Financial Statements
June 30, 2023

Public Broadcasting of Colorado, Inc. dba Colorado Public Radio

(with comparative totals for 2022)

EideBailly®

Independent Auditor's Report

To the Board of Directors
Public Broadcasting of Colorado, Inc.
dba Colorado Public Radio
Centennial, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Public Broadcasting of Colorado, Inc. dba Colorado Public Radio, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Colorado Public Radio as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of Colorado Public Radio and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 12 to the financial statements, Colorado Public Radio has adopted the provisions of FASB Accounting Standards Codification Topic 842, Leases, as of July 1, 2022 using the modified retrospective approach with an adjustment at the beginning of the adoption period. Our opinion is not modified with respect to this matter.

Restatement

As discussed in Note 16 to the financial statements, the 2022 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited the 2022 financial statements of Colorado Public Radio, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects with the exception of the correction of an error identified in the preceding paragraph, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities of the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Colorado Public Radio's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Colorado Public Radio's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Eide Bailly LLP

Denver, Colorado
January 12, 2024

	2023	(Restated) 2022
Assets		
Cash and cash equivalents	$ 1,586,042	$ 2,117,567
Operating investments	13,395,395	12,030,405
Underwriting and other receivables, net	1,092,503	1,027,006
Member pledge receivables	-	62,250
Promises to give, net	5,448,912	452,324
Prepaid expenses and other assets	359,463	433,282
Board-designated investments	6,890,810	5,419,560
Property and equipment, net	9,131,162	10,230,554
Operating lease right of use assets	4,448,553	-
Broadcast licenses	19,475,804	19,475,804
Investment in joint venture	52,075	62,552
Total assets	$ 61,880,719	$ 51,311,304
Liabilities and Net Assets		
Accounts payable and accrued liabilities	$ 1,794,592	$ 1,876,548
Deferred revenue	196,664	282,686
Line of credit	800,000	300,000
Operating lease liability	4,716,624	-
Bonds payable, net of unamortized debt issuance costs	12,329,997	13,191,410
Total liabilities	19,837,877	15,650,644
Net Assets		
Without donor restrictions		
Undesignated	7,785,597	12,326,851
Board designated	6,890,810	5,419,560
Invested in property, equipment and broadcast licenses, net of related debt	16,008,898	16,514,948
Total without donor restrictions	30,685,305	34,261,359
With donor restrictions	11,357,537	1,399,301
Total net assets	42,042,842	35,660,660
Total liabilities and net assets	$ 61,880,719	$ 51,311,304

	2023			
	Without Donor Restrictions	With Donor Restrictions	Total	(Restated) 2022
Revenue, Support and Gains				
Individual support	$ 13,236,445	$ 553,326	$ 13,789,771	$ 14,248,230
Underwriting of programs	6,138,885	-	6,138,885	6,482,688
Vehicle donation support	2,305,079	-	2,305,079	2,817,791
Corporation for Public Broadcasting	1,293,247	-	1,293,247	1,211,329
Capital campaign	-	10,000,000	10,000,000	-
PPP loan forgiveness	-	-	-	2,000,000
Grant revenue	969,018	-	969,018	810,894
Planned giving support	1,195,638	-	1,195,638	1,577,273
Net investment return (loss)	1,151,285	-	1,151,285	(2,511,728)
In-kind donations	233,314	-	233,314	150,488
Other income	81,117	-	81,117	233,435
Net assets released from restrictions	595,090	(595,090)	-	-
Total revenue, support and gains	27,199,118	9,958,236	37,157,354	27,020,400
Expenses				
Program services expense				
Programming and production	17,064,037	-	17,064,037	15,218,178
Broadcasting	3,087,314	-	3,087,314	2,919,000
Total program services expense, before depreciation	20,151,351	-	20,151,351	18,137,178
Supporting services expense				
Management and general	2,306,510	-	2,306,510	2,109,590
Underwriting and grant solicitation	3,134,668	-	3,134,668	2,728,046
Fundraising	3,912,018	-	3,912,018	3,369,107
Total supporting services expense, before depreciation	9,353,196	-	9,353,196	8,206,743
Total expenses, before depreciation	29,504,547	-	29,504,547	26,343,921
Change in Net Assets Before Depreciation	(2,305,429)	9,958,236	7,652,807	676,479
Depreciation	1,270,625	-	1,270,625	1,314,403
Change in Net Assets	(3,576,054)	9,958,236	6,382,182	(637,924)
Net Assets, Beginning of Year	34,261,359	1,399,301	35,660,660	36,298,584
Net Assets, End of Year	$ 30,685,305	$ 11,357,537	$ 42,042,842	$ 35,660,660

	2023								
	Program Services			Supporting Services					
	Programming and Production	Broadcasting	Total Program Services	Management and General	Underwriting and Grant Solicitation	Fundraising	Total Supporting Services	Total Expenses	2022 Total Expenses
Salaries, taxes and benefits	$12,664,633	$ 1,527,033	$14,191,666	$ 1,595,196	$ 1,924,801	$ 2,428,273	$ 5,948,270	$20,139,936	$17,475,769
Program materials	2,096,115	19,800	2,115,915	-	-	-	-	2,115,915	2,055,893
Occupancy costs	533,592	924,017	1,457,609	42,758	40,330	40,596	123,684	1,581,293	1,184,783
Professional services	338,593	10,967	349,560	344,789	15,894	469,060	829,743	1,179,303	862,778
Agency commissions	-	-	-	-	855,220	-	855,220	855,220	941,157
Computer expense	370,625	252,088	622,713	11,880	14,433	52	26,365	649,078	632,818
Interest expense	49,960	2,833	52,793	3,688	121,449	182,174	307,311	360,104	317,059
Travel and training	192,768	19,897	212,665	83,979	13,500	31,226	128,705	341,370	225,126
Bank fees	8,525	694	9,219	34,101	931	296,877	331,909	341,128	291,775
Postage and printing	16,100	3,363	19,463	2,549	5,660	297,356	305,565	325,028	581,270
Telecommunications	179,759	75,797	255,556	17,118	25,207	24,418	66,743	322,299	280,360
Repairs and maintenance	25,284	193,495	218,779	834	43,479	487	44,800	263,579	395,126
In-kind expense	115,377	4,504	119,881	67,634	41,565	4,235	113,434	233,315	150,487
Insurance	135,343	10,482	145,825	13,648	13,428	20,142	47,218	193,043	55,856
Dues and subscriptions	104,494	5,876	110,370	24,753	13,652	12,920	51,325	161,695	226,420
Supplies	50,934	33,162	84,096	25,546	2,047	2,952	30,545	114,641	180,586
Donor recognition	29,441	-	29,441	28,190	-	54,300	82,490	111,931	95,147
Audience research	111,465	-	111,465	-	-	-	-	111,465	109,575
Marketing	50,889	295	51,184	98	589	47,747	48,434	99,618	134,704
Miscellaneous	(9,860)	3,011	(6,849)	9,749	2,483	(797)	11,435	4,586	80,792
Transmission expense	-	-	-	-	-	-	-	-	66,440
Total expenses before depreciation	17,064,037	3,087,314	20,151,351	2,306,510	3,134,668	3,912,018	9,353,196	29,504,547	26,343,921
Depreciation	683,777	496,331	1,180,108	48,553	41,964	-	90,517	1,270,625	1,314,403
Total expenses by function	$17,747,814	$ 3,583,645	$21,331,459	$ 2,355,063	$ 3,176,632	$ 3,912,018	$ 9,443,713	$30,775,172	$27,658,324

	2023	2022
Operating Activities		
Cash received from grants and public support	$ 18,239,146	$ 19,555,070
Cash received from underwriting of programs	6,073,388	6,483,504
Cash received from Corporation for Public Broadcasting	1,293,247	1,211,329
Other cash receipts	616,841	921,696
Cash paid for salaries, benefits and taxes	(20,212,459)	(17,379,273)
Cash paid to vendors	(8,429,303)	(8,569,344)
Cash paid for interest	(360,104)	(157,496)
Net Cash from (used for) Operating Activities	(2,779,244)	2,065,486
Investing Activities		
Purchases of investments	(12,234,787)	(12,785,925)
Proceeds from sales of investments	10,024,585	12,971,628
Purchases of property and equipment	(171,233)	(882,020)
Proceeds from sale of property and equipment	-	38,599
Net Cash from (used for) Investing Activities	(2,381,435)	(657,718)
Financing Activities		
Contributions received for capital campaign	5,000,000	-
Borrowings under line of credit	500,000	300,000
Principal payments on bonds payable	(870,846)	(851,234)
Net Cash from (used for) Financing Activities	4,629,154	(551,234)
Net Change in Cash and Cash Equivalents	(531,525)	856,534
Cash and Cash Equivalents, Beginning of Year	2,117,567	1,261,033
Cash and Cash Equivalents, End of Year	$ 1,586,042	$ 2,117,567

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Public Broadcasting of Colorado, Inc. dba Colorado Public Radio (CPR, we, us, our) is a nonprofit corporation. Our mission is to deliver meaningful news, music and cultural experiences to everyone in Colorado using the power of the human voice in all its forms. CPR programming is heard across the state on a series of stations and translators, and all programming is streamed over the internet. In excess of 90% of our funding comes from members, sponsors and grants from our communities.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Cash and Cash Equivalents

All cash and highly liquid instruments with original maturities of three months or less are considered to be cash and cash equivalents. Cash equivalents held in our investment portfolio is excluded from the definition.

Receivables and Credit Policies

Underwriting and other receivables consist primarily of noninterest-bearing amounts due for underwriting of our programs and from the sale of donated vehicles. We determine the allowance for uncollectable underwriting and other receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. The allowance for uncollectable underwriting and other receivables was $17,000 at June 30, 2023.

The beginning and ending balances for underwriting and other receivables, net for the years ended June 30, 2023 and 2022 are $1,092,503 and $1,027,006, respectively.

Promises to give

CPR records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. No allowance for uncollectable promises to give is deemed necessary at June 30, 2023.

Equity Investment in Joint Venture

We own one-third of the voting rights of Sunlight Peak, LLC, a Colorado limited liability company (Note 7). Since we do not have a controlling interest in the limited liability entity, and the entity does not have a readily determinable fair value, accounting standards allow us to report such investment using the equity method of accounting.

Property and Equipment

Property and equipment additions over $5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Right of Use Leased Assets

Right of use leased assets are recognized at the lease commencement date and represent CPR’s right to use an underlying asset for the lease term. Right of use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right of use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 28 years.

Impairment of Long-Lived Assets

CPR considers whether indicators of impairment are present and performs the necessary analysis to determine if the carrying values of assets are appropriate. No impairment was identified for the year ended June 30, 2023.

Broadcast Licenses

We have acquired broadcast licenses from other entities with approval from the Federal Communications Commission (FCC). Costs directly associated with the acquisition of the broadcast licenses are capitalized. As the licenses are considered to have an indefinite useful life due to expected future cash flows, the cost of licenses is not amortized. We evaluate the capitalized cost of the total portfolio for impairment rather than evaluate each individual license as we believe the geographic saturation coverage experienced as a portfolio enhances the value of all licenses.

An impairment loss would be recorded in the statement of activities should the carrying value of the total broadcast license portfolio exceeds the estimated fair value of such portfolio. There were no indicators of broadcast license impairment during the year ended June 30, 2023.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of restrictions imposed by donors or grantors. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for Opportunity and Fellowship funds (Note 10).

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

We report conditional and unconditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Underwriting support of programs is recognized over time as the performance obligation is satisfied, which is measured as the applicable broadcasts occur. Underwriting support received in advance of broadcast is reported as deferred revenue.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and right of return, are not recognized until the conditions on which they depend have been substantially met. Grants are conditioned upon certain performance requirements and incurrence of allowable qualifying expenses.

Vehicle donations are managed by a third-party nonprofit contractor, with contribution revenue recorded as the vehicles are sold. Any amount due from the contractor but not yet received as of year-end is included in underwriting and other receivables in the statement of financial position.

Donated Services and In-kind Contributions

Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the effective interest method. Debt issuance costs are included within bonds payable in the statement of financial position. Amortization of debt issuance costs is included in interest expense in the accompanying financial statements.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and supplies, which are based on an allocation of full time equivalents between departments and programs. Salaries, taxes and benefits have been allocated based on estimates of time and effort.

Income Taxes

Public Broadcasting of Colorado, Inc. dba Colorado Public Radio is organized as a Colorado nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, we are subject to income tax on net income that is derived from business activities that are unrelated to our exempt purposes. We have filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report unrelated business taxable income. These tax filings are no longer subject to examination for years before 2020.

We believe that we have appropriate support for any tax positions taken affecting our annual filing requirements, and as such, do not have any uncertain tax positions that are material to the financial statements. We would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash and money market accounts with financial institutions that we believe to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. CPR maintains cash in the bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per deposit, per insured bank, for each account ownership category. At June 30, 2023, CPR had approximately $1,120,000 in excess of FDIC-insured limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with receivables and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from corporations, foundations and individuals supportive of our mission. Investments are made by investment managers whose performance is monitored by us and the Finance and Audit Committee. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we and the Committee believe that the investment policies and guidelines are prudent for our long-term welfare.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, are comprised of the following:

Cash and cash equivalents	$ 1,586,042
Operating investments	7,347,858
Underwriting and other receivables, net	1,092,503
Promises to give, net	138,912
Board-designated investments	1,500,000
	$ 11,665,315

Promises to give, net without donor or other restrictions are expected to be received within one year of the date of the statement of financial position. We operate on a balanced budget, and regularly monitor liquidity to meet our operating needs and other contractual commitments while also striving to maximize the investment of our available funds. The Board has designated, from net assets without donor restrictions, net assets for an Opportunity and a Fellowship fund. These amounts could be made available if necessary. We maintain a $1,000,000 line of credit that is available to support liquidity needs (Note 8).

Note 3 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset.

A significant portion of our investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below:

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Money market funds (at cost)	$ 116,838	$ -	$ -	$ -
Equity mutual funds	7,162,475	7,162,475	-	-
Debt mutual funds	13,006,892	13,006,892	-	-
	$ 20,286,205	$ 20,169,367	$ -	$ -
Allocation of pooled investment portfolio				
Operating investments	$ 13,395,395			
Board-designated investments	6,890,810			
	$ 20,286,205			

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30, 2023:

Within one year	$ 5,160,000
In one to five years	310,000
	5,470,000
Less discount to net present value at rate of 5%	(21,088)
	$ 5,448,912

We did not record an allowance for doubtful accounts as all balances are expected to be collected. At June 30, 2023, one donor accounted for over 90% of outstanding promises to give.

Note 5 - Property and Equipment

Property and equipment consists of the following at June 30, 2023:

Land	$ 1,625,973
Building and improvements	9,466,738
Broadcast equipment	7,772,148
Furniture, fixtures and office equipment	4,259,830
Construction in progress (not depreciated)	8,450
	23,133,139
Less accumulated depreciation	(14,001,977)
	$ 9,131,162

Note 6 - Broadcast Licenses

The asset carrying value of broadcast licenses as of June 30, 2023 totaled $19,475,804 and represents the book value of licenses purchased. Many of our broadcast licenses were assigned directly by the FCC rather than purchased and therefore carry no book value. As described in Note 1, we evaluate our broadcast license portfolio on the overall portfolio and not as individual licenses as we believe the geographic saturation provided by the portfolio as a whole enhances the value of all licenses.

Note 7 - Investment in Joint Venture

We are a member of a limited liability company, Sunlight Peak, LLC, whose purpose is to develop and operate on behalf of the Members, a broadcast transmission facility on Sunlight Peak. Each Member has a one-third voting interest in the facility. As of June 30, 2023, our recorded value of this investment was $52,075.

The following summarized financial information for Sunlight Peak, LLC, as of and for the year ended June 30, 2023:

	(100% of entity) (unaudited)
Total assets	$ 32,483
Total liabilities	362
Net assets	$ 32,121
Change in net assets	$ (31,433)

Our share of the deficit generated by the joint venture of $10,477 for the year ended June 30, 2023 has been included in the other income on the statement of activities.

Note 8 - Line of Credit

We have a $1,000,000 line of credit with a bank maturing in March 2024. Borrowings under the line accrue interest at the bank's prime rate (8.25% as of June 30, 2023). The agreement requires us to comply with certain non-financial covenants and is secured by the right of setoff against our accounts held at the bank. There was $800,000 outstanding on the line of credit as of June 30, 2023.

Note 9 - Bonds Payable

On October 8, 2020, the Colorado Educational and Cultural Facilities Authority (the Authority) issued $14,800,000 of Series 2020 Public Radio Revenue Bond (the 2020 Bond). The Authority then loaned the proceeds of the 2020 Bond to us to refund the 2012 and 2015 Bonds, to finance the remodel of a building owned in Colorado Springs and to pay issuance costs. The 2020 Bond is a special limited obligation of the Authority and is payable solely out of the amounts received by the Authority from us pursuant to the terms and provisions of the indenture and agreement. The 2020 Bond is a 15-year serial bond scheduled to mature on October 1, 2035, with an initial rate of 2.28%, to be reset on October 8, 2027. Payment of principal and interest on the 2020 Bond is due monthly. On the reset date, the 2020 Bond is subject to mandatory prepayment of all outstanding principal and accrued interest unless the bond holder notifies the Authority that this provision has been waived no later than 60 days prior to the reset date. The 2020 Bond is secured by two buildings and three broadcast licenses. We are required to comply with certain financial and non-financial covenants pursuant to the terms of the agreement, including a fixed charge coverage ratio, measured semiannually on June 30 and December 31. We were out of compliance with the fixed charge ratio at June 30, 2023 and December 31, 2023 and obtained a waiver of noncompliance from the lender.

Future maturities of bonds payable are as follows:

Years Ending June 30,	
2024	$ 890,910
2025	911,437
2026	932,436
2027	953,919
2028	996,488
Thereafter	7,760,360
	12,445,550
Less unamortized debt issuance costs	(115,553)
	$ 12,329,997

Note 10 - Board-Designated Net Assets

The Board has established a policy that all gifts received through an estate or bequest (unless otherwise restricted by the donor) will be designated as an Opportunity Fund for projects that have the potential to generate new revenue, and towards overall achievement of our mission.

The Board also designated certain net assets without donor restrictions as a Fellowship Fund; earmarked for use of the Fellowship program.

Changes in Board-designated funds during the year ended June 30, 2023 are as follows:

	Opportunity Fund	Fellowship Fund	Total
Board designated assets, beginning of year	$ 4,919,560	$ 500,000	$ 5,419,560
Additions	1,621,250	-	1,621,250
Withdrawals	(150,000)	-	(150,000)
Board designated assets, end of year	$ 6,390,810	$ 500,000	$ 6,890,810

Note 11 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2023:

Subject to Expenditure for Specified Purposes:	
Capital Campaign	$ 10,025,000
Phillips Family Foundation - rural reporting	459,284
Max Wycisk Fellowship fund	460,582
PB and K Family Foundation - climate solutions	157,029
The Colorado Trust - social justice and editorial support	126,165
Public Welfare	112,288
Clinton Family Foundation classical fellowship	17,189
	$ 11,357,537

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes for the year ended June 30, 2023:

Satisfaction of purpose restrictions	
Littlefield climate solutions	$ 197,265
The Colorado Trust - social justice and editorial support	141,722
PB and K Family Foundation - climate solutions	100,000
Public Welfare	87,712
Phillips Family Foundation - rural reporting	68,391
	$ 595,090

Note 12 - Leases

Effective July 1, 2022, CPR adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases* (Topic 842). CPR elected to apply the guidance as of July 1, 2022, the beginning of the adoption period. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the statement of activities and changes in net assets as a single lease cost and finance lease costs are recognized in two components, interest expense and amortization expense. CPR elected the package of practical expedients permitted in ASC Topic 842. Accordingly, CPR accounted for its existing leases as either finance or operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement.

As a result of the adoption of the new lease accounting guidance, CPR recognized on July 1, 2022, the beginning of the adoption period, an operating lease liability of $4,804,772 and an operating right of use asset of $4,552,593. The adoption of the new standard did not materially impact the statement of activities or the statement of cash flows.

CPR leases office facilities and equipment for various terms under long-term, non-cancelable operating lease agreements. The leases expire at various dates through 2045. CPR included in the determination of the right of use asset and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments based on what is defined within the lease agreement.

The weighted average discount rate is based on the discount rate implicit in the lease, or if the implicit rate is not readily determinable from the lease, then CPR estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using CPR's applicable borrowing rates and the contractual lease term. CPR has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

Additionally, the office space operating lease agreement requires CPR to cover common area maintenance expenses for various operation, maintenance, and repair of the office space. CPR is not including non-lease components in the calculation of the right-of-use asset and related lease liability.

Lease costs were $950,806 for the year ended June 30, 2023. The operating cash flows used for operating leases were $800,043 for the year ended June 30, 2023.

As of June 30, 2023, the weighted-average remaining lease term was 8.95 years and the weighted-average discount rate was 3.01%.

Future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of June 30, 2023:

Years Ending June 30,	
2024	$ 929,615
2025	818,359
2026	670,992
2027	441,310
2028	397,408
Thereafter	1,938,802
Total lease payments	5,196,486
Less interest	(479,862)
	$ 4,716,624

Note 13 - Employee Benefits

We sponsor a tax-deferred annuity plan (the Plan) qualified under Section 403(b) of the Internal Revenue Code covering substantially all full-time employees. Eligible employees may contribute a portion of their gross salaries to the 403(b) Plan up to the maximum amount established by the IRS. Employer contributions are calculated at 100% of the employee's contribution up to a maximum of 5% of the employee's annual compensation. During the year ended June 30, 2023 we made contributions to the Plan totaling $716,787.

Note 14 - Related Party Transactions

During the year ended June 30, 2023, we received contributions from members of the Board of Directors totaling $10,061,237. At June 30, 2023, $5,000,000 of the contributions received from members of the Board of Directors represent a promise to give included on the statement of financial position.

Note 15 - Collaborative Arrangement

Beginning in February 2020, we entered into a public service operating agreement (PSOA) with Colorado College (CC) for the operation of several frequencies and related translators (KRCC). We assumed responsibility for the operations, while CC remained the licensee. We agreed to reimburse CC ordinary and necessary operating expenses including license fees. The PSOA is effective through January 2030 and automatically extends for a further 10 years, unless either party gives written notice at least 6 months prior to the end of the then-current term. During the year ended June 30, 2023, we recognized approximately $2,060,000 in revenue and $1,982,000 in expenses from operations related to this agreement. As of June 30, 2023, total assets related to KRCC were approximately $2,020,000 and liabilities were approximately $580,000.

Note 16 - Restatement

During the year ended June 30, 2023, a material error affecting member pledge receivables was identified affecting the previously issued financial statements. CPR restated its previously issued financial statements to appropriately reflect the June 30, 2022 member pledge receivables, individual support and net assets without donor restrictions for the year ended June 30, 2022.

The following is a summary of the effects of the restatement in CPR's June 30, 2022 statement of financial position:

	As Previously Reported	Restatement	As Restated
As of June 30, 2022			
Member pledge receivables	$ 3,497,878	(3,435,628)	$ 62,250
Total assets	54,746,932	(3,435,628)	51,311,304
Net assets without donor restrictions - undesignated	15,762,479	(3,435,628)	12,326,851
Total without donor restrictions	37,696,987	(3,435,628)	34,261,359
Total net assets	39,096,288	(3,435,628)	35,660,660
Total liabilities and net assets	54,746,932	(3,435,628)	51,311,304

The following is a summary of the effects of the restatement in CPR's June 30, 2022 statement of activities:

	As Previously Reported	Restatement	As Restated
Year Ended June 30, 2022			
Individual support - without donor restrictions	$ 15,130,909	(882,679)	$ 14,248,230
Total revenue, support, and gains	27,903,079	(882,679)	27,020,400
Change in net assets before depreciation	1,559,158	(882,679)	676,479
Change in net assets	244,755	(882,679)	(637,924)
Net assets, beginning of year	38,851,533	(2,552,949)	36,298,584
Net assets, end of year	39,096,288	(3,435,628)	35,660,660

Note 17 - Subsequent Events

On July 20, 2023, CPR entered into a purchase and sale agreement, and closed on August 30, 2023, for the purchase of property to be developed into new headquarters. The property will serve as a new home for CPR, while providing accessible pathways to high-quality, reliable news and fostering participation in important community conversations.

Subsequent events have been evaluated through January 12, 2024, the date the financial statements were available to be issued.