the employees' deferrals. In addition, each participating employee has the option to contribute additional amounts on a pretax basis up to the maximum allowable by the IRS. Contributions to the Plan vest immediately. The Network contributed $209,551 and $191,933 for the years ended June 30, 2023 and 2022, respectively.

Note 14 - Leases

The Network is obligated under operating leases primarily for buildings and broadcast equipment, expiring at various dates through March 2033. The right-of-use asset and related lease liability have been calculated using a discount rate of 2.88 percent. The leases require the Network to pay insurance, utilities, and maintenance costs.

The Network leases equipment under long-term lease arrangements that are classified as finance leases. Under the terms of the lease agreements, payments are due monthly through June 2026. The finance lease asset and related lease liability have been calculated using discount rates ranging from 2.85 percent to 2.88 percent.

Note 14 - Leases (Continued)

Expenses recognized under these leases for the year ended June 30, 2023 consist of the following:

Lease cost:	
Finance lease cost	$ 19,560
Operating lease cost	585,338
Short-term lease cost	147,925
Variable lease cost	85,064
Total lease cost	$ 837,887
Other information:	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from finance leases	$ 19,560
Operating cash flows from operating leases	474,437
Weighted-average remaining lease term - Finance leases	2.68 years
Weighted-average remaining lease term - Operating leases	8.71 years
Weighted-average discount rate - Finance leases	2.8 %
Weighted-average discount rate - Operating leases	2.8 %

The future minimum lease payments under operating and finance leases are as follows:

Years Ending June 30	Operating Leases	Finance Leases	Total Payments
2024	$ 502,442	$ 52,779	$ 555,221
2025	509,344	47,889	557,233
2026	409,270	33,219	442,489
2027	331,582	-	331,582
2028	347,183	-	347,183
Thereafter	1,788,412	-	1,788,412
Total	3,888,233	133,887	4,022,120
Less amount representing interest	478,115	5,180	483,295
Present value of net minimum lease payments	$ 3,410,118	$ 128,707	$ 3,538,825

Note 15 - Line of Credit

As of June 30, 2023, the Network has a $1,200,000 line of credit with a bank available, which bears interest at the U.S. prime rate (4.75 percent at June 30, 2022 and 8.25 percent at June 30, 2023), plus 0.50 percent, with a floor of 5.50 percent and matures on April 14, 2024 (as amended). The outstanding balance at June 30, 2023 and 2022 was $0. The line of credit is collateralized by deposit accounts of the Network.

Note 16 - Rental Fee Income

The Network leases transmission towers and commercial space to tenants under noncancelable operating leases with terms of one to five years. Rental fee income for the years ended June 30, 2023 and 2022 was approximately $250,000 and $260,000, respectively.

Note 16 - Rental Fee Income (Continued)

Future minimum rental revenue under these leases is approximately as follows:

Years Ending June 30	Amount
2024	$ 145,000
2025	121,000
2026	29,000
Total	$ 295,000

Note 17 - Related Party Transactions

The following is a description of transactions between the Network and related parties:

Related Party Receivable

At June 30, 2023 and 2022, the Network had a receivable from CMC QALICB, LLC totaling $504,061 and $463,707, respectively, mainly for construction expenses paid on its behalf and awaiting reimbursement. CMC QALICB, LLC is a party related to the Network, as the Network holds a minority membership interest of CMC QALICB, LLC, as discussed in Note 5.

Note 18 - In-kind Donations

The Network received the following contributions of nonfinancial assets, which are used in operations or immediately liquidated on receipt, for the years ended June 30:

	2023	2022
Contributions of nonfinancial assets used in operations:		
Consulting fees, professional services, and membership dues	$ 82,635	$ 65,677
Complementary food and beverage catering for events and activities	55,135	32,661
Musical instruments (piano LATV)	-	22,000
Publications and advertising	18,545	7,500
Total used in operations	156,315	127,838
Contributions of nonfinancial assets immediately liquidated upon receipt - Vehicles	341,499	426,408
Total contributions of nonfinancial assets	$ 497,814	$ 554,246

The value of these goods and services used in operations is determined based on estimated fair value at the date of donation, which for most of these gifts relates to the price these providers would have charged the Network had they not donated their goods and services.

It is the Network's policy to sell all contributed vehicles immediately upon receipt at auction or for salvage unless restricted by donor. No vehicles received were restricted. All vehicles were sold and valued according to the actual cash proceeds from their sale.

Supplemental Information

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Independent Auditor's Report on Supplemental Information

To the Board of Directors
Rocky Mountain Public Media, Inc.

We have audited the consolidated financial statements of Rocky Mountain Public Media, Inc. and its subsidiaries as of and for the years ended June 30, 2023 and 2022 and have issued our report thereon dated December 21, 2023, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the 2023 consolidated financial statements as a whole. The supplemental consolidating statement of financial position, consolidating statement of activities, and the subsidiary statements of functional expenses are presented for the purpose of additional analysis rather than to present the financial position, activities, and functional expenses of the individual companies and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the 2023 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2023 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2023 consolidated financial statements as a whole.

Plante & Moran, PLLC

December 21, 2023

Consolidating Statement of Financial Position

June 30, 2023

	Rocky Mountain PBS	KUVO, LLC	RMPB Ventures, Inc.	Rocky Mountain Public Media QALICB, Inc.	Eliminating Entries	Total
Assets						
Cash and cash equivalents	$ 10,031,154	$ 3,155,339	$ -	$ 161,253	$ -	$ 13,347,746
Receivables - Net of allowances:						
Program underwriting and fees	257,359	119,887	-	-	-	377,246
Contributions, grants, and other	2,608,677	227,196	-	-	-	2,835,873
Capital campaign pledges receivable	189,031	-	-	-	-	189,031
Related party receivable	251,058	6,380	-	246,623	-	504,061
Total receivables - Net of allowances	3,306,125	353,463	-	246,623	-	3,906,211
Intercompany receivables	16,451,473	-	243	-	(16,451,716)	-
Program inventory	126,613	-	-	-	-	126,613
Investments	13,332,142	187	-	-	-	13,332,329
Operating license	-	53,017	-	-	-	53,017
Prepaid expenses and other assets	396,973	39,222	5,000	-	-	441,195
Loans and notes receivable	6,690,000	-	-	-	-	6,690,000
Investments in subsidiaries	6,884,115	-	-	-	(6,860,612)	23,503
Right-of-use operating lease assets	3,134,351	163,972	-	-	-	3,298,323
Finance lease assets	128,235	-	-	-	-	128,235
Beneficial interest in trusts	140,183	-	-	-	-	140,183
Property and equipment - Net	12,385,566	794,941	-	24,128,604	-	37,309,111
Total assets	**$ 73,006,930**	**$ 4,560,141**	**$ 5,243**	**$ 24,536,480**	**$ (23,312,328)**	**$ 78,796,466**

Consolidating Statement of Financial Position (Continued)

June 30, 2023

	Rocky Mountain PBS	KUVO, LLC	RMPB Ventures, Inc.	Rocky Mountain Public Media QALICB, Inc.	Eliminating Entries	Total
Liabilities and Net Assets (Deficit)						
Liabilities						
Accounts payable	$ 278,357	$ 30,487	$ -	$ -	$ -	$ 308,844
Deferred revenue:						
Refundable advances	-	39,030	-	-	-	39,030
Deferred revenue - Program underwriting	158,518	166,812	-	-	-	325,330
Accrued expenses	1,292,689	107,890	-	-	100	1,400,679
Intercompany payables	243	5,665,736	655,567	10,130,270	(16,451,816)	-
Lease liabilities - Operating	3,241,054	169,064	-	-	-	3,410,118
Lease liabilities - Finance	128,707	-	-	-	-	128,707
Notes payable - Net	2,760,000	5,632	-	7,545,598	-	10,311,230
Total liabilities	7,859,568	6,184,651	655,567	17,675,868	(16,451,716)	15,923,938
Net Assets (Deficit)						
Without donor restrictions - Undesignated	60,072,101	(1,810,156)	(650,324)	6,860,612	(6,860,612)	57,611,621
With donor restrictions	5,075,261	185,646	-	-	-	5,260,907
Total net assets (deficit)	65,147,362	(1,624,510)	(650,324)	6,860,612	(6,860,612)	62,872,528
Total liabilities and net assets (deficit)	**$ 73,006,930**	**$ 4,560,141**	**$ 5,243**	**$ 24,536,480**	**$ (23,312,328)**	**$ 78,796,466**

Consolidating Statement of Activities

Year Ended June 30, 2023

	Rocky Mountain PBS	KUVO, LLC	RMPB Ventures, Inc.	Rocky Mountain Public Media QALICB, Inc.	Eliminating Entries	Total
Changes in Net Assets without Donor Restrictions						
Revenue, gains, and other support:						
Membership	$10,770,216	$ 1,028,769	$ -	$ -	$ -	$11,798,985
Underwriting	1,800,712	470,746	-	-	-	2,271,458
Bequests	1,898,352	38,925	-	-	-	1,937,277
Other gifts	1,640,221	9,718	-	-	-	1,649,939
Corporation for Public Broadcasting grants	2,457,464	153,821	-	-	-	2,611,285
Other grants	298,283	102,814	-	-	-	401,097
In-kind donations	312,167	185,647	-	-	-	497,814
Program service revenue	1,985	-	-	-	-	1,985
Rental, production, and other	263,796	12,719	-	1,002,000	(1,002,000)	276,515
Special event revenue - Net	-	117,271	-	-	-	117,271
Change in value of split-interest agreements	12,892	-	-	-	-	12,892
Net assets released from restrictions	697,676	282,282	-	-	-	979,958
Total revenue, gains, and other support	20,153,764	2,402,712	-	1,002,000	(1,002,000)	22,556,476
Expenses:						
Program services:						
Programming and production	6,887,328	2,497,106	-	-	(598,177)	8,786,257
Broadcasting	3,127,473	256,350	-	-	(163,258)	3,220,565
Public information	1,469,556	65,687	-	-	(24,926)	1,510,317
Total program services	11,484,357	2,819,143	-	-	(786,361)	13,517,139
Support services:						
Management and general	2,960,886	717,934	1,515	130,899	(92,933)	3,718,301
Fundraising and development	3,908,993	322,017	-	-	(61,994)	4,169,016
Underwriting	1,101,406	11,736	-	-	(60,712)	1,052,430
Total support services	7,971,285	1,051,687	1,515	130,899	(215,639)	8,939,747
Total expenses	19,455,642	3,870,830	1,515	130,899	(1,002,000)	22,456,886
Increase (Decrease) in Net Assets without Donor Restrictions - Before nonoperating expense	698,122	(1,468,118)	(1,515)	871,101	-	99,590
Nonoperating (Expense) Income						
Depreciation and amortization	(565,895)	(150,385)	-	(931,270)	-	(1,647,550)
Investment gain - Net	1,235,901	-	-	-	-	1,235,901
Gain on sale/disposal of property and equipment	-	770,972	-	-	-	770,972
Finance lease asset amortization	(18,785)	-	-	-	-	(18,785)
Loss on investment in subsidiary	(60,169)	-	-	-	60,169	-
Total nonoperating (expense) income	591,052	620,587	-	(931,270)	60,169	340,538
Increase (Decrease) in Net Assets without Donor Restrictions	1,289,174	(847,531)	(1,515)	(60,169)	60,169	440,128

Consolidating Statement of Activities (Continued)

Year Ended June 30, 2023

	Rocky Mountain PBS	KUVO, LLC	RMPB Ventures, Inc.	Rocky Mountain Public Media QALICB, Inc.	Eliminating Entries	Total
Changes in Net Assets with Donor Restrictions						
Other gifts	$ 3,435,835	$ 146,000	$ -	$ -	$ -	$ 3,581,835
Other grants	777,000	-	-	-	-	777,000
Investment gain - Net	133,164	-	-	-	-	133,164
Net assets released from restrictions	(697,676)	(282,282)	-	-	-	(979,958)
Increase in Net Assets with Donor Restrictions	3,648,323	(136,282)	-	-	-	3,512,041
Increase (Decrease) in Net Assets	**$ 4,937,497**	**$ (983,813)**	**$ (1,515)**	**$ (60,169)**	**$ 60,169**	**$ 3,952,169**

Subsidiary Statement of Functional Expenses
Rocky Mountain PBS

Year Ended June 30, 2023

	Program Services			Support Services			
	Programming and Production	Broadcasting	Public Information	Management and General	Fundraising and Development	Underwriting	Total
Rocky Mountain PBS							
Personnel and payroll taxes	$ 2,802,874	$ 1,103,712	$ 1,110,436	$ 1,754,976	$ 1,099,823	$ 920,660	$ 8,792,481
Program acquisitions	2,756,439	-	-	-	-	-	2,756,439
Professional services	198,009	298,711	45,634	473,778	1,088,481	8,800	2,113,413
Mailing and shipping	6,256	7,573	25	2,453	581,397	-	597,704
Printing and duplication	12,280	11,328	1,276	1,705	25,136	114	51,839
Building, distribution, and software	97,607	1,007,855	5,673	200,118	14,083	14,358	1,339,694
Building rent	356,437	147,098	24,411	101,829	58,292	60,712	748,779
Subscriptions, dues, and licenses	309,832	186,395	61,902	107,190	289,649	50,364	1,005,332
Premiums, advertising, and promotions	31,968	1,627	203,003	-	331,828	-	568,426
Supplies and videotapes	58,814	115,852	5,461	23,138	16,665	286	220,216
Travel, parking, and mileage	45,613	32,228	401	71,660	2,033	3,829	155,764
Insurance	129,821	53,835	8,588	21,192	20,507	21,359	255,302
Interest and bank fees	-	1,247	-	9,179	335,381	2,003	347,810
Trainings and meetings	67,236	10,058	1,828	180,694	26,126	8,187	294,129
Repairs and maintenance	14,142	148,735	918	12,974	2,164	2,255	181,188
Bad debt	-	1,219	-	-	17,428	8,479	27,126
Total functional expenses before depreciation and amortization	6,887,328	3,127,473	1,469,556	2,960,886	3,908,993	1,101,406	19,455,642
Depreciation and amortization	183,958	312,708	8,260	20,383	19,724	20,862	565,895
Finance lease asset amortization	-	18,785	-	-	-	-	18,785
Total functional expenses	**$ 7,071,286**	**$ 3,458,966**	**$ 1,477,816**	**$ 2,981,269**	**$ 3,928,717**	**$ 1,122,268**	**$ 20,040,322**

Subsidiary Statement of Functional Expenses
KUVO, LLC

Year Ended June 30, 2023

	Program Services			Support Services			
	Programming and Production	Broadcasting	Public Information	Management and General	Fundraising and Development	Underwriting	Total
KUVO, LLC							
Personnel and payroll taxes	$ 1,626,737	$ 106,158	$ 3,384	$ 214,110	$ 24,316	$ -	$ 1,974,705
Program acquisitions	75,950	-	-	-	-	-	75,950
Professional services	236,994	6,782	20,930	181,119	63,408	-	509,233
Mailing and shipping	744	-	-	-	58,385	-	59,129
Printing and duplication	10,359	-	3,772	-	-	-	14,131
Building, distribution, and software	61,786	71,911	410	195,922	860	-	330,889
Building rent	247,630	16,160	765	48,898	3,701	-	317,154
Subscriptions, dues, and licenses	37,420	8,742	452	25,040	20,462	-	92,116
Premiums, advertising, and promotions	45,401	-	18,216	839	36,098	-	100,554
Supplies and videotapes	5,021	11,827	357	1,719	-	-	18,924
Travel, parking, and mileage	3,280	17	11,081	14,602	193	102	29,275
Insurance	117,877	5,685	181	12,297	1,302	-	137,342
Interest and bank fees	-	-	-	677	55,825	1,110	57,612
Trainings and meetings	18,588	152	6,120	11,742	57,330	190	94,122
Repairs and maintenance	9,319	28,916	19	10,969	137	-	49,360
Special events costs netted against special event revenue	-	-	-	-	99,292	-	99,292
Other	-	-	-	-	-	10,334	10,334
Total functional expenses before depreciation and amortization	2,497,106	256,350	65,687	717,934	421,309	11,736	3,970,122
Depreciation and amortization	115,320	10,644	174	22,995	1,252	-	150,385
Total functional expenses	**$ 2,612,426**	**$ 266,994**	**$ 65,861**	**$ 740,929**	**$ 422,561**	**$ 11,736**	**$ 4,120,507**